

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

1960-61 AND THE AUDIT REPORTS

THEREON



# REPORT OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS ON THE APPROPRIATION, COMMERCIAL AND FINANCE ACCOUNTS OF THE GOVERNMENT OF WEST PAKISTAN FOR THE YEAR 1960-61 AND THE AUDIT REPORTS THEREON.

**I. Constitution of the Committee**—After the General Election held in May, 1965, the present Provincial Assembly of West Pakistan came into being on 9th June, 1965. The Assembly elected on 30th June, 1965, the following Members to form its Standing Committee on Public Accounts :—

- (1) Mr. Zain Noorani, M. P. A.
- (2) Chaudhri Muhammad Sarwar Khan, M.P.A.
- (3) Chaudhri Muhammad Nawaz, M.P.A.
- (4) Qazi Muhammad Azam Abbasi, M.P.A.
- (5) Rai Mansab Ali Khan Kharal, M.P.A.
- (6) Mr. Mahmood Azam Farooqi, M.P.A.
- (7) Syed Yusuf Ali Shah, M.P.A.

The Speaker nominated Mr. Zain Noorani, M. P. A. to be the Chairman of the Committee. Syed Yusuf Ali Shah and Mr. Mahmood Azam Farooqi resigned their memberships of the Committee on 20th June, 1966 and 27th May, 1967 respectively and in their places, Mr. Malang Khan, M.P.A. and Rais Haji Darya Khan Jalbani, M.P.A. were elected as members of the Committee on 28th June, 1966 and 7th June, 1967 respectively.

**II. Presentation of accounts to the Assembly**—After the coming into force of the Constitution of the Islamic Republic of Pakistan of 1962, the Appropriation, Commercial and Finance Accounts of the Government of West Pakistan starting from the year 1957-58 onward and the reports of the Comptroller and Auditor-General thereon were laid before the Provincial Assembly and referred to Standing Committee on Public Accounts. The outgoing Public Accounts Committee examined the Accounts for the year 1957-58 and 1958-59 and submitted its report to the Assembly on 9th December, 1964 and 29th May, 1965.

The present Standing Committee on Public Accounts started with the examination of the Accounts for the year 1959-60 and submitted its first report on the accounts of the said year on the 12th December, 1966. The Committee then took up examination of the Appropriation/Commercial Accounts for the year 1960-61 which had been laid before the Assembly on 21st December, 1964 and 30th June, 1965, respectively.

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

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

(i) that the moneys shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose to which they have been applied or charged ;

(ii) that 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 28 meetings held on 27th November, 1965, 23rd, 24th, 25th, 26th, 27th, 28th, 30th, 31st January, 1967, 1st, 2nd, 3rd, February, 1967, 14th, 15th, 18th, 19th, 20th, 22nd April, 1967, 4th, 6th May, 1967, 4th, 5th, 7th, 8th, 9th, 12th, 13th and 14th September, 1967.

(3) At its meeting held on 27th November, 1965, the Committee conducted the preliminary examination of the Accounts and the Audit Reports thereon. The Committee called from the Administrative Departments explanatory notes in respect of the matters which required elucidation.

(4) The Committee then devoted itself to the examination of the Administrative Secretaries and Heads of attached Departments or their representatives on the said matter.

**IV. Aggregate grants and Appropriations and Aggregate disbursements—**(1) The West Pakistan Appropriation Ordinance, 1960, authorising payment and appropriation from and out of the Provincial Consolidated Fund for the Financial year 1960-61 was promulgated on 30th June, 1960.

(2) The West Pakistan Supplementary Appropriation Ordinance, 1961, authorising further payments and appropriation out of the Provincial Consolidated Fund for the period of twelve months ending on the 30th June, 1961, was promulgated on 27th June, 1961.

(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 Ordinance, 1960.	71,46,60,900	1,87,51,25,400	2,58,97,86,300
2	The West Pakistan Supplementary Appropriation Ordinance, 1961.	30,19,13,970	2,36,38,800	32,55,52,770
3	Net aggregate grants or Appropriations.	1,01,65,74,870	1,89,87,64,200	2,91,53,39,070
4	Surrenders or withdrawals within grants or Appropriations.	13,620	10,66,17,290	10,66,30,910
5	Net modified Grants or Appropriations.	1,01,65,61,250	1,79,21,46,910	2,80,87,08,160
6	Aggregate Disbursements ..	1,03,72,29,512	1,94,24,21,848	2,97,96,51,360
7	Less (—) or more (+) than 3 above	+2,06,64,642	+4,35,57,648	+6,43,12,290
8	Percentage of 7 to 3 ..	+2.03	+2.30	+2.21
9	Less (—) or more (+) than 5 above	+2,06,68,262	+18,02,74,938	+17,09,43,200
10	Percentage of 9 to 5 ..	+2.03	+8.39	+6.09

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

- (i) inaccurate budgetting necessitating surrenders and savings;
- (ii) excesses in expenditure over the budget provision ;
- (iii) unnecessary supplementary grants; and
- (iv) major irregularities such as defalcations, embezzlements, mis-appropriations, etc,

(2) (i) 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, considered it desirable to incorporate some of the important items under each of these heads in this report to spot-light attention of the legislature and Government for necessary action.



(ii) The Committee noted that there were differences in the explanation, the departments wanted to submit in the meeting and those submitted in the working papers. What obviously happens is that the departments do not scrutinise the explanations submitted by the Field Officers and these get reproduced in the Working Papers submitted to the Committee. This causes a lot of embarrassment to the department when it appears before the Committee. This can easily be avoided if some one in the Administrative Department scrutinises the explanations of the Field Officers. The Committee recommends that the Finance Department should draw the attention of all the Administrative Departments towards this matter.

(iii) In some cases the Committee observed that some money had been spent on the preliminary survey of the projects which were subsequently abandoned under the orders of the Central or the Provincial Governments resulting in a considerable loss of money. The Audit Department objected to such expenditure. The Committee examined this aspect of the matter in detail and came to the conclusion that in all matters which are definitely determined by settled policies of the Government, the Public Accounts Committee should not conduct an enquiry. The Committee decided that as a rule, to be carefully followed, no expression of opinion should be given by the Committee on points of general policy of the Government.

(iv) In a large number of cases the departments did not accept the figures booked by the Audit Office. The Committee felt that the departments do not take any interest in the monthly reconciliation. If monthly reconciliation is done in time, the question of any difference in the figures maintained by the departments and the Audit would not arise. The Committee recommends that the Finance Department should impress upon the departments to carry out monthly reconciliation in time without fail and the delinquents should be punished.

#### **VI. Financial Review of Ghulam Muhammad Barrage—**

The Committee also considered the financial review of the Ghulam Muhammad Barrage contained in para 89(i) at pages 60 to 63 of the Appropriation Accounts. The Committee confined its attention to the following four points :—

- (i) Reasons for increase in the cost of the Project from Rs. 21 crores (estimated cost in 1946-47) to Rs. 45 crore 16 lakhs in 1963-64 (Fourth Revised Estimates)
- (ii) Whether the Project as a whole is productive or not judged by the standards laid down in the Financial Rules;
- (iii) Whether there has been any fall in revenue as compared with the figures assumed in the Fourth Financial Forecast, and if so, what are the reasons for that;

(iv) whether colonization operations have kept pace with the provision of irrigation facilities, and if not, what were the reasons for the same and what effects the disparity between the two has produced.

**A—Increase in Cost**—The Project was originally framed in 1946-47 by the former Sind Government and was sanctioned by that Government on 5th May, 1947, at an estimated cost of Rs. 21, 05,00,000. The Project in 1946-47 was prepared by Mr. Champekar.

In 1950-51, Mr. T.A.W. Foy, the then Chief Engineer and Secretary to Government, Public Works Department, revised the Project by making certain changes in the design of the main Barrage and in the lining of canals, and the estimated cost on which it was sanctioned on 20th October, 1951 by the former Sind Government rose to Rs. 24,00,00,000.

Still another revision took place in 1955-56 and this time the revision was made by Mr. Akbani, the Superintending Engineer on Special Duty. The estimated cost had risen to Rs. 35,02 lakhs and this was the cost on which the Project was approved by the Economic Committee of the Cabinet, Government of Pakistan, on 1st July, 1959.

In 1959-60 another revision became necessary, and this time the late Mr. Muhammad Akram, Additional Chief Engineer Irrigation estimated the cost of the Project to be Rs. 41,06 lakhs and this was approved by the National Economic Council on 2nd December, 1964. At the time of this revision, further changes were made in the design of certain irrigation works.

In 1963-64 still another revision was made by Mr. Parekh, and the National Economic Council approved the Project at a cost of Rs. 45,16 lakhs. By this time the cost of the Project had increased by 113 percent.

The Secretary, Irrigation and Power, giving a detailed history of the Project explained that the increase in cost was mainly due to two facts; firstly, changes in design, which became necessary with the change in requirements, and secondly, the increase in the cost of construction due to delay in execution.

As regards the change in design, he explained that in the original Project there was no provision of a lined channel. This was necessary for supplying water to the perennially irrigated areas on the left bank of the river. This lined channel became necessary if seepage was to be prevented and lands were to be saved from water-logging and salinity.

As regards the increase in the cost of construction he explained that the rates of labour increased from 1947 to 1964 by more than 100 percent and there has been an appreciation in the prices

of materials to the tune of about 75 percent. Thus approximately the average percentage of rise in cost due to these two factors would be about 100 percent. The remaining 13 per cent would have to be ascribed to the changes in design made from time to time. The reasons given by the Department for the delay in execution and, therefore, increase in cost was that they were not getting funds from the Finance Department according to their capacity to spend them. They had been asking for Rs. 2½ to 5 crores a year varying from year to year and what they actually got from the Finance Department was varying from about Rs. 2 to 4 crores. Therefore, the construction always lagged behind the schedule. In the meantime the costs of materials and labour was always going up and whatever funds the Department got in a year could suffice for the construction of a much smaller portion of work than would have been possible if more funds had been given to them in the previous year. At this stage a point was raised whether the Department had been spending the amount which was given to them by the Finance Department from year to year or whether they had been surrendering some amounts out of those given to them for this purpose. The Audit pointed out that in 1956-57 out of an original grant of Rs. 368 lakhs, there was a saving of Rs. 1,59,27,000. In 1957-58 there was a saving of Rs. 1,34,55,497 out of the total grant of Rs. 3,05,85,340. Again in 1958-59 a sum of Rs. 2,26,42,510 was surrendered out of an original grant of Rs. 3,05,24,180 and there was excess expenditure of Rs. 1,26,41,070; Net saving was Rs. 1,03,01,440. In 1959-60, there was a saving of Rs. 20,21,538 against the total grant of Rs. 2,42,83,270. In 1960-61 not only the whole of the grant was spent but there was actually an excess of Rs. 1,76,61,292. These figures pertained to the period when the Barrage was with the Irrigation Department of the Provincial Government. Since its transfer to the Agricultural Development Corporation the position had been much better and the Agricultural Development Corporation was able to spend the entire grant made for this Project from year to year and sometime had actually spent more than the grant itself. At this stage the Finance Department wanted their point of view to be recorded. They explained that they had to distribute funds which were available to them at a given time. In the execution of such a major capital project they had to get money from the Central Government and in certain cases from foreign agencies like the World Bank, etc., and could only give to various Departments the amounts, which according to pre-determined priority they could spare for such a purpose. The Finance Department also stressed that they were committed to provide funds according to the cost at which a project stood sanctioned and if the cost of the project went on rising at each revision, they had to look to the state of the provincial finances and provide money according to availability.

Here a very interesting question arose. When a project, which could be executed in a number of years, is submitted to the Government for sanction, the Government has to take into consideration its anticipated ways and means position during those years and would sanction the project taking into consideration the availability of funds during those years. When the Government sanctions a project it in fact commits the tax-payer to the expenditure to be incurred on that project. If for some reasons the cost of the project goes on increasing the Government has no option but to continue with the project whatever the reasons may be. In the opinion of the Committee, therefore, it was rather unfair to the tax-payer that he should be committed to a project which at the time of its inception was expected to cost X crores of rupees and by the time the project was completed he had to bear not only X crores but  $X+Y+Z$  crores. The Secretary, Irrigation explained that when a revision of a project is made, some provision is made for increase in cost due to lapse of time. That generally is about five percent per year but if that increase in cost outstrips even that provision, the matter becomes rather alarming. The Committee desired that the Finance Department should address themselves about this matter in right earnest as developmental activity is proceeding apace and in almost every case the tax-payer is told that a project would be executed at a certain cost and ultimately what he is to bear is much more than that during execution. The Committee observed that the trend of prices is always upwards and some way should be devised to furnish to the public as accurate a period of execution for a project as possible and a fairly reasonable estimate of the cost at which the project is likely to be finished. In the opinion of the Committee wide disparity between the original estimates of the project and the actual expenditure on a project was something which should be avoided.

Another important point that arose at this stage was whether the cost of the Project should be taken to be Rs. 45 crores or whether the cost of the drainage part of the Project should also be added. The drainage part of the scheme has been sanctioned separately at a cost of Rs. 15 crores, although the agency for the execution of both is the same and the works on both main Project and the drainage part are proceeded simultaneously in the same areas. The Audit's contention was that the drainage part was an inseparable part of the main Project itself and without the drainage scheme being executed the productivity of the whole Project and its revenue earning capacity would be affected. Therefore, according to the Audit, the drainage part must be considered as an essential part of the main project itself, as under the broad principles of classification, all works necessary for the full development of a Project which increase the revenue earning capacity of that Project, are to be considered part and parcel of that Project. If the cost

of the drainage part was added to the estimate of the main Project, the whole Project, according to the figures at present available, was likely to finish at Rs. 60 crores. The Audit were further of the opinion that the Project was not going to cost anything less than Rs. 65 crores because of the rising cost of construction and because of certain incorrect credits given in the estimate itself. The interest charges would thus rise appreciably and would further affect the productivity or otherwise of the Project. This aspect of the matter, in the opinion of the Committee, was one which should be very carefully examined by the Finance Department, and necessary instructions given to the Department. This was very important not only for this project but also for further irrigation projects, if any. If an irrigation project is likely to lead to water-logging and salinity and drainage is a necessary part, drainage should be provided with the construction of the canals, etc. right in the start. In the opinion of the Committee, the project should be so framed as to include the drainage part as well and only then the correct picture of the project as to its cost, could be determined.

Subject to these observations the Committee felt satisfied that the rise in expenditure was unavoidable.

**B.—Productivity**—The rules for classifying a project as productive or unproductive are contained in Appendix 2 to the Central Public Works Accounts Code. The relevant rule lays down that to admit an irrigation project as productive, there must be good reasons to believe that until ten years after the closure of its construction, its estimates should be classified as productive if the net revenue anticipated from it appears likely to repay on the expiry of that period the annual interest charges on the capital investment and arrears of simple interest. If, however, at any time during the period of construction or within ten years of the date of its closure it becomes apparent that the work originally classified as productive will not actually be remunerative according to the prescribed criterion, the classification should be changed from productive to unproductive and *vice versa*. In the case of this project the original project framed by Mr. Champekar in 1946-47 estimated to cost Rs. 21 crores was classified as unproductive. In 1950-51 Mr. Foy's project expected to cost 24 crores of rupees was classified as productive and since then at every revision the project had been classified as productive. The only increase in the command area of the project that has taken place from 1946-47 to 1963-64 is about one lakh acres. At present the estimated cost of the project is Rs. 45 crores and the date of completion is 1968. According to the Audit, under ideal conditions by 1979-80 the project should yield a maximum revenue of Rs. 1,99,89,706 per year. The collection charges for this revenue and working expenses in 1979-80 would amount to Rs. 1,14,98,400. After deducting these charges the net revenue would amount to



Rs. 84,91,360, which includes pre-barrage revenue of Rs. 31,43,000, leaving a net balance of Rs. 53,48,360. Against this revenue, the interest charges on capital investment (at the rate of 5.25 per cent) would amount to Rs. 2,36,25,000 per annum. Thus there would be a deficit of Rs. 1,82,76,640 per annum.

The Department, however, contended that in working out these figures the Audit had assumed that the area to be excluded from the command of this project in accordance with the advice contained in the Huntings Report would be 5,82,300 acres. According to the Department this area would be no more than 1,25,000 acres as decided by them on a re-thinking of the whole matter. If the figures of the Department were accepted and there was no reason why they should not be, the net revenue in 1979-80 would be Rs. 67,52,232-00. Apart from that the Department also explained that the figures of revenue from lease money had also not been included by Audit while working out the net revenue. According to the Department a revenue of Rs. 7,57,000 per year was likely to accrue from the lands which they would be leasing out on a short term basis. But that would be only a drop in the Ocean, and so far as the Committee could see would not materially alter the situation pointed out by the Audit. According to the Department it was not a correct picture of the revenue yielding capacity of the project because lands were constantly being sold and the interest on the outstanding sale price after payment of instalments from year to year was also to be considered as indirect revenue of the project. But the exact amount of interest that was likely to accrue could not be given by anybody and as such no assumption could be made as to what its quantum would be. The Committee observed that in this connection it is to be kept in view that in a long range project of national importance of the type of Ghulam Muhammad Barrage, the Committee could not be guided by the revenue receipts that were likely to accrue by a certain date only. The overall effects of the project were obvious and to the mind of the Committee the project was one on which national survival depended. Therefore, in the opinion of this Committee, it was immaterial whether the project was classified as productive or unproductive. In the opinion of the Committee a project of this nature really comes into full play a good deal after its completion and could reasonably be foreseen that when the entire area was properly colonised, the project's contribution to food production, employment of surplus agricultural labour and general well-being of the people of this country would be immense. However, the Committee desired that the Finance Department should see how they were going to pay the annual interest charges on capital investment till such time as the project becomes remunerative. In the meantime all that the Committee could suggest was that the Department concerned and the Audit should reconcile their figures of revenue and expenditure and when the proper

stage comes the question whether the project is productive or unproductive be gone into again.

**C—Fall in Revenue during the execution of the project—**  
According to the 4th financial forecast (1964), the net water charges plus land revenue per year should have been as follows:—

<i>Year</i>	<i>Rs.</i>
1956-57	34,84,000
1957-58	41,52,000
1958-59	45,96,000
1959-60	85,06,000
1960-61	91,19,000
1961-62	98,77,000
1962-63	1,26,01,000
1963-64	1,38,22,000
1964-65	1,52,17,000
1965-66	1,66,60,000
<b>Total</b>	<b>9,80,34,000</b>

As against the above, the Department placed before the Committee the following figures of total assessment as obtained by them from Mukhtiarkars:

<i>Year</i>	<i>Rs.</i>
1956-57	37,71,989
1957-58	37,21,433
1958-59	39,30,923
1959-60	55,51,925
1960-61	73,26,548
1961-62	57,92,626
1962-63	57,24,429
1963-64	51,91,032
1964-65	45,28,555
1965-66	47,53,742
<b>Total</b>	<b>5,02,93,202</b>

It would be observed that while the total assessment was going up from 1956-57 to 1960-61, it started falling from that year and the figure came down from Rs. 73 lacs in 1960-61 to Rs. 47 lacs in 1965-66. While according to the Department, the total assessment up to 1965-66 was Rs. 5,02,93,202, according to the Audit, the total revenue collected up to 1965-66 was no more than Rs. 1,81,73,888-00.

While the area under cultivation had been going up as was evident from the following table placed before the Committee, the revenue assessment had been going down—

Year	Area under cultivation. Acres
1961-62	... 972,610
1962-63	... 1,144,530
1963-64	... 1,276,960
1964-65	... 1,233,103
1965-66	... 1,445,645

The Committee desired that the Board of Revenue should look into this question and explain at the next meeting how the area under cultivation was going up but the assessment was going down.

The audit figures booked by the Comptroller, Southern Area, Karachi, included miscellaneous recoveries as well which would mean that the actual collection of land revenue and water rate was less than even these figures. This was something inexplicable. The Department has not been able to furnish a satisfactory explanation in respect of either the fall in assessment from 1960-61 to 1965-66, or wide disparity between total assessment and the actual realisations. So far as the disparity between the assessment made, the actual realisations and the anticipated revenues projected in the fourth financial forecast was concerned, the Committee felt themselves in a complete quandry and no explanation was forthcoming from any quarter. In the opinion of the Committee the situation was extremely alarming and it seemed that there were huge amounts of Government dues in arrears which were not being recovered. Even if it was assumed that the anticipated figures of Rs. 9,90,44,000 were too rosy an estimate, the difference between the assessment made and the revenue actually realised amounting to Rs. 3,21,19,314 would be enough to make a man's heart sink. The Committee called upon the Department concerned and the Finance Department to address themselves to this appalling problem and insist upon the arrears of revenue being recovered on as early a date as possible.

**D—Colonisations operations**—The question whether colonisation operations had kept pace with the provision of irrigation

facilities, and if not, what were the reasons for the same and what effects the disparity between the two had produced, was examined.

According to the Fourth Financial Forecast of the Ghulam Muhammad Barrage, by the year 1963-64 an area of 1,945,250 acres should have been released. The Irrigation Department informed the Committee that they had actually released up-to-date an area of 1,406,698 acres. The Revenue Department contested this figure and stated that according to their calculations, the area released up-to-date was no more than 1,212,424 acres. The Committee had no means of knowing what figure to accept as the actual releases up-to-date. The Committee was astonished to note that there should be a disparity of about 206,000 acres between the figures released by the Irrigation Department and the Revenue Department. Nobody present at the meeting could explain this disparity.

As against the released area of 1,406,698 acres (according to the Irrigation Department) or 1,212,424 acres (according to the Revenue Officers record) an area of 1,243,925 acres had been allotted as stated in a note submitted to the Committee by the Revenue Officer, Ghulam Muhammad Barrage, on behalf of the Director, Ghulam Muhammad Barrage Project, Hyderabad. Out of this area of 1,243,925, an area of 20,520 acres was subsequently surrendered by the allottees and, therefore, the net disposal came to 1,223,405 acres. In the same note while giving the successive cultivation figures for the last five years, the Revenue Officer had furnished the following figures:—

<i>Year</i>	<i>Area cultivated Acres</i>
1961-62	972,610
1962-63	1,144,530
1963-64	1,276,964
1964-65	1,283,103
1965-66	1,445,645

Against the allotment figure of 1,223,405 acres, the area cultivated was stated to be 1,445,645 acres in 1965-66. This meant that more than two lakh acres of area was being cultivated unauthorisedly. It was not known whether this area had been assessed to land revenue and abiana.

The Committee then came to the assessment being made and the actual realisations against the area allotted. For the last five years the figures of assessment made were as follows:—

(These figures were obtained by the Department from the Mukhtiarkar and could, therefore, be taken to be authoritative):—

	<i>Rs.</i>
1961-62	57,92,626
1962-63	57,24,429

	Rs.
1963-64	51,91,032
1964-65	45,28,555
1965-66	47,52,742

On the basis of averages of the last five years, the following crop pattern emerged in the cultivated areas of the Barrage—

	Per cent
Wheat and oilseeds	16
Cotton	4
Rice	60
Sugarcane	4
Fodder and other crops	16

On the existing rates of assessment prevalent in the Ghulam Muhammad Barrage area and on the basis of the area cultivated as given by the Revenue Officer of the Barrage, the assessment for the last five years should have been:—

	Rs.
1961-62	1,18,25,000
1962-63	1,36,62,000
1963-64	1,55,51,000
1964-65	1,50,18,000
1965-66	1,75,96,000
<b>Total</b>	<b>7,36,52,000</b>

As against this, the actual assessment for the last five years came to Rs. 2,59,90,384. Even allowing for crop failures and consequent grant of 'Kharaba' and wrong posting of crop area, if any, the discrepancy was far too wide and required an explanation.

Another interesting aspect of the matter was that according to the Ghulam Muhammad Barrage authorities, the total assessment up-to-date was Rs. 5,02,93,202 while the actual recoveries of revenue booked by the Audit Office from 1955-56 to 1965-66 came to only Rs. 1,81,73,888. The question with which the Committee was faced was; where was the revenue going if it was being realised?

The Committee felt that large scale evasion of Government dues was going on if figures of cultivation supplied by the Barrage authorities were correct. If on the other hand the assessment figures supplied by the Barrage authorities were correct obviously the cultivation figures would be much less than they have been shown to be. This was a matter which the Committee would like the Board of Revenue and the Agricultural Development Corporation to look into carefully.



It might not be out of place to mention here that the revenue accruing from this area in the pre-Barrage period was Rs. 31,43,000 per year. It seemed hardly anything more than that was now coming. The Committee felt that the whole thing was in a mess and required to be booked into carefully. The Board of Revenue, the Agriculture Department and the Irrigation Department should join heads and look into this matter.

As regards the colonisation operations, it was explained by the Project Director that the disposal of land was stopped about 1½ years back and, therefore, there was almost a standstill in this regard. The disposal has now been opened again and a schedule has been prepared for the disposal of land to different categories of allottees. The Project Director also explained that the land which was reserved for certain categories, but those categories were not forthcoming, will now be given on short term lease for three years.

Considering the slow pace of colonisation in the Ghulam Muhammad Barrage area and the haphazard way in which the things were moving, the Committee made the following suggestions to the Departments concerned:—

- (1) The Committee found that no subsidy or loans of any kind have so far been given for the building of houses by the colonists. The Departments concerned stated that this kind of thing was not provided in Master Plan of the Project and nothing so far had been done in that direction. The Committee felt that unless the plans were revised even at this late stage to provide for permanent settlement of colonists on these lands the colonization operations would not bear fruit in the shape of settled village with social and corporate life in any foreseeable time. The colonists living in sarkanda huts exposed to all the inclemency of weather, etc., could never feel at home and put in their best. What is needed is that a subsidy or loans should be given to the colonists to build their houses, cattle sheds, etc., so that regular village life comes into being. Unless regular village life is there arrangements for schools, hospitals and other social services would be impossible to provide.
- (2) The present age is the age of mechanization and quite a sizeable area in the Ghulam Muhammad Barrage has been allocated for mechanised cultivation. The Committee during its visit to the interior areas of the Barrage heard this complaint from a number of colonists that if one of their machines went out of

order it remained so for months on end and it was a very real difficulty with them to get their machines repaired. Unless a regular net work of agricultural workshops is set up at suitable points in the Barrage areas, mechanised cultivation would always remain a very hazardous operation. Due to lack of means of communication and transportation it may sometime be difficult even to bring machines in a state of disrepair to regular workshops. To overcome this difficulty the Agricultural Development Corporation should have a fleet of mobile workshops paying regular visits to the farms where mechanised cultivation is being done and attending to the minor repairs of machines on the spot.

The Committee felt that unless something like that was done, the experiment of mechanised agriculture might not be as fruitful as it could be.

- (3) A very general complaint was heard by the Committee from the colonists in the area that while a tax holiday was given to industries generally, there was no such tax holiday for agricultural operations. If agriculture is to become an industry in this country, a system of granting tax holiday appears to be a necessity. The Committee would, therefore, like to point out to the Government that this is a matter which should be examined at a proper level and decisions taken without any further loss of time.
- (4) Hitherto the Province has been importing agricultural machinery from different countries and of all different types. If import of one type of tractors was stopped from one country for some reasons, the import of spare parts and accessories also gets stopped with the result that if a tractor of that type goes out of order nothing could be done to put it back to operation.

Moreover no spare parts dealer could possibly be interested in stocking spare parts of all the types of agricultural machinery that is being used in a particular area. The result is that the farmers find it very difficult to purchase spare parts for the particular type of machinery that they possess and the situation has reached a point where the Ghulam Muhammad Barrage might become a huge graveyard for agricultural machinery. What the Committee felt in this connection was that agricultural machinery to be imported or assembled in the country itself should be suitably standardized and that standardization should hold good for at least 10 years. When

agricultural machinery is imported the importers should be forced to import spare parts for that machinery for a number of years to come.

- (5) Pakistan is a country of small peasantry and there are very few people who can afford large tractors and other huge agricultural machinery. If we are to benefit from the latest scientific discoveries and the use of agricultural machinery, we must concentrate upon producing small tractors which are within the purchasing power of the small farmers and unless that is done large parts of the country will remain in the stage of the bullock-cart and bullock driven ploughs for a very long time to come.
- (6) What the Committee observed during its tour of the interior of the Barrage areas was that means of transport and communication were woefully lacking. Days are gone when people would travel hundreds of miles on bullock-carts and colonize far flung areas. Unless means of transport and communication can be provided speedily colonization operations will proceed at a snail's pace.
- (7) As has already been mentioned in connection with the grant of subsidy or loans for building of houses, unless regular villages come up in the Project areas, educational and medical facilities cannot be provided for the new settlers. In the present age, it cannot be expected of any colonist to go without educational and medical facilities in the area where he is to settle down permanently. It is, therefore, of the utmost importance that all out efforts should be made to bring about the setting up of regular 'chaks' in the Barrage area and to provide adequate educational and medical coverage for the population.
- (8) Another point which the Committee would like to highlight is that the present colonization policy is tending to produce absentee landlordism on a large scale in the new Barrage areas. The Committee felt that with the exception of persons allotted lands for gallantry in the defence of the country, ex-service-men and retiring Government servants for exceptionally good record, in all other cases lands should be allotted only to those who give an undertaking that they will live upon the lands and cultivate it themselves and not sublet it or get it cultivated through tenants.

There are large masses of landless peasants and owners of uneconomic and even less than subsistence holdings in the country and it should be assumed that they are disdained by providence to always work for others. Apart from maximising production, a very important social principle is involved in this matter and the Committee strongly urged that the entire colonization policy for the new Barrages should be revised on these lines.

- (9) The Committee further felt that people living upon below subsistence and uneconomic holdings in the older districts of the province should be paid compensation for their holdings and allotted economic holdings in new barrage areas while their original holdings are made use of to provide economic holdings to those who stay behind in these districts.

The Committee will examine this matter again alongwith examination of the accounts for 1961-62.

**VII. Savings**—As shown in paragraphs 5 and 6 of the Appropriations Accounts under report, saving occurred in 28 out of 46 Voted Grants and in 6 out of 13 Charged Appropriations. During the preliminary examination held on 27th November, 1965, 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. It was observed by the Committee that in most of the cases the amount allocated/appropriated by the Assembly could not be spent due to non-availability of administrative approval. The Committee is of the opinion that the provision of the amount should not be included in Budget without proper and prior administrative approval.

Other important cases which require the special attention are given below:—

- (1) *Page 3, Para. 5 read with page 368 grant No. 35—Development—T-Civil Works.*

**Constructing of Service Road alongwith coastal road linking Jiwani Gawadar and Pasni**

*T-24.(ii)—Saving Rs. 1,64,917*—The first explanation as incorporated in the working paper submitted by the Department was as follows:—

“The work was in progress in a defunct Coastal Road Division and was taken over by Makran Provincial Division. Due to remoteness of locality, no contractor came forward for its execution. The work was carried out through Departmental labour which was too scarcely available. Hence saving”.

Subsequently, the Department changed its explanation and submitted that no contractors were involved and that this being a service road was supposed to have been done departmentally but due

to non-availability of machinery it could not be started. A little later, the Department again changed its explanation and stated that the machinery was there and it was working but the area was very far off and isolated and since there were no proper facilities for repairs of the machinery the job could not be completed.

The Committee was at a loss to understand as to which of these explanations was correct and which should be considered. The Committee is of the opinion that none of the explanations submitted to the Committee was satisfactory. It was a service road to be built in under-developed area and in the opinion of the Committee, it was the bounden duty of the Department to have taken all precautions and made all possible efforts to see that the job was executed well in time and quite satisfactorily. It was also stated that an entire Division was created specifically for this job and the officers, engineer, etc. continued to draw pay including the work charge establishment, without any job being done.

The Committee feels that if West Pakistan is to continue as one integrated unit the various Departments of the Government must make extra efforts to see that the complaints of the people belonging to far off areas are removed satisfactorily, particularly, when the Government goes out of its way in making financial provisions for this purpose. This is the only way by which the feeling of oneness can be created amongst the people of the various regions.

In this case the Committee feels that since the machinery was available, the labour was available and even the funds were available, no acceptable reason could be given for not even starting the work and as such the Committee recommends that a high level inquiry should be conducted into the entire matter and people responsible for slackness or negligence of duty should be brought to book.

(2) Page 3, para. 5 read with page 363 Grant No. 35—Development—

*R-23-Additional Staff for Directorate of Fisheries—*

		Rs.
Original Grant	...	1,33,220
Surrender	...	84,940
Final Grant	...	48,280
Expenditure	...	33,964
Saving	...	14,316

The Department explained that Rs. 1,33,220 were provided for in the Budget Estimate for the appointment of 20 Assistant Wardens



of Fisheries and 100 Fisheries Watchers to control the fisheries in divisions of Peshawar, Dera Ismail Khan, Bahawalpur, Khairpur Quetta and Hyderabad. Due to paucity of Science Graduates in Northern and Southern Zones, the staff could not be appointed. Hence Rs. 84,940 were surrendered. Rs. 14,000 were kept for the remaining 3 months in the hope that the incumbents might be available but the Assistant Wardens of Fisheries were not available and hence the Watchers could not be appointed as there was none to control and supervise the work of the Fisheries Watchers which resulted in the saving. In all 6 Assistant Wardens of Fisheries and their staff were appointed which resulted in the expenditure of Rs. 33,964.

As the Committee was not satisfied that Science Graduates were not available in Southern and Northern Zones during the period in question, the Department was given an opportunity to substantiate from their records, as to whether sufficient efforts were made to procure and recruit Science Graduates, but the Department failed to do this. The Committee is of the view that some one in the Department was responsible for the non-recruitment of the staff. The Committee recommends that the Department should look into this matter again and take appropriate steps against the delinquent officer.

(3) Page. 3, para 5 read with page 364 Grant No. 35—Development.

*R-24-Development of Fisheries in Warsak Dam.*

	Rs.
Original Grant	1,67,900
Surrender	55,560
Final Grant	1,12,340
Expenditure	65,418
Saving	46,922

The Department explained that Rs. 1,67,900 were provided in the Budget Estimate for the year 1960-61 against the scheme entitled, "Development of Fisheries—Warsak". A sum of Rs. 1,00,610 was surrendered for the reasons that the posts of the Fisheries Development Assistant, two Head Watchers, two Drivers and two Cleaners remained vacant due to non-availability of Science Graduate from that Zone. Further, Rs. 34,370 were saved due to the reason that the Aquarium could not be installed and the Laboratory Articles and Machinery could not be purchased during that year. The reasons for non-installation of Aquarium and purchase of Laboratory Articles were that no suitable accommodation could be provided by the authorities in charge of Warsak Project. Machinery

(Cans) and Aquarium Installation articles could not be purchased for want of foreign exchange sanction. Thus the Department kept Rs.67,280 for expenditure during the year, and net Rs. 1,12,34 as entered at page 364 of the Appropriation Accounts for 1960-61. Out of Rs.67,280 a sum of Rs.65,418 was spent and thus there was a saving.

The Committee not being satisfied with the manner in which the item had been explained asked the Department to explain the matter orally. The Agriculture Department had intimated to the Committee on 2nd September, 1967, that as secretary, Agriculture was proceeding abroad on some important work he could not attend the meeting of the Public Accounts Committee but the following three officers would represent him:—

1. Captain Muhammad Ashfaq, Joint Secretary;
2. Commandar Abdul Latif, Deputy Secretary; and
3. Syed Abbas Hussain Shah, Deputy Secretary.

The Deputy Secretary concerned who had been authorised by the Secretary to represent him with regard to Fisheries Department and who had been permitted by the Committee to do so, explained that since he had been associated with the Fisheries recently, he was not in a position to add further to the explanation submitted already. He also stated that since the Director of Fisheries, who had been asked by the Agriculture Department to be present in the meeting, had also chosen to remain absent, he was helpless in the matter.

No satisfactory explanation for the saving was given by the Department. The Committee recommends that the Department should take appropriate action in the matter.

(4) Page 3, Paragraph 5 read with pages 437—441—Grant No. 40—Civil Works—Capital—81—Capital Account—

				Rs.
Grant	...	...	...	11,65,56,900
Expenditure	...	...	...	9,21,82,848
Saving	...	...	...	2,43,74,062
Shifting headquarter of District and Sessions Judge, Sahiwal from Lahore to Sahiwal.				Surrender of Rs. 1,98,500

The Department explained that tenders for the work were called on 15th October 1960 but the lowest tender was rejected on technical grounds. These were re-invited a number of times after wide publicity and two tenders were received on 6th May 1961. The lowest tender recommended by the subordinate office was rejected by the then Additional Chief Engineer, Bahawalpur. Tenders were again invited on 5th July 1961 and lowest tender being conditional one was

rejected. These were recalled on 2nd August 1961, when no contractor came forward to tender. Tenders were again invited on 16th August 1961. This time the work was divided into small groups for getting an easy response from local contractors of lower category and tenders were received at 260 per cent to 275 per cent premium against the 220 per cent premium provided in the detailed estimate sanctioned by the then Additional Chief Engineer, Bahawalpur. Due to increased cost of labour and materials it was not possible to complete the work within the sanctioned estimate. It was therefore revised and sent to the Additional Chief Engineer, Bahawalpur for revised technical sanction. Apparently the grant which was not expected to be utilized for want of completion of codal formalities was surrendered, keeping an amount to the workable extent.

In the oral examination it was revealed that the tenders were invited on 15th October, 1960 by the Executive Engineer and were sent to the Superintending Engineer and that from that day up to 10th April, 1961 they were shunted from the executive Engineer to the Superintending Engineer and from the Superintending Engineer to the Executive Engineer for a number of times and on each time a number of objections were raised till ultimately on the 10th April, 1961; the Superintending Engineer rejected the tenders finally stating that the notice inviting the tenders had not been approved by the competent authority. If this was the case, it is beyond the understanding of the Committee as to why this could not be done earlier and what were the reasons as to why the Superintending Engineer did not raise this point and cancelled the tenders earlier rather than raising various objections.

The Department informed the Committee that action was being taken against the Engineer concerned and he would be charge-sheeted in the near future. The Committee was constrained to note that whereas it took the Engineer over a year to decide that an irregularity had been committed and the draft of the tenders had not been got approved by the competent authority, it has taken the Department four years to reach a stage where they are contemplating issuing a charge-sheet to the Executive Engineer. The Committee would await the result of the enquiry.

(5) Page, 3, paragraph 5 read with pages 239—242—Grant No. 22—Veterinary—

				Rs.
Final Grant	...	...	...	1,24,69,010
Expenditure	...	...	...	1,05,89,161
Saving	...	...	...	18,79,849

According to the Department, the departmental figure of saving was Rs. 5,37,128 and as this saving was less than 10 per cent of the total grant, no explanation was to be given.

The Department stated that while the figures for the Lahore Region had been reconciled with the Accountant-General's Office, the figures for the Quetta, Kalat and Hyderabad Divisions had not been reconciled. The Clerk concerned was dismissed from service on account of his failure to complete the reconciliation work.

The Committee is at a loss to understand that if the fault of the reconciliation clerk was so serious that he was dismissed from service then why similar action was not taken against the Superintendent and officer-in-charge and why all of them were not dismissed from service? The Committee recommends that this aspect of the case be examined by the Department concerned and appropriate action taken.

**VIII. Excesses over Authorised grants**—As shown in paragraph 8 of the Appropriation Accounts, the following excesses over Authorised Grants require regularisation;—

Serial No.	Number and title of the Grants	Excesses
		Rs.
1	4—Stamps .. .. .	2,69,437
2	6—Registration .. .. .	8,657
3	7—Charges on account of Motor Vehicles Act .. .. .	7,051
4	9—Irrigation Works .. .. .	26,42,297
5	10—Other Irrigation Expenditure Financed from Ordinary Revenue ..	1,35,15,096
6	12—General Administration .. .. .	28,20,385
7	14—Jails and Convict Settlement .. .. .	4,19,301
8	20—Public Health .. .. .	23,48,864
9	21—Agriculture .. .. .	1,07,39,444
10	26—Miscellaneous Departments .. .. .	80,876
11	27—Civil Works .. .. .	58,93,233
12	28—Buildings and Roads Establishment Charges .. .. .	1,63,846
13	Other Revenue Expenditure connected with Electricity Schemes ..	1,31,445
14	30—Stationery and Printing .. .. .	3,11,289
15	32—Civil Defence .. .. .	2,69,310
16	34—Capital Outlay on Provincial Schemes of State Trading ..	2,01,99,190
17	36—Construction of Irrigation works .. .. .	8,86,01,590

No explanation was called for the excess at serial No. 3, as the excess was less than 1 per cent. The Committee examined the explanation of the Departments for the excesses at serial Nos. 4, 7, 9, 16 and 17, and is satisfied that the excess expenditure at serial Nos. 7, 9, 16 and 17 was un-avoidable. The Committee therefore recommends that necessary grants to regularize the excesses over voted grants at serial Nos. 3, 7, 9, 16 and 17 may be made by the Governor under Article 235 of the Constitution.

Regarding the excess of Rs. 26,42,297 at serial Nos. 4, the explanation of the Department was that prior to 1960-61, the charges on Tubewells were charged to Major Head "18—Other Revenue Expenditure" and under this Major Head a sum of Rs. 15,00,000 was sanctioned. Subsequently it was decided that the charges on Tubewells be met out from Major Head "XVII—Working Expenses" instead of "18.0 R. E." As a result of this a demand of Rs. 77,87,500 for the running of Tubewells was made through the 2nd list of Excesses and Surrenders but only a grant of Rs. 15,00,000 which already stood sanctioned under Major Head "18.0 R. E." was allowed. Under Central Tubewell Project the Tubewells were installed. The estimated amount for running the Tubewells works out to be Rs. 5,300 per cusec. 168 Tubewells were working and the total quantity to be pumped by these Tubewells was about 500 Cusics. Thus the expenditure worked out to be Rs. 26,42,297. This expenditure was in addition to the expenditure that was already incurred up to 2/61 at the time of submission of the 2nd list of Excesses and Surrenders. The Committee found that while there was an excess expenditure of Rs. 67,37,070 under "B (15)—Rasul Tubewell circle" and under few other items, namely "B (21)—Lloyd Barge Unified System Rs. 25,48,557", "B (13)—Haveli Canals—Rs. 2,01,324, etc." there were savings on a number of items. The proper course for the Department was to surrender the amounts under sub-heads where there were savings and to have asked for additional funds to meet the excess expenditure under the sub-heads where there was excess expenditure. This does not appear to have been done. The savings were utilized by the Department themselves and the net amount by which the expenditure exceeded the modified grant was asked for through the Second Statement of Excesses and Surrenders although it is clearly laid down in the Budget Manual that the Statements of Excesses and Surrenders are not the means for asking additional funds, obviously, the whole procedure followed by the Department was irregular.

The Department's contention was that the cost of repairing had to be met any how but the facts remained that the Department originally asked for rupees forty lacks for the operation of the tubewells and rupees fifteen lacs were granted. The expenditure



on this sub-head was Rs. 67,37,070. It was clear that the Department had not correctly estimated the expenditure that was likely to be incurred on the scheme. When the Department had come to the conclusion that they would not be able to manage within the amount granted it was incumbent upon them to have moved the Finance Department for additional funds. The Committee noted with regret that the procedure followed by the Department was not proper and that the working of the Department left a good deal to be desired. The Committee, at the moment, is faced with the *fait accompli* and there is no option before it but to reluctantly recommend the regularization of the excess expenditure incurred.

Another interesting instance was that in the Central Tubewell Circle there was a grant of rupees five lacs. The entire amount was saved. This hardly speaks well of the way in which this important Department of the Government is being administered.

The Committee urged the Department to give more attention towards better budgeting and asking of additional funds where necessary in good time and not to take upon itself the incurring of excess expenditure and forcing the Standing Committee on Public Accounts as well as the Legislature to accord *ex-post facto* sanction to it. If this tendency of the Department is not checked and it spreads to other Departments, we may have to say good-bye to all established practices and methods of budgetary control.

Subject of the above observations, the Committee recommends that necessary grant to regularize this excess may also be made by the Governor.

Examination of the explanation for the remaining excesses could not be completed before the submission of this report and the Committee will take up the same along with the Accounts for the year 1961-62.

During the course of examination the Committee noted that the Department went on making payments by issue of cheques without caring to get their accounts reconciled on the basis of month to month reconciliation. The Committee has asked the Finance Department to go into the matter in detail. The Committee further wishes to recommend to the Government to evolve some system of check whereby the Departments should not be permitted to issue cheques at their discretion without getting the accounts necessarily verified periodically.

**IX. Excesses over Charged appropriations—**The Committee examined the following excesses over charged Appropriations shown

## para. 9 of the Appropriation Accounts:—

Serial No.	Number and title of Appropriations	Excesses
		Rs.
1	6—Forest .. .. .	40
2	Interest on Irrigation Works for which Capital Accounts are kept ..	49,26,008
3	Interest on Debt and Other Obligations .. .. .	5,94,084
4	Appropriation for reduction or avoidance of Debt ..	92
5	27—Civil Works .. .. .	1,39,329
6	28—Superannuation Allowances and Pensions .. .. .	4,73,366
7	Public Debt (Discharged) .. .. .	1,61,81,269

The excesses at serial Nos. 1 and 4 being less than 1 per cent no explanation was called for for these excesses. The Committee was satisfied that the excesses at serial Nos. 2, 3, 6 and 7 were unavoidable. The Committee recommends that necessary grants to regularise the excesses at serial Nos. 1, 2, 3, 4, 6 and 7 may be made by the Governor under Article 235 of the constitution. The Committee could not have the opportunity to examine the explanations of the Department concerned for the excesses at serial No. 5. The explanations for this excess would be considered by the Committee alongwith the accounts for the year 1961-62.

**X. Un-necessary Supplementary grants—Page 7, paragraph 12(i)—read with page 88—Supplementary grant proving partly or wholly un-necessary—grant No. 2.—Land Revenue—C—Survey Settlement and record operations—**

	Rs.
Amount of Supplementary Grant ...	4,440
Saving ... ..	1,97,687

In this case the Department had obtained a supplementary grant of Rs. 4,440 and thereafter there was a saving of Rs. 1,97,687. The supplementary grant was therefore un-necessary.

The explanation of the Department was that a supplementary grant of Rs. 4,440 was placed at the disposal of the Deputy Commissioner, Dera Ghazi Khan under the primary unit 6—(Other Allowances and Honoraria). The entire amount was utilized. The saving of Rs. 1,97,687 occurred under other primary units.

The Committee observed that while the Department had asked for a supplementary Grant of Rs. 4,440 which they allocated for the Deputy Commissioner, Dera Ghazi Khan under primary unit

"Other Allowances and Honoraria", there was a saving of Rs. 1,97,687 under other primary units. The Committee is of the opinion that some sort of system should be introduced whereby it would be possible for the Department to know not only the further requirements of those units where there is a shortage or where further funds are required, but also the details and figures of those units where funds are in excess of the requirements so that the Department could re-allocate the surplus funds without having to go to the Finance Department.

In this connection the Committee would like to mention that inspite of clear orders regarding progress of expenditure and responsibility for watching it,—*vide* paragraph 12.3 of Chapter 12 of the Punjab Budget Manual correct procedure had not been adopted by the Department.

The Committee recommends that the Finance Department should issue strict instructions to all Departments to adopt the correct procedure so that there is no inflation of the Budget.

**XI. Financial irregularities losses etc.**—The Committee noted that in many of the cases of mis-appropriations, defalcations, losses, etc. which were pointed out by the Audit, cases were initiated by the Departments but subsequently the accused persons were acquitted which leads to the conclusion that either the cases are not properly pursued or not properly framed. The Committee desires that the Finance Department should take up this matter with the Departments concerned.

The Committee also found that in actual practice agreements with contractors and supplies are made out and signed after the work commences because often the estimates are not finalised prior to the starting of the work. The Committee desires that this unhealthy practice should be discontinued at once.

The following cases of irregularities are especially brought to the notice of the Assembly.

(1) *Page 13 paragraph 19 (4)-Excess payment*—An excess payment of Rs. 3,887 was made to a contractor as a result of wrong calculation of the quantity of masonry work in superstructure. The amount was placed under the suspense head "Miscellaneous Public Works Advances" in May, 1960 for necessary recovery from the contractor or from the official at fault. An amount of Rs. 684 only was adjusted in February 1961.

The Department explained that the excess payment of Rs. 3,887 was made as a result of wrong calculation of the quantity of Masonry work in superstructure. As the clerk responsible for this wrong calculation left the Department no action was taken against him. As regards the recovery of Government dues from the contractor, the Deputy Commissioner, Nawab Shah, was requested to recover the amount as arrears of Land Revenue. He was reminded several times about this. The last reminder was sent to him on 1st Nov.

ember 1966 but the position of recovery had not been intimated by him.

On oral inquiry by the Committee as to why only the clerk was being held responsible for the mis-calculation when obviously the Sub-Divisional Officer must have signed the statement it was revealed from the records of the Audit that the Sub-Divisional Officer had also been held responsible and that in 1960 a letter was issued to him to explain his position in the matter. Subsequently, on 11th October, 1962, final notice was given to him to clarify his position within ten days failing which action would be taken to make the recovery of the amount from his salary bill. On 20th January 1965 the Chief Engineer held the Sub-Divisional Officer responsible and directed the Superintending Engineer to recover the amount from him. What transpired in the Department from 11th October 1962 to 20th January 1965 remained a mystery. In March, 1965, the Sub-Divisional Officer represented against the orders of the Chief Engineer and the matter rests there. This was one of the cases in which the Department did not furnish correct information to the Committee, either because some one in the Department was interested in shielding the Sub-Divisional Officers or the things were in such a mess in the Department that cases of recovery of government dues were not being supervised and pursued in a satisfactory manner. The Committee asked the Department on 27th January 1967 to finalise the various inquiries in this matter and to ensure that recovery of this amount from the Sub-Divisional Officer or the clerk started within the next three months. The Committee further asked the Department to submit to the Committee at its next meetings when accounts for 1961-62 are considered, a detailed report as to what happened between 11th October, 1962 when the Sub-Divisional Officer was given final notice and 1965 when the Chief Engineer held him responsible.

The Committee recommends that Government should take suitable action against the officer/officials responsible for the delay in the recovery of Government dues and for submitting incorrect information to the Committee.

(2) *Page 13 Paragraph 19 (6)—Excess payment*—According to the audit objection an excess payment of Rs. 4,106 was made to the contractor in August, 1960 by allowing a rate of Rs. 18/2 per cent cubic feet for supply of sand against the rate of Rs. 10 provided in the work order and at which the contractor had already received fourteen running payments.

This was another case in which incorrect information was supplied to the Committee. Explanation of the Department incorporated in the working papers was as under :—

The Superintending Engineer, Provincial Circle, Bahawalpur has stated that two different items of

sand supply were provided in the work order as follows :—

- (1) Item No. 66, supplying pit sand.
- (2) Item No. 97, supplying river sand.

Rate of 18 for supplying river sand lead 6 miles existed in the work order in the first instance and before the commencement of audit inspection. As is the usual practice running payments were made at reduced rates. According running payments were made to the contractor at the rate of Rs. 10 in this case in spite of the fact that entry in the Measurement Book existed for supply of river sand.

Moreover, the rate of Rs. 18 per cubic feet for supplying sand lead 6 miles was a scheduled item as per *Ex-Bahawalpur* Schedule of Rate. The question of excess payment in this case, therefore, did not arise as the Contractor had been paid in accordance with provisions of Work Order/Schedule of rate. The above position was fully explained in the Departmental Accounts Committee in its meeting held on 2nd September 1963 where it was decided that "the position may be got verified by Audit with reference to Work Order, Measurement Book and Schedule of rate of *Ex-Bahawalpur* State Accordingly the relevant record was produced to Audit but the are still insisting for effecting recovery of alleged excess payment of Rs. 4,106.

In fact the item of supply of sand in two work orders was not to be compared at all as these were two different items. The lesser rate of Rs. 10 was allowed prior to the issue of the second work order. The rates allowed in the final bill was according to the provision in the work order. In the previous bills where the rate of 10 was allowed the record entry for supply of river sand exists which involves lead for carriage as admissible under the Bahawalpur State Schedule of rate. Hence the rate of Rs. 16.31 allowed in the final bill for 5 miles lead was justified.

At the meeting, the Department admitted that the objection of the Audit was correct and that there has been interpolation and the Department was not sure whether the work order had been approved by the Executive Engineer.

The Committee noted with regret that in a period of 5 years the Department themselves could not find out whether there has been interpolation and whether the work order had been approved by the Executive Engineer or not. The Committee recommends that the matter should now be pursued vigorously and necessary action should be taken against the officer or officers who had been conducting the affairs and had not been able to find out the facts of interpolation and non-approval of the work order by the Executive Engineer and had been suppressing

The Committee will consider the report of the Department in this case alongwith the examination of the accounts for the year 1961-62.

(3) *Page 18. Paragraph 21 (11)—Payment of Rs. 11,078 as interest*—In this case, land was acquired in January, 1957 and compensation amounting to Rs. 65,323 was paid in January, 1960. Thus the payment was delayed for about three years with the result that interest amounting to Rs. 11,078 had to be paid.

The Department explained that the land in question was actually acquired by the *Ex-Bahawalpur* State Government during 1954. Possession was delivered by the Land Acquisition officer of Defunct State Government (Assistant Commissioner), up to 1956. The award was given in 1956 and the question of payment of the compensation arose. During that year no funds for the work "Construction of College at Rahimyar Khan" for which the land was acquired were received. The funds were being demanded in the budget Estimates regularly but unfortunately no funds were allotted by the Finance Department. The case was referred to the Finance Department by the former Chief Engineer, West Pakistan, Lahore for its advice in the matter of incurring of expenditure for payment of land compensation in anticipation of provision of fund. The Finance Department took a long time in its consideration and issuing of final advice. In reality, neither the Department, nor the Finance Department took any responsibility for payment of land compensation in anticipation of provision of funds and as such its payment was delayed up to 1/60 when the Finance Department allowed incurring of expenditure of Rs. 65,323 during 1959-60. This amount includes the interest charges of Rs. 11,077/87 to which the Audit has objected. The interest charges related to the period after declaration of the award. The interest charges are actually chargeable to the work (Construction of College at Rahimyar Khan) a provision for which has already been made in the estimate. The above position was discussed in the Departmental Accounts Committee meeting held on 2nd September 1963 where it was decided that the payment of interest be regularised under the sanction of the proper authority. Accordingly the case has been referred to the Secretary to Government, West Pakistan Education Department, Lahore for obtaining approval of the Government to regularize the payment of interest.

The Audit pointed out that interest was paid as no body could or would take the responsibility of incurring expenditure in anticipation of receipt of funds whereas lakhs of rupees have been spent by the Communications and Works Department in excess of budgetted allotment every year. In this connection the Audit referred to Rule 17-17 of the Punjab Financial Rules, Volume I which reads as follows :—



**"Notwithstanding the provisions of rules 17.2 to 17.6 and 17.13 to 17.15 the want of provision in the estimates does not operate to prevent payment of any sums required to be made in the absence of funds, the error lies not in the payment, but in the entering into the liability to meet which the payment is made".**

The Committee observed that on the face of it the Audit's contention appeared to be correct and even morally there was no justification for unnecessary and long delays in payment of compensation. But in order to arrive at a proper decision as to whether Rule 17.17 should apply to cases of land acquisition a further study in the matter was required. The Committee decided to go further into this matter at a later stage and hoped that the Finance Department would by then be in a position to give a firm and detailed advice in this matter to the Committee.

(4) *Page 20, Paragraph 23 (2)—Non-recovery of Rs. 6,145 from the contractors*—In this case, the Audit objection was that full recovery of the cost of material issued to the contractor during the year 1956 was not made from his first five running bills with the result that his sixth and final bill revealed a minus amount of Rs. 12,087. The work was completed in January 1957 but the amount in question was placed under suspense head "Miscellaneous P. W. Advances" in May 1959 pending recovery from the Contractor. A sum of Rs. 5,042 on account of his security deposit was adjusted against the contractor in April 1960 leading a balance of Rs. 6,145 to be recovered from him.

In the working paper the Department explained that C.C. VI and final bill entered in M.B. No. 678 "page 109 and 124 for Gujranwala Drainage Scheme Part I (Construction of 48" i/d R.C.C. brick work sewer from R.D. 6000 to 7000) in the name of M. Shujaat Ullah Khan, contractor revealed a minus balance of Rs. 12,087. Out of this amount a sum of Rs. 5,942/- had been adjusted against security deposit of the contractor and the balance of Rs. 6,142/- being the cost of empty cement bags not returned by the contractor at Rs. 2/- per bag was to be recovered from him. Subsequently the contractor returned 1,003 empty cement bags which was acknowledged in the stock papers for 10/62 and as such a sum of Rs. 4,139/- only was still due from the contractor. The Audit office did not verify the same, on the plea that empty cement bags were not returned immediately. The explanation of the Overseer concerned, who was responsible for not taking the empty cement bags back, have been called for, necessary disciplinary action would be taken against him after observing the codal formalities. As regards recovery of the balance amount of Rs. 4,139/- from the contractor the Civil Authorities had been requested to effect recovery from the contractor but they advised that a proper notification to recover the amount under West Pakistan, recovery of

Government Dues Ordinance, 1962, might be got issued. The case for getting the notice issued was under preparation. As regards disciplinary action against the persons, responsible for not making recovery from the bills of the contractor, the explanation of the following officers/officials were called for:—

- (1) Mian Muhammad Saeed, Executive Engineer, Lahore Sanitary Division (the then S.D.O. incharge).
- (2) Mr. Muhammad Ashraf, Overseer.
- (3) Mr. Muhammad Hussain, S.D.C.
- (4) Mr. Zahoor Ahmad, Accounts Clerk.
- (5) Mr. Safdar Ali Gill, Divisional Accountant.

M/S. Muhammad Ashraf Overseer and Muhammad Hussain, Sub-Divisional Clerk had since submitted their explanations, which were examined by the Executive Engineer, Gujranwala Provincial Division. M/s. Muhammad Saeed and Zahoor Ahmed have not tendered their explanations inspite of repeated reminders from Executive Engineer, Gujranwala, Superintending Engineer and Chief Engineer's office. As regards the disciplinary action against Mr. Safdar Ali Gill, Divisional Accountant, the Department was not in the know of further developments of the case on this account. In the opinion of the Department had the said Divisional Accountant been vigilant no such recovery could have been lost sight of. Disciplinary action against the persons, held responsible, would be finalized as soon as their explanations are received and codal formalities are observed.

The Committee examined the Chief Engineer. From this examination it was learnt that a total of Rs. 12,087 was shown as recoverable from the contractor. Out of this Rs. 5,942 were recovered from his security with the Department, leaving a balance of Rs. 6,145. The contractor returned 1,003 empty cement bags, which were accepted by the Department and he was given credit for Rs. 2,006 equivalent to the penal rate of Rs. 2 per bag for 1,003 bags. This left a balance of Rs. 4,139. On further examination, the Chief Engineer stated that out of this amount Rs. 3,695 represented material issued to him and Rs. 916/87 had been wrongly shown in the account of the contractor. If this contention of the Chief Engineer was accepted, the result would be that the Department would have to pay Rs. 472/87 to the contractor instead of making any recoveries from him.

The question arose whether the Department was competent to waive the penalty imposed on the contractor for non-return of cement bags and to accept 1,003 bags after a lapse of five years. The attention of the Committee was drawn to an observation of the *ad hoc* Public Accounts Committee, presided over by the then Governor sometime in December, 1961, which reads as under—

"While examining the question of return of empty cement bags at a subsequent date, it was observed by the Committee that the idea underlying the return of empty cement bags was to ensure that the material was actually consumed on Government Works and that there was no possibility of pilferage of the material. To ensure this, the departmental authorities should watch that the empties are received back immediately after the cement, etc., is consumed on the work. Return of empty cement bags after sometime should not be accepted".

From the above it was evident that the acceptance of empty cement bags in lieu of the penal rate of Rs. 2 was not proper. The market rate of the cement bags as stated to the Committee would work at roughly  $\frac{1}{6}$  per bag. The Committee, therefore, recommends that the Department should explore the possibility of recovering the balance of Rs. 1.10 per bag from either the contractor concerned or the Officer responsible for accepting bags after a lapse of five year. This would serve as a warning to all concerned in future to insist on the empties being returned immediately after the work was completed.

The Committee will examine the progress report when it examines the accounts for 1961-62.

(5) *Page 22, para 26 (3)—Theft of stores worth Rs. 5,000—*

In this case, 62 M. S. Sheets (4.75 tons) worth Rs. 5,000 were stolen in January, 1958 from a Public Work Department godown. The case when reported to the police, was declared untraceable in June, 1958. The amount was, however, placed under the suspense head 'Miscellaneous Public Works Advances' in January, 1959. Departmental enquires were conducted in the first instance by a Sub-Divisional Officer who submitted his report on 31st January 1958 without fixing any responsibility and then by the Superintending Engineer concerned who had not completed the inquiry up to the Audit inspection.

The Department explained that Mr. Azhar Abbas, Overseer, lodged a report with the Police with a copy to Sub-Divisional Officer on 13th January 1958 that 62 Nos. M.S. Sheets worth Rs. 5,000 had been stolen. The case was filed by the police as untraced. Later on, the C.I.A. staff was entrusted with the investigations but the D.I.-G., Lahore Range reported that no theft was established and that M/S. Azhar Abbas, Overseer and Muhammad Abbas Zaidi, Supervisor, were suspected of having misappropriated the material in question. The D.I.-G. suggested departmental action against the said officials. Consequently the report of C. I. A. embodying reasons for suspicion and replies received through the Superintending Engineer were forwarded to the Law Department for advice with regard to making

good the loss to Government and proceeding against the official concerned. The Law Department advised that if as a result of a departmental inquiry under the Rules Mr. Azhar Abbas was found guilty of having caused loss to Government through fraud or negligence and loss was recovered from his pay under the order of the competent authority the action taken against him would not be challengeable in a court. Accordingly departmental enquiry got conducted against him. On the recommendation of the Enquiry Officer sanction to write off the loss was accorded by Government under intimation to Audit and a copy of the enquiry report was also supplied to the Audit.

After thorough examination of the explanation and the record of the case, the Committee came to the conclusion that it was very strange that right from the beginning, the Department had proceeded on the presumption that there was a theft of stores worth Rs. 5,000. The proper procedure would have been to treat this matter first as a shortage in stores and next to establish whether there had been thefts or defalcations or misappropriations. On going through both the written as well as oral explanations of the Department it is the firm opinion of the Committee that this matter should have been treated as shortage of stores and not as a case of theft. It appeared to the Committee that some one in the Department, on discovering the shortage of stores worth Rs. 5,000 took the easiest way out by attributing it to theft. This view of the Committee is borne out by the results of the Police Inquiry in which the D. I.-G. was reported to have stated that no theft was established and that M/S. Azhar Abbas, Overseer, and Muhammad Abbas Zaidi, Supervisor, were suspected for having misappropriated the material in question. Obviously, the opinion of the D. I.-G., as expressed, can only be interpreted to mean that the matter should be treated not as a matter of theft, but departmentally an inquiry should be made as to the causes of the shortage. This has at no stage been done but instead the Department continued to proceed on the assumption that there has been a theft.

The Committee is also pained to note that without first exploring the possibility of there being shortage of stores and not of theft of stores the amount was recommended for write off and sanction for the same was accorded. The Committee is of the opinion that sanction for write off had not been properly accorded as it had not be substantiated that the loss to Government was due to theft. On the contrary papers as well as the details so far available tend towards showing that the loss was due to negligence, and as such the write off, if at all, sanctioned should have been done by the Finance Department and not by the Department concerned.

This aspect of the case will be examined again by the Committee when it examines the accounts for 1961-62. At this stage

the Committee wishes to record its most emphatic disapproval at the way in which the whole case has been handled leading to the write off. The Department is directed to place before the Committee at its next series of meetings all relevant papers, files, enquiry reports, etc., pertaining to this case, right upto the stage of write off.

(6) *Page 24, Para. 28 (2)—Excessive Expenditure of Rs. 40,969—*  
In this case the tender of a contractor already approved by competent authority and at rates at which he was bound to execute the work was cancelled and the work was subsequently let out to him again at higher rates after reinviting tenders which resulted in an extra expenditure of Rs. 36,310. Even after the reallocation of the work to the same contractor it was stopped many a time due to non-completion of some prerequisites by the Department such as testing of soil and providing of design of culverts, etc., and the contractor finally refused to carry on the work. The Department, instead of solving the difficulties and expediting the execution of the work ordered the finalization of the claim of the Contractor. The portion of work left by him was reallocated to some other contractor at higher rates which resulted in a further expenditure of Rs. 4,659. The Government, therefore, had to incur an additional expenditure of Rs. 40,969 due to injudicious action by Departmental authorities.

The explanation of the Department was that the detailed reply explaining the whole history of the case had already been given to the Audit Department by the Superintending Engineer, Rawalpindi Provincial Circle in his Memo. No. 5143/G, dated 5th May 1962. As regards Audit Department's observations pertaining to non-acceptance of tenders within a month, the Department stated that the tenders were called on 16th October 1954 which after scrutiny by the various hands in Divisional Office were transmitted to Circle Office on 4th November 1954. The tenders were also examined by the various Sections in Circle Office and necessary approval was accorded on 11th December 1954. Thus these tenders passed through various hands in Divisional as well as Circle Office and no record for their passing from one hand to other was kept. The Department contended that it was obvious that no responsibility for the delay on this account could be fixed on any individual.

The Committee considers the explanation given by the Department to be most unsatisfactory. The Committee is of the opinion that this entire case has been treated in a very slipshod manner. The explanation submitted to the Committee referred to some explanation given to the Audit earlier without stating what the explanation was. The Committee is not in a position to appreciate, as to how the granting of a tender at a higher rate than what was originally decided could ever be beneficial to the Government, nor could the Department satisfactorily explain the reasons for the delay in acceptance of tenders within the prescribed limit of one month.

The Committee is inclined to feel that as far as this item is concerned things were not as innocent as the Department would like the Committee to believe and, therefore, the Committee recommends that the Department should conduct a thorough enquiry, if possible, by the Chief Engineer.

The Committee will consider the report of the enquiry when it examines the accounts for 1961-62.

(7) *Page 39, Para. 44 (3)—Infructuous Expenditure*—According to the Audit note an irregular expenditure of Rs. 50,461 was incurred on closing a breach on Bambanwala Ravi Bedian Link. No sounding plan of the pit was prepared in the estimate to ascertain depth and bed level for the purposes of calculating the quantity of earth to be dumped. A quantity of 14,94,250 Cft. earth dumped was, however, measured on the basis of the bank measurements by an overseer and payments made to the contractor accordingly. Payment was also made for dressing of the dumped earth which is not possible underneath the water. It is not understood by what method the Sub-Divisional Officer satisfied himself as to the accuracy of the quantity entered in the bill for payment to the contractor when the bed level underneath the water was not known and the measurement of the earth dumped inside the water was not possible. Thus payment made to the contractor on account of dumping and dressing are apparently based on fictitious measurements and have resulted in infructuous expenditure of Rs. 50,461. It is, however, stated in the supplementary report attached with the estimate written long after this work was done, the 13·17 lac. cft. earth was dumped on the 1st original alignment, but as there was no sign of its coming up, the alignment was changed.

The Department explained that connected record was in the custody of C. I. A. till 2/61 in connection with another case. By that time the concerned Overseer and Sub-Divisional Officers had been transferred out of the Circle and could not be contacted. The relevant record had been consulted regarding the payment of 14,96,250 cft. earthworks (1st running bills paid on the basis of bank measurements) and it was found that the bill book did not contain any payment for dressing of earth work as pointed out in the audit note. The second running bill entries made in Measurement Book No. 34/L and 19/25L bear evidence that entire work was remeasured on the basis of borrow pits. No payment for dressing was made to the contractor even in their second bills as verified from the entries in the Bill Books. As such there was no case of any irregular expenditure on any fictitious measurements etc. as pointed out in the audit note. This para was discussed in the Departmental Accounts Committee on 5th and 6th July, 1966 and it was decided that the position be verified by Audit Office from the Measurement Books and Bill Books. Necessary verification of record entries in Measurement



Book have been made by the Audit who asked for the regularisation of the irregularity and disciplinary action against the official responsible for it. But as the Department was of the view that Bank Measurements of earthwork could be done quite accurately even at a late stage, there was no case according to the Department for disciplinary action.

During further discussion of the matter the Department pointed out Rule 9, on page 8 of the Account Code Vol. III, under the heading 'Definition', where the words "advance payment" have been described as:—

"Advance payment means a payment made on running account to a Contractor for a work done by him but not measured." It was pointed out to the Department that the right of the Department to make advance payment to a Contractor in order to meet his genuine needs or requirements was not under dispute. But in the case under examination advance payment was not made to the Contractor without measurement. It was a case where the record showed that advance payment was made to the Contractor on the basis of a supposed measurement. This was not feasible, inasmuch as the work executed upto that stage involved certain measurements under water and others above water. In the absence of a sounding plan, it was not possible to have conducted any sort of measurement on the basis of the bank measurement for a portion of the job under water. The Department had failed to explain why a sounding plan was not made.

The Committee considers the explanation of the Department to be highly unsatisfactory and recommends that appropriate action be taken by Government in the matter.

(8) *Page 48 para. 59—Embezzlement of Government Revenue*—In this case the Audit had reported that in a certain Fruit Farm a sum of Rs. 5,200 being the amount of Government Revenue was embezzled by a Clerk who was required to deposit the same in the Government Treasury. The clerk also encashed certain T.A. Bills of the Establishment amounting to Rs. 46/ from Government Treasury and misappropriated the same. The clerk was tried in the court of law and sentenced to six month's rigorous imprisonment. Under the Departmental rules the clerk was required to furnish two sureties of Rs. 200/ each and accordingly a sum of Rs. 400/ was recovered from the sureties. Although the case was decided by the court in the year 1952 the balance of Rs. 4,846 had neither been recovered nor written off with the sanction of the competent authority by the time the Audit inspected the accounts. According to the Audit the security obtained from the clerk was inadequate. The orders fixing the amount of surety needed revision.

The Department's explanation was that the balance amount of Rs. 4,846 had been written off. The Department did not



produce documents to substantiate that the writing off of Rs. 4,846 had been done in consultation with the Finance Department. The Department was, therefore, directed to examine the records and produced the relevant documents.

The Committee noted that the clerk responsible for this misappropriation was tried and sentenced by the proper court but it was beyond the understanding of the Committee as to how a mere clerk could have misappropriated the sum of Rs. 5,200 over a period of time if proper supervision had been exercised in the office by the person who was responsible for the same. No mention was made by the Department as to whether any action against the persons responsible for the supervision was taken or not. It, therefore, appeared to the Committee that the person concerned had deliberately been protected. The Committee recommends that the Department should examine the entire matter afresh, fix the responsibility as to who besides the clerk was responsible for this negligence, wilful or otherwise, and to take necessary adequate action against him. Committee has further recommended that action should be taken against the officer or person responsible for negligence and lack of proper supervision.

The item would be considered again along with the accounts for the year 1961-62.

(9) *Page 49, Para 6—Opening of Personal Account in a Private Bank with Government Cash*—In this case a sum of Rs. 11,00,000 sanctioned by Government for the purchase of wheat seed was drawn from the treasury and deposited in a private bank in the names of an official who had followed this mode right from 1955 onward and used to keep very heavy amounts in the bank in his own name. The balance in the bank on 31st December, 1955 was Rs. 12,840 and from March, 1956 onward it ranged between one to three lacs. It rose to Rs. 12,61,694 on 30th June, 1960. The irregularity was brought to the notice of the Department by Audit in September, 1960 and the balance of Rs. 58,189 outstanding on 24th February, 1961 was deposited into the Treasury.

As a rule no money should have been withdrawn and kept outside the Government account, but this serious irregularity continued in spite of a warning having been administered by the Finance Department in October, 1958.

The Department explained that the former Baluchistan Administration considering the variation in harvesting period in different parts of the area had provided revolving non-lapseable funds for the purchase of wheat at harvest time starting in April and May in some areas and June-July in uplands. For this, as obvious, the opening of bank accounts being necessary, the former management under Central Government had opened a bank account in the name of Director of Agriculture in Baluchistan, Quetta. In

1959-60 on receipt of sanction of funds as late as 24th June, 1960, under the previous procedure, the amount was withdrawn and deposited for purchase of wheat seed during harvesting period for distribution among the Zamindars of Quetta/Kalat Divisions.

The Committee considers the explanation submitted by the Department as 'highly unsatisfactory'. The withdrawal of large sums of money towards the close of the financial year and depositing the same in a private bank by the official in his own name could not be condoned. This requires further investigation. The Committee recommends that a detailed inquiry should be made afresh in this matter.

The Committee will examine the report of the inquiry when it considers the accounts for the year 1961-62.

(10) *Page 57, Para 83—Un-authorised Advances*—In this case advance payment was made to the extent of Rs. 5,042/ to various firms and certain officials in anticipation of encashment of their bills for claims due to them rendering the cash in hand short by the amount advanced. Recovery or adjustment of these advances was not effected till the completion of local audit. The office was closed on 30th June 1961.

The explanation of the Department was that the Government decision to wind up the V-Aid Department with effect from 30th June 1961 came abruptly. The firms, whose bills for goods already delivered and service already rendered or of employees on account of Travelling Allowance etc. were pending, became restive and anxious for early payment of their claims. In these circumstances there was no alternative but to make payments to these claimants out of the cash available in hand in anticipation of encashment of their individual bills. This action was taken by the drawing and disbursing officer in good faith and in view of the circumstances created by the abrupt decision. The payment made in anticipation of encashment of individual bills, out of the cash balance in hand had been subsequently recouped/adjusted.

The Committee not being satisfied as to the reason for not observing the prescribed rules in making the payment recommends that the Department should inquire into the matter further and fix responsibility of the person or the persons concerned and take action accordingly.

(11) *Page 58, Para. 85—Opening personal bank account with Government cash*—In an office, heavy amounts were drawn from the treasury and deposited with the National Bank of Pakistan in the name of official. At the close of the financial year 1959-60, the balance in bank was Rs. 1,43,848/ on 31st August, 1960 which rose to Rs. 2,01,127/ through further deposits. On winding up of the department on 30th June, 1961 the bank balance was Rs. 15,866

and the cash in hand amounted to Rs. 5,109/. Instead of depositing the total of Rs. 20,975/ into the treasury the whole amount was taken away by the head of the defunct Institution on the plea of settling old claims for which no account had been rendered even upto the time of audit inspection. Besides, the office used to keep equally heavy cash balance in hand i.e. Rs. 92,295/ on 30th June, 1960 and Rs. 49,585/ on 30th April, 1961. Audit had pointed out such irregularities and the office concerned had promised to avoid recurrence thereof but the irregular procedure went on upto the close of the office.

The explanation of the Department was that the development officer never drew from the Government treasury any amount for expenditure on development schemes till these schemes had been duly sanctioned by the Development Area Advisory Committee. The amounts were drawn only when they were required for disbursement to the village councils in connection with execution of the Development Schemes in their respective areas. But as, in most of the cases, the Village Councils concerned were required to raise the matching Community contributions or to comply with other formalities before their entitlement to receive the payments, the amount in question had to be retained by the Development Officer with him.

As a justification for opening a bank account in the National Bank of Pakistan for keeping such un-disbursed amounts, the Department explained that it was done in good faith for safeguarding the Government money. The bank account was quite clear and no irregular transaction or withdrawal was made. The money was lying in safe custody and was operated upon whenever it was required to be paid to Village Councils concerned for execution of the Development project.

As regards the amount of Rs. 20,975 taken away by the Development Officer on the plea of settling old claims, the Department intimated that an amount of Rs. 15,145/34 had already been deposited in the Government Treasury and the remaining amount of Rs. 5,829-44 paid to the persons/agencies against their outstanding claims.

The Committee was not inclined to accept the explanation given by the Department. There could be no justification for any money belonging to the Government being deposited in the personal account of an officer. The mere fact that the defalcation might or might not have been made, was not sufficient to justify this. The Committee has desired that severe action should be taken against the officer concerned and will consider the report of the Department along with the account for the year 1961-62. The Committee has also asked the Audit Department to verify and report to the Committee whether the Government has suffered any loss due to this or not and will consider the report of the Audit along with the report of the Department.

(12) Page 9, Para. 14 read with page 445, Para. 10—un-authorised sale of Government Stores worth Rs. 12,548—In this case Government material worth Rs. 12,548 was sold on credit to private persons in contravention of the Government orders on the subjects.

According to the Department the para related to three Divisions as detailed below :—

Serial No.	Name of Division	Particulars of stores sold	Cost	To whom sold
			Rs.	
1	Multan Construction Division No. 1.	300 cement jute bags	2,118-73	Malik Faiz Rasul, Advocate, Multan.
2	Ditto	200 cement jute bags	1,412-50	Mr. Khaleel-ur-Rehman.
3	Rahimyar Khan Provincial Division.	1000, 2000 pacca bricks.	105-00	Superintendent, District Jail, Rahimyar Khan.
4	Lyallpur Provincial Division ..	Cement in jute bags	8,011-50	Malik Fateh Sher, etc.
	Now Jhang Provincial Division (Jhang Construction Sub-Division)		12,547-00	

The position of each item was stated by the Department to be as under :—

- (1) *Multan Construction Division No. 1—500 cement bags—*  
In the case of "construction of Pak-German Demonstration Farm, Chak No. 5 Faiz Multan," instead of using cement mortar, provision for lime mortar was made in all the estimates according to the standing instructions of the Chief Engineer. A sufficient stock of cement was arranged before hand. Since there was no likelihood of using cement, the situation was brought to the notice of Additional Chief Engineer who issued instruction that cement may be used upto 1 foot above the plinth in the buildings being constructed at German Farm and Surplus cement available may be issued to public on issue rates in case it cannot be consumed. The sale of 500 cement bags was allowed by the Superintending Engineer to avoid wastage/deterioration due to the weather effect, etc. Had the cement not been issued to public it would have lost its utility and ultimately got set rendering

loss to Government. Under para. 4·37 of Buildings and Roads Code, the Superintending Engineer was competent to allow the sale. Thus the cement was issued to public in the interest of Government. There was no loss to Government.

- (2) *Provincial Division Rahimyarkhan—3000 Pacca Bricks—* The sale was made by the Executive Engineer to the Superintendent, District Jail, Rahimyarkhan, for use on Government work. The bricks were used on construction and repair of Jail buildings. There is a certificate to this effect from the Superintendent. The bricks were surplus to the requirements of the Department.

- (3) *Lyallpur Provincial Division No. 1 Now Jhang Provincial Division (Jhang) Construction Sub-Division—* In the year 1954, there were heavy rains in Jhang which caused leakage in godowns where the cement was stored. Strenuous efforts were made to safeguard the cement but some quantity thereof was partially set due to leakage in the godown. The partially set bags were sorted out for disposal through sale to avoid further loss to already affected bags. The case was reported to the Chief Engineer who authorised the Superintending Engineer to dispose of the partially set cement bags through sale. Accordingly the bags were disposed of through sale.

In the oral explanation the Department admitted that the explanation given with regard to the sale of cement in Jhang was totally incorrect.

The Committee takes very serious view of submission of explanation of this nature which subsequently turned out to be wholly untrue or distortion of truth. It is evident that whoever was responsible for the preparation of the working paper and scrutinising them in the Communications and Works Department did not take sufficient interest. The Committee recommend to the Department to make a detailed inquiry, as to who was responsible for the fabrication contained in this explanation and the action taken by the Department in the matter. The Committee desired that the Secretary of the Department should personally look into this matter also and take the maximum possible action so as to prevent the officers in the Communications and Works Department resorting to distortion of facts while submitting explanation to the Public Accounts Committee.

The Committee will consider the report of the Department when it examines the accounts for 1961-62.

(13) *P ge 515, item 21—(ii) Mis-appropriation of property tax Rs. 1,444*—In this case a Taxation Peon collected arrears of property tax un-authoritatively from different assesseees and instead of depositing into Government Treasury mis-appropriated the amount by producing forged treasury receipt.

According to the Excise and Taxation Department one Habib Akhtar an *Ex-Taxation Peon*, Sialkot mis-appropriated a sum of Rs. 1,440 (Property Tax). He was arrested by the Police. At the time of his arrest the police recovered Rs. 400 from his person. The amount was deposited in police Malkhana at Police Station Sialkot City, Sialkot. Subsequently the Department recovered a sum of Rs. 1,040 from him and it was deposited into Government Treasury. The accused was convicted and sentenced to undergo 2 years R. I. The amount of Rs. 400 deposited into the police Malkhana could not thereafter be traced. An entry in the property register of the Malkhana indicated that the said amount of Rs. 400 was sent to Sadar Malkhana (in district courts) to be produced as Exhibit in the case during trial in the court of A. D. M., Sialkot. But the property register of Sadar Malkhana does not show the receipt of the said amount.

Therefore a separate case under section 409 P-P-C was registered at Police Station City Sialkot and subjected to proper and thorough investigation, but with no clue of the actual whereabouts of the amount in question or the real offender. The Road Certificate (Acknowledgement) under which the amount is shown in the register of Police Station, City to have been sent to the Sadar Malkhana being time-barred, has been destroyed. Ultimately, the case was reported as untraced on 27th July 1965 and its file shelved. The sum of Rs. 400 was therefore written off.

The Committee feels that though the amount involved is small yet the very fact that people can get away with embezzled money even from police custody is something very serious, and if cases like this continue, no respect can be left for the agency which is responsible to maintain law and order in the country. The Committee recommends that Government should take steps to ensure that cases of this nature do not recur in future.

**XII. Commercial Accounts**—Out of the 19 organizations whose accounts were required to be maintained in Commercial form accounts of the following six organizations only were prepared, audited and incorporated in the compilation Government of West Pakistan, Commercial Accounts for 1960-61 and Audit Report thereon—

- (i) Government Demonstration Weaving Factory, Shahdara (1st April, 1956).

- (ii) Virginia Tobacco Redrying Factory, Khairpur (1st April 1956).
- (iii) Government Tannery, Shahdara (In Liquidation) 1st January, 1956.
- (iv) Punjab Government Cotton Mills, Lahore (In Liquidation) 1st April 1956.
- (v) Scheme for exploitation of Ephedra Plant in Quetta Region (1st April, 1956).
- (vi) Provincial Stationery Office, Lahore (1st April, 1956).

The Accounts of the remaining 13 organizations were not prepared due to various reasons mentioned in para. 18 of the Account.

In Part II of the compilation out of the 10 organisations whose accounts were required to be maintained in Commercial Form Accounts of the following 3 organizations only were not prepared, audited and incorporated in the compilation, Government of West Pakistan, Commercial Accounts for 1960-61 and Audit Report thereon—

- (i) West Pakistan Road Transport Board (Consolidated Accounts) 1960-61.
- (ii) West Pakistan Road Transport Board (Headquarter's Office 1960-61).
- (iii) West Pakistan Road Transport Board Central Stores 1960-61.

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 compilations for 1957-58, 1958-59 and 1959-60, 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 :—

(1) *Page 8-9 Para 18 (vii)—Non-compilation of Accounts of the Electricity Scheme in Peshawar and Dera Ismail Khan Divisions for 1955-56*—The Department explained that the Accounts for the year 1955-56 (Pre-integration) along with the audited office copy of the same were sent to Director, Commercial Audit, Karachi in March, 1961 which were reported to have been lost. A fresh copy was supplied in May, 1966. The Director, Commercial Audit intimated,—*vide* his letter, dated 3rd August 1966, that the accounts were being recast by his office. The recast accounts together with Audit comments were received from the Director, Commercial Audit, Karachi,—*vide* his letter, dated 1st October 1966. It was explained to Audit on 25th October 1966 in reply to the above letter that the figures



shown in the recast accounts for the year 1955-56 (Pre-integration) did not tally with the figures shown by the Director, Audit and Accounts, (Works), West Pakistan, Lahore in the Finance Schedule. No further remarks were thereafter received from the Director, Commercial Audit, Karachi.

The Director, Commercial Audit, however, stated that the accounts supposed to have been sent in 1961 as well as 1963 were never received in his office. The first time the same were received in May, 1966 in a typed form without any signature. These accounts were not drawn up properly and were not in accordance with previous years accounts as included in Commercial Accounts 1954-55. To assist the Department, Audit recast the accounts and returned them to the Department with its comments on 1st October 1966. On 25th October 1966, the Department advised a large number of changes in the figures of the Accounts previously supplied by it and certified by Audit with the result that it was decided that these accounts should be recast. This has now been done and awaits verification by the Audit.

The Committee observes that the submission and resubmission of accounts from the Department to the Audit in such a light manner is not a very happy sign. It is difficult for the Committee at this stage to pin-point responsibility for the delay between the Department and the Audit. The Committee would, however, like that more care should be taken at both ends to minimise the time lapse in the completion and preparation of the accounts and the final audit of the same.

(2) *Page 125, Para 158(b)—Sale of unserviceable Vehicles*  
—In this case a sum of Rs. 4,14,600 had been shown as sale proceeds of unserviceable vehicles. The Committee asked the Department to furnish details of the transactions viz., book value of the vehicles, life of vehicles, sale value of vehicles and the mode of sale of vehicles.

The Department stated that a sum of Rs. 4,14,600 had been erroneously shown as sale of unserviceable vehicles in the revenue account because this amount included sale proceeds of 400 empty drums amounting to Rs. 18,400.00 which was sold in an open auction. The actual amount of sale of unserviceable vehicles was Rs. 3,96,200.

The Department placed before the Committee particulars regarding each of the 51 vehicles which were sold.

The Committee noted that one Bedford Vehicle No. 1618 (original cost price Rs. 27,617) which remained in actual service for a period of five years and 2 months (less than the prescribed period of six years) and which had covered 1,05,876 miles was sold at Rs. 3,700 as against its sale value of Rs. 19,452.06.

The Committee also noted that four Bedford Vehicles Nos. 1619, 1623, 1682 and 7945 (original cost Rs. 27,617, 28,337, 27,019 and 30,500) which remained in actual service for a period of 5 years, 5 years, 4 years 9 months and 4 years 8 months respectively as against a prescribed period of six years and which had covered 23,093, 26,096, 1,04,310 and 29,284 miles respectively were sold in one lot for Rs. 16,000 as against the sale value of Rs. 66,161. This meant that these vehicles had been sold at an average price of only Rs. 4,000 each and that 3 of them had done less than 30,000 miles each. Similarly five Bedford vehicles Nos. 7944, 1679, 1691, 1698 and 1699 (original cost Rs. 30,500, 28,057, 27,409, 28,057 and 28,057 respectively) which remained in service for a period of 3 years 8 months 4 years 9 months 4 years 9 months, 4 years 8 months and 4 years 8 months respectively as against the prescribed period of six years and which had covered 47,879, 71,887, 1,11,727, 66,190 and 65,728 miles respectively were sold in one lot for Rs. 21,000 as against the sale value of Rs. 74,818. This came to an average price of about Rs. 5,000 only.

After hearing the oral explanation of the Department the Committee is of the opinion that during this period wrong type of buses had been purchased. These buses had short base and slow gear with the result that they were not suitable for service on hilly and Kucha roads where they were put in service, resulting in a lot of technical defects developing in the engines so that in most cases engines had to be changed at an average of ten to fifteen thousand miles. The survey certificates procured, before the vehicles were selected for disposal, were also very sketchy and the system of conducting the survey was not very satisfactory. No reserve price was fixed at the time of auctioning the buses.

The Committee feels that these were the main factors which led to these buses being disposed off at such low prices thus causing considerable loss to the Government.

**XIII. Finance Accounts**—The Committee examined the various sections of the Finance Accounts particularly the Revenue Account.

(1) The Revenue Position of the Government during the year 1960-61 was satisfactory. The actual Revenue Receipts amounted to Rs. 84,72,33 thousands against the original Budget of Rs. 79,82,83 thousands.

The Actual Revenue expenditure was Rs. 70,04,28 thousands against the original Budget of Rs. 69,94,65 thousands. These figures reveal increase in Revenue of Rs. 4,89,50 thousands whereas the expenditure was in excess by Rs. 9,63 thousands with the result that the Revenue Surplus of Rs. 9,88,18 thousands forecast in the original Budget was raised to a surplus of Rs. 14,68,05 thousands.

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

(i) Debt due to the Government of India—

	(Thousands)
(a) Consolidated Debt ...	7,70,25
(b) Development Loan ...	4,69,00
(ii) Loans raised in the open Market ...	19,09,08
Interest upto the date of Partition ...	33,24
<b>Total ...</b>	<b>31,81,57</b>

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 1960-61, the debt discharged out of the loans raised in the market amounted to Rs. 2,65,63 thousands. 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 1960-61 is summarised in the statement below:—

(Figures in thousands of Rupees)

Nature of Debt	AMOUNT OF DEBT		Difference (+)(-)
	On 1st July 1960	On 30th June 1961	
(i) Permanent Debt .. .. .	21,13,55	22,86,79	+1,73,24
(ii) Floating Debt .. .. .	11,92,00	12,16,00	+24,00
(iii) Loans from the Central Government ..	1,77,97,78	2,07,39,11	+29,41,33
(iv) Unfunded Debt .. .. .	8,96,48	10,40,31	+1,43,83
<b>Gross Total—Rupee Debt ..</b>	<b>2,19,99,81</b>	<b>2,52,82,21</b>	<b>+32,82,40</b>
<b>Deduct—Outstanding loans and Advances made by Government ..</b>	<b>44,33,29</b>	<b>62,72,07</b>	<b>+18,38,87</b>
<b>Net Debt ..</b>	<b>1,75,66,61</b>	<b>1,90,10,14</b>	<b>+14,43,53</b>

(i) *Permanent debt*—Four per cent West Pakistan Loan 1967 was raised in the open market during the period under report and subscriptions received were Rs. 4,38,98 thousands. The total Debt discharged during the year amounted to Rs. 2,65,63 thousands.

(ii) *Floating Debt*—The balance of Rs. 12,16,00 thousands on the 30th June, 1961 represents Ways and Means Advances left unpaid at the close of the year.

(iii) *Loans from the Central Government*—The balance on the 30th June, 1961 represents outstanding loans of Rs. 2,26,59 thousands taken from the Government of Pakistan reduced by Rs. 19,20,64 thousands due to repayment till the end of the year 1960-61. The loans taken during the year 1960-61 from the Government of Pakistan amounted to Rs. 29,41,32 thousands. There was no repayment during the year.

(iv) *Unfunded Debt*—The increase of Rs. 1,43,83 thousands represents excess of deposits over the withdrawals during the year.

(v) *Loans and Advances*—The increase of Rs. 18,38,87 thousands is mainly due to grant of loan to Water and Power Development Authority and Advances to Cultivator's etc.

(vi) *Outstanding items of the Appropriation/Commercial Accounts for the previous years*—The Committee considered the outstanding items of the Appropriation/Commercial Accounts of the Government of West Pakistan for the years 1957-58, 1958-59 and 1959-60 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 cases to the notice of the legislature and the Government:—

#### APPROPRIATION ACCOUNTS FOR 1958-59

(1) *Page 13 Para. 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 the Overseer during the period of his incumbency from August 1953 to Jan. 1954. He was transferred to another station in Jan. 1954. He did not hand over the charge of Store to his successor nor did his successor prepare 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 Department explained to the Committee that the Joint Enquiry consisting of Mr. M.A. Baig Ghazi, Superintending Engineer Provincial Circle, Lyallpur and Mr. Fazal Elahi, Deputy Director, Audit and Accounts (Works), West Pakistan, Lahore had verified that the under-mentioned material worth Rs. 4,03,563 issued by Mr. Altaf Hussain Cheema, Overseer to other subordinate was taken

in their Measurement Books and Stock Registers :—

	Rs.
1. Statement 'A' (consolidated abstract of state- ment 'B', 'C' and 'D' ...	1,32,714·60
2. Statement 'B' (material transferred to Pirmahal Section) ...	87,301·60
3. Statement 'F' (material transferred to Dijkot Bin Section) ...	19,726·00
4. Statement 'G' (material transferred to Lyallpur Provincial Division No. 2) ...	75,165·00
5. Statement 'H' (material transferred to Lyallpur Provincial Division No. 2) ...	88,656·14
Total	4,03,563·34

The Joint Enquiry Committee had further observed that in order to arrive at the correct amount of the shortages the Department should have constructed the stock accounts afresh from May 1952 to 15th November 1954. But the Department showed its inability to construct the stock accounts for the following reasons:—

- (i) The stock accounts had not been submitted by the Overseer.
- (ii) The stock register was not available.
- (iii) The indent books were missing.
- (iv) The credit note books were missing.
- (v) The vouchers for the period were missing.
- (vi) The adjustment memos, and A.T. Ds. for the required period were missing.

The Joint Enquiry Committee could not, therefore, verify the balances shown by Mr. Altaf Hussain Cheema, Overseer on 1st August 1953.

As regards fixing responsibility of the supervisory staff for delay in detecting the loss in time, etc., it was recommended in the Joint Enquiry that as the case against Mr. Altaf Hussain Cheema, Overseer was being sent to the Court of Law, further action to fix responsibility of the officers/officials might be held in abeyance.

The question of stream-lining the system of keeping the stores, was stated to be under consideration of the Government.

The Committee is not satisfied with the explanation furnished by the Department and takes a serious view of the position. The Committee wishes to report this case to the Assembly as illustrative of the way the Department has been working. The Committee feels that it was a clear case of carelessness and negligence on the

part of the Officers which led to such a large embezzlement of public money. The Committee regards it as a clear case of an attempt to shield the higher ups as in this case, it could not have been merely an Overseer who could have embezzled such a huge quantity of stores without the connivance, collaboration and co-operation of some higher officers. The Committee has directed the Department to hold a High Level Inquiry to probe into the affairs, fix responsibility and then submit a comprehensive report to the Committee.

The Committee further desired that positive steps should be taken to guard against this state of affairs in future and the Officers incharge of the Stores warned accordingly.

The progress report of the Department will be considered by the Committee again when it examines the accounts for 1961-62.

(2) *Page 236 Annexure 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.

At the first two meetings the Department contended that a sum of Rs. 61,527 had already been recovered or adjusted leaving Rs. 53,597 only 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 subjudice. 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 the Law Department but the Law Department did not agree to the proposal. In order to fix the responsibility of the Departmental officers in this case, it was stated that the Superintending Engineer had been appointed as the enquiry officer but the enquiry could not be completed as most of the officers involved were working in other regions.

The Committee on examination of the records on files found 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 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 no one knew whether this was correct or not and no efforts were made if it was correct to black list them. There could 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 procedure of 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 exploring the normal method of arbitration or by filing the case in a Civil Court for recovery. The most tragic part of it was that though this matter which related 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 was 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 mis-leading statements were 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 make any comments as to the reasons as to why an attempt was made to involve the name of the Law Department. The Committee was, however, satisfied from the examination of the papers on record and well as oral evidence placed before it, that someone somewhere was obviously trying to aid the contractor in procuring as much time as possible in payment of Government dues, as it was evident that the only purpose served by making a half-hearted attempt to get this amount recovered as Government Dues 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.

The Committee then decided that the report of the Enquiry Officer as well as subsequent steps taken to fix the responsibility and to effect early recovery be placed before the Committee.



At the subsequent meeting the Committee was informed that out of a sum of Rs. 42,237 recoverable from Rais Abdur Rehman, Contractor a sum of Rs. 4,815 was due to the contractor and the balance of Rs. 37,422 was actually recoverable from him. The contractor filed civil suit against the recovery which was dismissed in the lower court. The appeal filed by the contractor against the decision of Lower Court was pending in the High Court.

As regards the sum of Rs. 11,359 recoverable from the M/s. Progressive Engineers it was stated that the enquiry was almost completed by the Superintending Engineer, Provincial Circle, Bahawalpur when certain claim on account of non-schedule item was put forth by the Firm. In order to further probe into the matter as to why recovery for cost of material issued to M/s. Progressive Engineers could not be made good, the then Executive Engineer, incharge of the work, Mr. Mahmood Khan was called upon to explain the position after consulting records of the work, Construction of Tractor Repair Workshop at Chak 4 Khanpur. Mr. Mahmood Khan, Executive Engineer, attended the Divisional Office on 17th November, 1966 to 19th November, 1966 and clarified his position. The then Executive Engineer had pointed out in his reply certain discrepancies in the accounts of the work. The Audit had been requested to depute staff to verify the factual position from the Divisional Office at Rahimyar Khan. The Accounts Officer attended the Divisional Office Rahimyar Khan on 31st December, 1966, and 1st January, 1967 but he did not give any certificate or report.

As regards other observations of the Committee, the Department stated that detailed replies would be given point-wise after the factual position of this case was verified by Audit.

The item was, therefore, deferred to enable the Department to finalise the matter with the Audit and to be considered by the Committee again alongwith the accounts for the year 1961-62.

#### APPROPRIATION ACCOUNTS, 1959-60

(1) *Page 3, Para. 5 read with pages 150-152, Grant No. 21—Health Services—Saving Rs. 58,76,718*—In this case while giving explanations for the saving, the Department stated that an amount of Rs. 5,28,101 was saved due to the reasons that a sum of Rs. 5,80,295 was available with the Mayo Hospital, Lahore for import of X-Ray and Laundry equipment. But as the expenditure on account of custom, insurance and freight charges had also to be paid, the total requirements came to about Rs. 7,61,000. As the Medical Superintendent, Mayo Hospital, Lahore had placed the indents on the Director-General, Supplies and Development, Karachi for the entire amount, the former Director, Health Services, West Pakistan asked Government for releasing an additional amount of Rs. 1,80,705. This scheme was being financed from the Central

Government grant to the former province of Punjab amounting to Rs. 21,32,940. Finance Department, however, informed that since the entire original grant had lapsed, no additional funds could be sanctioned. The order for the X-Ray Plant and Laundry equipment did not materialise and an amount of Rs. 5,28,000 was saved.

The Committee noted that X-Ray and Laundry equipment for the Mayo Hospital could not be procured because the amount provided for it, based on the estimates prepared by the Department, was Rs. 5,80,295 whereas the actual cost was Rs. 7,61,000. This was the result of someone in the Department for getting to include the Customs Duty, Insurance and Freight charges while preparing the estimates. Anyone responsible for preparing the estimates for the import of any commodity ought to have known that these were essential charges, which must be included in the estimates. The result of this omission was that by the time the Department realized that the cost of the equipment could exceed their estimates by Rs. 1,80,705 and approached the Central Government for additional funds through the Finance Department, it was too late and the entire grant lapsed.

The Committee would like the Department to enquire into the matter and fix responsibility as to who was responsible for the wrong estimates leading to the lapse of this grant resulting in the non-procurement of an essential item like X-Ray equipment for the Mayo Hospital, Lahore.

(2) *Page 5, para. 8, read with page 175—Grant No. 31—Civil Works Surrender of Rs. 7,92,200*—The para relates to the Drainage Scheme for Hyderabad. The Department explained that the detailed design and estimate of the scheme on the receipt of its administrative approval was prepared and sent by the Additional Chief Engineer, Buildings and Roads, Hyderabad to Chief Engineer, West Pakistan, Buildings and Roads Department, Lahore in the year 1959. The scheme was further improved in the office of the Chief Engineer, Buildings and Roads Department, Lahore, and then sent to Additional Chief Engineer, Buildings and Roads, Hyderabad, for examination of its suitability of local conditions and practicability. The Additional Chief Engineer got the site examined by making trial pits and it was reported that the scheme cannot be carried out with conventional design and method due to high sub-soil water level, treacherous soil and heavy water logging condition. It was then decided that for this difficult and complicate construction, advice of the consultants may also be obtained. The Consultants could not be appointed for lack of various sanctions during the remaining part of the financial year in spite of best efforts, and thus the lapse of funds could not be avoided.

The Committee considered the explanation given by the Department both in the working paper and orally. From this, it became evident that this scheme was first administratively approved by the Sind Government in 1953. Up to 1959-60, no one knows what happened to it. In 1959-60, the scheme was approved by the Chief Engineer, Hyderabad, and sent to Chief Engineer, Lahore, who, in his turn, did not agree with the proposal of the Chief Engineer, Hyderabad, and returned it back to him after a lapse of some time. On no agreement being arrived at, at the two Chief Engineer's level, the Government decided that this be referred to some foreign Consultants. The decision to appoint foreign Consultants was taken in 1961 but they were actually appointed in 1963. The foreign Consultants submitted their report in 1965 in which, among other things, it was estimated that the scheme would cost Rs. 3.92 crores. Then again after a period of lull it was decided that the scheme be referred to the World Bank and implemented after securing necessary funds. In 1966-67 the Government made a provision of 2 lacs, one lac in local currency and one lac in foreign exchange out of which Rs. 22,000 was spent towards part payment to the Consultants. In 1967-68, another provision of Rs. 40,000 has been made in the Budget.

It became necessary for the Committee to take note of the history of this Project from 1953 to 1967 in order to point out to the Assembly how schemes of an essential nature like the present one, were some times handled half-heartedly and in a luke-warm manner whereby a basic necessity of daily life like the drainage which was required in an important city of West Pakistan like Hyderabad, were yet in the planning stage though 14 years have lapsed since the then Government recorded its administrative sanction for the same. Originally this scheme was being handled by Buildings and Roads Department and the Public Health Engineering Department inherited it only in 1961. The Committee was of the opinion that this scheme had been most tardily handled, and the Department should make up its mind once and for all whether the people of Hyderabad are to be provided with a modern drainage scheme or not. If this is a necessary public service and is to be provided to these unfortunate people of Hyderabad, efforts should be made to have a phased programme made out and all efforts should be made for proper administrative and technical co-ordination, to see that it is implemented at the earliest.

The very fact that the Government is willing to place large sums of money at the disposal of the Department for this scheme proves its keenness to provide drainage for Hyderabad. But the shuttle cocking of the scheme from one Engineer to another, the delay in appointing of Consultants and other similar administrative bottlenecks created by the Department does not speak well of its efficiency and its intentions.

All the good work done by the Government to satisfy the people of the smaller and less developed regions and to bring them at par with their more fortunate brothers goes to waste when the various Departments get careless and do not take the necessary interest in implementing essential schemes like this one.

(3) Page 7, Para. 12, read with page 81, *Supplementary Grant Proving Partly or wholly unnecessary-Grant No. 7 Forests—*

	Rs.
Amount of Supplementary Grant ..	2,96,820
Saving ..	6,44,253

In this case the objection was that in view of the ultimate saving of Rs. 6,44,253 the supplementary grant of Rs. 2,96,820 was unnecessary.

The explanations given by the Department for the saving were as under :—

- (i) In some of the schemes full sanctioned strength of the staff could not be engaged due to administrative difficulties and non-availability of experienced hands, Rs. 1,22,940.
- (ii) Due to non-drawal of pay in the revised Pay Scales, there was a condition that the prescribed scale of Rs. 200—10—350 be allowed to those Forest Rangers who were graduates or Diploma holders in Forestry. The Comptroller, Southern Area, West Pakistan, Karachi had objected to the admissibility of the above prescribed scale to the Forest Rangers who held certificate from Dera Duon and Forest College, Peshawar. Hence the pay of such Forest Rangers was not revised and the matter was referred to the Government and their decision was communicated,—vide their letter dated 6th July 1963, Rs. 98,720.
- (iii) The P.W.D. Roads and Canals in Lahore, Multan and Abbotabad Circles were transferred back to their parent Departments, i.e. P.W.D. (B. & R.) and Irrigation Departments. Hence the full amount provided for could not be utilized, Rs. 2,11,892.
- (iv) The annual coupes in Khanewal, Chichawatni, Changamanga and Dapher Plantations were sold standing instead of working departmentally as per revised policy of the Forest Department. Hence saving, Rs. 1,25,725.
- (v) Some of the drawing and mathematical instruments for which indents were placed with the Director of

Civil Supplies could not be purchased due to their non-availability. These indents were placed by the Conservator of Forests, Lahore, Multan and Hyderabad Circles but due to re-organization, the record is not available at this stage, Rs. 28,800.

The Department further explained that the details of the remaining amount of Rs. 55,976 could not be traced out as certain record connected therewith was not forth coming.

The Committee is of the opinion that the amounts of Rs. 1,22,940 and Rs. 2,11,892 could have been surrendered through the Statement of Excesses and Surrenders but due to carelessness of the Department, the surrenders were not made. Instead of surrendering Rs. 3.34 lakhs, a supplementary grant of Rs. 2.96 lakhs was asked for. This shows a lack of financial discipline on the part of the Department which is unjustified.

As regards the explanation of the Department that the record pertaining to the saving of Rs. 28,800 and Rs. 55,976 could not be traced due to re-organization or otherwise, the Committee feels that it is not a satisfactory state of affairs. The Committee recommends that Government should take appropriate steps in the matter.

(4) *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 measurement of stocks.

The Department in the first instance stated 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 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 subsequently 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, certified 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. The Audit then 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 Department requested for time to check up and verify the contention of the Audit.

The Committee had to observe 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 then 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 their irregularity and to see that disciplinary action against the person or persons responsible for the unnecessary delay was taken.

At the next meeting the Department explained that the amount as reconciled amounted to Rs. 15,367·65 as per Division-wise break-up given below:—

	Rs.
(i) Executive Engineer, Provincial Division	
Rawalpindi ... ..	7,099·70
(ii) Executive Engineer, Construction Division	
No. II, Rawalpindi ... ..	8,267·95
Total ...	15,367·65

The position of the recovery was stated to be as under:—

- (i) A sum of Rs. 9,587·94 has been adjusted recovered from the Contractors and verified by the Audit to the extent of Rs. 6,407·30. Previously the adjustment of Rs. 3,180·64 was made against the amount that was lying as interest bearing securities of the Contractor. This adjustment should not have been made unless the interest bearing securities amount was withdrawn and credited to deposit. The Divisional Accountant was responsible for this erroneous adjustment. The Director Audit and

Accounts (Works), West Pakistan, Lahore has been asked to take action against the Accountant.

- (ii) The total recovery outstanding at this stage was Rs. 5,818.39 and a sum of Rs. 1,551.13 was expected to be recovered from the Contractors who are presently working in the Divisional Office, as and when the running account bills are received for payment.
- (iii) The balance of Rs. 4,167.26 could not be recovered from the Contractors as their whereabouts were not known.

The Department further stated that the disciplinary action against the Officers/Officials responsible for over-payment had been initiated. The Road Inspector and the Overseer as well as the officers had been charge-sheeted.

The Committee was glad to know that as a result of the observations of the Committee, the Department has found that there was no cash security of this Contractor but the same had been converted into interest bearing securities deposited with the post office and pledged to the Executive Engineer. The Committee decided that the action should be verified by the Audit.

With regard to Rs. 4,167.26 due from three contractors whose whereabouts were not known, the Committee felt that efforts for the recovery of the amount from the officers responsible should be stepped up and further progress should be made. As regards contractors the Committee recommended that the other divisions of the Communications and Works Department be informed of the same with a view to obtaining their address in case any of them was carrying out work in other divisions, and also with view of placing them on the black-list of all the divisions till such time as this amount was not recovered.

Further progress will be considered by the Committee when it examines the accounts for 1961-62.

(5) *Page 42, Paragraph 13—item (2)—Shortage of 15,721 Maunds of Fire-wood worth Rs. 39,303*—The Department explained that an enquiry was made in the matter has revealed that in fact fire-wood worth Rs. 39,303 was never converted/carried. Excess payment of Rs. 13,569.81 was made to the contractors for work not done. Orders of recovery were passed against Nazar Muhammad, Forest Ranger after enquiry but they were quashed by the Government who advised that the recovery should be made from the contractors. The contractors have however refused to pay the amount. They have also been exempted from payment on the advice of law Department. The case is now under consideration for writing off the loss.



From the explanation furnished by the Department and supplemented orally it appeared to the Committee that this was a case of fraud, committed by the Forest Ranger possibly in coalition with the contractor concerned.

The Committee was not satisfied with the explanation furnished by the Department and recommended that further enquiry be conducted into the matter and a complete report submitted. The Committee also recommended that steps should be taken to make good the loss that has been caused to the Government due to the over-payment made to the contractor by the Forest Ranger.

The item had to be deferred by the Committee to be taken up again along with the accounts for the year, 1961-62.

(6) *Page 42, Paragraph 13—item (3)—Shortage of 237 empty drums and 1125 empty tins worth Rs. 11,732*—The explanation of the Department was that a Class II Forest Officer was deputed to investigate into this shortage. According to the investigation made by the said Officer there was no physical shortage of empty tins because discrepancy of 1125 tins which had occurred due to wrong disposal having been shown in the Form had been reconciled. According to the Department there was only a shortage of 237 empty drums and steps were initiated for the recovery of price of the drums, but the defaulting officer was not co-operating.

The Committee took a serious note of the flouting of authority and recommends that if the Officer is on deputation he should be recalled at once and necessary action taken to effect the recovery of the price of the drums.

This item also had to be deferred again to be taken up along with the accounts for the year, 1961-62.

(7) *Page 42, Paragraph 13—item (4)—Timber worth Rs. 3,064*—In this case a contractor claimed that he had converted 557 cubic feet timber in a slip area. The timber was not transported immediately. The slip occurred and it was buried. The loss as per audit report had been ordered to be recovered from the Range Officer and in anticipation of recovery was awaited by Audit.

The written explanation of the Department was that there has been some mis-understanding in the calculation of this amount. The amount pertained to 158 No-306 cubic feet timber. According to the market rate of Rs. 3 per cubic feet the total amount comes to Rs. 918 which had been recovered. There was, therefore, no balance recoverable.

Orally it was stated that the recovery of Rs. 918 had not been made in full and that a sum of Rs. 320 only had been recovered. The Committee noted with a good deal of concern that the Department in its explanation had stated that the recovery of Rs. 918, which was the amount worked out by it, had been effected by them.

whereas orally it was stated that the recovery of Rs. 918 had not been made in full and that a sum of Rs. 320 only had been recovered. This case needed a thorough probe and the Department has been asked to make a fresh enquiry into the whole matter.

The Committee takes a very serious view of the light-hearted manner in which the explanation had been furnished to it and recommends that disciplinary action should be taken against the officer who prepared and furnished the explanation in the first instance. The matter will be taken up along with the accounts for 1961-62.

The Committee desires that the Finance Department should impress upon all the Departments to incorporate the correct position of the cases in their working papers.

(8) *Page 43, Paragraph 15—Item (2)—Shortage of 4,160 maunds of Firewood worth Rs. 8,320*—The explanation of the Department was that out of 4,160 maunds of firewood, 193 maunds have been written off. For the balance the record being with the Divisional Forest Officer there were no possible means to verify reasons for this shortage which worked out to 28.15 per cent. The Divisional Forest Officer, however, felt that bushes and shrubs cut from the forest were mixed with the prescribed species might have reduced the weight during dryage, re-stocking and retail sales held at different occasions in the year 1955.

The Conservator seemed to have accepted the views of the Divisional Forest Officer although in the view of the Committee there was hardly any justification for the acceptance of the reason that there were no possible means to verify the reasons for the shortage.

The Committee felt that this was a case which should be gone into again and responsibility fixed for the shortages and necessary action taken against those who are found to have made the lapses and recommended that department should order a probe into this whole matter.

The item had to be deferred by the Committee to be taken up again along with the accounts for the year 1961-62.

(9) *Page 181, Paragraph 8—Non-recovery of wharfage and demurrage charges from the Contractors*—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, a sum of Rs. 716 was adjusted in October, 1960, against the amount lying at his credit under "Public Works Deposits". But he did not pay the balance of Rs. 5,674 instead of effecting recovery from the contractors, the Department recommended to the Railway Authorities to waive the demurrage and wharfage charges outstanding against the contractors.

The matter was first 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 be taken for the cancellation of his Passport and Departmental action should also be taken against the officer who granted leave.

In November 1966, the Department 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 referred 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 incharge 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 any 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 for 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 Department 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 then 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 made any attempts to fix the responsibility. It was also revealed that the Passport of the S. D. O. was dated 1st September, 1960. It appeared to the Committee that being a Government servant employed as an Engineer, normally the Passport could not have been issued to 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 the clearance certificate without first effecting recovery of the amount. The paragraph was, therefore, deferred to enable the Department to further enquire into the matter and furnish full detail of the case.

The Department subsequently explained that the amount of wharfage and demurrage charges was placed in Miscellaneous P. W. Advances during May, 1959 as recoverable from contractor Mr. Nawab Din. The matter remained under investigation as to whether the contractor was responsible for this demurrage and wharfage or the departmental staff. The contractor explained his position in writing and his explanation was not found satisfactory. The Superintending Engineer has reported that, even then, several references were made by him to the Deputy Commissioner, Multan and Sargodha and other Executive Engineers for getting the recovery made from the contractor, but no assets of the said contractor were located from which recovery could be made from him departmentally or through the Revenue Department except Rs. 715 from the available credit of the contractor in October, 1960, through T. E. Order No. 19. The Executive Engineer, Multan, also referred the case to Railway Authorities (in September, 1960) for waiving the demurrage and wharfage charges and continued to press it but the Railway Authorities finally repudiated the claim in November, 1961.

Ultimately the responsibility was fixed on Mr. Muhammad Hassan, S. D. O., who failed to take delivery of the material in time and issued the credit note. The responsibility on Mr. Muhammad Hassan, S. D. O., could be fixed after due examination of the case

and making full efforts for recovery which needed considerable time. No action could, therefore, be taken against him before he left the country for advance training.

Regarding the issue of no objection certificate for the passport the Department stated that the S. D. O. received the same from the S. W. F. Organisation on 15th August, 1958. He kept it with him for about 2 years. As verified from the Passport Officer S. D. O. had submitted his application for the issue of the Passport on 11th July, 1960 and then absconded without any notice or information to the Department on 4th October, 1960. The charge-sheet against the officer was sent to the Secretary to Government of Pakistan, Ministry of Foreign Affairs on 12th February, 1964.

The Home Department has been requested on 23rd September, 1966 to take necessary action for cancellation of his Passport.

The Committee observed that from the explanation given by the Department it was evident that the Department itself was confused about this matter particularly as to whether study leave was sanctioned or not. In one part of the explanation it was said that the Assistant Engineer went on study leave while subsequently it was stated that study leave was not sanctioned. It was very difficult for this Committee to come to a conclusion as to what was the actual position. However, the Committee did observe that although the Department was aware as early as 28th June, 1960, as was evident from the Additional Chief Engineer's letter to the Chief Engineer, that the temporary Assistant Engineer concerned was keen to go abroad and had applied for leave for the same purpose and also that there was a case of excess payment pending against him, the Department took no adequate precautions to prevent it being possible for him to go abroad with or without leave of the Department. In this case the person concerned was a temporary employee and merely to say that leave would not be granted was not sufficient action to safeguard the interest of the Government.

It was stated by the Department that the person concerned obtained a 'No Objection Certificate' in the year, 1958 and that he submitted the same and procured a passport on the basis of this certificate in the year, 1960. According to the Department the Passport Office considered a 'No Objection Certificate', issued to a Government servant valid for 10 years. If this was correct, it would be in the interest of the Government to consider whether it would be appropriate to take up with the Passport Office the question of holding No Objection Certificates issued to Government servants who proceed on study leave, as valid only for six months from the date of issue. The Committee requested the Finance Department to look into this matter.

With regard to the recovery of the amount the Department was asked to make efforts for it in consultation with the Home Department as well as the Foreign Office to get the amount recovered from the S. D. O. who has proceeded abroad.

The Committee in this connection noted that as yet no case has been lodged locally against him. This should be done immediately in consultation with the Law Department. At the same time, the Law Department should also be consulted as to whether it would be proper and also possible to recover the balance amount from the contractor.

The para had to be deferred by the Committee to come up again before it when it examines the accounts for the year, 1961-62.

(10) *Page 218, item 30—Loss due to fire*—In this case the office of the Development Officer, Village-Aid was reported to have caught fire as a 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.

The explanation given by the Department in the Working Paper was that—

“The Inquiry Officer has finalised this case and submitted his report to Government as under :—

(i) That Dr. Akbar Khan, the then Development Officer has been found to be incapable to hold any post of responsibility and may, therefore, be debarred from holding such a post in future and his two increments may be stepped. This punishment might appear a bit lenient but this case has been proposed keeping in view the fact that this enquiry has been hanging over his head like the sword of Democles for the last 8 years although he did not enjoy ‘Boon’.

(ii) That Mr. Nasir Muhammad, the then Head Clerk-cum-Accountant may be removed from Government service because he has been found to be responsible for setting the record on fire in order to succeed in embezzling the amount of Rs. 70,000 out of Development Fund.

Further action in the light of the report of the inquiry officer is being taken by the Department in consultation with other Departments concerned and the question of writing-off the embezzled amount to the tune of Rs. 70,000 is also being referred to the Finance

Department for concurrence before necessary sanction in this behalf is issued".

The Committee considered the explanation of the Department as contained in the working paper as well as the one given subsequently to the Committee at the meeting. From both the explanations it was abundantly clear that the responsibility of the Development Officer was being ignored. It was not an acceptable excuse that an officer who was over-worked or who was holding extra charge in addition to his own duties, could commit such an irregularity without being held responsible just because he claimed that he was over-worked. In fact, every officer who is in the employment of the Government must at all times be vigilant and try to fulfil his obligations according to the rules laid down, and when he accepts to hold additional charge, he cannot escape all the responsibilities of the job he holds.

The Committee is not satisfied with the manner in which this case is being handled. It is also beyond the understanding of the Committee as to how the Head Clerk could set fire to the records in his own office and at the same time be responsible for the burning of the vouchers in the office of the Comptroller, Northern Area. Further more, if the vouchers in the office of the Comptroller, Northern Area were missing, it was difficult to understand as to how the accounts reconstructed by the Department subsequently, could have been verified by the Comptroller. This matter deserves looking into afresh and the Committee is of the opinion that this can only be done if the entire case is handed over to the Anti-Corruption Establishment.

The Committee has asked the Accountant-General, West Pakistan to verify as to whether it was a fact that the vouchers and record were missing from the office of the Comptroller, Northern Area, and if it was true, what was the method by which the accounts were verified.

Further progress will be examined by the Committee along with the accounts for 1961-62.

#### COMMERCIAL ACCOUNTS 1959-60

(1) *Page 22, Paragraph 24—Treasury Challans missing worth 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 the Audit when called for.

The Department explained that the Sales Manager, Sales and Display Depot, Lahore, took up the matter with the Treasury Officer on 23rd January, 1962 for verification of deposits of



Rs. 24,436·90. The Treasury Officer, however took a long time to verify the deposits and the reply was received in March, 1966 in which he showed his inability to verify the credits except one item of Rs. 270-6-0.

In the oral examination the Department informed the Committee that as it had turned out to be a matter of embezzlement a case has been registered with the police which is pending.

The Committee is of the opinion that the delay of five years was not due to negligence on the part of the Industries Department in as much as the Sales Manager, Sales and Display Depot at Lahore had taken up the matter on the 23rd January, 1962 with the Treasury Officer regarding the verification of deposits of Rs. 24,436·90 but the latter had taken inordinately long time and ultimately replied on the 16th March, 1966. The Committee desires that the Finance Department should look into the reasons for this delay on the part of the Treasury Officer and to take necessary action against the persons concerned. Progress report will be considered by the Committee alongwith the accounts for 1961-62.

(2) *Page 23, Paragraph 29—Over payment 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. 4,703·00 was detected two days after the payment of 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 in this case it did not do so. 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 unrecovered 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 Department further informed the Committee that an inquiry is being held. The result of the inquiry had not been reported. However, it is stated that Mr.H.R. Bodiwala was appointed as Inquiry Officer in 1965. The rush of work had actually resulted in double payment which could not be detected till the arrival of the Audit party. As a matter of fact the firm who had received over payment is at fault, they had confessed their fault and issued credit memo.

The Finance Secretary pointed out to the Committee that the note of the Agriculture Department did not appear to have been seen by the Head of the Department as no officer could have approved the language of the note. It was not proper for the Department to submit this note to the Committee without its being seen by the Agriculture Secretary.

The Committee agreed with the comments made by the Finance Secretary and fully endorsed the same.

The Committee further observed that the Department has accepted that the supplier had been asked to make good the value of the parts received short after the Audit had pointed this out and that as a result of the observation of the Public Accounts Committee an inquiry was being conducted to fix the responsibility for the negligence. The Committee was of the firm opinion that no doubt there was a case of negligence on the part of the person or persons concerned and although the amount of Rs. 4,703 was recovered afterwards it did not, in any way, alter the fact that negligence wilful or otherwise, did take place in this case. From the explanation as well as the oral explanation given to the Committee, the Committee felt that either the Department had not grasped the seriousness of making efforts to prevent its officers and officials from aiding the suppliers to hold on Government money for long stretches of time or an attempt was being made to shield the person or persons concerned.

The Committee, therefore, directed that the inquiry which the Department claimed to be in progress should be proceeded with and the result of the same as well as full papers of the inquiry be submitted to the Committee when it examines the accounts for 1961-62.

(3) *Page 222, Paragraph 198—Shortage of stores worth Rs. 16,87,321.00*—In this case as a result of the physical verification of stores of Central Stores Organization of the Road Transport Board carried out on 30th June, 1959 shortages and excesses of the value of Rs. 16,87,321.00 and Rs. 10,26,863.00 respectively were detected. The matter was first 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 shortage 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 then 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 were still in service and against whom the Department was proceeding and how many of them have left service?

The following details were furnished by the Road Transport Corporation at the Public Accounts Committee meeting held on 2nd November, 1966 :—

- (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 was not defined by the enquiry officer, and the matter was under consideration with 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 were still in service. Departmental proceedings were being held against them.

The Committee was further informed that the inquiry officer completed his findings in April, 1966 and the report was under consideration of the Road Transport Corporation for final orders. The Committee was not satisfied with the progress and deferred the para for consideration alongwith the accounts for 1960-61.

In the written explanation now furnished, the Department stated that out of the four officials against whom departmental proceedings were held, two have been exonerated by the inquiry officer. The per centage of total shortage against them works out approximately to 1 per cent and 0.154 per cent for Messrs. Abdul Rashid Khan and Asghar Ali Shah respectively. With regard to the remaining two officials, Messrs. Mazhar Ahmad Zuberi and Farrakh Ali Shah, Assistant Store-keepers, it has been held they did not hold the physical charge of the section, but worked as helpers and Assistants to Head Store-keepers who are no longer in service. Precise amount of shortage recoverable from them could not, therefore, be worked out. However, the case for writing-off of the total shortage of Rs. 1,31,504.26 which is less than 1 per cent of the total stores handled has been referred to the Road Transport Corporation for decision.

In the oral examination the Committee was informed that the net shortages valuing Rs. 1,31,504.26 which was 1 per cent

of the total shortage had been written-off by the Road Transport Corporation on 30th January 1967.

The Committee observed that two different explanations were given to the Committee. It was first stated that the amount of Rs. 1,31,504.26 came to 1 per cent of the total shortage. The Committee felt, that neither of the two figures was correct. However from the explanation furnished to the Committee it was evident to the Committee that the administration in the Road Transport Corporation during the period in question was far from satisfactory and lacked control and proper supervision. Circumstances, favourable, had been created, wilfully or otherwise, to provide for a maximum opportunity of manipulating the funds and pilfering the stores of the Corporation. Those responsible for this were either no more in the employment of the Corporation or were untraceable. As such, a situation arose where the Corporation had no other alternative but to write-off the amount of Rs. 1,31,504.26.

The Committee impressed upon the Department that things of this nature would lead to serious complications and confusion. The Committee felt that the only proper safeguard, that the Corporation could adopt was to tighten up its administration and have a proper system of checks and counter-checks to avoid leakages in stores. This item came to the Committee at a stage where it reluctantly had to accept the position of the write-off.

The Committee was assured by the Department that since then securities had been taken from all the persons employed by the Corporation who handled either cash or stores.

The Committee strongly recommended to the Corporation that in future they should ensure that the securities furnished by the persons who go elsewhere or leave the employment of the Corporation should not be returned to them till such time as the accounts for the period during which they have been handling either cash or stores have been audited and a final clearance certificate is given to them.

**XV. Action taken by Finance Department on the report of the Committee**—As required by paragraph 15.22 of the Punjab Budget Manual, 5th Edition, the Finance Department submitted to 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, Commercial and Finance Accounts of the Government of West Pakistan for the year 1959-60 as well as certain recommendations on the Accounts for the year 1957-58 and 1958-59 on which no action was taken earlier. 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.

XVI. The Committee wish to place on record its appreciation of the valuable assistance given to the Committee by Rana Muhammad Yasin, P. A. and A. S., Accountant-General, West Pakistan and Mr. Nazir Ahmed Chaudhri, P. A. and A. S., Director, Audit and Accounts (Works) and Qazi Anwar-ul-Islam, P. A. and A. S. and Mr. Nuzhat Hussain, P. A. and A. S. who succeeded him.

Thanks are also due to Mr. S. M. A. Subzwari, P. A. and A. S., 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. Tajammal Hussain, P.M.A.S., Secretary, Mr. Fazlur Rehman, C.S. P., Syed Akhlaq Hussain, T.Q.A. C.S.P., Additional Secretaries and Mr. G. D. Memon, T.K., 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, S.K. and Syed Muhammad Athar, Secretary and Deputy Secretary, respectively of the Provincial Assembly, who served the Committee throughout its laborious proceedings with unfailing devotion. They were of great help to the Committee in preparing this Report.

LAHORE :

*The 11th December 1967.*

ZAIN NOORANI

CHAIRMAN,

*Standing Committee on Public  
Accounts.*

LAHORE :

*The 11th December 1967.*

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 COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE AT 9.00 A.M. ON SATURDAY, THE 27TH NOVEMBER 1965.

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 Yusuf Ali Shah, M.P.A.  | — Member.             |
| (6) Chaudhri Muhammad Sarwar Khan, M.P.A.  | — Member.             |
| (7) Mr. Bashir Ahmed Mirza, P.C.S.,<br>Secretary Provincial Assembly of West Pakistan                      | Ex-officio Secretary. |
| (8) Mr. Mukhtar Masood, T.O.A., C.S.P.,<br>Secretary to Government of West Pakistan,<br>Finance Department | ... Expert Adviser.   |
| (9) Mr. Ahmed Ali Shah, P.A. and A.S.,<br>Accountant-General, West Pakistan                                | ... By invitation.    |
| (10) Mr. Nazir Ahmed Chaudhri, P.A. and A.S.,<br>Director, Audit and Accounts (Works), West Pakistan       | ... By invitation.    |
| (11) Mr. N. A. Jaffery, P.A. and A. S., Director,<br>Commercial Audit, Karachi                             | ... By invitation.    |

II. The Committee in the first instance conducted the preliminary examination of the Appropriation Accounts of the Government of West Pakistan for the year 1960-61 and took the following decisions:—

(1) *Page 1, Para. 1 (2)*—The Audit Department and the Finance Department should examine and report to the Committee the reasons for which exception was made in the case of "Irrigation Works" and "Industries" and recoveries were not taken in reduction of expenditure in their case though this procedure was adopted in respect of other grants.

(2) *Page 1, Para. 1 (3)*—It was accepted by the Audit Department that there had been delay in the submission of these reports by them in the past but they explained that the present position was quite good as they had cleared most of the arrears and were likely to complete all the arrears within 6 months.

(3) *Page 3, Paras. 5 and 6—Savings on Authorised Grants and Charged Appropriations*—Explanations should be called for from the Departments concerned in respect of all the items of saving on page 3 of the Audit Report where there has been a saving of more than ten per cent. The explanations should be full and complete giving details.

(4) *Pages 4-5, paras. 8 and 9—Excesses over Authorised Grants and Charged Appropriations*—Explanations should be called for from the Departments concerned in respect of all the Excesses shown at pages 4 and 5 of the Audit Report where there has been an excess of more than one per cent. The explanations should be full and complete giving details.

(5) Explanation should also be called for from the Departments concerned in respect of the following savings and excesses:—

Serial No.	Page	Grant No.	Sub-head	Saving
1	167	12—General Administration.	19 (4) (iii)—Nazul Establishment	Rs. 5,990
2	167	Ditto	19 (4) (viii)—Road-side Tree Establishment	15,140
3	167	Ditto	19—(4) (ix)—Garden and Petty Establishment.	6,460
4	168	Ditto	19 (4) (xi)—Municipal Establishment	43,520 <i>Excess</i>
5	318	35—Development	E-3—Timber Seasoning Kiln in Changa Manga	43,335
6	345	Ditto	K-5(6)—Additional Scholarships for Lawrence College, Goragali...	27,000
7	346	Ditto	K-5—(13)—Purchase of Equipment for Girls High School Quetta and Boys High School, Quetta	4,23,445
8	347	Ditto	K-5(14)—Purchase of Science Equipments for Middle and High Schools.	3,90,000
9	351	Ditto	N-11—Equipment for Mental Hospital, Lahore.	30,494
10	355	Ditto.	O-19—Scheme for investigation leading to large Scale production of Mango Nursery in West Pakistan.	47,491
11	255	Ditto	O-20—Improvement of Vegetable Seed Production at Government Fruit Farm, Mirpur Khas.	4,191
12	365	Ditto	R-35—Grant-in-aid to Small Scale Industries.	8,40,826
13	322	Ditto	(a) C-7—Constructing Bund Lundhies along S.M. Bund in Hala Division.	2,04,032
14	333	Ditto	(b) Research Work in D.I.R. Division, Lahore.	2,13,823

(6) *Page 7, Para. 12(i)—Supplementary Grants and Appropriations Proving partly or wholly unnecessary*—Explanations should be called for from the Departments concerned for obtaining amounts in excess of their actual requirement. The explanations should be full and complete giving details.

(7) *Page 7, Para. 12 (ii)—Surrenders made in Excess of total savings in Authorised Grants or charged Appropriations*—The Departments concerned should be called upon to explain as to why they surrendered amounts in excess of the actual savings. The explanations should be full and complete giving details.

(8) *Page 8, Para. 12 (iii)—Surrenders in absence of savings*—The Departments concerned should be called upon to explain as to why they surrendered amounts when there was no saving. The explanations should be full and complete giving details.

(9) *Page 9, Para. 14—Financial Irregularities, Losses, etc*—Explanations should be called for from the respective Departments in respect of the financial irregularities losses, etc., pointed out in para. 14. The explanations should be full and complete in details and should indicate the action taken against the officers responsible therefor.

(10) *Page 10, Para. 18—Expenditure on works in Anticipation of Technical Sanction to estimates*—Explanations should be called for from the Departments as to why the works enumerated at pages 10 to 12 of the report were under taken in anticipation of technical sanction to estimates. A full and complete report giving details should be obtained from the relevant department who should also state the cases where since then sanctions have been obtained.

(11) *Pages 12—58, paras. 19 to 86*—Explanations should be called for from the Departments concerned for the irregularities pointed out in these paragraphs. The explanations should be full and complete with all necessary details and should indicate the action taken to deal with officers or persons responsible for these irregularities and if no action has been taken reasons therefore and the action contemplated. In case where recoveries are involved steps towards realisations should be indicated.

(12) *Page 59, Para. 87—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 furnished by the—

- (i) Adviser to Government of West Pakistan, Education Department;
- (ii) Adviser to Government of West Pakistan, Health Department; and
- (iii) Director of Industries, West Pakistan, and the Departments concerned should state the action taken against the officers or persons responsible for not submitting the certificates in time to the Audit Department. In case no action has been taken, the actions contemplated and reasons for delayed action should be reported.

(13) *Pages 59-60, Para. 88—Secret Service Expenditure*—The Committee observed that as the expenditure under this head was not subject to audit, it was of the utmost importance that the certificates should be submitted in time. The Audit pointed out that certificates in respect of Grant No. 12—General Administration and Grant No. 16—Frontier Regions only remained outstanding. The Committee decided that certificate in the prescribed form in respect of these two grants should be furnished by the Department concerned it should be impressed upon them that the furnishing of these certificates should not be treated lightly or as a mere formality but as a requirement to be complied with regularly and within the prescribed time.

(14) *Pages 60 to 63, Para. 89 (i)—The Lower Sind Barrage (Ghulam Muhammad Barrage)*—The Department concerned should submit a detailed note showing the up-to-date position with respect to this project and with reference to Audit objection.

(15) *Pages 63-64, Para. 89 (ii)—Mianwali Hydel Project*—The Department should explain as to why the project was started without any detailed estimate and designs which caused a heavy loss to Government. The disposal of the material and machinery should also be explained giving all details.

(16) *Page 64, read with page 312, note 3,—Para. 90—Schemes of State Trading*—The Department concerned should explain the reasons for non-submission of the Consolidated running Accounts to Audit Department. The action taken against the officers or persons responsible for non-submission of these accounts should also be stated by the Department. The Department may be asked to furnish the Accounts to the Audit immediately.

(17) *Page 64-65, Para. 91—Expenditure on Deposit works in excess of Deposits received by the Public Works Department*—The Department should explain why the expenditure on deposit works was incurred in the absence of deposits or in excess of deposits. The sources from which such expenditure was incurred in contravention of the Financial Rules should be clearly stated.

(18) *Pages 66-71, Paras 92-93—Delay in disposal of Inspection Reports and Audit Notes*—The Accountant-General, West Pakistan placed before the Committee a statement showing the position of Outstanding Audit Notes and Inspection Reports upto the year 1960-61 as on 30th September, 1965 (Appendix 'A'). The Committee took a serious view of the situation and decided that—

(i) the audit objections in each of these cases should be answered and complied with and report of the compliance submitted to the Audit office concerned and the Committee; and

(ii) action should be taken against the officers responsible for non-compliance with the audit reports and reported to the Committee.

(19) *Page 72, Para. 94—Arrears of Accounts documents and returns*—The Departments concerned should explain the reasons for such heavy arrears in submitting the documents to Audit. The Departments should verify the latest position with Audit and explain the detailed reasons for non-submission thereof.

(20) *Page 75, para. 95—Unresponded items under the Head Transfer between Public Works Officers*—The Committee took a very serious view regarding the unresponded items under the head "Transfer between Public Works Officer" as there was every likelihood of misappropriation of stores, etc. on account of which the debits remained un-responded and called for the explanations from Departments concerned for not responding to the items under this head so far. The Departments should also state as to what steps have been taken to respond to these items and further state the disciplinary action taken for not responding to these items in the past.

(21) *Page 75, Para. 96—Non-preparation of Capital and Revenue Accounts*—Explanations should be furnished by the Departments concerned for not supplying the required data to the Audit office for the compilation of Capital and Revenue Accounts of Government Residential Buildings.

(22) *Page 76, Para. 97—Outstanding Adjustment Memos*—The Departments should explain the reasons for not responding to the Adjustment memos and state the steps taken to accept or reject the Debits or Credits now and the disciplinary action taken against the officials responsible for non-adjustment. The explanations should be complete giving details.

(23) *Page 76, Para. 98—Contract Agreements not supplied to Audit.*—The Department should explain reasons for which contract agreements were not supplied to Audit. The explanation should be complete and full of detail. The latest position should be verified with Audit.

(24) *Page 77, Para. 99—Buildings and Roads (Communications and Works) and Police Departments* should report the total number of criminal cases filed in the Courts against the officials working in their Department out of which the officials mentioned at page 77 were acquitted by Courts.

(25) The Director, Audit and Accounts (Works) placed before the Committee a statement showing the position of outstanding cases of financial irregularities (Appendix 'B'). The Committee decided that the Departments should expedite the finalization of these cases and submit explanation to the Committee.

(26) *Page 99, Note 4—Store Accounts.*—The Department concerned should furnish the store account of Provincial Stamps to the Audit Department immediately and take action against the officer responsible for the delay.

(27) *Page 173, Note 4—Remission of Revenue granted outside Provisions of Law and Rules having the force of Law.*—The Department concerned should be asked to furnish the required information immediately to the Audit Department.

(28) *Page 176, Notes 7 and 8—Store Accounts.*—The Department concerned should submit the store Accounts to the Audit Department immediately; fix responsibility for not furnishing the Accounts to the Audit Department in time and report action taken against the delinquents. The up-to-date position of the store Accounts should also be intimated to the Committee.

(29) *Page 176, Note 9—Financial Statements.*—The Department concerned should furnish the Financial Statements to the Audit Department immediately and take action against the persons responsible for non-submission. The up-to-date position of the Financial statement should also be reported to the Committee.

(30) *Page 231, Note 5—Stores Accounts.*—The Department concerned should furnish the Store Accounts in question to the Audit Department and report to the Committee the action taken against the officers or persons responsible for non-submission of these accounts.

(31) *Page 233, Audit Comments—Outstanding Recoveries.*—The Department concerned should state the steps taken towards the realization of the recoveries and the action taken against the officials responsible for not effecting the said recoveries.

The Committee was informed that one of the factors due to which recoveries remained outstanding against various Government Departments was the defect which is inherent to the method of making payments and affecting recoveries by book adjustments. The Committee was further informed that cheque system had been introduced in the "Public Works" and "Forests" Departments and this system has brought good results. This system, if extended to other Departments was likely to decrease the number of outstanding recoveries as the supplying Department would demand the cheque immediately on the delivery of goods and the purchasing Department would check the goods immediately before making the payment by cheque and thus the Departments will guard their interests leaving no reasons for the recoveries to remain outstanding. The Committee decided to consider this matter at the time of writing its report to the Assembly.

(32) *Page 238, Note 5—List of remissions and abandonment of claims to revenue*—The Department concerned should furnish the required list to the Audit Department immediately and report the action taken against the persons responsible for the delay.

(33) *Page 242, Note 5—Consolidated Financial Review*—The Department concerned should compile the consolidated Financial Review of Government Live-stock Farms immediately and report the same to the Audit Department. Any action taken against the officers responsible for non-compilation should be reported to the Committee and if no action has been taken, reasons therefor should be stated.

(34) *Page 251, Audit Comments—Defective procedure of Physical Verification of Stock*—The Department concerned should report to the Audit Department the steps taken to adopt the correct procedure for physical verification of stock. The Audit Department should examine it and put up before the Committee if not satisfied.

(35) *Page 282, Note 4—Pro forma Accounts*—The Department concerned should compile the Accounts immediately and furnish the same to Audit Department. The Department should also take action against the officers or persons responsible for non-preparation of these accounts and report the action to the Committee.

(36) *Page 295, Audit Comments*—The sanction of the Government for the adoption of closing balance for 1958-59 as opening balance for 1959-60 and for the write off of shortage of Rs. 886 and Rs. 493 should be furnished to the Audit Department immediately.

(37) *Page 312, Note 4—Combined Trading, Profit and Loss Account of Sugar Nationalization Scheme*—The Department concerned should furnish the Accounts to the Audit Department immediately and take action against the persons responsible for the delay and report the action to the Committee.

(38) *Page 424, Notes 3 and 4—Pro forma Accounts of Seeds and Consolidated Store Accounts of Agriculture Farms*—The Department concerned should compile the accounts immediately and furnish the same to the Audit Department. Action taken against the persons responsible for non-compilation of these accounts may be reported to the Committee.

(39) *Page 504, Note 2—Provincial Miscellaneous Investments*—The Finance Department should furnish the details of the profits earned separately by Government on these investments together with a statement as to what are the prospect of profits and whether it should be advisable to continue investments in these organizations.

(40) *Pages 510—531—Annexure—Un-finalized Cases of Financial Irregularities, Losses, etc.*—The Departments concerned should explain the reasons for which the irregularities have not been rectified, excess payments not realized and the shortages of stores not recovered. Where recoveries are involved, what steps have been taken to effect the recoveries and what are the prospects. Responsibility under each head should be fixed; the action taken against the officers concerned should be reported and if no action has been taken, what action is contemplated and the reasons for the delayed action.



## COMMERCIAL ACCOUNTS

III. The Committee then conducted the preliminary examination of the Commercial Accounts for the year 1960-61 and Audit Report, 1962. The following decisions were taken:—

(1) *Pages 8-9, Para. 18 Non-Compilation/Preparation of Accounts*—The Department concerned should explain the reasons for which the accounts of the 13 organizations were not prepared in time or were prepared incorrectly. The Department concerned should expedite the preparation of accounts which are still pending submit them to the Audit within 3 months for scrutiny.

(2) *Page 14, Para. 22*—The Department should explain the action taken against the treasury officer and the Treasury Clerk and the efforts made to effect the recovery in this case.

(3) *Page 15, Para. 23*—The Committee took a serious view of the fact that so many cases of financial irregularities, etc., reported in the Audit Report of the previous years have not yet been finalized and directed that these should be finalized as early as possible and compliance reported to the Audit office and the Committee.

(4) *Page 17, Para. 26*—The Department should explain whether the outstanding amounts have been settled if not, state the steps taken to settle the balance.

(5) *Page 19, Para. 35*—The Department should submit a detailed explanation for the transfer of expenditure of Rs. 4,13,187 from the Commercial side to the education.

(6) *Page 19, Para. 36*—The Department should explain as to why the stock in hand of cloth, yarn and Miscellaneous was approximately double of the annual requirement. The Department should further explain as to why such a huge stock was kept in hand.

(7) *Page 22, Para. 38—Yarn and Store consumed*—The Department should explain the decrease in the consumption of the yarn and stores during the year 1960-61 as compared with the year 1959-60.

(8) *Page 25, Para. 39—Sales on Credit*—The Department should furnish the details of sales on credit and state the authority under which these sales were made giving full names and details of persons or firms who were given credit facilities.

(9) *Page 26, Para. 40—(i) Salaries Account*—The Department should explain the reasons for which the Administrative cost increased during the year 1960-61 as compared with the cost of 1959-60 specially when the total yarn and stores consumed were less during the year. The explanation should be complete in all respect.

(ii) *Bonus and interest on capital*—The Department should explain the reasons of such a large increase in the payment of Bonus and Interest on Capital during the year 1960-61.

(10) *Page 29, Para. 42—Value of stock written off*—The Department should furnish the details of stock found short whose value has been written off. Details of stocks found in excess, should also be furnished.

(11) *Page 33, Para. 44*—The Department should furnish the details of the sum of Rs. 4,85,176 shown recoverable from Messers. Rashid Ghani and Malli Ex-lessees and the steps taken to recover this amount. The latest position of the case should be stated.

(12) *Page 37, Para. 48*—The Department should explain the nature of adjustment of a sum of Rs. 4,91,411 and give the details of the amount.

(13) *Page 39, Para. 50*—The Department should explain the reasons due to which the physical verification of Stores was not carried out. This should be done immediately and action taken against the delinquents and compliance reported to the Audit and Committee.

(14) *Page 39, Para. 51*—The Department should reconcile the factual position with the Audit and report the same to the Committee.

(15) *Page 39, Para. 52*—The Department should explain why the amount could not be recovered from various Jails and state the steps taken to effect the recoveries. The latest position should be explained indicating the action taken against those who might be responsible for non-recovery.

(16) *Page 43, Para. 54*—The Department should explain the causes of loss of Rs. 74,271 sustained during the year 1959-60.

(17) *Page 45, Para. 57*—The Department should state whether the loss of Rs. 6,26,057 has since been written off.

(18) *Page 62, Para. 73*—The Department should explain the reasons for non-conducting the physical verification and not making available to the Audit any register or ledger showing the quantitative balance during the year under review. The department should report the latest position of the case and the action taken against the officials responsible.

(19) *Page 62, Para. 74*—The Department should take the provision of Audit and Accounts charges in the next year's account and report the same to the Committee and Audit office.

(20) *Page 62, Para. 75*—The Department should explain why the accounts of the material was not maintained and to state the disciplinary action taken against the officials.

(21) *Page 62, Para. 76*—The Department should state the steps taken to effect the recovery of Rs. 5,15,693.

(22) *Page 69, Para. 82*—The Department should explain in detail the reasons for the decrease in the profit and the increase in the collection rates.

(23) *Page 75, Para. 89*—The Department should explain the reasons for maintaining such a heavy stock amounting to Rs. 1,85,569 on 30th June 1960 as compared with Rs. 52,754 on 30th June 1959.

(24) *Page 76 Para. 91*—The Department should report the details of the adjustment relating to previous year's amounting to Rs. 3,00,518.

(25) *Page 82, Para. 97*—The Department should explain the steps taken to evolve a formula for fixing the sale and purchase rates of Ephedra wood and also as to whether the sanction of competent authority was obtained.

(26) *Page 82, Para. 98*—The Department concerned should explain latest position of the case.

(27) *Page 82, Para. 99*—The Department should explain why the physical verification of stock could not be made during the last four years. The result of verification should be intimated to Audit.

(28) *Page 82, Para. 100*—The Department should explain the latest position regarding adjustment of establishment charges.

(29) *Page 82, Para. 101*—The Department should explain why separate commercial books of Accounts were not maintained in this respect. The present position may be explained.

(30) *Page 89, Para. 105*—The Department should explain the formula evolved by the department for fixing the rates of stock article.

(31) *Page 89, Para 111*—The Department should explain whether the shortage of Rs. 1,111 have been written off, if not, what steps have been taken to get it written off.

## PART II—ROAD TRANSPORT CORPORATION

(32) *Page 94, Para. 113*—The Department should explain the reasons for late preparation of the 3 accounts. The latest position may be explained.

(33) *Page 97, Para. 117*—The Department should explain the reasons for not finalizing the objections mentioned in various Commercial Accounts with Audit as mentioned at page 97 of the Report. The latest position of these cases should be intimated.

(34) *Page 99, Para. 122*—The Department should submit the detail of Assets amounting to Rs. 6,42,261.

(35) *Page 101, Para. 128*—The Department should explain the causes for such a heavy loss amounting to Rs. 9,43,879 alongwith the steps taken to make the unit self-supporting and profit earning. The explanation should be complete giving details.

(36) *Page 101, Para. 129*—The Department should explain the steps taken to adjust a sum of Rs. 53,53,942 shown under the head "Suspense Account Capital".

The Department should examine the desirability of adopting ways and means so that such suspense items do not appear in the Accounts of the units and the Headquarters office of the Road Transport Corporation and the correct state of affairs in the various units of the Corporation, is reflected in their Accounts.

(37) *page (101), Para. 130*—The Department should explain the causes for non-realising the outstanding dues. The steps taken to realise the debts should also be stated.

(38) *Page 110, Para. 140*—The Department should state the steps taken to recover the value of stores found short. The result of Departmental inquiry if any, should be furnished to Audit as well as to the Committee. Disciplinary action taken against the officials should also be reported.

(39) *Page 110, Para. 141*—The Department should explain the causes for which the outstanding dues could not be cleared. The latest position of the case and the steps taken to realise the Debt should be stated.

(40) *Page 114, Para. 143*—The Department should explain the causes of increase in expenditure under the sub-heads "Salaries of Officers and staff" and "Allowances and Honoraria" and show the breakup of the increased expenditure in respect of operating and administrative staff.

(41) *Page 120, Para. 154*—The Department should explain the abnormal decrease in profit of the unit and the steps taken to remove the bottle-necks which caused such decrease.

(42) *Page 120, Para. 155*—The Department should explain the recovery made on account of the shortage of stores and the disciplinary action taken against the officials responsible for the shortages. If any departmental inquiry has been made, a copy of the report may be supplied to Audit and to the Committee. The explanation should be complete in all respects.

(43) *Page 120, Para. 156*—The yearwise breakup of the amount under the head "Sundry Debtors" should be furnished to Audit and effective steps should be taken to recover the outstanding dues.

(44) *Page 124, Para. 158*—The Department should explain the circumstances in which the expenditure under the head "Stores and Supplies consumed" was increased from Rs. 21,71,733 to Rs. 27,46,810 whereas the total revenue during the year showed a sharp decline. The explanation should be complete.

(45) *Page 125, Para. 158-A*—A sum of Rs. 4,14,600 have been shown as sale-proceed of unserviceable vehicles. The details of this transactions, viz., book value of the vehicles, life of the vehicles, sale value of vehicles and the mode of sale of vehicles should be explained in detail.

(46) *Page 129, Para. 165*—The Department should explain the causes of decrease in profit. Steps should be taken to remove bottle-necks in the way of effective control which lead to the decrease in profit. The explanation should be complete giving details.

(47) *Page 129, Para. 166*—The chances of recovery of outstanding debts, with the disciplinary action taken against the officials responsible for not effecting recovery should be explained by the department.

(48) *Page 129, Para. 167*—The Department should explain what steps have been taken to liquidate the liabilities amounting to Rs. 14,28,764. The explanation should be complete giving details.

(49) *Page 131, Para. 168*—(a) A sum of Rs. 20,395 have been shown under "Defalcation" during 1959-60 and 1960-61. The circumstances under which the same amount could not be adjusted should be explained in detail;

(b) under the head "Advances and forward payments", a sum of Rs. 1,13,805 have been shown. The detail and the nature of these advances should be explained.

(50) *Page 138, Para. 181*—The Department should explain the steps taken to ascertain actual cost of Assets and Stores and early adjustment of the outstanding amounts under the final heads giving details.

(51) *Page 138, Para. 182*—The Department should explain the steps taken to effect the recovery in this case and the disciplinary action taken against the officials responsible for the shortages.

(52) *Page 138, Para. 183*—The Department should explain the steps taken to realize the outstanding debts and the disciplinary action taken against the officials who were responsible for such a heavy accumulation. The detail of the amount should also be supplied.

(53) *Page 143, Para. 185*—(a) The detail of Rs. 45,888 shown under the head "Sale of Stores" should be furnished.

(b) The detail of Rs. 2,15,825 and Rs. 90,100 shown as the sale values of vehicles during 1959-60 and 1960-61, viz., the book value of the vehicles, life of the vehicles, sale value of the vehicles and the mode of sale of vehicles should be furnished.

(54) *Page 148, Para. 194*—The Department should explain the reasons for, the decrease of profit from Rs. 12,23,280 to 1,28,801. The whole situation may be examined and the results may be explained in details.

(55) *Page 148, Para. 195*—The department should adjust the heavy balances under suspense Account (Capital) and explain the causes for such a heavy balances under suspense.

(56) *Page 148, Para. 196*—The Department should explain the extent of recoveries which have been made from Sundry Debtors. The steps taken to effect recovery should be explained in detail.

(57) *Page 158, Para. 205*—The Department should explain the causes for the increase in the cost of production of the bodies of Buses. The explanation should be complete giving details.

(58) *Page 158, Para. 206*—The Department should explain why the establishment charges have not been charged in the Accounts.

(59) *Page 158, Para. 207*—The Department should furnish the year-wise breakup of the amount to Audit and steps should be taken to realise the dues as early as possible.

(60) *Page 162, Para. 209*—The Department should give the details about the difference in prices.

IV. The Committee then decided that as the country was passing through an emergency and it was the desire of every Pakistani to effect economy, it would be advisable to meet again on 15th December 1965 the day after the Assembly adjourned, so as to save a lot of expenditure on Travelling Allowances, etc. The concerned Departments should be informed to be prepared with their papers and explanations. However in case there was any change in the programme of the Assembly and it adjourned earlier, the Chairman should take necessary steps to give fresh dates for the meeting of the Standing Committee on Public Accounts.

LAHORE

The 27th November 1965

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.



## APPENDIX (A)

STATEMENT SHOWING THE POSITION OF OUTSTANDING AUDIT NOTES AND  
INSPECTION REPORTS UPTO THE YEAR 1960-61 AS ON SEPTEMBER 30, 1965

Subject	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	Total	
Home Department	...	...	...	...	1	14	7	22	
Health Department	...	...	1	2	4	7	16	30	
Board of Revenue	...	...	1	12	17	9	13	52	
Education Department	...	2	2	1	2	...	9	10	26
Agriculture and Veterinary Department	...	...	1	2	6	7	8	24	
Basic Democracies, Social Welfare and Local Government Department.	...	...	...	...	3	3	3	9	
Animal Husbandry Department	...	...	...	...	2	2	...	4	
Finance Department (Small Savings Schemes).	...	...	...	...	...	...	1	1	
Industries Department	...	...	...	...	...	3	4	7	
Agriculture Department	...	...	2	2	3	6	7	12	32
Revenue and Rehabilitation Depart- ment.	...	...	...	...	...	2	...	2	
Planning and Development Department	...	...	...	...	1	3	7	11	
Food Department	...	...	...	...	...	1	...	1	
Law Department	...	...	...	...	...	1	1	2	
Irrigation, Communications and Works Department.	...	...	...	...	...	6	2	8	
Chief Engineer Electricity, WAPDA	...	...	...	...	...	...	1	1	
Total	...	2	4	6	21	38	74	87	232





## APPENDIX (B)

[Page 78, Para. 100 (g)]

## POINTS OUTSTANDING FROM PREVIOUS AUDIT REPORTS

Audit Report	FORMER PUNJAB		FORMER N.-W.F.P.		FORMER SIND		TOTAL Nos. AMOUNT CASES		
	No.	Amount	No.	Amount	No.	Amount	Present position		
		Rs.		Rs.		Rs.	Rs.		Rs.
1947-48	...	...	...	...	...	...	...	...	...
1948-49	1	35,885	...	...	...	...	35,885	1	35,885
1949-50	...	...	...	...	4	31,351	31,351	...	...
1950-51	3	92,904	2	74,786	1	10,620	1,78,310	6	64,984
1951-52	2	11,408	...	...	1	14,140	25,548	3	25,548
1952-53	4	32,553	1	1,217	...	...	33,770	2	13,072
1953-54	16	4,45,629	...	...	2	57,359	5,02,988	18	5,02,988
1954-55	7	11,15,449	1	1,742	2	67,374	11,84,563	11	11,84,563

Para 100 (g)

Year of audit Reports		Number	Amount	Numbers of cases	Amount
			Rs.		Rs.
1955-56	...	50	34,26,168	40	27,82,795
1956-57	...	71	52,62,529	60	38,44,745
1957-58	...	70	19,40,325	28	11,46,241
1958-59	...	93	1,64,72,553	54	1,14,00,562
1959-60	...	104	40,63,236	96	35,64,223

Serial No.	Name of Documents returns	Name of Branch of Public Works 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	Inspection Reports.	1. Buildings and Roads...	..	..	..	..	..	..	..	1	8	24	35	43	49	54	214
		2. Public Health Engineering.	..	..	..	..	..	..	..	..	..	..	..	..	1	1	3
		3. Buildings and Roads Division transferred to Agricultural Development Corporation.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
		4. Irrigation	..	..	..	..	..	..	..	5	11	55	67	79	98	76	391
		5. Irrigation Divisions transferred to WAPDA.	..	..	..	..	..	..	..	..	..	2	3	4	6	9	24
		6. Irrigation Divisions transferred to Agricultural Development Corporation.	..	..	..	..	1	1	2	3	5	10	18	19	18	20	103
		7. Electricity	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
		Transferred to WAPDA Audit.	..	..	..	..	1	1	2	9	24	94	126	145	172	160	734
2	Monthly Audit Notes.	1. Buildings and Roads	..	..	..	..	..	9	13	15	4	18	13	14	16	16	117
		2. Buildings and Roads Division transferred to Agricultural Development Corporation.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
		3. Irrigation	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
		4. Irrigation Division transferred to WAPDA.	..	..	..	..	..	..	8	9	3	18	22	49	52	51	212
		5. Irrigation Divisions transferred to Agricultural Development Corporation.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
		6. Electricity	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
		Transferred to WAPDA Audit.	..	..	..	..	..	9	21	24	7	36	35	63	67	67	329
		Total	..	..	..	..	..	9	21	24	7	36	35	63	67	67	329

3 Test Audit Notes.																63
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1. Buildings and Roads	...	...	...	...	...	...	1	1	1	...	1	1	2	3	6	16
2. Irrigation	...	1	1	2	1	1	2	1	1	2	1	1	2	3	3	24
3. Irrigation Divisions transferred to WAPDA	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
4. Irrigation Divisions... transferred to Agricultural Development Corporation.	1	1	1	4	4	4	3	2	1	1	2	1	1	1	2	24
Total	2	2	3	2	6	7	7	4	2	3	4	5	7	11	63	

PARA. 93 (b) INSPECTION REPORTS TO WHICH EVEN FIRST REFILES ARE AWAITED

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	Irrigation	...	...	...	...	...	...	...	...	...	7	8	13	13	7	48
2	Irrigation Division transferred to Agricultural Development Corporation.	...	...	...	...	...	...	...	...	...	1	1	1	2	1	6
3	Irrigation Division transferred to Agricultural Development Corporation.	...	...	...	...	...	...	...	...	...	...	...	1	1	...	2
4	Buildings and Roads Divisions	...	...	...	...	...	...	...	...	...	1	...	...	3	2	6
5	Buildings and Roads Division transferred to Agricultural Development Corporation.	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
6	Public Health Engineering	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
7	Electricity WAPDA	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	Total	...	...	...	...	...	...	...	...	...	9	9	15	19	10	62

ARREARS OF ACCOUNTS DOCUMENTS AND RETURNS UP TO THE YEAR 1960-61 AS STOOD ON 30TH JUNE 1965

Serial No.	Name of Documents Returns	Branch of Public Works 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	1. Buildings and Roads 2. Buildings and Roads Division, transferred to Agricultural Development Corporation. 3. Irrigation 4. Irrigation Division transferred to WAPDA. 5. Irrigation Division transferred to Agricultural Development Corporation. 6. Electricity	5	..	..	1	3	6	6	10	12	12	14	25	33	37	164
2	Form 40/51 Review of Balances	1. Buildings and Roads 2. Irrigation 3. Irrigation Division transferred to WAPDA. 4. Irrigation Division transferred to Agricultural Development Corporation. 5. Electricity	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
		Total	5	..	..	1	5	8	8	12	14	14	17	31	69	91	275
		1. Buildings and Roads	..	..	..	..	..	..	1	1	1	1	1	2	5	7	19
		2. Irrigation	..	..	..	..	..	..	..	..	1	..	..	2	6	9	18
		3. Irrigation Division transferred to WAPDA.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
		4. Irrigation Division transferred to Agricultural Development Corporation.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
		5. Electricity	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
		Total	..	..	..	..	..	..	1	1	2	1	1	4	11	16	37

[illegible]







**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE AT 10-00 A.M. ON 23RD JANUARY 1967.**

**I. The following were present:—**

- |   |                      |
|---|----------------------|
| (1) Chaudhri Muhammad Nawaz, M.P.A.   | ... Acting Chairman. |
| (2) Rai Mansab Ali Khan Kharal, M.P.A.  | ... Member.          |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.   | ... Member.          |
| (4) Mr. Malang Khan, M.P.A.   | ... Member.          |
| (5) Mr. Fazal-ur-Rehman, C.S.P., Additional Finance Secretary assisted by Mr. G.D. Memon, Joint Secretary Finance.  | Expert Adviser.      |
| (6) Mr. N.A. Chaudhri, P.A. & A.S. Director, Audit & Accounts (Works), West Pakistan.   | By invitation        |
| (7) Mr. Sarfraz Malik, Officer on Special Duty, Irrigation and Power Department alongwith Chief Engineers of Irrigation Department and Guddu Barrage and Member Finance WAPDA | Ditto.               |

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 in the first instance considered the explanations of the Irrigation and Power Department in respect of the following outstanding items pertaining to the Appropriation Accounts for the year 1958-59:—

(1) *Page 23, paragraph 17 (a) 18(1)—Shortage of Stores*—In this case a shortage of stores worth Rs. 1,14,873 and a surplus of stores worth Rs. 1,99,773 was noticed at the time of physical verification of stores in 1953. But the deficiencies and the surplus were not accounted for till December, 1956. A report of the shortage and surplus was not made to the Audit Office. The physical verification required under the rules was not done from 1953 to 1956. The non-compliance of rules facilitated further shortages in stores and the department replied in February, 1961 that on the completion of the physical verification shortages worth Rs. 2,61,040 against 35 sections holders and surplus worth Rs. 2,71,441 were found and accounted for but neither the amount of Rs. 2,61,040 had been recovered nor any disciplinary action taken against the officials responsible for the shortages and delay in the accounting of these deficits and surplus.

The matter was last considered by the Committee at its meeting held on 26th October, 1966 wherein it was 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 Engineers was making concerted efforts to finalize these cases.

The Department now explained that—

(a) The progress of verification of shortages with references to old record was in progress at the time of last meeting as well. The entire amount for shortages to be written off pertaining to the incumbency of 14 migrated deceased and retired officials has now been worked out to Rs. 2,66,384.88. Four estimates are still under preparation in Circle Office while 10 are under check in Chief Engineer's office and in Secretariat;

(b) Amount of Rs. 1,940 recovered from various officials has been verified by Audit;

(c) Amount of Rs. 14,795.89 adjusted against surplus as has been verified by Audit;

(d) As a result replies received from the concerned officials it has been possible to fix responsibility for recovery of Rs. 4,910.48 against 5 officials only. The rest are required to be allowed the benefit of defective system of preparing proper charge papers at the time of transfer in the past as well as for not conducting timely physical verification;

(e) As a result of further enquiries disciplinary action has now been started against supervisory staff as well as Executive Engineers (3 Nos.) and Assistant Engineers (6 Nos.) who held continuous charge of Stores Division for more than six months up to 1956 and who are still in service for their failure in the exercise of proper control which resulted in this big figure of losses.

The Committee observed that the Committee saw the Communications addressed by the Superintending Engineer to the Chief Engineer, Lahore, regarding the enquiry made and question of possibility of the shortages of the stores. It seemed that the Department is taking action against the officers who appear to have been responsible for the shortages. The Officer on Special Duty Irrigation and Power Department assured that the action would be taken to recover the amounts if it is proved that a particular officer was found responsible for the shortages or the shortages occurred due to his failure to exercise necessary supervision. The Committee decided that the action taken against the officers who were being proceeded against by the Department should be reported to the Committee in due course of time.

The Committee further asked for a full report in this case when it goes into the question whether any amount should be written off and whether all the amounts that could be recovered have been recovered.

The Committee wanted the Department also to look into the question of surpluses and furnish necessary details as to how the surpluses occurred and what steps have been taken or are being taken to guard against the fictitious entries in the issues or non-entries on the receipt sides of the stock registers.

(2) Page 26, paragraph No. 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 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 26th October, 1966, when it was 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 Stores Controller M.P.O. Accordingly a show cause notice was issued through Chief Engineer (Development WAPDA). The explanation of the officer which was received on 20th October, 1966 was under examination in the Secretariat.



The Department now informed the Committee that in response to the show-cause notice the accused officer had resisted the recovery on the following grounds:—

- (i) That the unaccounted POL for which he has been held responsible was issued by him to one Mian Gul, Chaugerman for its *bona fide* use in Government work.
- (ii) That records pertaining to the consumption accounts have not been made available to him to facilitate his defence.

The Officer on Special Duty, Irrigation and Power Department informed the Committee that further action towards finalization of the case was in process. The Committee decided to defer consideration of the item to the meetings when the accounts for 1961-62 are considered.

(3) *Page 30, paragraph 17(a) 27—Loss of foreign exchange*—In this case, tractor spare parts worth Rs. 20 lacs (6,65,832.4) 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 26th October, 1966, wherein the Committee decided to defer the para till the decision is taken by the Central Public Accounts Committee.

As the matter is still pending with the Central Accounts Committee, the Committee deferred this item till the Central Accounts Committee decides as to what extent the Central purchase Organization and the Irrigation Department (WAPDA) were responsible for the loss. The Committee decided that the item should come up again before the Committee when the accounts for the year 1961-62 are considered.

(4) *Page 30, paragraph 17(a) 29—Infructuous 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 26th October, 1966 when the Committee decided to defer the consideration of this item to the next meetings of the Committee to enable the Audit Department to examine the relevant file so that their comments become available for consideration of the Committee.

The Audit now pointed out that on examination of the record produced by the Department it came to notice that the indent for the supply of Vicker Tractors as third priority was placed by the Secretary, Irrigation and Power Department on 18th December 1956. Later on the revised indent was placed on 19th January 1957 and first priority was given to Vicker Tractor. Even the number of tractors was increased from 30 to 50. Similar tractors were purchased by the Department during April 1953 and they did not work properly as per report of Departmental Officers. In view of these facts the purchase of the Vicker Tractors was against the interest of the Government. The responsibility for the loss rested with the Departmental Officers for which disciplinary action was required.

As the Department had not examined the report of the Audit, the Officer on Special Duty Irrigation and Power Department requested for the postponement of the item till 2nd February, 1967. The Committee acceded to his request. The item was deferred to 25th January 1967.

IV. The Committee then considered the items relating to the appropriation Accounts for 1959-60.

(1) *Page 9, paragraph 17(a) 1—Expenditure on works in anticipation of technical sanction to estimates*—The matter was last discussed by the Committee at its meeting held on 26th October 1966 when 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.

The Department now explained that the outstanding number of unsanctioned estimates previously reported to the Standing Committee on Public Accounts in their meeting held on 17th May 1966 was 136. As now reported by zonal and independent heads the number of outstanding un-sanctioned estimates is below 100. Concerted efforts are being continued for the clearance of the balance number of un-sanctioned estimates pertaining to the year 1959-60.

The Director of Audit and Accounts (Works) contended that the outstanding Nos. were 214 and not 136. The Committee felt that the explanation furnished by the Department was too vague and general to be satisfactory. The Department was unable to produce any record showing any action having been taken against any Officer. As regards the number of cases still outstanding a re-conciliation was necessary between the figures given by the Department and those given by the Director of Audit and Accounts (Works).

The Committee deferred this item and desired that the Department should furnish full explanation when the accounts for the year 1961-62 are considered by the Committee.

The Committee further desired that when the Department furnishes explanation for this item next time, not only the number of cases but also the total amount involved in each case should be given.

(2) Page 30, paragraph 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 again at various officials. Some articles were subsequently traced leaving a balance of Rs. 1,760 and 475.

The matter was last considered by the Committee on 3rd November 1966 when the Secretary, Irrigation and Power Department promised to look into the question of supplying wrong information and to have an inquiry in the matter. The Department now explained that:—

- (i) Mr. Faqir Muhammad, Overseer, was responsible for the shortage of Tools and plant articles worth Rs. 1,759.50. He has been charge-sheeted with a view to make recovery from him and take disciplinary action against him, if necessary.

The enquiry on the charge-sheet has been entrusted to the Executive Engineer, Research Division, Karachi.

The Executive Engineer has not yet finalized the enquiry and submitted his report.

- (ii) The Secretary to Government of West Pakistan, Irrigation and Power Department appointed a Committee consisting of the Director, Hydrology, and Director (OSD) Remodelling, Lahore, to go into the veracity of the statements.

The Committee has reported that 3 durries size 15' x 10' were actually short and the stand taken by the Department previously to the effect that the so called short durries had been taken on hire from M/s. Rooldoo Muhammad Din and Sons, and were returned to the firm, was not correct.

The findings of the Committee has been accepted by the Secretary to Government of West Pakistan, Irrigation and Power Department and in consequence the Executive Engineer, Sub-Divisional Officer, and the Sub-Divisional Clerk concerned are being conveyed displeasure of the Government for furnishing incorrect information in the first instance and Director, Audit has been requested for similar action against the Divisional Accountant.

As verified from the record the book value of the 3 missing durries is Rs. 221.62 and not Rs. 475 taken in the Audit Objection.

The Overseer responsible for the shortage of the durries is no longer in service and his present whereabouts are not known. The shortage worth Rs. 221-62 can not be made good from him and as such this loss shall be written off. Necessary write off sanction is under issue.

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

(3) Page 34 Paragraph No. 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 matter was last considered by the Committee at its meeting held on 26th October 1966 when a joint inquiry by the Administrative Department, Finance Department and the Audit was recommended.

As the joint inquiry has not so far been completed the Committee decided that the matter should come up again before it along with the Accounts for 1961-62.

(4) Page 37 paragraph 17(a) 35 *Non-Accounting of expenditure under the final head for a considerable time leading to the possibility of misappropriation of stores, etc.*—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 P.W. 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. The matter was last considered by the Committee at its meeting held on 26th October 1966. when Secretary, Irrigation and Power Department requested the Committee to allow him some more time to look into the matter.

The Department now explained that the Audit comments on the explanation of the department given in the last Public Accounts Committee meeting are given below:—

“The debit of Rs. 13,872.56 needs to be accepted from Upper Sind Mechanical Division”.

As regards the balance amount of Rs. 22,448.50 the Department has not produced the record for verification of factual position. The spare parts of the machinery cannot be charged to silt clearance.

Since then the Upper Sind Division have accepted the debit of Rs. 13,872.56 and have in turn charged the expenditure to the work.

The expenditure of Rs. 13,872.56 and Rs. 22,448.50 was in both cases incurred on the overhauling of 2 No. excavators machines which were engaged on excavation work of Kaziwah in 1947-48.

In those days the overhauling charges were charged to the work as the system of rent of machines on hourly basis had not been introduced at that time. In both the cases the expenditure consists mostly of cost of spares that the labour and P.O.L. required for overhauling were charged direct to the work. Both the machines are on books of the department since the time of construction of L.S.B. and obviously need very heavy overhauling whenever they are asked in emergencies. The expenditure on spares has therefore, been correctly charged to the work and may please be accepted as such.

As the Department has not shown the record to the Audit for verification of factual position, the committee deferred the items to be considered along with the accounts for 1961-62.



Page 5, paragraph 8 read with page 87—

(5) 18—Other Revenue expenditure financed from Ordinary Revenue—

	Rs.
Original grant ..	1,56,97,300
Supplementary ..	50,59,200
Revised ..	(—) 61,85,100
Final ..	1,45,71,400
Expenditure ..	2,23,99,054
Excess ..	78,27,654

The matter was last considered by the Committee at its meeting held on 3rd November 1966 when the Committee directed the Department to reconcile the break-up of the figures then furnished by the Department with the Audit.

The Department now explained that the Chief Engineer, Sukkur Zone after reconciliation of figures of the excess of Rs. 78,27,654 with the Assistant Accounts Officer concerned of the Director of Audit and Accounts have obtained the necessary Certificates of verifications in respect of the following items:—

(a) The excess of Rs. 20,61,522 on account of adjustment memos received from Audit Office and accepted by Upper Sind Mechanical Division by debit to purchases.

(b) The excess of Rs. 32,04,656 representing items of Credit lapsed to Government by debit to purchases. Inadvertently the excess was shown in the Working Paper to be Rs. 32,14,656 whereas it should be Rs. 32,04,656. The figure shown in the enclosed certificate of Verification is, however, correct.

(c) Excess of Rs. 8,09,122 on account of adjustment memos pertaining to Stores Division accepted by Upper Sind Mechanical Division as per certificate of your office enclosed.

(d) Cost of Works due by Upper Sind Mechanical Division during 1959-60 on behalf of Civil Division amounting to Rs. 13,07,408 which could not be booked under the final Head of account for want of acceptance.

(e) There was an excess of Rs. 4,44,946 on the works of R&S of S.M. Bund Through clerical error excess reported in the Appropriation Accounts was Rs. 4,34,946 whereas it should have been Rs. 4,44,946. The reason for this excess already stands explained in the Appropriation Accounts concerned.

The Committee was satisfied that the excess expenditure was due to non-provision of funds to accommodate certain debits which were likely to be raised during the course of the year. The Committee recommended the regularization of the excess expenditure.

(6) Page 5, paragraph 8 read with page 106—

68—Construction of Irrigation—Navigation and Drainage Works (Gudda Barrage Project)—

	Rs.
Original Grant ...	3,90,10,400
Re-appropriation ...	2,57,07,200
Final ...	6,47,17,600
Actual expenditure ...	3,85,95,588
Saving ...	(—) 2,61,22,012

The matter was last considered by the Committee on 3rd November 1966 when the WAPDA was asked to furnish details of the following items:—

Rs.

(i) Anticipated debit on account of cost of Gas turbine from Taunsa 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 and, therefore, less excavation of 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
Total ...	1,39,70,600

The Department now furnished the detail of Rs. 1,39,70,600.

The explanation for the saving was found satisfactory and the Para. was dropped.

(7) Page 5, paragraph 8 read with page 106—

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
Revised ...	(—) 2,57,07,200
Final ...	11,87,03,500
Actual ...	14,79,09,039
Excess ...	2,92,05,539

The matter was earlier considered by the Committee at its meetings held on 17th May 1966 and 3rd November 1966.

On 17th May 1966, while explaining the difference between the original and modified grant i.e., Rs. 2,57,07,200 the Department explained that—

(i) 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).

(ii) A sum of Rs. 1,25,44,430 was surrendered due to the reason that more clearance than expected of item lying in the schedule of Miscellaneous Public Works Advances were made.

In respect of (i) the Committee had observed that the Department before surrendering the amount should have inquired from WAPDA as to why the debits in question were not raised and directed that this should be done.

In respect of item (ii) the Committee had 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.

As regards the excess of Rs. 2,92,05,539 the excess to the extent of Rs. 22,66,601 was explained on 17th May 1966 and the Department was asked to furnish more details in respect of the remaining excess of Rs. 2,69,38,938.

In the meeting held on 3rd November 1966 the Committee found mis-statements in the explanations furnished at various meetings. The Committee asked the Department to state why different explanations had been submitted to the Committee and also as to which of them was correct.

The Department now explained that the last explanation submitted for consideration in the meeting on 3rd November 1966 was final and correct and is reproduced below:—

"The demand in the first instances 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 borne by the receiving Division.

The latest reasons given were based by the Superintending Engineer's Office on the basis of those already available on the files given by the then XEN Incharge during 1959-60 at the time of submission of 1st List of Excesses and Surrenders, without making any separate reference to him.

These were scrutinised by the Committee and further observations were made "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 the result placed before the Committee.

The reply to these subsequent observations were not available on the file and hence the matter was referred to the then XEN, and the Sub-Divisional Officer, Incharge for elaboration. This was compiled with and submitted to the Committee. The reasons submitted later on are more elaborate and since are given by the Officers concerned are accordingly correct and final.

Regarding the surrender of Rs. 1,25,44,430 it was explained that it was due to more clearance than expected of items lying in the Schedule of Miscellaneous Public Works Advances.

The Committee accepted the explanation for furnishing varying explanations to the Committee at different times.

The Committee directed the Department to furnish the details of suspense items cleared during the year to the Audit for verification.

As regards the excess of Rs. 2,69,38,938 the Department stated that Division-wise details of all responded items of Miscellaneous Advances was already available with the Audit Office as usual because it was the Audit Office which supplied these details to each Division through the Audit Notes on June Supplementary Accounts. As such Director, Audit and Accounts was asked to find out details from the record,—vide letter No. 5/5-SOB/62, dated 21st July 1966.

It was pointed out that an amount of Rs. 2,57,04,424 pertained to Stores Division of Mechanical Circle, Lahore and the remaining amount of Rs. 12,34,514 belonged to Moghalpura Irrigation Workshop.

The above explanation was accepted by the Committee.

V. The Committee then adjourned to meet again on Tuesday, the 24th January 1967 at 9-00 a.m.

LAHORE:

The 23rd January, 1967.

CHAUDHRI MUHAMMAD NAWAZ  
Acting Chairman, Standing Committee on  
Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 24TH JANUARY, 1967 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) Mr. Malang Khan, M. P. A.  | ... Member.     |
| (6) Mr. Mahmood Azam Farooqi, M. P. A.   | ... Member.     |
| (7) Mr. G. D. Memon, Joint Secretary to Government of West Pakistan, Finance Department.   | Expert Adviser. |
| (8) Mr. N. A. Chaudhri, P. A. & A. S., Director, Audit & Accounts (Works), West Pakistan.  | By invitation.  |
| (9) Mr. Ahmed Hasan, P.S.E.I., Secretary to Government of West Pakistan, Irrigation and Power Department, alongwith Chief Engineers of Irrigation Department and Guddu Barrage 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, 1960-61.**

**(1) Page 4, paragraph 8 read with page 121—**

**Grant No. 9—Irrigation Works—**

	Rs.
(i) Original Grant	.. 4,48,44,600
(ii) Modified—	.. 5,07,26,100
(iii) Actual expenditure—	.. 5,33,68,397
Difference of (i) and (ii)	.. +58,81,500
Excess	.. +26,42,297

The Department furnished the following explanation for the variation of Rs. +58,81,500 being the difference between Original and Modified Grant :—

- Rs.
- (1) Under the instructions of the former Chief Engineer, Irrigation, West Pakistan, the expenditure of Tubewells Circle, Lahore, was booked under Head "XVII—M&R" instead of "18—ORE" for water-logging investigation, but no budget grant was sanctioned under this head and hence the excess ... +15,00,060

- (2) The excess of Rs. 90,500 was in Quetta Circle and was due to the fact that Tormurgha and Surkhah Feeder Channels, which feed Khushdil Khan Bund, had silted up so highly that these were unable to deliver flood water to the reservoir, hence additional grant was needed to carry out repairs for Silt clearance, etc. ... 90,500

- (3) The excess of Rs. 90,310 was for Sargodha Zone and was due to —

- (i) raising and strengthening channels in a Lower Gugera Division in Lower Chenab East.

(ii) acceptance of Tubewell debits for the tubewells running in Lower Chenab Canal West Circle.	
(iii) the plantation work for Upper Jhelum Canal.	
(iv) extension of Haria Minor and providing a Motor Boat at Mangla Head Regulator.	
(4) Special work of uprooting Jhangle in Sargodha Zone became necessary to feed the tails by silt clearance and strengthening banks. The observation of data like L—Section, A—Section, became impossible to be collected because of jhangle, the banks were impregnable at some places. This was unavoidable and unforeseen work, hence increase	Rs. 68,460
(5) The metalled roads in Peshawar Zone along L. S. C. are maintained by Irrigation Department at the cost of B. & R. Department. In accordance with the approved accounting procedure in the F. D's. U. O. No. 763-B-III/58, dated 7th October, 1958, provision for the maintenance of the roads was made in Budget Estimate of ordinary expenditure for 1960-61, but no original grant was sanctioned. Provision for this was repeated in the revised budget estimates of the year 1960-61. Accordingly the modified grant was sanctioned for Peshawar Zone in respect of:—	
(i) Maintenance Charges of Canal Roads	Rs. +3,00,720
(ii) Deduct amount debitable to Buildings and Roads Department on account of maintenance charges of Canal Road	+3,00,720
(6) The rate of water charges payable to India was increased, hence the excess in respect of CBDC water charges	+13,88,990
(7) Arbitrary cut in respect of Upper Chenab Canal was imposed by the Finance Department in the Original Budget Grant under M. & R., hence provision was made in 2nd List according to actual requirement	2,43,700
(8) The rate of water charges payable to India was increased. Hence excess pertains to Depalpur Canal	+18,98,100
Total	+58,81,500

As further explained by the Department before the Committee Rs. 15 lacs was granted under the Head XVII—M. & R., and the corresponding amount of Rs. 15 lacs was surrendered under the Head 63-B, Development. The explanation was accepted so far as Grant No. 9 was concerned. It was decided that the matter should be looked into when the Committee examines the grant under Head 63-B—Development.

Explanations in sub-paragraphs (2) to (8) were also accepted.

The following explanation was furnished for the variation of Rs. +26,42,297 being difference between Modified Grant and Actuals:

“The excess was in Tubewell Circle, Lahore, due to the following reasons:—

Prior to 1960-61, the charges on Tubewells were charged to Major Head “18—ORE” and under this Major Head the grant of Rs. 15,00,000 was sanctioned. Subsequently it was decided that the charges on Tubewell be met out from Major Head “XVII—W. E.” instead of “18—O.R.E.” As a result of this demand

of Rs. 77,87,500 for running of Tubewells was made through the 2nd List of Excesses and Surrender. But only a grant of Rs. 15,00,000 already stood sanctioned under Major Head "18—R. E." was allowed. Under Central Tubewell Project the Tubewells were installed. The estimated amount for running the Tubewells works out to be Rs. 5,300 per cubic. 168 Tubewells were working and the total quantity to be pumped by these Tubewells was about 500 cuses. Thus the expenditure works out to be Rs. 26,42,297. This expenditure was in addition to the expenditure that was already incurred upto February 1961 at the time of submission of the 2nd List of E. & S.

The Committee found that while there was an excess expenditure of Rs. 67,37,070, under "B (15)—Rasul Tubewell Circle" and under few other items, namely, B (21)—Lloyd Barrage Unified System—Rs. 25,48,557, B (12)—Moghalpura Irrigation Workshop Division—Rs. 2,01,324, etc., there were savings on a number of items. The proper course for the Department was to surrender the amounts under sub-heads where there were savings and to have asked for additional funds to meet the excess expenditure under the sub-heads where there was excess expenditure. This did not appear to have been done. The savings were utilized by the Department themselves and the net amount by which the expenditure exceeded the modified grant was asked for through the second statement of excesses and surrenders although it is clearly laid down in the Budget Manual that the Statements of Excesses and Surrenders are not the means for asking additional funds, obviously, the whole procedure followed by the Department was irregular.

The Department's contention was that the cost of repairing had to be met anyhow but the facts remained that the Department originally asked for rupees forty lacs for the operation of the tubewells and rupees fifteen lacs were granted. The expenditure on this sub-head was Rs. 67,37,070. It was clear that the Department had not correctly estimated the expenditure that was likely to be incurred on the scheme. When the Department had come to the conclusion that they would not be able to manage within the amount granted it was incumbent upon them to have moved the Finance Department for additional funds. The Committee noted with regret that the procedure followed by the Department was not proper and that the working of the Department left a good deal to be desired. The Committee, at the moment, was faced with the *fait accompli* and there was no option before it but to recommend the regularization of the excess expenditure incurred.

Another interesting instance was that in the Central Tubewell Circle there was no final grant of rupees five lacs but there was a saving of rupees five lacs. This hardly spoke well of the working of the Department.

The Committee urged the Department to give more attention towards better budgeting and asking of additional funds where necessary in good time and not take upon itself the incurring of excess expenditure and forcing the Standing Committee on Public Accounts as well as the Legislature to accord *ex-post facto* sanction to it.

(2) Page 4, paragraph 8 read with page 130.

Grant No. 10—Other Irrigation Expenditure Financed from Ordinary Revenue.

	Rs.
(i) Original Grant	53,45,000
(ii) Modified Grant	51,05,310
(iii) Actual expenditure	1,88,80,798
Difference of (i) and (ii)	(—) 2,39,700
Difference of (ii) & (iii)	(+) 1,37,55,398

The Department furnished the following explanation for the variation between original grant and modified grant viz., Rs. (—) 2,39,700.

"The surrender of Rs. 2,39,700 was due to adjustment of items placed by the Director, Audit and Accounts, West Pakistan, Lahore, in respect of Hyderabad Region, under suspense Miscellaneous Public Works Advances for want of counter credit. The explanation was considered satisfactory and this part of the item was dropped subject to verification of credits by Audit".

The following explanation was furnished for the variation between modified grant and actuals Rs. +1,37,55,396.

"(a) The excess of Rs. 1,11,78,235 is composed of the following items:—

	Rs.
(1) Excess on account of acceptance of adjustment memos received from Audit Office ..	40,41,254
(2) Old Items lying under purchases lapsed to Government by debit to purchases and credit to Revenue ..	48,73,970
(3) Expenditure which could not be charged to final head of account for want of acceptance of responding Division ..	21,37,557
(4) Stores under Reserve of Stock ..	1,25,454
Total ..	1,11,78,235

*Reasons for item No. 1—*Stores purchases through Director General Supply and Development and other sources are credited to purchases and when adjustment memos are received from Audit Office these are debited to this head against the corresponding Credit. During the year 1960-61, a number of adjustment memos were received from Audit Office which were adjusted against the corresponding credit under "Purchases".

No provision was made to account for these adjustments in the Budget Estimates for 1960-61 through the same could have been assessed from outstanding credits under "Purchases" and relevant entries in the M. B. The omission resulted in an excess of Rs. 40,41,254 which is regretted.

*Reasons for Item No. 2—*Rs. 48,73,970—Credits under "Purchases" and unclaimed for over three complete years are lapsed to Government by debit to "Purchases" and credit to "Revenue". During the year 1960-61, the Mechanical Engineer, Upper Sind Mechanical Division lapsed items working out to Rs. 53,72,844 II,—vide T.E.O.N./SAC 4, dated 21st October, 1966 in the monthly account for June, 1961 (II Supply) by debit to Purchases and Credit to "Revenues". The List of items attached with the monthly account of June, 1961 (II Supply) indicates that the items lapsed pertain to Machinery and spare parts received through Supply Department and also stores received from Stores Sub-Division No. III. It was, therefore, incorrect on the part of Upper Sind Mechanical Division to lapse these items. In any case, the debits on account of these lapses during this year resulted in an excess of Rs. 48,73,970.

*Reasons for item No. 3—*Rs. 21,37,557—Upper Sind Mechanical Division executed works on behalf of Civil Divisions and initially booked expenditure under Miscellaneous Public Works Advances. These debits were required to be cleared on acceptance of A. T. Ds. by the responding Civil Divisions. For want of Budget Allotment or for other reasons the A. T. Ds. were not accepted and an expenditure of Rs. 21,37,557 could not be cleared during the year and resulted in an excess of Rs. 21,37,557. It appears that this expenditure could not be justified by the Mechanical Engineer, Upper Sind Mechanical Division and, therefore, he failed to obtain the acceptance from the Civil Division.

*Reasons for item No. 4—*Rs. 1,25,454—Every Division is required to maintain a reserve of stock of stores and spares for use when needed. At the close of the year 1960-61 Upper Sind Mechanical Division had stores and spares worth Rs. 1,25,454 for which there was no financial provision in 1960-61. The materials were, however, used in the following year.



(b) The excess of Rs. 2,96,531 is in Rohri Canal Circle for the following reasons:—

- (i) Due to non-adjustment and clearance of old items lying under Sub-head purchase and Issue of Stock materials from existing branches.
- (ii) Due to purchase of read chicks, Abkalani materials, cost of cement and B. Bricks, etc. The material were such as their purchases could not be postponed.

(iii) Due to more clearance of purchase item under purchase than anticipated. (Rs. 2,76,531).

(c) The excess of Rs. 2,34,086 is due to the fact that there had been river erosion against the bund at location of spurs in Sukkur Zone. The scour depth at that toe of the spurs was about 30 ft. to 35 ft. To take the precautionary measures against the river erosion, such as dumping boulder stones to avoid any mishap from the flood during next abkalani after watching the behaviour of the river and study of scour conditions thoroughly during the passage of time, the additional funds to the extent of Rs. 4,54,240 were demanded through the 2nd list of Excesses and Surrenders for 1960-61 but were not granted. Apart from this heavy patrolling arrangements were made and abkalani materials to the great extent were purchased for their safety due to the unprecedented floods during the year.

(d) The excess of Rs. 69,210 is in Sukkur Zone and is due to the fact that a sum of Rs. 1,40,000 lying under suspense for the last few years pending acceptance and adjustment was proposed to be cleared during the year 1960-61. Due to non-receipt of acceptance from the concerned Division, the entire amount could not be cleared which resulted in an excess.

(e) In the 1st List of Excesses and Surrenders authorization of Rs. 3,68,200 for tubewells was received as such the Superintending Engineer Tubewell was authorised to incur expenditure on M. & R. works upto that amount. But in the 2nd List Modified Grant of Rs. 3,17,140 was sanctioned. Before the 2nd List was received the Superintending Engineer had completed most of the works on the basis of authorization, hence excess. (Rs. 27,453).

(f) The excess expenditure was incurred by the Executive Engineer Survey and Investigation Division, Dera Ismail Khan on the unauthorised purchasing of 4 Nos. levels acquired urgently in connection with the 2nd Five Year Plan Irrigation Schemes in North-South Waziristan Agencies. The survey work of this Division could not be started without these levels. (Rs. 14,596).

(g) The excess expenditure was incurred in Survey and Investigation Division, Dera Ismail Khan on Badragas and Escort Lorry charges employed in the Division, for carrying out the Survey Work of the Irrigation Schemes in the North and South Waziristan Agencies. The expenditure was inevitable. Provision in the First and Second List of Excesses and Surrenders was made, but the additional demand was not sanctioned. (Rs. 44,206).

(h) The excess is due to the receipt of debits through adjustment memos. in April, May and June (Supply) Accounts of the year 1960-61. These were on account of supply of cement accounted for under purchases in the previous years. The debits were received after the submission of the 2nd List and therefore the extra provision could not be secured during the year 1960-61. (Rs. 1,86,870).

(i) The excess over the modified grant is due to some important unforeseen expenditure for reclaiming the tubewells and repairs of pumping sets and electric motors, etc. in Sargodha Zone. The expenditure was unavoidable and was made to keep the tubewell in working order and to avoid loss of revenue and hardship to Zamindars which might have been caused due to stoppage thereof.

(j) Provision for extension and improvement in respect of Land Reclamation was made under head "18-B (i) (d) Land Reclamation", through all the Budget Returns during the year, but no funds were allotted due to the opening of new Budget Head "63-B—Development—G—Irrigation". The expenditure incurred on the unavoidable works of fixing and removing reclamation shoots during this year 1960-61 was booked under this head as the grant under 63-B—Development—G—Irrigation was received late. (Rs. 16,253).

(k) Demand for M. & R. for Namal Dam and Canal was made for Rs. 1,01,510 and the 2nd List of E. & S. against which final grant of Rs. 60,000 only was allocated at close of Financial Year. The expenditure was, however, incurred keeping in view the excess demand made. Hence variation of Rs. 15,858.

(l) A huge amount on account of cost of machinery, etc. was lying under suspense in Quetta Irrigation Division. To clear this suspense the said amounts were transferred to prepare such Head Purchases of Machinery and Spare Parts, etc. A sum of Rs. 3,15,000 was transferred from stock suspense. A sum of Rs. 4,00,000 for purchase of vehicles, machinery and spare parts was demanded which was not granted. The grant for R. & C. of T. & P. for 7 Divisions of Quetta Zone was also meagre. Hence an excess of Rs. 11,640 under this Head as well. Rs. 3,26,640.

(m) The excess of Rs. 5,60,209 is in Hyderabad and was due to the following facts:—

	Rs.
(i) heavy receipt of cement from the firm which was indented for the year 1961-62 ..	95,209
(ii) debits for the unfunded items for which intimation was received very late from the Audit, hence could not be re-raised during the year ..	4,65,000

(n) The difference of Rs. 7,92,688 (Rs. 8,22,668—Rs. 29,980) is presumably due to mis-classification in the Audit Office. (Rs. 7,92,688).

It has been ascertained from the Audit Office (Book 2 Section) that the expenditure of Rs. 8,22,688 has been booked under Minor Head 18-A (1)—Other than Tube-well Investigation, etc. of Major Head "18—ORE" in respect of Sukkur Zone, whereas the Chief Engineer, Irrigation, Sukkur Zone has intimated the expenditure of Rs. 29,980. Presumably the figures of the Audit Office are due to wrong booking of the expenditure, viz., misclassification. A reference in this respect has already been made to the Chief Engineer, Irrigation, Sukkur, and the Audit for reconciliation of this discrepancy".

The Committee took the following decisions:—

- (a) (1) Subject to verification by the Audit, the item was dropped.
- (2) This was a mistake in the budgeting process which should not be repeated in future and the Department should be more careful.
- (3) The explanation was accepted.
- (4) The explanation was accepted.
- (b) The explanation was accepted.
- (c) The item was dropped subject to the remark that the Department should, in future, obtain extra funds via supplementary grants and not through list of excesses and surrenders.
- (d) The item was dropped.
- (e) The item was dropped.

(f) The item was dropped with the remarks that there should be no unauthorised purchase in future.

(g) The explanation was accepted.

(h) The Department should furnish details of Memos. to the Audit and get them verified.

(i) Explanation was found satisfactory and the item was dropped.

(j) The item was dropped with the observation that the Department should be careful not to incur expenditure without allotment and also to see that mistakes are not made to book under wrong heads.

(k) The item was dropped.

(l) to (n) The items were deferred for 2nd February, 1967 as the Department wanted to reconcile and re-write the explanation.

The Committee then adjourned to meet again on 25th January, 1967 at 9-00 A. M.

LAHORE :

The 24th January, 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 25TH JANUARY, 1967 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) Mr. Malang Khan, M. P. A.  | .. | Member.         |
| (6) Mr. G. D. Memon, Joint Secretary to Government of West Pakistan, Finance Department  | .. | Expert Adviser. |
| (7) Mr. N. A. Chaudhri, P. A. and A. S. Director, Audit and Accounts (Works), West Pakistan  | .. | By invitation.  |
| (8) Mr. Ahmed Hasan, P.S.E.-I., Secretary to Government of West Pakistan, Irrigation and Power Department alongwith Chief Engineers of Irrigation Department and Guddu Barrage | .. | by invitation.  |

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

**II. The Committee considered the explanation of the Irrigation and Power Department in respect of the following items appearing in the Appropriation Accounts for the year 1960-61 :—**

- (1) *Page 3, Para. 5 read with Pages 321—337—Grant No. 35—Development (G-7)—*

	Rs.
(i) Original grant	60,65,410
(ii) Modified grant	52,56,620
(iii) Actual expenditure	43,52,026
Difference between (i) and (ii)	8,08,790
Difference between (ii) and (iii)	9,04,594

The Department furnished the following explanation for the surrender of Rs. 8,08,790 and the saving of Rs. 9,04,594. Saving was mainly due to the fact that provision on account of running of tubewells was made under 18-0. R. E. as usual. Later on classification of expenditure of works was changed by the Finance Department from 18-0. R. E. to 63-B-Dev—G-Irrigation with effect from 1st July, 1960 and the grant provided under 18-0. R. E. was allocated to 63-B—Development by the Finance Department accordingly. Later on it was decided by the Finance Department that expenditure on running of Tubewells should be charged to XVII. W.E. The grant allocated under 63-B-Dev—G-Irrigation was, therefore, surrendered in the revised estimate.

(b) *Saving of Rs. 9,04,594. (i) Rs. 5,37,666—*The sanction of Legislative Assembly for Supplementary demand was received from the Finance Department under their letter No. 1596-B-1-61, dated 23rd June, 1961. The grant was distributed by the Chief Engineer, Irrigation and Power Department under his letter No. 2539/B/61/1336-40/333/33-60, dated 30th June, 1961 copy endorsed to the Director of Audit under No. 2539/B/61/3341/333/36-40, dated 30th June, 1961 under the signature of Finance Department. Since the grant was received very late on the last day of the financial year, it could not be fully utilized and a saving of Rs. 5,37,666 occurred.

(2) *Rs. 1,20,523—*This transaction relates to Thatta Irrigation Division. The works were actually carried out by Feeder Division. The debits

raised by Feeder Division were not accepted by the responding Division for want of monthly rate statement, therefore, the adjustments could not be carried out during 1960-61. The adjustment was however carried out in the subsequent year 1961-62.

(3) Rs. 1,47,530—This transaction relates to Pinyari Division. The payment of the contractor was withheld for want of sanction to revised estimate of the work which became necessary due to the fact that the total quantity of earthwork recorded in favour of the contractor and payment made to him had exceeded the provision as was made in the Agreement. The case is still under investigation and no payment has yet been made.

(4) Rs. 72,000—This transaction relates to Pinyari Division under Post Audit system of account who raised the debits through monthly accounts; (Form 76) against Remodelling Division (Pre-Audit system of account) but the same could not be adjusted by Branch Audit Office, Hyderabad during the year. Hence saving. However, the adjustments were subsequently carried out during 1961-62.

(5) Rs. 17,741—This transaction relates to Feeder Division (Pre-Audit System of Account) who raised the debits for the work done during June, 1961 after close of the year, which could not be adjusted in the account of 1960-61.

(6) Rs. 9,134—Due to economy on the following items:—

- (1) Special Repair to disturbed pitching along Jamshoro Front Bund.
- (2) Providing Stone Pitching along Jamshoro Front Bund Mile 2/6 to 3/5. 17.
- (3) Detoured River survey from mile 3/0 of M.S. Bund to 25/0 of M.S. Bund.

The Department further explained that out of the grant of Rs. 60,65,410 a sum of Rs. 15,00,000 was originally surrendered in the first list of excesses and surrender as the expenditure on the running of tubewells had been debited to head XVII. W. E. This left a balance of Rs. 45,65,410. Thereafter the Department approached the Finance Department for supplementary grant of about Rs. 7,00,000 but the sanction of the Finance Department was received by the Department in the last week of June, 1961 and which lead to the saving.

The Committee was satisfied as regard the surrender of Rs. 15,00,000. But the Department could not satisfy the Committee about the date on which the Department had approached the Finance Department for the additional funds which lead to the saving. The item was therefore, deferred for 2nd February, 1967 to enable the Irrigation and Power Department and the Finance Department to examine their record and place full facts before the Committee.

(2) Page 3, Para. 5 read with page 328—Grant No. 35-Development (G-7) Constructing Bund Landhies along S. M. Bund in Hala Division—

Final grant	Rs.
Actual expenditure	Nil
Excess	2,04,032
	+ 2,04,032

According to working papers the reason for the excess expenditure was that the original grant of Rs. 50,000 was surrendered in the 2nd List of Excesses and Surrenders for 1960-61 and no expenditure was incurred on this work. The expenditure of Rs. 2,04,032 was incurred and booked under the work "R. and S. S. M. Bund mile 118 to 172" whereas Audit Office has shown this expenditure against the work "Constructing Bund Landhies along S. M. Bund in Hala Division" which is not correct. Demand for this work was made in the 2nd List of E. and S. but Finance Department did not sanction any grant. The work being of urgent nature could not be withheld for want of sanction.

In the Committee it was stated that the expenditure had already been incurred during 1959-60 but the debits were received during 1960-61.

Secretary, Irrigation and Power Department wanted more time to examine this item. It was therefore deferred for 2nd February, 1967.

(3) Page 3, Para. 5 read with page 333. Grant No. 35—Development (G-7) Research work in D.I. R. Division, Lahore—

	Rs.
Final grant	Nil.
Actual expenditure	2,13,823
Excess	2,13,823

The consideration of this item was also deferred for 2nd February, 1967 as the Audit Comments were not obtained by the Irrigation and Power Department.

(4) Page 5, Para. 8 read with page 395. Grant No. 36—Irrigation Capital.

	Rs.
(i) Original Grant	14,76,93,100
(ii) Modified Grant	14,65,49,210
(iii) Actual Expenditure...	23,62,94,700
Surrender	11,43,900
Excess	8,86,01,590

The consideration of this item was also deferred to 2nd February, 1967 to enable the Department to furnish full details.

(5) Page 10 Paragraph 18—Expenditure on 2745 works amounting to Rs. 5,71,52,507 in anticipation of technical sanction to estimates—The Department explained that the Chief Engineers of this Department were making the best possible efforts to clear the outstanding estimates. They reported that the figures of unsanctioned estimates have been reduced considerably.

Similar objection was also taken up in the previous years of the appropriation accounts and at a meeting of the *ad hoc* Public Accounts Committee it was decided that the Department and Audit should prepare the reconciled list of the outstanding estimates upto 30th June, 1961 and its progress should then be watched by the department through progress reports. The Director, Audit and Accounts (Works), West Pakistan, Lahore had supplied list of number of unsanctioned works upto 30th September, 1966 and the Chief Engineers had been requested to submit their report in respect of each work by the end of January, 1967 and the final disposal of these unsanctioned estimates should be reported through regular progress reports. These cases were being watched vigorously and be cleared within the shortest possible time.

The explanation of the persons responsible for starting the works without technical sanction to estimates had been called for by the respective Chief Engineers. These cases would be decided strictly in accordance with the E & D. Rules, 1960.

The Committee felt that the explanation furnished by the Department was too vague and general, to be satisfactory. The Department was unable to produce any record showing any action having been taken against any officer. As regards the number of cases still outstanding, a reconciliation was necessary between the figures given by the Department and those given by the Director of Audit and Accounts (Works). The Committee desired that next time when the paragraph comes up before the Committee, the Department should furnish full explanation when the total amount involved in each case should be given.

(6) Page 28, Paragraph 39 (1)—*Excess payment for Rs. 9,005*—In this case, an excess payment aggregating Rs. 9,005 was made to various contractors during the year 1949-50 by giving them hardness allowance at Rs. 1-8-0 plus 20% premium over and above the estimated provision without the sanction of the Superintending Engineer, as ordered by the Chief Engineer. The said amount had neither been recovered nor regularized. Moreover, no action had been taken against the officials responsible for the irregularity.

The Department explained that the original Project estimate of constructing Chak Kamal Drain R.D. 38000 was sanctioned.—*vide* Secretary to Government Punjab No. 29005, dated 8th June, 1946 for Rs. 2,18,739. There was no provision of any hardness allowance in that estimates. During construction a total amount of Rs. 13,680 was paid as hardness allowance. This coupled with some other reasons necessitated revision of the Project Estimates. The revised project Estimate which includes hardness allowance has been sanctioned by Secretary to Government of West Pakistan, Irrigation and Power Department letter No. 4/55-S.O. T & D. (OP)/64, dated 3rd April, 1965 for Rs. 3,87,530 under intimation to Director Audit.

This case pertains to the period prior to the 26th May, 1947, from which date the Chief Engineer's order that the sanction of Superintending Engineer was required in such cases as quoted in the Draft paragraph take effect.—*vide* his letter No. 41220-436/11019, dated 26th May, 1947. Sanction of the Superintending Engineer concerned was, therefore, not required in this particular case. The Superintending Engineer Northern Drainage Circle in his letters No. 2866 dated 15th March, 1947 and No. 5785/68-SO-A, dated 6th June, 1946, had, however, respectively sanctioned hardness allowance and the premium of 200% on the item of work in question. No further sanction is now required as the rate for hardness allowance is specifically mentioned in the Basic Schedule of Rates. The amount of Rs. 2,846-67 has already been admitted in Audit.—*vide* their No. PAC (P)-F-18/1B/60-61/1499, dated the 23rd September, 1966. The balance of Rs. 6,158-33, *viz.* Rs. 465 and Rs. 5,693-33 on account of hardness allowance and 200% premium respectively may now be admitted.

The explanation was found satisfactory and the paragraph was dropped.

(7) Page 28, Paragraph 39(2)—*Excess payment*—In this case excess payments amounting to Rs. 35,481 were made by allowing wetness allowance and slush allowances on earthwork of silt clearance of channels to contractors at the rates of Re. 1 to Rs. 2 per thousand cft. and Rs. 4 per thousand respectively during the year 1950-51 without any provision of such allowances in the Basic Schedule of Rates or sanction of the competent authority in twenty-five works of silt clearance executed during that year.

The Department explained that the sum of Rs. 35,481 was paid as wet or slush allowance during 1950-51 for 25 works mostly relating to the creeks, supply channels and main channels, etc. of inundation canals of Carbynwah and Pind Dadan Khan. Although the work in question has been termed as E/W of silt clearance of channels yet in fact it is bed clearance involving earth-work of inundation canals which are choked up by the river deposits containing large mixture of clay. Such deposits on inundation canals have always been paid for as E/W and not as silt. Under earth work basic schedule of rates provide for wetness allowance as well as rate of slush allowance. No doubt approval of the Superintending Engineer for payment of wetness and slush allowance was required under the instructions laid down in Ex-Punjab Chief Engineer letter No. 41220-43/G/110/19, dated 26th May, 1947. Ch. Abdul Aziz, Executive Engineer (Rtd.) is responsible for payment of this allowance. He has explained that the above allowances were granted in view of the actual position at site in keeping with the usual practice. He has also stated that he had recommended the quantity of wet and slush earth to the



Superintending Engineer, L. J. C. Circle Sargodha and the Superintending Engineer allowed provision of these quantities in their respective estimates, which were sanctioned by him later on. This paragraph was examined by the D.A.C. on 5th, 6th July, 1966 when it was decided that :—

"Sanction of the competent authority for wetness and slush allowance is necessary. M.Bs may be produced to Audit for verification of factual position". The requisite M.Bs. were produced to Audit, but they desired to consult them after the requisite *ex-post-facto* sanction was accorded. This has since been accorded,—*vide* Superintending Engineer L. J. C. No. 16374/158 GA/SGA, dated 29th December, 1966 subject to audit verification. The explanation was found satisfactory and the paragraph was dropped, subject to verification by Audit.

(8) Page 28, Paragraph 39 (3)—*Excess payment*— In this case an excess payment of Rs. 2,604 was made to a contractor by allowing carriage charges of stone for the first 3 chains which was not admissible. According to the Basic Schedule of Rates of the Irrigation Department the labour rates of stone work included carriage charges on account of handling upto 3 chains but the contractor was paid for carriage for the first 3 chains also which resulted in an overpayment of Rs. 2,604.

The Department explained that in a similar case relating to Draft Paragraph No. 8 based on Paragraph No. 3 (d) of Audit Inspection Report of M. K. Division (Defunct) for the year 1955-56 a reference was made to the Standing Rates Committee of Government of which Additional Finance Secretary, Finance Department is the Chairman for clarification.

Their decision into the matter has since been received and conveyed to the audit,—*vide* this department Memo. No. 3-2/PAC/63/62-63/3905, dated the 28th December, 1966 which is reproduced below:—

"The Committee after taking full notice of the original audit objection—the explanation offered by the Department and further observations made by the Audit Department thrashed out the point very comprehensively. Mr. Irshad Ahmed explained as to what the nomenclature of the item of supply of sand within five chains meant. After taking full account of the issue studied from various angles, the consensus of the house was that the explanation tendered by the Department was correct and that the cost of supply of sand within 5 chains, should not be deducted from the cost of carriage of sand".

The explanation was found satisfactory and the paragraph was dropped.

(9) Page 28, Paragraph 39 (4)—*Excess payment*—

In this case an excess payment of Rs. 2,417 was made on account of wetness allowance given on rehandling earthwork excavated three to four months ago. The earthwork was excavated and measurements recorded on 7th May, 1950, while the same earth was rehandled in August and September, 1950. Thus the earth which remained in the open and quite high from the natural surface for three to four months in the summer season must have dried up and, therefore, wetness allowance on dried earth was made inspite of the fact that there was no provision in the Schedule of Rates for such allowances under this item of work.

The Department explained that the paragraph relates to the work of slushing bridge K.D. 66600 M.L.U. The Slush/Wet Earthwork was done by excavator No. 40. The final measurements of work done by the excavator were recorded on 7th May, 1950,—*vide* Measurement Book No. 793, page 1 and 2 work order No. 59, dated 21st February, 1950 and work order No. 23, dated 1st June, 1950 for this work were issued in favour of M/s. Muhammad Ismail and Muhammad Aslam, Contractors, respectively. It is a fact that the Overseer and the officer incharge had not recorded the measurement of work done daily. They are generally recorded at the time of making final payment. Keeping in view the date of issue of work order No. 59 and No. 23 which are 21st February, 1950 and 1st June, 1950, res-

pectively, it is evident that the rehandling of Earthwork was done prior to the date of final measurements, viz. 2nd August, 1950 and 9th September, 1950. The reference to the rain gauge register for the year 1950 reveals that there have been sufficient rains at Khambranwala rain gauge station situated quite near to the site of work under reference during the month of June, July and August. Secondly the earth rehandling by the contractor was in heaps as high as 8 to 9 feet and the crust of Earth work may be taken to have dried up at the most. Moreover it is only an influence which is not based on site inspection. From the above it is quite clear that the Earthwork was not at all dry. The measurements of the work were check measured by the S.D.O. who verified it as wet earthwork. Last of all the final bills were submitted by the S. D. O. to the Divisional Office for pre-audit and the payment was made to the contractor after approval of the bill by Divisional office after observing all formalities in this respect.

This department is of the view that the payment of wetness of Rs. 2,417 was justified and correctly made. The delay in recording on the report of the Overseer too is not serious enough to warrant disciplinary action against him. The explanation was found satisfactory and the paragraph was dropped.

(10) *Page 29, paragraph 39 (5)—Excess payment*—In this case, an excess payment of Rs. 1,173 was made to a contractor by allowing carriage charges of stone for the first chain. According to the Basic Schedule of the rate for loading of stone into boats included carriage charges on account of handling up to one chain but this provision was ignored and the contractor was paid for the first chain also which resulted in an excess payment of Rs. 1,173.

According to the Department the explanation given in the case of paragraph 17 (a) 39 (3) applied to this paragraph also. According to the Audit the explanation tendered in respect of paragraph 39 (3) does not apply in this case. Paragraph 39 (3) relates to supply of sand for which payment of supply is made, whereas this paragraph relates to loading of stone into boat and payment of loading charges upto one chain. As such the carriage charges for one chain cannot be allowed.

The Committee observed that it was open to the Department to take clarification from the Standing Rates Committee as is done in other case. They could do it now. The paragraph was deferred to come up again when the accounts for the year 1961-62 are taken up.

(11) *Page 29, paragraph 39 (6)—Excess payment*—In this case, an excess payment of Rs. 1,078 was made to a contractor due to wrong calculation of progress bonus on earthwork. According to the construction Schedule of Rates progress bonus is allowed on average monthly payment in a quarter which is worked out by dividing the total payment in a quarter by three, but in the present case the total payment in the quarter was divided by the two, the period for which work was done being a little more than 2 months. This calculation which was incorrect resulted in an overpayment of Rs. 1,078 to the contractor.

The recovery of the excess payment pointed out by Audit in 1950-51 was effected but no disciplinary action was taken against the official responsible for the excess payment.

The Department explained that the statement of progress bonus is prepared by the Sub-Divisional Office duly checked by the Sub-Divisional Officer, duly checked by the Sub-Divisional Clerk and transmitted to the Divisional Office for approval. Various checks are exercised by the Divisional Accountant and his Assistant. The statement is then returned to the Sub-Divisional Officer, duly approved for payment. Evidently the Divisional Accountant (Ch. Faiz Rasul) is responsible for the wrong payment. No body in this department can be held responsible for the mistake. Since the recovery has been made in full.

The paragraph was dropped subject to the remark that necessary action should be taken against the person concerned.

(12) *Page 29, paragraph 39 (7)—Excess payment*—In this case a contractor was paid for quantities of items of work in excess of the quantities actually executed at the site of work. The resultant excess payment of Rs. 51,006 was placed under the suspense head "Miscellaneous Public Works Advances" during September, 1958 but neither had any recovery been effected from the contractor nor had any action been taken against the officials responsible for the overpayment.

The Department explained that the amount of Rs. 51,006 was recoverable from M/s. Frontier Construction Co. A claim amounting to Rs. 3,67,348 submitted by this company against the said recovery was under arbitration with Syed Mahmud Hassan Tirmazi, Deputy Secretary (Dev.) Irrigation and Power Department, Lahore. The verification of individual items of claim had since been done and the final statements of arguments submitted by both parties to the arbitrator on 24th December, 1966. After the award was announced by the arbitrator, the recovery would be adjusted.

The Committee deferred the paragraph to be consideration again when the accounts for the year 1961-62 are taken up.

(13) *Page 29, paragraph 39 (8)—Excess payment*—In this case, an excess payment of Rs. 4,923 was made to various contractors by allowing a rate of Rs. 3-9-6% cft. instead of the actual rate of 3-4-0 % provided in the Schedule of Rates for silt clearance.

The Department explained that the paragraph challenges the classification of earthwork between ordinary earthwork and soft earthwork. The basis on which the assessment is challenged is the Deputy Chief Engineer's inspection report in which he had asked the Superintending Engineer, whether Government instructions were being observed for recording silt clearance through Sub-Divisional Officers' case of cunnettes made at Sharqpur and Shahdara. The classification made by the local officer is that of ordinary earthwork which they had provided in the estimate earlier and on the basis of which they issued the work orders. The contractors have been paid accordingly. Legally, therefore there is no question of recovery from the bills of contractors and there cannot be any recovery from the officers either unless we are in a position to state categorically that the earthwork which was recorded as ordinary earthwork was not so and it was soft earthwork. The only argument that the work was being carried out in the bed of the river Ravi is not enough to say that it was soft earth work because some of the beds are pretty hard as this river does bring clay and deposits it in layers.

The Audit wanted to see the record for verification.

The Committee decided to drop the paragraph subject to the production of the records by the Department to the Audit for verification.

(14) *Page 29, paragraph 39 (9)—Excess payment*—In this case an excess payment of Rs. 1,012 was reported to have been made to two contractors by increasing the original lead for earthwork from 200 ft. to 500 ft. and from 150 feet to 500 feet respectively while taking subsequent overall measurements.

The department explained that excess payment was made to any contractor. Incomplete work was measured in the first instance and lead allowed was 300. On completion of the work, final measurement were recorded wherein the lead increased.

The explanation was found satisfactory and the paragraph was dropped.

(15) *Page 30, paragraph 40 (1)—Shortage of Stores*—In this case material worth Rs. 3,381 was found short against certain staff and was debited to the suspense head "Miscellaneous Public Works Advances" during the years 1949-50, 1950-51, 1955-56, 1956-57, 1957-58 and 1958-59. Neither any action had been taken against the Government officials responsible for this shortage nor any recovery was made.

The Department explained that a sum of Rs. 1,579.62 has been recovered of which a sum of Rs. 450.37 has since been verified by Audit. As regards the remaining amount of Rs. 1,801.38 the Department submitted that :

- (a) an official responsible for the shortage of Rs. 95.25 having accepted the shortage amount would be realized within a month ;
- (b) Shortage of Rs. 237.50 was due from a carriage contractor from whom Civil Authorities would recover the amount as arrear of Land Revenue ;
- (c) shortage of Rs. 1,182 pertained to B. & R. Department and occurred at the time of the bifurcation of Irrigation and Buildings and Roads Department. The matter was under reference with the B. & R. Department ;
- (b) whereabouts of two officials who were responsible for the shortage of Rs. 215 were not traceable. The efforts were being made to trace them out ; and
- (e) write off proceedings in respect of Rs. 71.37 were in hand.

The Committee decided to defer this item to be taken up with the Accounts for 1961-62.

(16) *Page 30, paragraph 40 (2)—Shortage of Stores*—In this case a shortage of 1,650 lbs. 10 oz. of white metal costing Rs. 7,428 was reported during the course of proceedings against a chowkidar who was caught red handed while removing from stores one gallon H. S. Diesel Oil worth Rs. 1. Subsequently the Department intimated the shortage to have further increased to Rs. 19,724. In December, 1957 the Superintending Engineer ordered that the entire stores should be checked physically by the Sub-Divisional Officer personally. Despite repeated reminder neither the result of the stock taking nor the details of the shortage amounting to Rs. 19,724 were intimated to Audit.

The Department explained that the total amount of shortage as shown in the Draft paragraph had been reduced to Rs. 10,172.28 as detailed below:—

- (1) Cost of Rs. 1,650 lbs. 10 oz. of white metal (a theft case), Rs. 7,840.47.
- (2) Shortages against Mr. Aslam, Overseer, Rs. 2,316.31.
- (3) Shortages against Mr. Abdul Sattar, Overseer, Rs. 15.60.

As regards item No. 1 it was stated that Mr. Muhammad Aslam, Overseer Mech. Overseer lodged the complaint with the Police, who investigated the theft and concluded that the report lodged by the Overseer was false. As a result of this investigation a case was filed against Mr. Muhammad Aslam, Mech. Overseer. He was tried in the Court of Sub-Judge and First Class Magistrate, Kotri, but was acquitted. The case has again been taken up with the Police to apprehend the actual culprits. Departmental action for fixing the responsibility for the loss has also been initiated.

Regarding item No. (2) it was stated that according to preliminary enquiry conducted by Superintending Engineer, Mechanical, the Overseer has been held responsible for the shortages and action against him under E. & D. Rules, 1960 was being initiated.

The amount at No. (3) has already been recovered and verified by Audit.

As the result of the enquiry was awaited in the first two cases, the Committee decided to defer consideration of the paragraph to be considered again along with the accounts for the year 1961-62.

(17) *Page 30, paragraph 40 (3)—Shortage of Stores*—In this case, stores articles worth Rs. 14,292 were found short as a result of physical verification of stores conducted in March, 1955 by an Assistant Engineer.

The Department explained that Mr. Bhatia remained in charge on Rohri Sub-Division from 1950-51 during which period he had checked the stores but did not point out any shortages. In 1951-54 Sub-Division remained in charge of few Sub-Divisional Officers. None of them checked the stores and consequently there was no report on any shortages in this period.

Mr. Muhammad Anwar Ch., Assistant Engineer, took over charge on Rohri Sub-Division on 17th August, 1954. He conducted physical verification of stores on 30th March, 1955 and reported shortages. He however did not report any shortages within three months, after he took over charge there from one predecessor as per instructions contained in paragraph 425 of the PUP Manual Vol. I read with note (4) of the handing over the charge. Similarly Mr. Ghulam Haider and Abdullah took over charge of the Sub-Division on 19th May, 1956 and 8th December, 1957, respectively. They too conducted physical verification after three months of taking over charge of the Sub-Division and reported shortages.

The above named officers were charge-sheeted on this account. As per the findings of the Enquiry officer in respect of the charges against Mr. Ghulam Haider, Sub-Divisional Officer was served with a show-cause notice but his reply to the show-cause notice was not satisfactory. Necessary orders to recover the amount of Rs. 10,571.70 in monthly instalments at the rate of  $\frac{1}{12}$ th of the pay have since been issued. For the remaining amount of Rs. 2,198 the vouchers have been traced out and are pending verification with Deputy Director, Accounts, Guddu Barrage, A. D. C. Sukkur Office. These vouchers pertain to pre-A. D. C. period and have to go through the investigation etc. by the Project Claim Committee. Naturally it would take some time to complete procedure. The Enquiry Officer's findings on the charges against Mr. Anwar and Abdullah, Executive Engineers were under scrutiny in the Secretariat and these cases would be finalized soon and a final report would be furnished to the Committee in its next meeting.

The Committee observed that the progress towards the finalization of the case was very slow and needed to be accelerated. With this observation the paragraph was deferred to be taken up again along with the accounts for the year 1961-62.

(18) Page 30, Paragraph 40 (4)—*Shortage of Stores*—In this case, stock material worth Rs. 15,107 was found short against two Sub-Divisional Officers during the year 1959-60, out of which recovery of Rs. 1,604 was effected from them during the months of August and September, 1961 leaving the balance of Rs. 13,503.

The Department explained that the shortages were in the following two Sub-Divisions of the Warah Divisions during 1958 as under—

	Rs.
(1) Warah Sub-Division .. .. .	9,406.15
(2) Miro Khan Sub-Division .. .. .	5,700.56

For the shortages of Rs. 9,406.15 in Warah Sub-Division Mr. Abdul Aziz Mangi, Sub-Divisional Officer was held responsible and orders have been issued under E & D Rules, 1960 to recover this amount from the Sub-Divisional Officer in instalments.

Out of shortages of Rs. 5,700.56 in Miro Khan Sub-Division, one Mr. Muhammad Ibrahim Tunio, Assistant Engineer, was held responsible for Rs. 1,202.50 for which he was charge sheeted under E. & D Rules, 1960 and enquiry entrusted to Superintending Engineer, Western Sind Circle. For the remaining amount, preliminary enquiry showed that some of the shortages had been adjusted. Final report of the investigation was still awaited from Superintending Engineer, Western Sind Circle.

As regards the first item the Department could not explain when the orders were passed and by which time the amount would be recovered. As regards the second item the enquiry had not been completed.

The paragraph was, therefore, deferred to be taken up along with the accounts for the year 1961-62.

(19) *Page 30, paragraph 40 (5)—Shortage of Stores*—In this case shortages of stores amounting to Rs. 13,729 were kept under the suspense head "Miscellaneous Public Works Advances" in the account of December, 1959 pending recovery from the officials at fault. Since then the value of the shortages had been outstanding under the suspense head and no action has been taken either to recover the amount from the persons concerned or to regularize the shortages under orders of the competent authority.

The Department explained that Mr. Bhatia remained in charge of Rohri Sub-Division from 1950-51 during which period he had checked the stores and did not point out any shortages. From 1951-54 the Sub-Division remained in charge of few Sub-Divisional Officers. None of whom checked the stores and consequently there was no report of any shortage. It was in March 1955 that Mr. Muhammad Anwar Chaudhri, Executive Engineer checked the stores and reported the shortages costing Rs. 13,729. Mr. Anwar had been in charge of the Sub-Division from 17th August, 1954 to 10th May, 1955. Had he counted the stores within three months from the date he took over charge and reported shortage, the responsibility for shortages would have been rested with his predecessor. As he checked after seven months he had been held responsible for this shortage. Mr. Anwar did not agree to pay the cost of the articles reported short. As such he was charge-sheeted and reply obtained with the comments of the Enquiry Officer. The matter was reported to the Secretary, Irrigation and Power Department who issued charge-sheet on 24th July, 1965 which was served to Mr. Chaudhri on 27th July, 1965. The reply of the charge-sheet was furnished by him on 7th August, 1965. The comments on charge-sheet called for by the Secretary, Irrigation and Power Department on 19th November, 1965 were sent to him on 27th January, 1966. Also the report of the Enquiry Officer called for by the Secretary, Irrigation and Power Department on 10th November, 1966 was sent to him on 3rd December, 1966. The final action would be taken, when decision of the Secretary, Irrigation and Power Department on the charge sheet was given.

The Committee observed that the case had been much delayed both in the Secretariat and the lower Office and it was not clear how one charge sheet after the other had been served in the case without finalization action on reports of the Enquiry Officer. The Committee desired that the case should be finalized without further delay.

The paragraph was deferred to be taken up again with the accounts for the year 1961-62.

(20) *Page 31, paragraph 40 (6)—Shortage of Stores*—In this case shortage of 1519 bags of cement worth Rs. 11,582 was noticed during local audit of a Public Works Division of Irrigation Department in July, 1959. Despite repeated reminders issued by Audit no action was taken to hold departmental enquiry nor any recovery was made from the defaulters.

The Department explained that the person responsible for this shortage was being charge-sheeted.

The Department wanted more time for effecting recovery and taking disciplinary action.

The Committee observed that the action could not be finalized by the Department even after a lapse of seven years and more time was wanted. The Committee recommended that action should also be taken against the officers who were responsible for this long delay. The paragraph was deferred to be taken up with the accounts for the year 1961-62.

(21) *Page 31, paragraph 40 (7)—Shortage of Stores*—In this case a sum of Rs. 5,359 was outstanding as recoverable from various Government officials, on account of shortage of material purchased for seasonal floods during the years 1953-54 to 1957-58.

The Department explained that a sum of Rs. 1,862 had been recovered and the balance was being recovered in monthly instalments.

The paragraph was dropped subject to verification of the recoveries already made and the names of the persons from whom recoveries were being made, being intimated to the Audit as well as subsequent verification of recoveries by Audit.

III. The consideration of the explanation of the Department in respect of the remaining paragraphs was deferred to the next series of the meetings.

IV. The Committee then adjourned to meet again on Thursday, the 26th January, 1967 to 9.00 A.M.

LAHORE :

The 25th January, 1967.

ZAIN NOORANI

Chairman,

Standing Committee on Public Accounts.



**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 26TH JANUARY, 1967 AT 9-00 A. M.  
IN THE 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) Rai Mansab Ali Khan Kharal, M. P. A.  | ..              | Member.   |
| (6) Mr. G. D. Memon, Joint 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) Chaudhri Niaz Ahmed, C.S.P., Secretary to Government of West Pakistan, Communications and Works Department along with regional heads. | Ditto.          |           |
| (9) Mr Muhammad Hamid, C.S.P., Deputy Secretary to Government of West Pakistan, Services and General Administration Department.           | 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 Services and General Administration Department in respect of Para. 17 (a) 13 of the Appropriation Accounts for the year 1959-60 which was deferred earlier.**

The Audit had pointed out that 414 Quarters remained vacant for long periods resulting in a loss of revenue amounting to Rs. 1,17,936 for the period ending 10th April, 1957.

The matter was last considered on 25th October, 1966 when the contention of the Services and General Administration Department was that in all 813 quarters and not 1,000 as stated by the Audit were completed and handed over to the Estate Officer up to 30th April, 1965. Out of 813 quarters, 64 were utilized for purposes other than residential accommodation of the One Unit Staff as detailed below :—

(1) Reserved for Public Works Department maintenance staff	18
(2) For Shops	17
(3) For Schools, Mosques, Police Post, Post Office and Dispensary	29
<b>Total</b>	<b>64</b>

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 5860 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 then directed that the whole matter should be scrutinized in joint meetings consisting of the officers of the Services and General Administration, Communications and Works 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.

The Department now explained that the Services and General Administration Department called a meeting on 5th December, 1966. The Director, Audit and Accounts (Works) and Communications and Works Department were requested to send their representatives. The representative of Audit did not turn up. The Director, Audit/Accounts (Works) intimated under their Memorandum No. PAC(P)/17(a)13/(59-60/1935, dated the 3rd December, 1966 (received in the Services and General Administration Deptt. on 8th December, 1966) that owing to pre-occupation upto 10th December, 1966, in connection with the meeting of Departmental Accounts Committee with the Irrigation and Power Department; the representative of Audit was not able to attend the joint meeting on 5th December, 1966. It was further stated by the Audit that some other date after 10th December, 1966 may be fixed for the joint meeting. The second joint meeting for the purpose was fixed on 9th January 1966 but the Audit representative did not turn up even in that meeting. The case was, therefore, examined in detail by the Services and General Administration Deptt. and the Communications and Works Department. Examination of the record showed that the position of quarters in Wahdat Colony upto April, 1957, was as under:—

Actually handed over to Estate Office for allotment	813
Allotted for residential purposes	586
Reserved for Public Works Department maintenance staff	18
Reserved for shops and Dispensary	17
Reserved for Post Office, Police and Schools, etc.	29
Allocated to D.I.G., C.I.D.	88
Allocated to Director, Audit and Accounts (Works)	60
<b>Total</b>	<b>798</b>

Thus, out of the quarters completed and placed at the disposal of the Estate Office till April, 1957, only 15 quarters remained un-allotted. These too were allotted in the subsequent month. As such, actually no loss was caused to the Government for non-allotment of quarters.

Director, Audit and Accounts (Works), stated that he did not received any notice about the second meeting.

The Committee was not satisfied with the explanation of the Department. The Committee desired that the Department should reconcile the figures and statements with the Audit and come up again when the accounts for the year 1961-62 are considered by the Committee. The Committee further decided that in the next meeting the Department should bring a co-ordinated and complete statement showing various dates on which the quarters were handed over to Services and General Administration Department along with the dates of allotment of quarters from each lot; showing the dates from which recovery of rent of each quarter started. The Department should also produce orders of the competent authority with regard to the reservation of quarters for shops, mosques, Police Station, etc., showing the period for which these quarters were reserved, and whether the rents therefor from the date of reservation was recovered, and the dates on which they were subsequently vacated, and the date of fresh allotment if any made in respect of those quarters subsequently.

III. The Committee then took up the items of the Communications and Works Department.

At the outset the Director of Audit and Accounts (Works) complained to the Chairman that the working papers of Communications and Works Department were received by him on 25th January, 1967. It was further found that the working papers in respect of the Budget portion for 1960-61 had not been prepared properly. Secretary, Communications and Works Department expressed his regrets for the delay and assured that proper working papers would be submitted when the items relating to Budget were considered.

IV. The Committee then considered the explanations of the Communications and Works Department in respect of the following outstanding items appearing in the Appropriation Accounts for 1958-59.

(1) Page 12, Para. 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 matter was last considered by the Committee at its meeting held on 24th October, 1966 when the Committee found that no action had been taken by the Department to make good the loss and to fix responsibility although a joint inquiry had also been held. The Chief Engineer assured the Committee that the case would be finalized within 6 weeks.

The Department now explained that the joint inquiry revealed the following shortages:—

Serial No.	Name of Article	Quantity	Amount
			Rs.
1	M. S. Girders 10"×15" size	.. 16.216 tons	15,057.15
2	Cement bags	.. 9624 bags at Rs. 4.00 per bag.	38,496.00
3	M. S. Tees	.. 1 Ton ..	926.00
4	M. S. Bars $\frac{1}{2}$ " size	.. 1.749 tons ..	1,619.50
5	M. S. Bars $\frac{1}{4}$ " size	.. 0.415 tons ..	384.31
6	Barbed wire	.. 3 coils ..	220.75
	Total	..	56,703.71

The position of each shortage was stated to be as follows:—

**1. M. S. Girders**—Out of 16.261 tons a quantity of 10.193 tons was issued to Mirpurkhas Roads Division by the then Sub-Divisional Officer in 1955-56 but through mistake the Sub-Divisional Officer forgot to show the quantity as having been issued. This quantity of steel received by Mirpurkhas Roads Division was subsequently lapsed to revenue,—vide T. E. No. 9, dated the 1st January, 1961. The receipt of this steel in Mirpurkhas Roads Division and its subsequent lapse to revenue had been verified by Audit. For the remaining shortage of 6.168 tons Mr. S. M. Mufti, Sub-Divisional Officer who failed to hand over proper charge to his successor was responsible. But Mr. S. M. Mufti died of heart failure on 17th December, 1962 before clarifying his position. As recovery of this loss from the assets of the deceased would cause much hardship to the children, the Government was being moved to write off this loss.

**2. Cement Bags**—2,709 bags were set due to rains and the resultant loss was written off by the Government. This was accepted in the meeting of the Public Accounts Committee on 10th and 11th August, 1964. A further quantity of 4,347 bags of cement were wasted in transit being in torn paper bags. The question of its write off was under scrutiny.

For the remaining quantity of 2,568 bags the responsibility for the loss was attributed to late Mr. S. M. Mufti who was charge-sheeted for the loss and who died before clarifying his position. The Government was being moved to write off this also.

**3. M. S. Tees 4. M. S. Bars  $\frac{1}{2}$ "—5. M. S. Bars  $\frac{1}{4}$ "**—These three items were also attributed to late Mr. S. M. Mufti and in this case also the Government was being moved to write off the loss.

6. *Barbed Wire*—The barbed wire was actually issued for fencing of Gin House of Agricultural College at Tando Jam but through mistake the Sub-Divisional Officer forgot to show this material as having been used on work. The Executive Engineer concerned on personal investigation had reported that this item still exists as fencing of the Gin House.

The Committee directed that the Chief Engineer should himself conduct the inquiry in this case and his report be placed before the Committee in the next series of meetings when the accounts for the year 1961-62 are considered by the Committee. The Committee further decided that Mr. Abdul Haq Sheikh should also attend this meeting.

(2) *Page 12, Para. 17 (a) 3 (5)—Shortage of Stores*—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 24th October, 1966 when the Department reported that as a result of verification the amount of shortage had been reduced to Rs. 69,916-18. Mr. Wadhvani, an Assistant Engineer, who retired on 4th April, 1959 was responsible for the shortage of Rs. 36,503. The Department gave an undertaking to the Committee to recover the dues under the Recovery of Government Dues Ordinance. For the remaining shortage three Overseers were held responsible against whom action had been initiated.

The Department now explained that the Deputy Commissioner, Karachi has been requested on 5th May, 1966 and subsequently reminded on 9th June, 1966, 5th January, 1967 and 14th January, 1967 to recover the amount of Rs. 36,503 from Mr. P. A. Wadhvani as arrears of Land Revenue, but no reply had been received from him. For the balance shortage of Rs. 33,413-18 the three Overseers had been Charge-sheeted. The Committee had no alternative but to defer the paragraph to the next meeting when the Accounts for 1961-62 are considered.

The Committee directed that the Deputy Commissioner, Karachi, should appear before the Committee in that meeting and explain why Government dues were not being recovered.

The Committee observed that much delay had taken place in the completion of the report of the Enquiry Officer, so much so that replies to the charge-sheet were received according to the Department in October 1966. The Committee recommended to the Department to ask for the explanation from the Enquiry Officer as to why he was progressing at a snail's pace in this matter.

(3) *Page 12 Para 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 shortage were to be written off as irrecoverable under the orders of the Government.

The matter was last considered by the Committee at its meeting held on 24th October 1966 when 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. Circle, Sukkur whose finding was as below:—

1. *Cement Rs. 47,390*—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 written off. The write off was under financial sanction with Government Chief Engineer, Hyderabad.

2. *Lime, Lia-Baskets Mixture in Bottles distilled Rs. 762*—It was a natural wastage in 23 months due to evaporation, leakage and wear and tear of consumable articles.

3. *H. D. S. Oil, Mobil Oil, Hadrolic Oil, Kerosine Oil and R. C. C. Pipes, Rs. 1,750-50*—The loss was due to misposting and piece meal issue during 28 months.

4. *H. D. S. Oil, Mobile Oil, Hydraulic Oil, Kerosine Oil and R. C. C. Pipes* Rs. 5,000.—The articles were issued in 3/55 but the issue was not incorporated in the Accounts as the Sub-Divisional Stock Account for this month was lost. Efforts are continued to trace out the account and adjust it.

5. *Miscellaneous Articles*, Rs. 4,941-37.—The shortage has been fixed against Store-keeper, Zaheer-Hyder from whom the recovery at the rate of Rs. 45-00 per mensem is in progress since March, 1962. The full amount would be recovered before his retirement.

6. *Miscellaneous Articles*, Rs. 658-37.—This amount had been included by Audit in the total shortage by adopting the cost of the article at higher rate. Audit might exclude this amount from the total shortage.

The Audit had then pointed out that—

(i) The Department had reported 8770 cement bags amounting to Rs. 47,390 as set, whereas the records 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. 11,175-50 had been supposed by the Department as used on Government works whereas the records were silent in this respect.

The Committee, therefore, had to observe that the state of affairs had been very unsatisfactory and if as stated by the Department, the record had been lost, it was surely some body's responsibility and the Department should have taken action against the officer who was responsible for the loss of the records. 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/officials 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.

In the present meeting the Department stated that the case of shortage of cement attributed to Mr. S. M. Isa, S. D. C., had been reported to the Anti-corruption Department on 1st March, 1955. But the Anti-corruption Department had stated on 17th December, 1959 that since records connected with the case were not traceable the charge of criminal mis-appropriation against Mr. S. M. Isa would not stand in the Court. The Anti-Corruption Department recommended departmental action against the S. D.C./S. D. O. and the Divisional Accountant. But since the records were not available and responsibility for the loss of the record could not be fixed the Department was at a fix as to what action should be taken.

The Committee observed that in the explanation submitted by the Department with regard to cement worth Rs. 47,390 it has been claimed by the Department that the previous Standing Committee on Public Accounts at its meeting held on 17th February, 1955 accepted the explanation of the Department that the loss might be got written off. But from examining the minutes the Committee noted that this claim of the Department was not correct as the relevant minutes with regard to this Para. was as under:—

"In this case there was a shortage of cement and other materials of the value of Rs. 63,507-87. As a result of the investigation conducted by the Superintending Engineer, M/s. Zahir Hyder and S. M. Issa, Store-keepers have been found responsible for the shortage to the extent of Rs. 4,941-37 and 58,568-50 respectively. The case against Mr. Issa was reported to be with the Anti-corruption Department, but that Department could not establish any case against him. Recovery is being made from Mr. Zahir Hyder at the rate of Rs. 46 per month".

As such the Committee failed to understand how this amount was being written off without first satisfying the Committee with regard to shortage.

The Department then stated that the Inquiry Officer claimed that this cement was part of 1,06,390 bags of cement which figured in para 17 (a) 9 (2), the write off of which the Committee had accepted on 17th February, 1965. The Committee felt that from the records made available to it so far this had not been substantiated. This contention of the Department was not substantiated by the fact that at one place the Department stated that papers had been forwarded to Anti-Corruption Department for action against Mr. S. M. Issa and at the same time they stated that this cement was part of the said cement to which the Committee had agreed for the write off. The latter contention could not be correct, as otherwise the Department would not have sent the papers to the Anti-Corruption Department for action against Mr. S. M. Issa. As such, the Committee recommended that the Department should get this verified by the Audit and report the result in the next meeting.

As regards the Anti-Corruption Department's failure to make out a criminal case, the Committee observed that the Anti-Corruption Department had not been given complete records by the Department in as much as some of the relevant papers had been lost by the Department and without complete records being made available to them the Anti-Corruption Department could not possibly have been in a position to proceed against Mr. S. M. Issa. The Committee held the Department responsible on two grounds. Firstly, the misplacing of records and, secondly, forwarding incomplete record to the Anti-Corruption Department knowing fully well that no useful purpose would be served. The Committee felt doubtful whether any amount could be recovered from Mr. S.M. Issa in the absence of relevant record. The Committee at its previous meeting had already recommended to the Department that every effort should be made to trace out the record and if none was available, suitable action should be taken against the officer/officers who were responsible for the loss. In the absence of any report showing progress made in this matter the Committee came to the obvious conclusion that the recommendation of the Committee had not been followed and no further efforts had been made to trace out the record or to hold the officer or officers concerned responsible for the loss. The Committee directed the Department to report to it at the next meeting the action taken against the officer or officers concerned and the efforts made to realise the amount, if necessary, from the officer or officers concerned.

Regarding Lime, Lia-Basket the Department should let the Committee know as to what was the total quantity of stock of the lime, Lia-Baskets Mixtures during this period and also how the wastage during 28 months is being shown when there is annual stock taking.

As regards H. D S. Oil etc. costing Rs. 1,750.50 the Department should report as to why figures of 28 months were given when there was annual accounting for the same. The Department should also get this verified by the audit.

As regards H. D. S. Oil, etc. costing Rs. 5,000 efforts to trace out the accounts and to have it adjusted, should continue and a final report made to the Committee at the next meeting.

Regarding the fifth and sixth items the latest position be reported at the next meeting.

The paragraph was accordingly deferred to be taken up along with accounts for the year 1961-62.

(4) Page 13 paragraph 17 (a) 3 (12)—*Misappropriation of Stores worth Rs. 9,56,125*—In this case, Stock Accounts of a Section were not prepared and submitted by the 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. At its meeting held on 19th April, 1966 the Committee was informed that the inquiries till then made did not make any progress. The Committee then 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. At the next meeting held on 24th October, 1966 the Committee was informed that the joint inquiry had not been conducted. The Committee had no alternative but to defer the item. The Committee, however, desired that the inquiry should be completed and action should also be taken at the earliest against the supervisory officers who are found responsible. As the Committee found that the system of keeping stores and issuing them was faulty and not satisfactory, the Committee recommended that the Department should look into the matter with a view to stream-line the system so as to reduce to a minimum the chances of defalcation and misappropriation.

In the present meeting the Department reported that the Joint Enquiry consisting of Mr. M. A. Baig Ghazi, Superintending Engineer, Provincial Circle, Lyallpur and Mr. Fazal Elahi, Deputy Director, Audit and Accounts (Works), West Pakistan, Lahore, had verified that the under-mentioned material worth Rs. 4,03,563 issued by Mr. Altaf Hussain Cheema, Overseer to other subordinate was taken in their Measurement Books and Stock Register :—

	Rs.
(1) Statement 'A' (consolidated Abstract of Statement 'B', 'C' and 'D') ..	1,32,714-60
(2) Statement 'B' (material transferred to Pirmahal Section)	87,301-60
(3) Statement 'F' (material transferred to Dijkot Bin Section)	19,726
(4) Statement 'G' (material transferred to Lyallpur Provincial Division No. 2) ..	75,165-00
(5) Statement 'H' (material transferred to Lyallpur Provincial Division No. 2) ..	88,656-14
<b>Total ..</b>	<b>4,03,563-34</b>

The Joint Enquiry Committee had further observed that in order to arrive at correct amount of shortages the Department should have constructed the stock accounts afresh from May, 1952 to 15th November, 1954. But the Department showed its inability to construct the stock accounts for the following reasons :—

- (i) The stock accounts had not been submitted by the Overseer;
- (ii) The stock register was not available;
- (iii) The indent books were missing;
- (iv) The credit note books were missing;
- (v) The vouchers for the period were missing and;
- (vi) The adjustment memos, and A. T. Ds. for the required period were missing.

The Joint Enquiry Committee could not, therefore, verify the balances shown by Mr. Altaf Hussain Cheema, Overseer, on 1st August, 1953.

As regards fixing responsibility of the supervisory staff for delay in detecting the loss in time etc., it was recommended in the Joint Enquiry that as the case against Mr. Altaf Hussain Cheema, Overseer, was being put in the Court of Law is further action to fix responsibility of the officers/officials might be held in abeyance.

The question of stream-lining the system of keeping the stores, was stated to be under consideration of the Government.



The Committee was not satisfied with the explanation furnished by the Department and took a serious view of the position. The Committee decided to report this case to the Assembly as illustrative of the way the Department was working. The Committee felt that it was a clear case of carelessness and negligence on the part of the Officers which led to such a large embezzlement of public money. The Committee regarded it as a clear case of an attempt to shield the higher ups as in this case, it could not have been merely an Overseer who could have embezzled such a huge quantity of stores without the connivance, collaboration and co-operation of some higher officers. The Committee directed that the Department should hold a High Level Inquiry to probe into the affairs and fix responsibility. A comprehensive report should then be made to the Committee when it meets next time.

The Committee further desired that positive steps should be taken to guard against this state of affairs in future and the Officers in charge of the Stores warned accordingly.

The paragraph was accordingly deferred to be considered again along with the accounts for the year, 1961-62.

(5) *Page 233, Annexure 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. In the meeting held on 19th April, 1966, the Audit claimed that loss was to the extent of Rs. 14,65,957 but the Department's figures were Rs. 7,49,947. No progress was reported to the Committee in the meetings held on 24th-25th October, 1966. When the Committee decided that the difference in the figures should be re-considered on the basis of documentary proof as to the market rate prevailing at that time.

In the present meeting the Department reported that the representative of the Audit Office who visited Construction Division No. II, Rawalpindi on 5th/7th December, 1966 had reported to the Director, Audit and Accounts (Works), West Pakistan, Lahore, that the difference in most of the cases was due to the fact that the Reporting Audit Officer had calculated the cost of shortages and excess issue of stock, etc., at market rate prevailing at that time, but the basis of these market rates in the report were not available. The Executive Engineer, concerned did not accept them and suggested to work out the cost of the material at cost price plus 13% (viz. 3% storage charges plus 10% Departmental charges). The Visiting Officer had sought for permission from the Director, Audit and Accounts (Works), West Pakistan, Lahore to accept the above mentioned rates to enable him to conduct joint reconciliation of the figures of loss. The Committee observed that the matter should be settled early.

The paragraph was deferred to be considered again along with the accounts for the year 1961-62.

(6) *Pages 232-236, Annexure 3 (v)—Shortage of Stores*—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 again to the next meeting of the Committee when it considers the Accounts for the year 1961-62.

(7) *Pages 232-236, Annexure 5 (ii)*—In this case, 240 tons steel was used instead of the stipulated quantity of 380 tons as per estimate. The contract was a lump sum 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% premium which works out to Rs. 1,63,800.

In the meeting held on 19th April, 1966 it was decided that the Department should hold a joint inquiry with which the Director, Audit and Accounts (Works) should be associated. In the meeting held on 24th October, 1966, the Department reported that the joint inquiry could not be conducted. The Department however contended 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 his association would not be of much use in completing this inquiry. The Committee came to the conclusion that the findings of the first joint inquiry held on 5th May, 1965 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 Department now reported that as the records of the case was with the Anti-Corruption Department, the responsibility for the irregularities mentioned in the Joint Enquiry Report, dated 5th May, 1965 could not be ascertained to finalize the case.

At the suggestion of the Committee, the Director, Audit and Accounts (Works) agreed to hold a joint inquiry into the matter as was decided by the Committee earlier. The Secretary, Communications and Works Department accepted the suggestion and it was decided that a joint enquiry should be conducted by the Chief Engineer along with the Director. As the Director would be going for Haj it was decided that the joint inquiry should be completed before the 25th February, 1967. It was also decided that the Secretary Communications and Works Department should approach the Anti-Corruption Department to either make available the records to the Chief Engineer and the Director or the Officers should be given the necessary facilities to consult the record.

The item was accordingly deferred to be considered again along with accounts for the year 1961-62.

(8) Page 236 Annexure 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.

At the meetings held on 19th/20th April, 1966 and 25th October 1966 the Department contended that a sum of Rs. 61,527 had already been recovered or adjusted leaving Rs. 53,597 only 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 subjudice. 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 be completed as most of the officers involved were working in other regions.

The Committee on examination of the records on files had to observe 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 record 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 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 then no one knew whether this was correct or not and no efforts were made if it was correct to black list them. There could be no greater instance of confusion and lack of co-ordination. Till 12th February, 1966, no efforts whatsoever were made to fix the responsibility on any officer or officers concerned for the lapses. In 1951, 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 Civil Court for recovery. The most tragic part of it was that though this matter which related to the former Bahawalpur State had been pending for over 9 years and had been before the Committee for a number of years, no one from the Department was 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 mis-leading 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.

In the present meeting the Department explained that out of a sum of Rs. 42,237 recoverable from Rais Abdur Rehman, Contractor a sum of Rs. 4,815 was due to the contractor and the balance of Rs. 37,422 was actually recoverable from him. The contractor filed civil suit against the recovery which was dismissed in the lower court. The appeal filed by the contractor against the decision of Lower Court was pending in the High Court.

As regards the sum of Rs. 11,359 recoverable from the Messrs. Progressive Engineers it was stated that the enquiry was almost completed by the Superintending Engineer, Provincial Circle, Bahawalpur when certain claim on account non-scheduled items was put forth by the Firm. In order to further probe into the matter as to why recovery for cost of material issued to Messrs. Progressive Engineers could not be made good, the then Executive Engineer in charge of the work, Mr. Mahmood Khan was called upon to explain the position after consulting records of the work, "Construction of Tractor Repair Workshop at Chak 4 Khanpur". Mr. Mahmood Khan, Executive Engineer, attended the Divisional Office on 17th November, 1966 to 19th November, 1966 and clarified his position. The then

Executive Engineer had pointed out in his reply certain discrepancies in the accounts of the work. The Audit had been requested to depute staff to verify the factual position from the Divisional Office at Rahimyar Khan. The Accounts Officer attended the Divisional Office Rahimyar Khan on 31st December, 1966, and 1st January, 1967 but he did not give any certificate or report.

As regards other observations of Committee the Department stated that detailed replies would be given point-wise after the factual position of this case was verified by Audit.

The item was, therefore, deferred to enable the Department to finalise the matter with the Audit and to be considered by the Committee again along with the accounts for the year 1961-62.

V. The Committee then considered the explanation of the Communications and Works Department in respect of the following paragraphs appearing in the Appropriation Accounts for the year 1959-60.

(1) Page 11 paragraph 17 (a) 2 (3)—*Excess payment*—In this case, over-payment 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 inspite of the defective work.

At the meeting held on 20th April, 1966 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. But in the next meeting held on 24th October 1966. The Department was not able to produce the original tenders from all tenderers. The tender register which was not traceable till the time of submission of written explanations to the Committee for that meeting, was ultimately produced 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 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 Committee suggested that the 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.

Further the Committee felt that the system prevailing for preserving the documents and agreements was far from satisfactory and needed revision. The Committee therefore, 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.

The Department now explained that Superintending Engineer, Provincial Circle, Sargodha was appointed as an Enquiry Officer to conduct enquiry on the following terms:—

- (i) To enquire about the missing record and to fix responsibility for the same;
- (ii) To conduct a thorough enquiry into the circumstances which led to the tampering of the documents in this case and fix responsibility for the same;

- (iii) To decide whether recovery for the overpayment is to be made from the Contractor or the departmental officers. In the latter case the extent of responsibility of each officer be fixed;

The report of the Superintending Engineer, had been received and was under examination.

As far as the Joint Committee to consider formulating a new system whereby maximum precaution could be taken to see that the Government documents were not tampered the suggestion was still under consideration of the Department.

The paragraph was therefore deferred to be considered again along with the accounts for the year 1961-62 to enable the Department to finalize the case.

(2) 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 first considered by the Committee at its meeting held on 19th and 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 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 paragraph was thereafter considered by the Committee at its meeting held on 24th October, 1966. The Department then 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. The Audit then 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 Department requested for time to check up and verify the contention of the Audit.

The Committee had to observe 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 then 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 Department now explained that the amount as reconciled amounted to Rs. 15,367-65 as per Division-wise break up given below:—

	Rs.
(i) Executive Engineer, Provincial Division, Rawalpindi ...	7,089-70
(ii) Executive Engineer, Construction Division No. II, Rawalpindi ...	8,267-95
Total ...	15,367-65

The position of the recovery was stated to be as under:—

- (i) A sum of Rs. 9,587-94 has been adjusted/recovered from the Contractors and verified by the Audit to the extent of Rs. 6,407-80. Previously the adjustment of Rs. 3,180-64 was made against the amount that was lying as interest bearing securities of the Contractor. This adjustment should not have been made unless the interest bearing securities amount was withdrawn and credited to deposit. The Divisional Accountant was responsible for this erroneous adjustment. The Director, Audit and Accounts (Works), West Pakistan, Lahore has been asked to take action against the Accountant.
- (ii) The total recovery outstanding at this stage was Rs. 5,818-80 and a sum of Rs. 1,551-13 was expected to be recovered from the Contractors who are presently working in the Divisional Offices, as and when the running account bills are received for payment.
- (iii) The balance of Rs. 4,167-26 could not be recovered from the Contractors as their whereabouts were not known.

The Department further stated that the disciplinary action against the Officers/Officials responsible for over-payment had been initiated. The Road Inspector and the Overseer as well as the officers had been charge-sheeted.

The Committee was glad to know that as a result of the observations of the Committee, in the last meeting, the Department had now found that there was no cash security of this contractor but the same had been converted into interest bearing securities deposited with the Post Office and pledged to the Executive Engineer. The Committee decided that the action should be verified by the Audit.

With regard to Rs. 4,167-26 due from three contractors, whose whereabouts were not known, the Committee felt that efforts for the recovery of the amount from the officers responsible should be stepped up and further progress should be made. As regards contractors the Committee recommended that the other divisions of the Communications and Works Department be informed of the same with a view to obtaining their addresses in case any of them was carrying out work in other divisions, and also with a view of placing them on the black-list of all the divisions till such time as this amount was not recovered.

The Committee decided that further progress should be reported to the Committee at the next meeting.

The paragraph was accordingly deferred to be considered again along with accounts for the year 1961-62.

(3) *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 in charge of the stores for the period from 1952-53 to 1954-55.

The Department stated that as a result of the further inquiry the shortage has been reduced to Rs. 1,12,499 and the Superintending Engineer has been asked to apportion the responsibility against the defaulters and effecting the recovery where necessary.

The Department further contended that in certain contract agreements the condition that empties would be returned was not there and, therefore, the amount of Rs. 1,12,499 would be further reduced. The Committee directed that the Department should produce the original contracts before the Audit and get the amount verified. After that, steps should be taken to effect the recovery of the amount agreed upon by the Audit and the Department.

The paragraph was deferred to be taken up again along with accounts for the year 1961-62.

VI. The Committee then adjourned meet again on 27th January, 1967 at 9-00 a. m.

LAHORE:

The 26th January 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.



**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 27TH JANUARY, 1967, 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, M.P.A.  | ... Member.         |
| (4) Rai Mansab Ali Khan Kharal, M.P.A.  | ... Member.         |
| (5) Mr. Malang Khan, M.P.A.   | ... Member.         |
| (6) Mr. G. D. Memon, Joint Secretary to Government of West Pakistan, Finance Department.  | ... Expert Advisor. |
| (7) Mr. N. A. Chaudhri, P. A. and A. S., Director, Audit and Accounts (Works), West Pakistan.   | By invitation.      |
| (8) Mr. Niaz Ahmad, C.S.P., Secretary to Government of West Pakistan, Communications and Works Department along with various Regional Heads | ... By invitation.  |

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

**II. The Committee 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 15 Para 17 (a) 4 (2)—Mis-appropriation 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 considered by the Committee at its meetings held on 19th April, 1966 and 25th October, 1966 wherein the Committee was informed that the officer responsible therefor had been charge-sheeted.

In the present meeting the Department stated that the departmental inquiry had not so far been completed.

The item was deferred for consideration at its next meeting by which date the Committee hoped the Department would be able to complete the inquiry.

(2) *Page 16 Para 17 (a) 4 (5)—Mis-appropriation of Stores*—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 works to which the cost thereof was charged.

The matter was considered by the Committee at its meetings held on 20th April, 1966 and 25th October, 1966 the para was deferred pending joint inquiry.

The department now explained that as a result of the joint inquiry the amount has been enhanced to Rs. 2,48,091.15. Out of this amount some documents in support of transaction for the stores worth Rs. 76,839.62 had been located but the account of this material could not be verified owing to the fact that two M. Bs. and the material at site Accounts were with the Anti-Corruption Department Sargodha and the concerned officers of that Department were out of station at the time of joint inquiry. The Superintending Engineer, Provincial Circle, Sargodha had already been directed to enquire into the matter at once, fix responsibility for the loss and take immediate steps for the recovery of this amount from the Officers/Officials responsible for

mis-appropriation of stores, besides taking disciplinary action against them. The Superintending Engineer, has also been directed to arrange to get back the record from the Anti-Corruption Department and get the account of Rs. 76,839-62 verified at once.

The para was deferred to be considered again along with the accounts for the year 1961-62.

(3) *Page 17 Para 17(a) 4 (7)—Mis-appropriation of Stores*—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 supplying Division debited the cost in the accounts of 8/58, but the amount was placed under suspense head by the receiving Division.

The matter was last considered by the Committee at its meeting held on 25th October, 1966 when the para. was deferred due to lack of progress in the recovery of cost of the material.

The explanation of the Department in the present meeting was that the contractor was contacted to deposit the cost of the material with the Department but in his letter dated 8th July, 1966, the contractor stated that the case is pending with the court and as such an attempt on the part of the Department to recover this amount as arrears and of Land Revenue would amount to contempt of Court and that if the Department still persisted for the recovery he would move the High Court for action for the contempt of Court.

The Committee desired that the department should furnish full facts of the case including—

- (1) the action taken by the Department to effect recoveries from the Contractor;
- (2) departmental action taken against the Officers, etc., responsible for the loss; and
- (3) action taken against the person or persons responsible for having given incomplete information to the Committee.

The para. was deferred to be considered again along with the accounts for the year 1961-62.

(4) *Page 17 Para. 17 (a) 4 (9)—Mis-appropriation of Stores*—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 considered by the Committee at its meetings held on 19th April, 1966 and 25th October, 1966 when the Committee was informed that necessary inquiries were being held to fix the responsibility.

The Department now explained that from the records available the irregularity was attributed to the following three officials/officers :—

- (1) Mr. Muhammad Qadir Shaikh, S. D. O., who is reported to have received back the material but did not bring it on account;
- (2) Mr. Nisar Hussain Zaidi, S.D.O. who initiated the transfer entry without satisfying that the material was actually returned by the contractor;
- (3) Mr. Suleman, Divisional Accountant who approved the T. E. without ascertaining from Mr. Qadir Shaikh, S. D. O., that he issued receipts in token of having received back the material and who failed to pursue the matter.

The Director, Audit and Accounts (Works) has been advised to charge-sheet the Accountant so that action might be taken against the S. D. O. also.

The Committee decided that Director, Audit and Accounts (Works) should take immediate steps in regard to the responsibility of the Divisional Accountant. The Department should also expeditiously proceed with the question of fixing the responsibility of the Sub-Divisional Officers, take action against them and effect the recovery.

The para. was deferred to be considered again along with the accounts for the year 1961-62.

(5) *Page 19 Para. 17 (a) 5(3)—Undue Financial Aid to Contractor—Rs. 69,264—* 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 terms 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 12/58 showing that debit for stores issued to him were not posted to his account and that the ledger account was not maintained. The matter was considered by the Committee at its meetings held on 19th April, 1966 and 25th October, 1966 when the Department had stated that as the contractor who had been asked to pay Rs. 29,896 had gone to Court, no recovery could be effected and the question of Departmental action against the officials at fault was pending with the Chief Engineer.

The Department now explained that the case was still under trial and that the Departmental action would be taken after the decision of the case.

The para. was deferred for consideration in the next series of meetings along with accounts for the year 1961-62.

(6) *Page 20 Para. 17 (a) 6 (1)—Fictitious Stock Adjustments—* In this 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 amounted to fictitious stock adjustment which apparently was carried out to utilize the budget grant and constituted serious financial irregularity.

The matter was first 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 to determine the actual loss. No progress was reported in the meeting held on 25th October, 1966.

The Department now stated that the Joint Inquiry Committee has detected that the stores worth Rs. 1,59,244 appeared to have been mis-appropriated as neither the material, had been taken on material at site accounts of the works concerned nor had it been taken or written back to stock in any subsequent months. The Joint Inquiry Committee has further concluded that the total amount should be recovered, besides disciplinary action against the Officials concerned. The Superintending Engineer has, therefore, been directed to fix individual responsibility for the material and take immediate steps for the recovery of the same from the Officers/Officials responsible for mis-appropriation, besides taking disciplinary action against them. The Superintending Engineer, had further been asked to fix responsibility for the missing record in this case, and to take disciplinary action against the Officers/Officials found responsible for mis-placement/loss of record.

The Committee felt that in this case the Departmental inquiry against the delinquents was not enough. The case should be handed over to the Police for prosecution at once. The Chief Engineer should take immediate possession of all the necessary records which were brought together for the purpose of the joint enquiry.

The para. was deferred to be considered again when the accounts for the year 1961-62 are considered, when the Department would report progress in the matter.

(7) *Page 22 Para. 17 (a) 7 (2)—Irregular Payment*—In this case, irregular payment of Rs. 2,258 and Rs. 6,159 was made to a contractor by a Sub-Divisional Officer 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 latter 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 Para. was last considered by the Committee at its meeting held on 25th October, 1966 when the Committee was informed that an inquiry had been made into the matter but the same was under consideration of the Department.

The Committee was now informed that the matter was still under consideration of the Government.

The Committee observed that the progress in this case was most unsatisfactory. The Committee desired that the Department should expedite necessary action in this case.

The paragraph was deferred to come up again when the accounts for the year 1961-62 are considered.

(8) *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 un-serviceable 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 considered 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 first 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. When the para. was reconsidered by the Committee at its meeting held on 25th October, 1966, the Committee was informed that second inquiry in the matter was still in progress.

The Committee has again been informed in the present meeting that report of the 2nd Enquiry Officer was still awaited. The Committee inquired from the Department as to whether any other work in the same Division or in the adjoining Divisions were in progress under which cement could be used? Whether the Divisional Officer made any efforts to ascertain whether this cement could be made use of on other works in progress in the adjoining Divisions or not? If other works were in progress and this cement could have been used there but was not used, obviously, it was a dereliction of duty on the part of the Divisional Officer to have let the cement lie exposed to weather thus allowing it to get set resulting in its becoming unserviceable. The Committee desired that the Department in their explanation, in respect of this para. in the next meeting of the Committee, should furnish complete information with regards to the points raised by the Committee.

At this stage it was stated by the Department that the Divisional Officer had advertised for the auction of this cement but the Department could not produce any record to substantiate this stand. The Committee decided that in the next meeting the divisional record should be produced regarding the advertisement which was published. The names of the news papers in which the auction notice was advertised should also be reported in that meeting.

Consideration of the paragraph was deferred to be taken up when the accounts for the year 1961-62 are considered.

(9) *Page 28 Paragraph 17 (a) 21—Additional payment*—A sum of Rs. 9,092 was paid to late Mian Ataj Muhammad Contractor on account of removal of rust from M. S. Bars used in R. C. C. Work of constructing Wahdat Hospital, Lahore. This was objected to by the Audit 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 matter came under discussion in the Departmental Accounts Committee meeting held on 12th to 14th September 1963 wherein it was decided that payment of Rs. 675 for which the approval of the competent authority existed should be accepted and the extra payment of Rs. 8,417 made to the contractor, should be recovered.

But the final bill of the contractor became minus. The Payment due to the contractor in other Division/Department was withheld. The heirs of the contractor got the payment released through the Civil Judge, Lahore by submitting sureties as ordered by the Court. Against the release order of the amount an appeal has been filed by the Department in the High Court, Lahore.

As regards disciplinary action the Committee was informed that the charge sheets against the concerned Executive Engineers/Sub-Divisional Officers are pending in the Communications and Works Department for approval. Charge Sheets/Statement of allegations were served upon the Overseers and they have tendered their defence. Enquiry Officers are proposed to be appointed as soon as the charge sheets to be served upon Executive Engineers/Sub-Divisional Officer, are approved by the Communications and Works Department.

The paragraph was deferred to be considered when the accounts for the year 1961-62 are taken up.

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 1960-61 :—

(1) *Page 10-12 Paragraph 18—Expenditure on Works in anticipation of technical sanction*—In this case it was pointed out that 1699 works amounting to Rs. 3,19,15,468 were started without technical sanction.

The Department informed that Committee the 8 estimates pertaining to Central Region, Lahore and one estimate pertaining to Western Region, Quetta only remained unsanctioned.

According to the Audit 66 works costing Rs. 37,57,181 remained unsanctioned. Obviously these figures required reconciliation. The Committee decided that the Department should reconcile the figures with the Audit and expedite the remaining sanctions.

The Department undertook to take disciplinary action in suitable cases where the Officers commenced the works without the necessary sanction.

Subject to above action the para. was dropped.

(2) *Page 12 Paragraph 19 (1)—Excess payment of Rs. 17,945*—In this case an excess payment of Rs. 17,945 on account of minus bill of contractor was placed under the suspense head "Miscellaneous Public Works Advances" in May, 1948. The Department neither took any action to recover the amount nor was any departmental enquiry conducted to fix the responsibility for excess payment. This resulted in a loss of Rs. 17,945 to Government.

The Department explained that the minus bill of a non-Muslim Contractor (L. Bhagwan Dass) was placed in the Miscellaneous Public Works Advances in August, 47 Supplementary account under T.E. No. 4, dated 19th May, 1948. Since the excess payment related to pre-independence period, the recovery could not be effected from the non-Muslim contractor and the matter was referred on 10 January, 1963 to the Partition Committee, West Pakistan, for arranging recovery. Thereafter the matter came up

for discussion in the Departmental Accounts Committee meeting held on 2nd September, 1963 when it was decided that the Chief Engineer should institute an inquiry and also verify if any amount of the contractor was available for adjustment. But no credit of the said Hindu contractor could be traced in the Divisional Office record.

The Committee noted with regret that timely action was not taken against the Officers who were responsible for the preparation and passing of bills.

Subject to these remarks, the para. was dropped.

(3) *Page 12 Paragraph 19 (2)—Excess payment of Rs. 25,909*—In this case an excess payment of Rs. 25,900 was made to a contractor by allowing the rate of Rs. 10 per 100 cft. for the supply of sand without specifying the lead and source from which sand was to be supplied. In the absence of lead and source for the supply of sand the rate of Rs. 5 per 100 Cft. should have been allowed according to the instructions issued by the Additional Chief Engineer concerned.

The Department explained that the matter originated from Director, Audit and Accounts (Works), West Pakistan, Lahore No. WAD—XV-764, dated 30th May 1959 regarding excess payment of sand worth Rs. 30,000 and 1266 due to payment of Rs. 10 instead of Rs. 5 percent per Cft. within 3 miles lead by the Executive Engineer, Provincial Division, Rahimyar Khan wherein it was stated that the rate of sand for the construction of Karachi, Lahore and Peshawar Road was approved by the former Additional Chief Engineer, Bahawalpur as Rs. 5 per cent per Cft. whereas in contravention of these orders the Executive Engineer Provincial Division Rahimyar Khan had allowed Rs. 10 per cent per Cft. Subsequently the Superintending Engineer, Provincial Circle Bahawalpur was asked to investigate the matter. The Superintending Engineer, Constuction Circle, Multan (Mr. A.F. Kiryo) was appointed as Enquiry Officer in this case to fix responsibility of the officers under whose incumbency the over-payment was made. On his transfer to Hyderabad Region, the enquiry was entrusted to the Superintending Engineer, Provincial Circle, Bahawalpur. The enquiry has been completed by the Superintending Engineer, Provincial Circle, Bahawalpur.

The Department further informed the Committee that the first Enquiry Officer, Mr. Kiryo, did not complete the enquiry in nine months that he remained the Enquiry Officer. Subsequently, the second Enquiry Officer concerned being Superintending Engineer, Provincial Circle, Bahawalpur, did not complete the enquiry within three years that he remained there.

The Committee desired that the Department should take action against both the Enquiry Officers for negligence and obvious delay in finalising the enquiry of a case where the Government was to recover a sum of Rs. 25,900. The Department should report the action taken against both the Enquiry Officers to the Committee at its next meeting.

Since the enquiry has now been completed and submitted to the Government, the Committee directed the Department to take early and adequate steps to finalise the action necessary and to recover the amount.

The paragraph was deferred to come up at the next meeting along with the accounts for 1961-62.

(4) *Page 12 Paragraph 19 (3)—Excess payment*—In this case an excess payment of Rs. 37,573 was made to a contractor by allowing rates higher than those admissible under the rules in 10 consecutive running bills. The final bill worked out to a minus amount to that extent which was partly adjusted against his credits with the Division while the balance amount of Rs. 24,161 was placed under "Miscellaneous Public Works Advances" in June, 1960 against the contractor. Neither the amount placed in the "Miscellaneous Public Works Advances" was cleared by recovery or adjustment nor had any disciplinary action been taken against the official responsible for the overpayment in the first instance.

The Department explained that the overpayment was made to the contractor, Haji Abdul Waheed for the work of constructing Hostel and Secondary School at Thatta. Full amount has since been recovered from the contractor.

The Committee is pleased to note that the entire amount of Rs. 24,161 pertaining to this case has been recovered from the contractor Haji Abdul Waheed, but regretted to note that no disciplinary action has so far been taken against the officers and officials responsible for this over-payment and desired that the Department should ensure that adequate action is now taken at the earliest.

Subject to verification of the amount recovered, and the departmental action against officers and officials, the paragraph was dropped.

(5) *Page 13 Paragraph 19 (4)—Excess payment*—An excess payment of Rs. 3,887 was made to a contractor as a result of wrong calculation of the quantity of masonry work in superstructure. The amount was placed under the suspense head "Miscellaneous Public Works Advances" in May, 1960 for necessary recovery from the contractor or from the official at fault. An amount of Rs. 684 only was adjusted in February, 1961.

The Department explained that the excess payment of Rs. 3,887 was as a result of wrong calculation of the quantity of masonry work in superstructure. As the clerk responsible for this wrong calculation has left the Department a long time back no action could be taken against him now.

As regards the recovery of Government dues from the contractor, the Deputy Commissioner, Nawab Shah was requested to recover the amount as arrears of Land Revenue. He was reminded several times about this. The last reminder was sent to him on 1st November, 1966 but the position of recovery had not been intimated by him.

The Committee was not satisfied with the explanation given by the Department in this case. On further inquiry by the Committee as to why only the clerk was being held responsible for the mis-calculation when, obviously, the S.D.O. must have signed the statement, it was revealed from the records of the Audit that the S.D.O. had also been held responsible and that some time in 1960, a letter was issued to him to explain his position in the matter. Subsequently, on 11th October, 1962, final notice was given to him to clarify his position within ten days failing which action would be taken to make the recovery of the amount from his salary bill. From this date up to 20th January, 1965 what transpired in the Department remains a mystery. According to the Department's records on 20th January, 1965, the Chief Engineer held the S. D. O. responsible and directed the Superintending Engineer to recover the amount from him. In March, 1965, the S. D. O. represented against the orders of the Chief Engineer and the matter rests there.

The Committee reluctantly had to observe that this was yet one more case in which the Department did not furnish correct information to the Committee, either because some one in the Department was interested in shielding the S. D. O. or the only other reason could be that things were in such a mess in the Department that cases of recovery of Government dues were not being supervised and pursued in a satisfactory manner. The Committee directed the Department to finalise the various inquiries in this matter and to ensure that recovery of this amount from the S. D. O. or the clerk starts within the next three months. The Committee would also like a detailed report from the Department as to what happened between 11th October, 1962 when the S. D. O. was given final notice and 1965 when the Chief Engineer held him responsible.

The Department should also fix the responsibility on the officer or officials responsible for this delay and take action against them. The Committee expected a final report from the Department at its next meeting.



(6) *Page 13 Paragraph 19 (5)—Excess payment*—According to the Audit objection an excess payment of Rs. 17,679 was made to a contractor who was allotted a contract estimated to cost Rs. 1,60,400 on 11th October, 1956 for construction of a building. Regardless of the estimated cost of the work two advance payments of Rs. 37,000 and Rs. 65,000 on 5th July, 1957 and 12th August, 1957 respectively were made to the contractor without taking actual measurements of the work done. Moreover, Government material worth Rs. 92,268 was also issued which was recoverable from the contractor's bills after taking measurement of the work. When on 31st March, 1959 the final bill of the contractor was prepared on the basis of actual measurements of the work done the total value of work done turned out to Rs. 1,76,589 whereas Rs. 1,94,268 had already been paid to the contractor. Hence there had been an excess payment of Rs. 17,673 to the contractor, which was recoverable.

The explanation incorporated by the Department in the working papers was vague. A revised explanation was furnished when the para was considered by the Committee. The contention of the Department was that this paragraph was a repetition of paragraph 17 (a) 5 (5) on Page 19 of the Appropriation Accounts for 1959-60, which was dropped by the Committee at its meeting held on 19th April 1966 subject to verification of recovery of Rs. 1,490 by audit which has been done by the Audit. The Audit pointed out that some part of the recovery has been made by adjustment against a credit which did not exist. The Committee observed that when there was no credit, there could not be any adjustment and desired that the Department should clarify the position to the Audit and get the necessary verification done. The Department should explain to the Committee at its next meeting as to how and why adjustment had been made against a credit which did not exist.

(7) *Page 13 Paragraph 19 (6)—Excess payment*—According to the audit objection an excess payment was made to a contractor in August, 1960 by allowing a rate of Rs. 18-2 per cent cft. for supply of sand against the rate of Rs. 10 provided in the work order and at which the contractor had already received fourteen running payments.

Explanation of the Department incorporated in the working papers was as under:—

The Superintending Engineer, Provincial Circle, Bahawalpur has stated that two different items of sand supply were provided in the work order as follows:—

- (1) Item No. 66 supplying pit sand
- (2) Item No. 97 supplying river sand—

Rate of 18 for supplying river sand lead 6 miles existed in the work order in the first instance and before the commencement of audit inspection. As is the usual practice running payments were made at reduced rates. Accordingly running payment were made to the contractor at the rate of Rs. 10 in this case in spite of the fact that entry in the Measurement Book existed for supply of river sand. Moreover the rate of Rs. 18 per cent cft. for supplying sand lead 6 miles was a scheduled item as per *Ex-Bahawalpur Schedule of Rate*. The question of excess payment in this case, therefore, did not arise as the contractor had been paid in accordance with the provisions of Work Order Schedule of Rates. The above position was fully explained in the Departmental Accounts Committee in its meeting held on 2nd September, 1963 where it was decided that "the position may be got verified by Audit with reference to work order, Measurement Book and Schedule of Rates of *Ex-Bahawalpur State*". Accordingly the relevant record was produced to Audit but they are still insisting for effecting recovery of alleged excess payment of Rs. 4,106.

In fact the item of supply of sand in two work orders was not to be compared at all as these were two different items. The lesser rate of Rs. 10 was allowed prior to the issue of the second work order. The rate allowed in the final bill was according to the provision in the work order. In the previous bills where the rate of 10 was allowed the record entry for supply of river sand, exists which involves lead for carriage as admissible under the Bahawalpur State Schedule of Rate. Hence the rate of Rs. 16-31 allowed in the final bill for 5 miles lead was justified.

At the meeting the Department admitted that the objection of the Audit was correct and that there has been interpolation and that the Department was not sure whether the work order had been approved by the Executive Engineer. The Committee noted with regret that in a period of 5 years the Department themselves could not find out whether there has been interpolation and whether the work order had been approved by the Executive Engineer or not. The Committee desired that the Department should now pursue the matter vigorously and take necessary action against the officer or officers who had been conducting the affairs and had not been able to find out the facts of interpolation and non-approval of the work order by the Executive Engineer and had been suppressing these facts all these years.

The paragraph was deferred to come up again before the Committee when it considers the Accounts for 1961-62.

(8) *Page 13 Paragraph 19 (7)—Excess payment*—In this case excess payment of Rs. 1,783 was made to a contractor for the supply of hajri and soling stone by not making deduction for loose stacking at 1/12 and 15 per cent respectively as required by the Schedule of Rates.

As full recovery of the excess payment has since been effected from the Contractors concerned and the Overseer who was held responsible for the Over payment has also been warned. The paragraph was dropped in view of the above explanation.

(9) *Page 13 Paragraph 19 (8)—Excess payment*—In this case excess payment of Rs. 682 was made to a contractor by allowing rates higher than those actually provided in the Schedule of Rates.

The Department explained that full recovery of the excess payment has since been effected from the Contractor and a warning has been issued to the Overseer concerned.

The Audit pointed out that it is not the Overseer but the S. D. O. who fills in the rate and makes payment.

The Committee was not satisfied with the contention of the Department that it was only the Overseer who was responsible for giving higher rates as according to Financial Rules, the S. D. O. was responsible to check the entries recorded in the Measurement Book and see that the correct rates were entered and that all calculations had been checked arithmetically. Obviously it was not the Overseer above who was responsible but the responsibility squarely lies on the S. D. O. against whom no action had been taken. The Committee desired that the Department should take necessary action against the S. D. O. who shirked his responsibility.

The Paragraph was deferred to come up again before the Committee when it is considering the accounts for 1961-62.

(10) *Page 13 Paragraph 19 (9)—Excess payment*—In this case an excess payment of Rs. 661 was made to a contractor by making payment at rates higher than those provided in the Schedule of Rates for certain items of work.

The Department explained that the full recovery of excess payment has been made from the contractor and the Overseer has been warned.

The Committee decided that the observations made in respect of para 19 (8) should apply to this paragraph also.

(11) *Page 14 Paragraph 20 (1)—Shortage of Stores*—In this case shortage of Store worth Rs. 28,166 was noticed during the year, 1950-51.

This was mainly due to the keeping of incomplete accounts and lack of physical verification from time to time as required under the rules. Stores worth Rs. 24,334 were subsequently traced out and adjusted.

The Department explained that the amount of shortage was subsequently reduced to Rs. 3,103-31, but as Mr. F. C. Shahani, Superintendent Stores responsible for the amount had migrated to India no action was possible against him. The amount was proposed to be written off.

Subject to verification of the write off by the audit the paragraph was dropped.

(12) *Page 14 Paragraph 20 (2)—Shortage of Stores*—In this case timber amounting to Rs. 4,110 was found short from the material at site account of the work of constructing New Government College at Sargodha. The amount was placed in Miscellaneous Public Works Advances in 5/55 recoverable from Mr. Muhammad Anwar Choema, Overseer. The Overseer was charge-sheeted and his explanation was under scrutiny.

The Department promised that the recovery would be made either from the Contractor or the Overseer, as the case progresses. The paragraph was deferred to come up before the Committee when the accounts for the year 1961-62 are considered by it.

(13) *Page 14 Paragraph 20 (3)—Shortage of Stores*—In this case 24,069 tons of steel (3-8" diameter) worth Rs. 14,814 was found short and the amount placed under the suspense head "Miscellaneous Public Works Advances" in March, 1960.

The Department explained that according to the enquiry conducted by the then Executive Engineer, Provincial Division, Sargodha there was no shortage of steel. But some stores amounting to Rs. 1,324 were found short against Overseer Ishtiaq Hussain who had left the Department in 1950. In view of the fact that recovery could not be effected at that stage in the absence of charge papers which were reported to have been lost, it was decided by the Chief Engineer to write off the amount. This is being done.

The position of the case was discussed in the Departmental Accounts Committee meeting held on 12th, 14th September, 1963, and it was directed by the Committee that the reduction in amount from Rs. 14,814 to Rs. 1,324 be got verified by Audit but the verification has not so far been completed.

The Audit pointed out that Mr. Ishtiaq Hussain Overseer resigned in 1950 but the shortage related to the year 1960 when the Overseer was no more in service. The shortage could not, therefore, be attributed to him. No steps seemed to have been taken by the Department to pin point the defaulter. The reduction in the amount of the shortage could not be established. On the other hand a quantity of 22-80 tons more has been found short. The amount has increased to Rs. 28,494.

The Committee decided that a Joint Inquiry should be held by the Department and the Audit for verification of the shortage and amount be recovered from the officials responsible therefor.

The paragraph was deferred to be taken up again when the accounts for 1961-62 are considered.

(14) *Page 14, Paragraph 20 (4)—Shortage of Stores worth Rs. 6,237*—As neither any recovery has been made nor disciplinary action finalized, the paragraph was deferred to be taken up when the accounts for 1961-62 are considered.

(15) *Page 14, Paragraph 20 (5)—Shortage of Stores*—In this case shortage of stores amounting to Rs. 2,310 was established against an official in January, 1959. The amount of shortage was placed under the suspense Head "Miscellaneous Public Works Advances" as recoverable from the official in May, 1961, out of which only Rs. 1,415 could be recovered. Subsequently the official was dismissed from Government Service in June, 1959. No disciplinary action was taken against the persons who failed to effect recovery in time.

The Department explained that out of Rs. 2,310 a further sum of Rs. 10 was also recovered leaving a balance of Rs. 885. But as the whereabouts of Mr. Bashir Ahmed Malik ~~Ex~~-Overseer who was responsible for the shortage could not be traced in spite of best efforts of the Department as well as the Police Authorities there was no alternative except to get the amount written off under the orders of the competent authority.

The paragraph was dropped subject to verification of the write off by the Audit.

(16) Page 14, Para 20 (6)—*Excess payment*—In this case material worth Rs. 36,134 was found short and the amount was placed under the suspense head "Miscellaneous Public Works Advances" in October, 1960.

The Department explained that the Executive Engineer, Sargodha who was appointed Enquiry Officer to conduct departmental enquiry fixed responsibility of shortage of hajri equally on M. Riaz Zahid, Overseer and Mirza Abdus Sattar (deceased), Overseer. Order for the recovery of the amount from Mr. Riaz Zahid were issued by the Superintending Engineer, Provincial Circle, Sargodha. The official submitted an appeal which had been rejected and the Superintending Engineer was asked to take steps to recover the amount. The official absconded. As regards shortage against Mirza Abdus Sattar (deceased) the case was referred to Law Department who advised that recovery of shortage could not be made from pension/gratuity/G. P. Fund of the deceased and as such the amount was proposed to be written off.

The Committee decided that the Department should submit a detailed report regarding the recovery of the amount from the Overseer who has now absconded.

The paragraph was deferred to be taken up when the accounts for the year 1961-62 are considered by the Committee.

(17) Page 14, Paragraph 20 (7)—*Shortage of Stores worth Rs. 9,008*—As the action on the shortage of these stores has not yet been finalized by the Department the paragraph was deferred for a detailed report at the next meeting of the Committee when the accounts for 1961-62 are considered.

IV. Consideration of the explanation of the Department in respect of the remaining paragraphs was deferred to the next series of the meetings.

V. The Committee at this stage decided that the Communications and Works Department should prepare year-wise statements showing outstanding cases of misappropriation and shortage of stores which appeared in the Appropriation Accounts for the year 1958-59, 1959-60 and indicating those cases out of these in which the records or files are with the Anti-Corruption Department and the dates from which these are lying with that Department. These statements should be sent to the Services and General Administration Department for expediting the disposal of cases by the Anti-Corruption Department. The statements should also be submitted to the Committee at its next series of meetings.

VI. The Committee then adjourned to meet again on 28th January, 1967 at 9-00 a.m.

LAHORE :

The 27th January, 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 28-1-1967 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. Fazal-ur-Rehman, C.S.P., Syed Akhlaq Hussain, T.Q.A., C.S.P. Additional Secretaries and Mr. G. D. Memon, Joint Secretary to Government of West Pakistan, Finance Department.   |    |    | Expert Advisers. |
| (7) Rana Muhammad Yasin, P.A.&A.S. Accountant-General, West Pakistan.  |    |    | By invitation.   |
| (8) Mr. N. A. Chaudhri, P.A.&A.S., Director, Audit and Accounts (Works), West Pakistan.  |    |    | Ditto.           |
| (9) Mr. Abu Nasar, C. S. P., Member, Board of Revenue, West Pakistan.  |    |    | Ditto.           |
| (10) Captain Muhammad Ashfaq, Joint Secretary to Government of West Pakistan, Agriculture Department, alongwith Mr. Aslam Awais, Member Finance, Agricultural Development Corporation. |    |    | 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 explanations of the Consolidation and Revenue Departments in respect of following items pertaining to the Appropriation Accounts for the year 1960-61;

**CONSOLIDATION DEPARTMENT**

*Page, 3, para 5, read with page 315-Grant No. 35-Development—Sub-head B-I Entertainment of Staff for consolidation of holdings.*

	Rs.
Original Grant .. .. .	93,88,730
Surrender .. .. .	34,07,370
Final Grant .. .. .	59,81,360
Expenditure .. .. .	45,51,038
Saving .. .. .	14,30,322

In this case out of the original grant of Rs. 93,88,730 an amount of Rs. 34,07,370 was surrendered and thereafter there was a saving of Rs. 14,30,322. The Department explained the surrender and saving as under:—

(i) *Surrender Rs. 34,07,370 and saving Rs. 9,71,175*—The Scheme for the consolidation of the land holdings in 22 districts of the former Punjab and North-West Frontier Province was started in 1960-61. The proposal for the staff was prepared on the basis of the requirements of the staff given by the districts. It was assessed that the field staff consisting of 2652 Consolidation Patwaris, 525 Consoli-

dation Kanungos and 2 Chainmen and one Flagman or Patwari along with the supervisory staff would be required for the purpose. The selection of suitable staff was taken in hand, but the officials having settlement experience, etc. could not be found in sufficient numbers to meet the requirements of the infant scheme of consolidation of holdings, though it was hoped that such staff would be procured. In the circumstances a sum of Rs. 34,07,370 was surrendered in the Second Statement of Excesses and Surrenders. Further the saving at the end of the year came to Rs. 9,71,175. The financial year closes after three months subsequent to the submission of the Second Statement of Excesses and Surrenders and the staff could be expected to become available at any time during the period and it was considered necessary to retain some amount for the payment of emoluments, etc., to such prospective employees. But the trained staff did not become available and the amount could not be utilized.

Moreover, every possible efforts were made to recruit the necessary staff from amongst the Revenue staff in the districts as well as to train staff but the scheme was such a big one that the required staff could not be had from the existing revenue staff and arrangements to impart necessary training were made.

The explanation was considered satisfactory and the item was dropped.

(ii) Saving Rs. 3,90,780.

As the question of grant of Basta Allowance remained under consideration in the then Revenue Department/Finance Department and sanction there to was not received upto the end of the financial year, the amount, therefore, could neither be utilized nor surrendered.

The explanation was considered satisfactory and the item was dropped.

(iii) Saving Rs. 51,387.

Due to Non-payment of Travelling Allowance to Kanungos and Patwaris. The Controlling Officer (Additional Commissioner (Consolidation) Dera Ismail Khan and Peshawar Divisions) proceeded on leave with effect from 7th May, 1961 to 30th June, 1961 (afternoon). The Government, vide their notification No. S.C-4-18-61 (C.S.P.), dated 5th July, 1961, however, authorised Mr. Ghulam Sarwar Khan, P.C.S., to hold charge of the post of Additional Commissioner (Consolidation), Peshawar and Dera Ismail Khan Divisions which was issued after the close of the financial year.

The explanation was considered satisfactory and the item was dropped.

(iv) Saving Rs. 3,500.

The amount was earmarked for the purchase of furniture by the Additional Deputy Commissioner (Consolidation), Hazara from the Jail Department. On account of non-supply of furniture, etc., by the Jail Department the amount could not be utilized, hence the saving. As however, the supply was constantly EXPECTED even after the submission of the 2nd statement of excesses and surrenders, the amount could not be surrendered.

The explanation was considered satisfactory and the item was dropped.

(v) Saving Rs. 10,480. ..

As per written explanation the amount was earmarked for the purchase of typewriters by the Additional Commissioner (Consolidation), Peshawar. The matter was referred to the Director of Industries (Supply Wing) West Pakistan, Lahore on 29th March, 1961. The Additional Director, Industries (Supply Wing) Government of West Pakistan, Lahore replied on 26th April, 1961, that the last date for receipt of demand for typewriters was 25th March, 1961 and as such the demand

could not be met within the financial year. As the reply of the Director of Industries (Supply Wing), West Pakistan, Lahore was received after the submission of the 2nd Statement of Excesses and Surrenders, the amount could not be surrendered.

On further examination of the matter the Committee was informed that the Commissioner in the first instance approached the Board of Revenue whether he could approach the Director of Industries (Supply Wing) direct. The Board of Revenue informed him that there was no need for him to route the indent through Board of Revenue and he could place it directly. This intimation was sent to the Commissioner on 7th March, 1961.

The Committee felt that the reason for delay given by the Department was not satisfactory. Since there was a sufficient time lay between 7th March, 1961 when he received intimation from the Board of Revenue to place the indent direct and 25th March the last date for indenting typewriters.

Subject to these observations, the item was dropped.

#### REVENUE DEPARTMENT

(1) Page 49, Para 64—*withdrawal from Treasury in anticipation of actual requirements*—In this case the following amounts were drawn from the Treasury for the purpose noted against each.

Serial No.	Amount	Date of Drawal	Purpose of drawal
1	2	3	4
	Rs.		
1	3,390	31st March, 1958 .. ..	For Payment to Labourers.
2	1,000	24th January, 1958 .. ..	Taccavi Loans.
3	400	13th November, 1958 .. ..	Taccavi Loans.

These amounts were retained for a period of two years and were paid (during the year 1960) when pointed out by the Audit. The withdrawal of these amounts from the treasury and their retention in the office for about two years was irregular. The remedial measures, if any, taken by the Department had not been reported to Audit.

Regarding item at serial No. 1 the Department stated that the amount was drawn from the Treasury during 1958 and disbursed to the labourers during 1960. The retention of this amount for a period of two years was due to the non-availability of the where abouts of the labourers as they had left their villages on account of scarcity of water. The comments of the Comptroller were called for who advised that the irregularity in question should be condoned with the sanction of competent authority. The matter has been referred to the Finance Department for condonation of the irregularity.

The Committee not being satisfied with this explanation asked the Department to explain the following points at the next meeting when the Accounts for the year 1961-62 are taken up:—

- (1) Why was the money not dispersed in time and where was it kept?
- (2) Whether Muster Rolls were prepared and, if so, they should be produced.
- (3) What was the evidence that the same labourers came back and were paid money?



Regarding items at Serial No. 2 and 3 the Department stated that the amounts of Rs. 1,000 and Rs. 400 on account of Taccavi were detained for completion of Taccavi files and attestation of mortgage mutations in favour of Government in lieu of Taccavi. The payments were made as soon as the legal formalities were completed. The district authorities did not adopt this course to avoid lapse of funds but in good faith. The officials responsible for the irregularities have been warned to be careful in future and such irregularities will not take place in future.

The Department further stated that the Governor has been pleased to accord sanction to the condonation of these irregularities.

In view of the irregularities having been condoned by the competent authority, the items at serial No. 2 and 3 were dropped.

(2) Page 55, Paragraph 81 (i) *Drawal of money in anticipation of actual requirements:*—The under noted amounts were drawn in an office for payments to Flood victims. Disbursements therefrom were made as noted alongside:—

Date of Drawal	Amount	Date of disbursement	Amount
1	2	3	4
	Rs.		Rs.
20th June 1960 .. ..	14,000	19th July 1960 .. ..	7
24th November, 1960 .. ..	15,000	2nd August 1960 .. ..	2,550
.. ..		25th August 1960 .. ..	130
.. ..		26th August 1960 .. ..	5,530
.. ..		28th August 1960 .. ..	1,500
.. ..		4th November 1960 .. ..	86
.. ..		15th November 1960 .. ..	75
.. ..		20th January 1961 .. ..	600
.. ..		27th January 1961 .. ..	50

The Disbursing Officer in the case of flood emergency was authorised to draw the estimated amount on an abstract bill and not the entire amount in lump sum, before actual requirements. The Disbursing Officer (in utter disregard) of orders had drawn the amounts in lumps sum long before actual requirements as indicated above.

The same Drawing Officer drew a further sum of Rs. 6,000 from personal ledger account on 24th August, 1960, and recredited the same into the Treasury on 26th January, 1961.

The Department stated that there has been some confusion in this case, as the Audit objections related to two different Funds. The amount of Rs. 14,000 was allocated from the head "54-Relief" and was meant for the construction of Flood Relief Boats; while the amount of Rs. 15,000 was allocated for distribution as Gratuitous Relief, from the Governor's Relief Fund.

"54—Relief" (Rs. 14,000)—This amount was allocated for construction of 7 boats and not for disbursement to the flood effected persons. The Chief Engineer, Irrigation, was requested to supply the boats and the amount was drawn by the Deputy Commissioner to avoid lapse. Later, the price of the boats was revised from Rs. 2,000 to Rs. 3,700 each. Accordingly, three boats were purchased from the Executive Engineer, Irrigation Workshops, Moghalpura. Transportation charges amounting to Rs. 1,700 were also paid. (Total Rs. 12,800).

The balance amount of Rs. 1,200 was refunded under the head "XLVI. Miscellaneous".

**Governor's Relief Fund (Rs. 15,000)** This amount was allocated for provision of relief to the flood victims. This fund is separately audited and is not lapsable. The Deputy Commissioner, Dera Ismail Khan disbursed a total amount of Rs. 13,995 to the flood victims, during the year 1961-62 leaving a balance of Rs. 1,005 which was refunded on 26th April 1962. The delay resulted, as the list of the flood victims was not drawn up in accordance with the Standing Instructions and was returned to the field staff for correction.

As for the amount of Rs. 6,000 drawn from the personal Ledger account, on 24th August, 1960, the Department explained that it was in anticipation of sanction of the amount of Rs. 15,000 from the Governor's Relief Fund. The amount was refunded on 25th January, 1961, within the financial year.

The Member (Revenue), Board of Revenue and Relief Commissioner, West Pakistan, has already issued instructions to avoid such irregularities. The Standing Instructions for utilization of Government Grants provide that the sanctioned amount should not be withdrawn, in lump sum, in anticipation of the sanction and deposited in personal Ledger Account.

Regarding Rs. 14,000 the Committee decided that the Department should get the irregularity condoned by the Finance Department. Subject to that, the item was dropped.

The explanation furnished by the Department for Rs. 15,000 and Rs. 6,000 was accepted by the Committee and the item was dropped.

(3) Page 56, Para 81 (ii) In This case the amounts detailed below were drawn from Treasury in advance of actual requirements:—

Amount	Date of withdrawal			Date of actual Payment
1	2			3
Rs. 804	26th June 1960	..	..	29th August 1960.
1,008	Ditto.	..	..	9th February 1961.
321	Ditto.	..	..	Ditto.
43	Ditto.	..	..	Ditto.
538	Ditto.	..	..	2nd August 1960.
843	21st June 1960	..	..	29th August 1960.
2,500	30th June 1960	..	..	18th July 1960.
434	Ditto.	..	..	26th October 1960.
3,300	31st March 1963	..	..	29th June 1960. (refunded into treasury).

Apart from the above a sum of Rs. 75,200 was drawn on account of Taccavi on 19th December, 1960 out of which a sum of Rs. 16,700 remained undischarged upto 10th February, 1961. The above practice being not in conformity with the financial rules was brought to the notice by the Audit for strict observance of rules in future.

The Department stated that delay in the payment of these advances was due to non completion of revenue files and distribution of money to the zamindars who were living in district rural areas and assured that in future no delay would occur in the disbursement of Taccavi money.

The explanation furnished by the Department was not considered satisfactory. The Committee directed that the Department should furnish full details in respect of each item to the Committee when it meets to consider the Accounts for the year 1961-62.

(4) *Page 58, Para 81 (iii)*—In this case a sum of Rs. 2,33,100 was originally placed at the disposal of Deputy Commissioner for expenditure on certain works during the year 1959-60. The above amount was, however, reduced to Rs. 2,09,000 by an order of the Board of Revenue dated 29th June, 1960, but was not communicated to the Deputy Commissioner before the 1st July, 1960. Simultaneously the Deputy Commissioner who had not drawn by 28th June, 1960 a sum of Rs. 62,534 out of the original sanctioned amount of Rs. 2,33,100 drew this balance from the Treasury on the 29th June, 1960 in order to avoid the lapse of grant and credited on the same date in advance under the receipt head of Agriculture Department to meet the hire charges of tractors to be supplied by the Department during the next financial year. Anticipation of demands with a view to avoid the lapse of budget grant was thus irregular.

The advance was adjusted against the work bills of the Agriculture Department received during 1960-61 but were not even noted in any contingent register.

Besides sums of Rs. 17,939 and Rs. 1,910 were paid cash in May, 1960 and June, 1960 respectively to Naib-Tehsildar for Payment on account of the work but the acquittance rolls, etc., were not received from him till February, 1961 which showed that the amounts were lying unspent with him although these had already been shown as paid in the accounts of District Nazir. It further indicated that the actual payment of the amount advanced was not watched by the main Office.

The Department stated that sum of Rs. 62,534 out of the above mentioned grant was drawn from the Treasury on 29th June, 1960 under the authority obtained by the Revenue Extra Assistant Commissioner, Dera Ismail Khan on account of Hire of Bulldozer in respect of various Kamaras works which were already under execution. The work bills and the completion certificates of Kamaras works were not received by him from the Agriculture Department and as such the above amount was again deposited in advance under the receipt head of the Agriculture Department. The Contingent Register had been completed and the acquittance rolls had been received from Irrigation Naib-Tehsildars. However, the official concerned who obtained payment orders of both the amounts had been warned to be careful in future. The Comments of the Controller were called for in this behalf who advised that the amounts were drawn in anticipation of actual requirement simply to avoid lapse of funds and as it a serious irregularity in terms of paragraph 96 F.R. Volume 1, read with Rule 290 of Treasury Rules, Volume 1, it should be got condoned with the sanction of the Finance Department. The matter has been referred to the Finance Department for condonation of this irregularity.

The Committee not being satisfied with this explanation directed that detailed information including all the relevant and connected figures should be furnished by the Department. The information should also contain information as to—

- (i) when the money was drawn;
- (ii) when the money was paid;
- (iii) what was the amount that was paid?

The para should come up again before the Committee when the accounts for the year 1961-62 are being considered.

(5) *Pages 66—68. Para 92. Delay in disposal of Inspection Reports and Audit Notes*—The Department stated that the meetings of the Departmental Accounts Committee were held on 24th and 25th August at Karachi and 18th and 19th November, 1966 at Peshawar in order to settle the outstanding audit objections. All the outstanding objections pertaining to these audit circles, have since been settled. The objections pertaining to the Lahore Division have also been settled.

The Accountant-General pointed out that replies to 9 Audit Notes were awaited from the Department. The Committee directed that the Department should reply to the remaining Audit Notes immediately. Subject to these observations, the para was dropped.

(6) *Page 527, Para 62. Unfinalized cases*—In this case in Nazarat Office of a Deputy Commissioner, the arrears as detailed below were found outstanding on the dates noted against each:—

- (i) Recovery of fines, Rs. 32,160, dated 10th February, 1961.
- (ii) pauper suit, Rs. 4,333, dated, 31st January, 1961.
- (iii) Taccavi Loans, Rs. 4,86,613, 31st January, 1961 (Plus interest).

As regards (i), the Department stated that the recovery was being made. The Committee was not satisfied with the speed of recovery of the amount and directed that the Department should expedite the issue at the earliest.

Regarding (ii), the Committee was informed that the amount in question had since been recovered and credited into treasury. The item was dropped subject to verification of recovery by the Audit.

As regards (iii) the Department explained that out of Rs. 4,86,613 Taccavi loan, an amount of Rs. 4,26,622 has since been recovered. Against the balance of Rs. 59,991 Rs. 38,112 represent arrears due from evacuees. Rs. 21,879 are recoverable from the Taccavi dues in the district. The Department stated that strenuous efforts were being made to recover the balance as early as possible. Necessary action against the officers at fault in this case has been taken and two Revenue Officers have been charge-sheeted.

The Committee directed that the sum of Rs. 4,26,622 which has since been recovered should be got verified by the Audit at the earliest and reported the same to the Committee at its next meeting.

Regarding Rs. 38,112 stated to represent arrears due from evacuees the Department was directed to get further information as to whether efforts have been made to recover the same from those persons to whom the property must have been allotted and if so, what efforts?

The Committee further desired that efforts should be made to speed up the recovery of the amount of Rs. 21,879 recoverable from the Taccavi dues in the district.

A detailed report together with the progress made, should be submitted to the Committee at its next meeting when it considers the accounts for the year 1961-62.

(7) *Page 527, Para 63*—In this case a sum of Rs. 2,440 on account of Rent of two Rooms at Rs. 4 per unit per day in a rest house for the period from 1st November, 1959 to 31st August, 1960 was recoverable from an autonomous body. Moreover the rest house was transferred to the very body without obtaining sanction of Government.

The Department stated that the Finance Department to whom the case for the recovery of rent of Ghazi Rest House was referred has advised to consider the expediency of treating the Rest House in question as having been temporarily transferred to WAPDA. In view of the Finance Department advice charging of any rent from WAPDA in this case would not be in order as:—

- (i) rent, if at all recovered, would not come to a substantial figure;
- (ii) the rest house has been considerably improved as WAPDA has incurred a further expenditure of Rs. 1,76,302 on improvements; and
- (iii) the rest house is not likely to revert to the Revenue Department till the completion of Tarbela Dam Project.

Orders to this effect have since been issued to the local Officers.

The explanation was considered satisfactory and the para was dropped.

(8) *Page 527, Para. 64*—A sum of Rs. 991 on account of Electric charges was recoverable from the Director, Tourist Bureau, Abbottabad who occupied two rooms for office accommodation in Dak Bungalow during the period 1953 to 1st September, 1960. In addition to electric charges a sum of Rs. 2,880 was also outstanding against the same office an account of rent of two rooms occupied by its staff for office accommodation. The Commissioner of the Division had granted exemption from the payment of the amount. The Commissioner also accorded sanction to fifty per cent exemption from payment of monthly rent of the portion of the Dak Bungalow occupied by the Officer during summer in future from the summer season of 1959. The local officer had been asked by the Audit to recover the outstanding amount of Rs. 991 and to intimate authority under which the Divisional Commissioner was competent to grant such exemption.

The Department stated that an amount of Rs. 169.54 has since been recovered and that the Commissioner, Peshawar has been asked to quote authority of 50% exemption of the rent charges.

The para was dropped subject to verification of recovery by the Audit.

(9) *Page 527. Para 65*—In this case six ceiling fans and 18 table fans were hired by a Deputy Commissioner, from the local dealer at Rs. 13 and Rs. 11 per month respectively, for the period from 1st May, 1960 to 30th September, 1960 and seven cycles were purchased at cost of Rs. 1,499 without the sanction of the competent authority.

The explanation given in the working paper was that sanction to the hiring of six ceiling fans and 18 table fans was accorded by the Commissioner, Dera Ismail Khan Division, within his competence, vide his Memoranda Nos. 11727/ARI, dated the 11th May, 1960 and 21941/ARI, dated 19th August, 1960. The purchase of seven cycles was made by the Deputy Commissioner, Dera Ismail Khan within his competence as Drawing and Disbursing Officer under instructions contained in paragraph 1 under head "Replacement and condemnation" of letter No. IX-14/60, dated 15th May, 1961 from the Secretary to Government, West Pakistan, Industries and Commerce Department, Lahore.

As the sanction of the competent authority had been received by the Audit, the para was dropped.

III. The consideration of the explanations of the Revenue Department in respect of the remaining paras pertaining to the Appropriation Accounts for the year 1960-61 was deferred to the next series of the meetings.

IV. The Committee then considered the explanations of the Agriculture Department in respect of the following outstanding items appearing in the Appropriation Accounts for the year 1957-58 which were deferred at the earlier meetings:—

(1) *Page 34, Para (5)—Losses of Stores:* In this case eight cases of Financial irregularities had been reported. The Committee at its meeting held on 31st October, 1966 had dropped all the items except the following:—

(i) *Empty Gunny Bags—637 Less accounted for—*(1) 468 Bags in the Office of A. A. Jacobabad.

(2) 48 Bags in the Office of A. A. Mehar.

(ii) *Paddy Seed:*—1,173 Bags shown as sold but cost awaiting recovery.

(iii) *Paddy Seed:*—239 Maunds 13 Seers and 79 Bags shown as lost.

Regarding 468 Bags, the Department had stated that there was no such shortage as the material had been properly accounted for. The Accountant General had asked C.S.A. to verify it. As regards 49 bags, the Department had informed the Committee that records were being traced to fix the responsibility.

Regarding 1173 bags of paddy seed the Committee had been informed that the money value of paddy seed of 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.

As regards 79 bags the Department had contended that there was no shortage. The Committee had directed that the Audit Department should verify it.

Out of 239 Maunds and 13 Seers, 56 Maunds of Paddy seed had been written off. The Department had also produced a letter dated 19th August 1966 from the Director of Agriculture, Hyderabad Region to the D.D.A. Hyderabad asking him to recover the cost of 183 Maunds from the concerned officials. The Committee had 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 D.D.A. 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 had then directed that the Department should ask the Director of Agriculture, Hyderabad to modify his orders.

The Department now stated that challans with regard to the recovery of the cost of 468 bags had inadvertently not been produced at the proper time and had now been forwarded to the Audit.

Regarding 48 bags the Department stated that responsibility to recover the amount had been fixed.

Subject to verification of recovery by the Audit, the item was dropped.

Regarding paddy seed 1173 bags the latest position was that the Comptroller, Karachi had informed that this item would be checked at the spot. He had again been requested by the Department to conduct the proposed check for settling the item.

The item was dropped subject to necessary verification by Audit.

Regarding Paddy Seed 239 Maunds 13 Seers and 79 Bags the Committee was informed that the D.D.A. Hyderabad has been instructed to conduct inquiry in terms of observation of Committee.

The Committee directed that the enquiry should be completed as soon as possible and its result placed before the Committee when the Accounts for the year 1961-62 are under consideration of the Committee.

(2) *Page 35, Item (7)*—In this case there were six cases of irregularities out of which four were dropped by the Committee at its meetings held on 15th April 1966 and 31st October, 1966. The position in respect of the remaining two cases was as under—

(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 had advised the Department to hold a formal inquiry and after fixing responsibility recover the amount.

(ii) *Wheat, 28 Maunds and 17 Seers—Shown as short*—The matter was reported to be under correspondence between the Department and the Audit. The Committee had directed that the Department should furnish necessary information to Comptroller, S.A., Karachi and settle the matter.

The present position of these items was stated by the Department to be as follows—

(i) *Loss of Wheat*—The formal enquiry is continuing and the action taken in terms of observation of Committee will be reported as soon as the matter is finalized.

(ii) *Wheat 28, Maunds and 17 Seers—Shown as short*—The Comptroller, Karachi has now supplied an extract of the Para on which the E.A.D.A., Nawabshah had started verification which could not be finalized for want of relevant records being in the Court. Further development will be reported in due course of time.

The Committee directed that the cases should be finalized and placed before it when the Accounts for the year 1961-62 are taken up.

(3) *Page 36, item 11 (ii) Shortage of Wheat, 2,403 Maunds, 14 Seers and 8 Chits*—At the meeting held on 31st October 1966 the Department stated that recovery of cost of 62 Maunds and 20 Seers had been made. This part of the sub-item was dropped subject to verification by Audit.

As regards remaining 2,340 Maunds 34 Seers and 8 Chits, the Department stated that they had written off 973 Maunds and 24 Seers and responsibility for the balance of 1367 Maunds 10 Seers and 8 Chits, 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 Department now stated that the write off case of 973 Maunds and 24 Seers was under the active consideration of Government. So far as fixing of responsibility for the balance of 1367 Maunds, 10 Seers and 8 Chits, was concerned the Department stated that though D.D.A., Hyderabad is making every efforts to finalize the case but the cases comprising this item pertain to different quarters such as D.D.A. G.M.B., Revenue Authorities and D.D.A. Khanpur, and information what so ever collected from these quarters through correspondence was insufficient to decide the case and fix responsibility under Efficiency and Discipline Rules, for awarding punishment and making recovery. As such the enquiry was continuing and the Committee would be apprised of the factual position as soon as the matter was finalized.

The Committee observed that the Department had made no progress in the case of write off of 973 Maunds and 24 Seers and the same had remained stagnant.

The Committee further observed that no progress had been made with regard to fixing of responsibility and effecting recoveries of the balance of 1367 Maunds 10 Seers and 8 Chits, also and the same old story of records not being available was being repeated.



The Committee could not accept this "parrot-cry" of the Department that records were not available and efforts were being made. In fact, the Committee was not satisfied that sufficient efforts were being made in this regard.

The Department was directed that this matter both with regard to regularising of the write off as well as the recovery of the cost of 1367 Maunds, 10 Sers and 18 Chits. and fixing the responsibility for the same must be finalised without fail and reported to the Committee at the next meeting of the Committee when the Accounts for the year, 1961-62 are taken up.

(4) Page 5, Para. 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 area, 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 considered 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 Fund, etc., E-22—Taccavi Advances" and Rs. 12,50,000 under "40—Agriculture—I—Boaring Operation—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 saving.

It was then pointed by Finance Department that the original scheme of digging 1000 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 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 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 at the meeting held on 31st October 1966, 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			Loan and Advances		
1957-58	1958-59	Total	1957-58	1958-59	Total
Rs. 3,75,000	Rs. 8,12,500	Rs. 11,87,500	Rs. 4,37,500	Rs. 6,81,880	Rs. 11,19,380
3,63,750	8,47,500	12,11,250	4,93,750	5,05,635	9,99,375
..	..	+23,750	..	..	-1,20,005

Final.  
allotment  
Expd.  
Excess (+)  
Saving (-)

The Overall position of the wells was stated to be as under—

Name of Region	Total No. wells to be dug	Wells dug during 1957-58	Wells dug during 1958-59	Balance
1	2	3	4	5
	Rs.	Rs.	Rs.	Rs.
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, Karachi. 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, Karachi.

The Department now stated that the D.D.A., Quetta who was asked to furnish the reconciled figures has again confirmed the withdrawal of Rs. 2,50,000 during 1958-59 under grant No. "47—Loans and Advances bearing interest" for the year 1958-59 and has furnished the details of withdrawal. The Department had pointed out the variation to the Accountant-General and Comptroller, Karachi has started verification of the same.

The Department claimed that it was now evidently clear that the expenditure shown previously was in order which would show that funds what so ever allotted during the year, 1957-58 and 1958-59 to the Agriculture Department were utilized properly.

The Para. was dropped subject to verification by the Audit.

IV. The Committee then considered the explanations of the Agriculture Department (Agricultural Development Corporation) in respect of the following Para. appearing in the Appropriation Accounts for the year, 1958-59;

(1) Page 12, Para. 17 (a) 3 (7)—*Shortage of material*—In this case material worth Rs. 12,005/1/6 was found short as a result of physical verification conducted in the year 1956-57. The amount of shortage was subsequently reduced to Rs. 9,401.

The department explained that—

- (i) a sum of Rs. 265.69 was due from Mr. Burney, an ex-Clerk. He had deposited Rs. 100. He was directed by post on 11th January 1967 to deposit the remaining amount failing which legal action would be taken;
- (ii) Rs. 1,218 out of Rs. 1,368 has been recovered from Mr. Ali Gohar, Overseer who is now working in Dadu Municipality. The Chairman has been moved on 10th January 1967 to effect further recovery;
- (iii) Rs. 7,768 was due from Syed Muhammad, Storekeeper. This is under recovery from his pay. Rs. 468 has so far been recovered. The balance would be recovered in monthly instalments equal to 1/3rd of his pay.

The Committee directed that failing recovery from Mr. Burney steps should be taken to write it off. Subject to this and recovery of the remaining amounts from two others, the Para was dropped.

(2) Page 12, Para. 17 (a) 3 (8)—*Shortage of material*—In this case, Material worth Rs. 7,322 was found short as a result of physical verification in 1956-57. After subsequent verification and check up the amount recoverable was reduced to Rs. 6,288.

The Department stated that out of Rs. 6,288.75, an amount of Rs. 2,032 has been recovered from the Overseer at fault. The balance would be recovered from his Salary in monthly instalments which would be enhanced on re-fixation of his pay. Subject to full recovery and its verification by the Audit the Para. was dropped.

(3) Page 12, Para. 17 (a) 3 (9)—*Shortage of material*—In this case, shortage of Rs. 1,71,874 Cft. of Bajri costing Rs. 2,922 was noticed. The Department stated that Mr. Salimullah Sub-Divisional Officer was held responsible for the shortage. Rs. 500 was recovered from him. Further recovery was stopped by the Chief Engineer, Buildings and Roads, Southern Region, Hyderabad, to re-open the case on the ground that the T.E.O. of material consumed on the road had not been adjusted in the account of the Executive Engineer. The Executive Engineer, 1st G.M.B. (B. & R.) Division, Thatta, reported that no T.E.O. was traceable in his office and as such the statement of Mr. Salimullah, Sub-Divisional Officer was not correct. The Chief Engineer was, therefore, requested to keep the recovery in progress. Keeping the amount in Deposit till the question of T.E.O. was got clarified by

Mr. Salimullah, Sub-Divisional Officer from the office of the Executive Engineer, 1st G.M.B. (B. & R.) Division, Thatta. But the Chief Engineer replied that according to the West Pakistan Government Servants Efficiency and Discipline Rules, 1960 the recovery of amount could not be made and asked to submit Draft charge-sheet to the Secretary, Communications and Works Department, Government of West Pakistan, Lahore for approval and service on Mr. Salimullah, Sub-Divisional Officer, which was sent on 24th February 1966.

The Committee observed that it was for the Finance Department to ask the Communications and Works Department to co-operate with the Agricultural Development Corporation in the matter of disposal of this case. The Finance Department promised to take necessary action in order to secure expeditious disposal of the case. The Para. was deferred to be taken up with the accounts for the year, 1961-62.

(4) Page 14, Para. 17 (a) 4 (4)—*Undue financial aid to Contractor*.—In this case, advance payments aggregating to Rs. 79,200 were made to a contractor or during January 1957 and February 1957 on the Security of materials collected by him at the site of work. Out of the advances of Rs. 66,000 was recovered in March 1957, leaving a balance of Rs. 13,200 still recoverable from the Contractor. Further advance payments aggregating to Rs. 66,720 were allowed to the Contractor in June 1957 and July 1957. The outstanding advances against the Contractor, therefore, amounted to Rs. 79,920. The materials against which these advances were allowed also stated to be short and of inferior quality.

The Department stated that this case is under investigation with the Anti-Corruption Department Hyderabad, who was requested either to return the record or to intimate the result of the case with a copy to the Executive Engineer, 2nd G.M.B. (B. & R.) Division, Tando Muhammad Khan to verify the figures of excess payment. In reply the Anti-Corruption Department informed that the record could not be returned as the same was to be produced before the special Judge cum-Enquiry Officer, Hyderabad.

The Committee decided that the Department should obtain copies of the necessary documents from the Anti-Corruption Department and proceed with their departmental inquiry. The Para. was deferred to come up again with the accounts for the year, 1961-62.

(5) Page 232—36, Para. 10 (IV)—*Undue financial aid to Contractor*.—In this case, advance payment of Rs. 1,51,751 for work done but not measured were made during the period from January 1957 to November 1957. The advances were not adjusted in the subsequent Running Accounts Bills which constituted undue financial aid to Contractors.

The Department stated that the advance payment made to the Contractor excepting Rs. 50,970 recoverable from Mr. Mulla Qurban, Contractor (Late) have since been recovered. Recovery of the balance could not be effected as the records of this case were lying with the Anti-corruption Department.

The Committee directed that copies should be obtained and further action be taken. The Department should report the matter to the Committee when the accounts for the year 1961-62 are considered by it.

The Committee then considered the explanations of the Agriculture Department (Agricultural Development Corporation) in respect of the following items pertaining to the Appropriation Accounts for the year 1959-60:—

(1) Page 13, Para. 17 (a) 2 (10)—*Excess payment*.—In this case, the audit objection was that excess payment of Rs. 1,744 was made to a Contractor who executed the earth-work measuring 13,95,451 Cft. in a road work at the rate of Rs. 15 per % Cft which included the cost of rolling earth-work with the roller as per agreement drawn up with him. But as per actual execution no rolling was done by him. As such he should have been paid at a lesser rate of Rs. 13/12 per % Cft, after deducting the cost of rolling instead of Rs. 15 which was actually paid.

As the Department has produced certificate that the rolling was done by the same contractor and the irregularity of not recording the measurement in the Measurement Book has been condoned by the Finance Department, the Para. was dropped.

(2) *Page 14 Para 17 (a) 3 (5)—Shortage of Stores*—In this case, shortage of stock materials worth Rs. 14,934.12 was found short as a result of Physical verification conducted by the Departmental authorities in November 1958.

The Department explained that the shortage were subsequently reduced to Rs. 4,389.94 Mr. Zafar-ud-Din Sheikh, Sub-Divisional Officer has been found responsible for the shortage of material worth Rs. 4,339.75 by the Enquiry Officer. The Accounts Officer, G.M.B. Project Agricultural Development Corporation, Hyderabad has been asked to effect recovery at 3rd from his pay and also adjust the pay and Travelling Allowance Bills (Supplementary) lying in his office towards the said recovery.

A sum of Rs. 50.19 found short against Mr. Muhammad Sharif Mughal, Storekeeper has since been recovered from him. As the amount of shortage was not adjusted to the proper Heads of Accounts, necessary T.E.O. has been prepared by the Executive Engineer, 1st Ghulam Muhammad Barrage, B&R Division, Thatta and sent to Audit for adjustment. Verification certificate will be sent on adjustment of T.E.O. by the Audit.

As the reduction of amount of the shortage to Rs. 4,389.94 and the recovery of Rs. 50.19 had not been verified by the Audit, the Department should get it verified. The Committee directed that the recovery should be expedited and necessary disciplinary action also taken and the result be reported to the Committee when the accounts for 1961-62 are considered.

(3) *Page 15, Para 17 (a) 3 (8)—Shortage of Stores*—In this case, shortage of materials worth Rs. 9,714 were found as a result of physical verification conducted by the Department authorities on 30th January 1959.

The Department stated that the responsibility of shortage has been fixed against Mr. Syed Muhammad the then Storekeeper at present working as Senior Clerk in Provincial B.&R. Division No. 2, Karachi. The recovery has also been ordered from his pay @ 1/3rd of his salary.

The Audit have pointed out that official Mr. Syed Muhammad, Storekeeper was held guilty for the shortage of stores in the year 1956-57 and in spite of that he was promoted as Senior Clerk. This seemed to be fairly a serious matter as it was clear from the documents produced by the Audit that the intimation of his having been guilty of shortage of stores had been given in September, 1956 to the Superintending Engineer concerned. On the other hand, the Department stated that his promotion had taken place before the shortage came to the notice of the Department. This matter, therefore, needed to be looked into thoroughly, the Department was asked to furnish the ascertained actual position again and explain how the official got the promotion in spite of his misdeeds.

The Para. was deferred to come up again before the Committee when the Accounts for 1961-62 are being considered.

(4) *Page 16 Para 17 (vi)—Expenditure incurred on Deposit Works in excess of Deposit received*—In this case, expenditure on 2 Works were incurred either in anticipation of funds being received or in excess of the funds received.

According to the Department it was concerned with the construction of Tando Muhammad Khan Municipality Road only.

The matter was taken up with the Commissioner, Hyderabad Division, Hyderabad to expedite the Chairman, Municipal Committee, Tando Muhammad Khan to pay up the balance amount. The Chairman, submitted a note to the Committee.

sioner that the Municipality was not in a position to pay the amount at present. He further stated that he could pay a sum of Rs. 15,000 per annum from the next financial year.

The Para. was dropped subject to the Audit continuing to watch the recoveries made.

(5) *Page 17 Para. 17 (a) 4 (6)—Mis-appropriation of Stores*—In this case, a Contractor supplied and was paid for 11,49,250 and 5 lacs bricks of 9" and 12" size, respectively. Out of the above bricks the receipt of 349,250 bricks of 9" size and 2 lacs bricks of 12" size was not shown in the Stock Register. The ground balance was physically checked by the Department and was found to agree with the balance shown in register without counting for 649,250 bricks costing a Rs. 30,846 of the specification mentioned above which were apparently mis-appropriated.

The Department explained that the bricks received from the Contractor were taken on Form 9 receipt of stock and Form 10 issues in time. The returns signed by the A.E.N. were kept by the Sub-Divisional Storekeeper, so these could not be accounted for in Divisional Office. In view of the above fact, the question of Mis-appropriation did not arise.

The accounts have since been submitted by the Storekeeper in Divisional Office which were sent to the Assistant Audit Officer, Branch Audit Office, Hyderabad, who has returned the Account with the remarks that the stock accounts pertained to the Government period so the same be sent to the Director, Audit and Accounts, Works, West Pakistan, Lahore, as adjustment prior to Agricultural Development Corporation period was not being done by Branch Audit Office (Agricultural Development Corporation).

The Executive Engineer, accordingly sent the account to Director, Audit and Accounts (Works) Lahore, whose reply was awaited.

The Committee decided that the Department should expedite the finalisation in collaboration with the Audit and the Para. should come up again before the Committee at its next meeting, when it considers the accounts for the year 1961-62.

(6) *Page 21, Para. 17 (a) 6 (4) Fictitious Stock adjustment*—In this case, cement and M.S. Bars worth Rs. 1,40,561.13 originally borne on stock were debited to work in account for March 1957. The entire material was subsequently written back and taken on stock during the period from May 1957 to August 1957. Apparently the transaction was fictitious one and was carried out in the last month of the Financial year merely to utilize the budget grant.

A warning having been issued to the official at fault the Para was dropped.

(7) *Page. 21, Para 17 (a) 6 (3)—Fictitious Stock adjustment*—In this case, material worth Rs. 16,145 was shown as issued to various works from stock in March 1958 but its cost was returned back to stock during the next financial year in June, 1958, it was admitted by the departmental authorities that the material was not carted on the site of work this shows that the fictitious transaction was carried out merely to utilize the Budget grant.

A warning having been issued to the official at fault the Para was dropped.

(8) *Page 23, Para. 17 (a) 19 (1)—Loss of Cement*—In this case 190.05 tons of cement was spoiled due to rains during the year, 1952-53 and 1953-54 resulting in a loss of Rs. 19,340 to the Government.

The explanation furnished by the Department was not complete. The Committee decided that this Para should come up again when accounts for the year 1961-62 are taken up when detailed explanation should be furnished by the Department specially specifying the date on which the actual damage was done, the date when the first written report was made to the Department and what steps did the Department take thereon. What happened to the set cement, how it was disposed of and what amount was spent on its disposal, should also be indicated.

(9) *Page 14, Para. 17 (a) 9 (2)—Loss of Cement*—In this case, 673 cement bags costing Rs. 3,533 were wasted during 1955-56 in the course of loading and unloading from the Railway Wagons as the cement was said to have been contained in thin paper bags. According to the Audit the loss could have been avoided had proper precautionary measures been taken in handling the paper bags.

The Department explained that 43,638 paper bags of cement were received which were already torn before the delivery was taken. Out of the above noted quantity 673 bags were found short at the time of refilling the cement in gunny bags.

The Department further stated that the Finance Department has agreed to write off the loss of Rs. 3,533. The question of fixing the responsibility against the Official/Officer for mishandling, the matter was under correspondence with the Executive Engineer and Director Audit and Accounts, Works, West Pakistan, Lahore.

The Committee decided that the Department should report the circumstances under which the write off was made? The matter in respect of fixing the responsibility against the official responsible for mishandling the store should also be expedited and the Department should furnish a detailed explanation in these respects at the next meeting.

This Para was deferred to be taken up again when the accounts of the year 1961-62 are taken up by the Committee.

(10) *Page 26, Para. 17 (a) 16—Mis-use of Powers*—In this case an Assistant Engineer, drew his pay amounting to Rs. Rs. 2,100 for the period from 1st September 1958 to 31st March 1959 by means of a cheque without any authority. The action of the Assistant Engineer was in contravention to the rules.

The Department explained that Mr. Abdul Sattar, S.S.E. II. Assistant Engineer, had obtained the amount of Rs. 2,100 by drawing a Cheque for self from Sujawal Sub-Treasury, on 4th May 1959 towards his pay for the period from 1st September, 1958 to 31st March 1959.

The explanation of Mr. Abdul Sattar was that consequent upon failure of all efforts to get his salary slip issued from Comptroller's Office and forced by financial circumstances he was compelled to adopt this irregular procedure of drawal of his pay.

A draft charge-sheet was submitted by the Chief Engineer, B&R, Hyderabad on 8th August 1963 to the Secretary, Communications and Works Department, Lahore.

Necessary irregularity form in respect of the irregularity was sent to Secretary to Government of West Pakistan Communications and Works Department, Lahore by the Chief Engineer on 16th October 1965 for condonation. The case was reported to be pending in Communications and Works Department.

The Committee decided that the Finance Department should take up the matter with Communications and Works Department while the Agricultural Development Corporation should take up the matter at its own level with the Chief Engineer.

The Para was deferred to be taken up when the accounts for the year 1961-62 are considered.

The Committee then adjourned to meet again on 30th January, 1967 at 9.00 a.m.

LAHORE :

The 28th January, 1967

ZAIN NOORANI

CHAIRMAN

Standing Committee on Public Accounts.



**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 30TH JANUARY 1967 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 Akhlaq Hussain, T.Q.A., C.S.P., Additional Secretary and Mr. G. D. Memon, Joint Secretary to Government of West Pakistan, Finance Department. | ... Expert Advisers. |
| (6) Rana Muhammad Yasin, P.A. and A.S., Accountant-General, West Pakistan  | ... By invitation.   |
| (7) Captain Muhammad Ashfaq, Joint Secretary to Government of West Pakistan, Agriculture Department alongwith Regional Directors                       | ... By invitation.   |

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

**II. The Committee took up consideration of 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, Para. 5, read with page 158—Grant No. 27—Industries—B—Fisheries:—**

	Rs.
Original Grant	... 7,61,590
Surrender	... 81,920
Final Grant	... 6,79,670
Expenditure	... 4,91,639
Saving	... 1,88,031

In this case out of the original grant of Rs. 7,61,590, a sum of Rs. 81, 920 was surrendered and thereafter there was a saving of Rs. 1,88,031.

The Department explained that the surrender of Rs. 81,920 was due to the fact that the Director of Fisheries and most of his officers and staff were not appointed throughout the year. The saving of Rs. 1,80,000 was due to the fact that although indent was placed with the Director-General of Supplies and Development in good time for the supply of lorries, jeeps, etc., for the Department these vehicles were not received during the year. Therefore, the amount could not be used. The remaining saving of Rs. 8,031 was due to non-availability of the necessary mechanical staff.

The explanation furnished by the Department was accepted and the item was dropped.

**(2) Page 3, Para. 5 read with page 194—Grant No. 36—Miscellaneous—F-4—Other Charges—Compensation to Market Committees—Saving Rs. 25,000—**In this case the whole amount of Rs. 25,000 provided for in the Budget had remained unutilized. The Department stated that the provision of Rs. 25,000 could not be utilized due to non-sanction of grant-in-aid to the Market Committees.

The Department could not explain as to why the sanction for Rs. 25,000 Grant-in-aid to the Market Committees, could not be issued in time they, however, promised to look into the matter further and also sort out their records and furnish the necessary explanation at the next series of meetings of the Committee. The item was, therefore, deferred to be taken up along with the accounts for the year 1961-62.

(3) Page 3, Para 5 read with page 194—Grant No. 36—Miscellaneous—J-6—Rewards for destruction of Wild Animals—Savings—Rs. 279—

The Department stated that the amount of Rs. 279 could not be spent as the nature of expenditure under this head is of unforeseen type. The item was dropped.

(4) Page 3, Para 5, read with Para. 208—Grant No. 42—Loans and Advances by the Provincial Government A-3 Advance to students of Bahawalpur—Saving Rs. 15,925. The Department stated that sanction for the payment of Rs. 1,200 as financial assistance to students of former Bahawalpur State was issued on 18th May 1960, but the authority for payment was issued by Accountant-General's office on 30th June 1960 and the amount could not be drawn. The Accountant-General pointed out that the sanction issued by the Finance Department had been endorsed to his office as well as the Comptroller, Northern Area, West Pakistan, Peshawar. The matter was referred to the Finance Department for clarification as to which Audit Office is to make the payment. The reply of the Finance Department was received on 16th July 1960, i.e., after the close of the financial year. However, on the request of Director of Agriculture the authority was issued on 30th June 1960 by Accountant-General's Office. The explanation was considered satisfactory and the item was dropped.

As regards the remaining saving of Rs. 14,725 the Department stated that this was due to the fact that sanction was not received during the year. The Department further stated that no further information was available in their record. The Committee directed that the Department should make further efforts to trace the records and furnish detailed explanation during the next meeting of the Committee along with the accounts for 1961-62.

(5) Page 3, Para 5, read with page 209—Grant No. 42—Loans and Advances by the Provincial Government—B-4 (7) Loans to Cultivators for Seed Multiplication of Rice and other Crops and B-4 (8) Loans to Cultivators for Multiplication of Cotton Seed—

	Rs.
Final Grant ..	2,20,800
Saving ..	2,20,507

The Department stated that out of the final grant of Rs. 2,20,800 a sum of Rs. 20,800 relates to the Department directly. Out of this amount an expenditure of Rs. 15,300 was incurred leaving a balance of Rs. 5,500 which lapsed for the reasons that the Farms at Umed Ali Jat, Dhaderko and Tando Bago were established at entirely barren and out of the way places where the requisite number of suitable Haries could not be engaged. This part of the item was dropped.

Regarding the balance of two lakhs of rupees the Department stated that it related to the Agricultural Development Corporation. The Committee directed that the Department should arrange to have the requisite explanation from the Agricultural Development Corporation and place it before the Committee when the accounts for 1961-62 are considered by it.

(6) Page 5, Para. 8, read with page 154—Grant No. 23—Agriculture—Excess Rs. 24,98,290—The Department stated that the excess was due to the debit raised by the Audit Office on account of ammonium Sulphate supplied by the Central Government during the year 1957-58, for which no provision existed in the budget.

The explanation was found satisfactory and the Para was dropped.

(7) Page 7, Para. 12 read with page 81—Supplementary Grant proving partly or wholly unnecessary—Grant No. 7—Forests—

	Rs.
Amount of Supplementary Grant ..	2,96,820
Saving ..	6,44,253

In this case the objection was that in view of the ultimate saving of Rs. 6,44,253 the supplementary grant of Rs. 2,96,820 was unnecessary.

The Department stated that the reasons for the saving are as under:—

- (i) In some of the schemes full sanctioned strength of the staff could not be engaged due to administrative difficulties and non-availability of experienced hands. (Rs. 1,22,940).
- (ii) Due to non-drawal of pay in the revised Pay Scales. There was a condition that the prescribed scale of Rs. 200—10—350 be allowed to those Forest Rangers who were graduates or Diploma holders in Forestry. The Comptroller, Southern Area, West Pakistan, Karachi, had objected to the admissibility of the above prescribed scale to the Forest Rangers who held certificate from Dera Dun and Forest College, Peshawar. Hence the pay of such Forest Rangers was not revised and the matter was referred to the Government and their decision was communicated,—vide their letter dated 6th July 1963—Rs. 98,720.
- (iii) The Public Works Department Roads and Canals in Lahore, Multan and Abbottabad Circles were transferred back to their parent Departments, i.e., Public Works Department (Building and Roads) and Irrigation Departments. Hence the full amount provided for could not be utilized—Rs. 2,11,892.
- (iv) The annual coupes in Khanewal, Chichawatni, Chhangamanga and Dapher Plantations were sold standing instead of working departmentally as per revised policy of the Forest Department. Hence saving. Rs. 1,25,725.
- (v) Some of the drawing and mathematical instruments for which indents were placed with the Director of Civil supplies could not be purchased due to their non-availability. These indents were placed by the Conservator of Forests, Lahore, Multan and Hyderabad Circles but due to re-organization the record is not available at this stage. Rs. 28,800.

The Department further stated that the details of the remaining amount of Rs. 55,976 could not be traced out as certain record connected therewith was not forthcoming.

The Committee observed that the amounts of Rs. 1,22,940 and Rs. 2,11,892 could have been surrendered through the Statement of Excesses and Surrenders but due to the carelessness of the Department the surrenders were not made. Instead of surrendering Rs. 3.34 lakhs a supplementary grant of Rs. 2.96 lakhs was asked for. This showed a lack of financial discipline on the part of the Department which was unjustified.

As regards the saving of Rs. 28,800 and 55,976 the explanation of the Department was that the records pertaining to these cases could not be traced due to re-organization. The Committee observed that it was not a satisfactory state of affairs.

Subject to these observations the Para. was dropped.

(8) *Page 39, Para 1—Loss on sale of Government Stores*—Four hundred and forty-three maunds of bhoosa was auctioned for Rs. 167.25 in March, 1958 at Rs. 0-6-3 per maund as against the prevailing Market rate ranging from Rs. 2 to Rs. 2.50 per maund. Thus the Department suffered a minimum loss of Rs. 712.93. The loss as reported by the Audit was ascribed by the Department to delay in the disposal of Bhoosa due to rush of work. Later on, the quality of Bhoosa deteriorated due to rains, etc., and had to be disposed of at reduced rates.

The Department stated that 443 maunds wheat bhoosa was obtained from wheat of Rabi crop, 1957 at seed Farm, Rakh Manghan. The stuff could not be disposed of early as there was no demand of Bhoosa as the farmers had their own stock. Further the farm is situated at a distance of 12 miles from D.I. Khan proper and no one was willing to purchase the same, in view of heavy transportation charges, at the prevailing Tehsil rates viz., Rs. 1 per maund. Hence there was no other alternative but to store in Bhoosanas (local method of storing Bhoosa at the thrashing door) as usual practice because there were no stores for stocking the same.

Unfortunately due to frequent rains and floods the Bhoosa was deteriorated and its colour changed. Thus it became dusty and unfit for bullock feeding. It was auctioned during March, 1958 as waste Bhoosa and could not possibly fetch price equal to good one. Hence there seems no fault on the part of the Farm Manager. The Department further stated that the loss had been written off.

The Committee was not satisfied that this was a fit case for write-off and direct the Department to produce at its next meetings complete details of this case, including the files or the relevant papers giving reasons leading to the write off. It also directed that the file and the papers regarding the enquiry conducted by the Department, as a result of which, the Department came to the decision that there was no negligence, should also be produced before the Committee.

The Committee further directed that if the amount in question has not yet been finally written off, any action in this respect which might be in the process of being taken should be stopped.

The Para was deferred to be taken up again alongwith accounts for 1961-62.

(9) *Page 41, Para. 8—Outstanding recoveries*—On the 28th February, 1959 a sum of Rs. 4,90,597 on account of sale of forest produce, etc., was awaiting recovery from different persons, Departments, etc. This amount included a sum of Rs. 71,813 which had been outstanding for periods exceeding one year. Out of Rs. 71,813 a sum of Rs. 37,979 was recoverable from private persons. The reasons for delay in recovery and the progress made towards recovering the outstanding amount had not been intimated by the Department to Audit.

The Department stated that they have recovered Rs. 3,85,426 and that the Audit has verified it. When asked what part of it was recovered from Government Departments and what was recovered from private parties, the Department was unable to furnish details thereof.

The Department however stated that the total amount of Rs. 4,90,000 and odd had now actually increased by about 7,000 and that the Audit could again verify the total amount.

The Committee deferred consideration of the whole item and directed that:—

- (i) The Department should give final figures in respect of each item and state as to what the final amount is;
- (ii) In the case of any credit given to Government Departments, the Department should supply the list of those Government Departments alongwith the amount which was due from each of them;
- (iii) In the case of credit given to private parties, the Department should furnish details region-wise giving names of those parties to whom not only credit but also concessional rates were given; details as to who authorised it and why and what action has been taken against the officers who gave credit and facilities of concessional rates to private parties;
- (iv) The relationship of the private parties with the officers of the Department;
- (v) In case any recovery has been made from any party, the date on which the recovery has been made should be given by the Department and also the dates on which credits had been given.

The items was deferred to be taken up alongwith the accounts for 1961-62.

(10) *Page 41, Para. 9*—In this case a sum of Rs. 3,05,692 on account of sale of timber, standing trees, other forest produce, etc., and miscellaneous receipts was awaiting recovery on the 28th February, 1959. This included a sum of Rs. 87,383 which had been outstanding on that date for more than a year. Out of the latter amount a sum of Rs. 38,264 still remained to be recovered in May, 1960. The progress made towards the recovery of the remaining sum of Rs. 2,18,309 had not been intimated to the Audit.

The explanation of the Department was that:—

“In fact an amount of Rs. 3,05,692.48 was outstanding on account of sale of timber which included Rs. 87,383 against the sum of Rs. 2,18,309 pointed out by the Public Accounts Committee. Progress of recoveries against the outstanding amount of Rs. 3,05,692 is detailed as under:—

- (i) *Rs. 11,896.06*—This outstanding is on account of the supplies of timber made by the former Divisional Forest Officer, Murree Hills Forest Division to the Defence Department during the year, 1945-46. The Liability was transferred from the books of defunct Murree Hills Forest Division to that of Rawalpindi South Forest Division on reorganization of Divisional charges in Rawalpindi Forest Circle during August, 1956. Unfortunately the original record pertaining to these transactions was either out transferred or misplaced some where. About a dozen of letters have been issued for the search and despatch of the record but without any result. In the absence of original record it is very difficult to recover the balance amount. The Divisional Forest Officer has been advised to contact the Defence Department at personal level to obtain duplicate copies of the bills.
- (ii) *Rs. 24.37*—This amount has since been recovered against the outstanding of Rs. 2,18,309 and adjusted in accounts of the Divisional Forest Officer, Rawalpindi South Forest Division.

Rs. 2,82,668.77—Out of this amount a sum of Rs. 1,75,899.57 has since been recovered and adjusted in accounts against an outstanding of Rs. 2,18,309 and a sum of Rs. 34,415.84 has been recovered against the outstanding of Rs. 87,383, i.e., total amount of Rs. 2,10,315.41 has been recovered leaving a balance of only Rs. 72,353.36. Further break up of this outstanding sum of Rs. 72,353.36 is given below:—

- (a) Rs. 23,353.36 is recoverable from the non-Muslims evacuees who have since migrated to India. This amount was also transferred from the books of Murree Hills Forest Division and the original record is not forthcoming. The Divisional Forest Officer has been advised to make a self contained reference so that Government may be approached to write off this unrecoverable revenue.
- (b) Rs. 48,585.36 is outstanding against the following contractors on account of losses as a result of resale, etc. :—

	Rs.
(1) Messrs. Lal Khan Muhammad Anwar	16,437.31
(2) Messrs. Abdul Hamid contractors	27,867.37
(3) Gastasab Khan	2,212.34
(4) Baqar Azim	1,203.34
(5) Baqar Azim Khushal Khan	865.00
Total	48,585.36

- (iii) Strenuous efforts were made to effect the recovery of the outstanding amount but the defaulters instead of clearing their outstandings have filed Civil suits of law in the Court of Administrative Civil Judge, Rawalpindi which are still pending decision. Consequently the recoveries cannot be effected unless these cases are decided by the Court.
- (iv) Rs. 422.81—This amount was also transferred from the books of Murree Hills Forest Division at the time of reorganization of Divisional charges on account of royalty of stones supplied to the Pakistan Western Railways during 1946-47. The amount is still outstanding in spite of the fact that the Railway authorities were requested to clear the outstandings under Martial Law Regulation No. 404/A. The case is being followed up vigorously.
- (v) Rs. 97.91—This amount too was transferred from the books of Murree Forest Division and in the absence of original record it is not possible to effect recovery. The Divisional Forest Officer has been advised to look up for this record at personal level and effect recovery at the earliest.
- (vi) Rs. 10,582.56—Out of this sum the following amounts were recovered:—

	Rs.
(1) .. .. .	648.75
(2) .. .. .	560.50
Total	1,209.25

A balance of Rs. 9,373.31 is yet to be recovered. Further detail for this recoverable amount of Rs. 9,373.31 is given below:—

- (a) Rs. 7,400 is outstanding against the following contractors. This outstanding was transferred by the Divisional Forest Officer, Murree Hills Forest Division during June, 1956:—

	Rs.
(1) Mr. Khushab Khan	120
(2) Messrs. Muhammad Sarwar Muhammad Azim ..	7,280
Total ..	7,400

These cases are under trial in the Court of Administrative Civil Judge, Rawalpindi.

- (b) Rs. 1,973.31 is outstanding against the subordinates on account of rent of residential portions of the Buildings occupied by them overpayments due to incorrect fixation of pays and penalties imposed upon them, etc. The amount is being recovered from them by easy monthly instalments. To sum up the above outstandings a resume is given below:—

Against Rs. 87,883.05 a sum of Rs. 34,976.34 has been recovered leaving a balance of Rs. 52,406.71 as under:—

	Rs.
Cases contested in the Court of Law ..	28,117.99
Outstanding against Evacuees since migrated to India ..	23,768.00
Outstanding against Pakistan Western Railway ..	422.81
Outstanding against a Divisional Forest Officer ..	97.91
Total ..	52,406.71

Against Rs. 2,18,309.43 an amount of Rs. 1,76,572.69 has been recovered leaving a balance of Rs. 41,736.74 which means that 89 per cent of the outstanding amount pointed out by the Audit has since been recovered. The break up of this outstanding amount, which has been reduced to about 1.10 of the total amount is as under:—

	Rs.
Outstanding against Defence Department	11,896.06
Amount for which cases are pending in the Court of law ..	27,867.37
Dues outstanding against the Offices of the Department ..	1,973.31
Total ..	41,736.74



TABLE

Amount outstanding during February 1959	Amount recovered against	Amount recovered against	Total recovery made so far	Balance
Rs. 3,05,692.48	Rs. 2,18,309.43	Rs. 87,383.05		
	Rs.	Rs.	Rs.	Rs.
11,896.06			...	11,896.06
24.37	24.37	...	24.37	...
2,81,668.77	1,75,899.57	34,415.84	2,10,315.41	72,553.36
422.81	...	...	...	422.81
10,582.56	648.75	560.50	1,209.25	9,373.31
97.91	...	...	...	97.91
3,05,692.48	1,76,572.69	34,976.34	2,11,549.03	94,143.45

The Committee observed that the explanation of the Department was a classic example of furnishing confused explanations to the Committee.

The Committee were of the opinion that the Department was really wasting the time of the Committee which resulted in the wastage of time of the officials from the Department itself, the Accountant-General, the Finance Department and every one connected with it.

The Committee directed that the Department should state as to what amount pertained to the prepartition period out of the total amount of Rs. 3,05,692 and what amount accumulated after Partition and give details of each item under both the categories. The Department should also give details of steps that have been taken so far to recover the necessary amount.

The Para. was deferred to be taken up again along with the accounts for the year 1961-62, when the Department was expected to give a detailed and clear-out explanation.

(11) *Pages 41 and 42, Para. 10*—In this case, in a Forest Range, half the cost of the construction of bunds by land owners as an anti-erosion measure was to be paid by the Forest Department in the form of free supply of cement. As a result large quantities of cement were issued to the various land owners. However, the land owners, who were supplied 2129 bags of cement valuing Rs. 12,907 during the period from May 1953 to March, 1959 did not construct any bund. Before July 1958 the beneficiaries were not required to execute agreements to construct the bunds or to refund the cost of the cement. As per audit report the amount is still awaiting recovery from the persons concerned. According to the information received by Audit in May, 1960, the Deputy Commissioner had been approached for making the necessary recovery.

The Department stated that the cement was supplied to the private land owners for the construction of bunds and spill ways in their land on fifty basis. The beneficiaries could not construct the bunds and the cement issued to them for the purpose could not be shown as disposed of. The case was referred to the Collector, Rawalpindi to effect recoveries under section 82 of the Forest Act as arrear of land revenue. Eighteen reminders have been issued thereon. The case has also been referred to the Commissioner, Rawalpindi Division by the Chief Conservator of Forests, Lahore Region,—vide his No. 4848/A.V.17, dated 17th February, 1966 to impress upon the Collector, Rawalpindi, to recover the outstanding. The Commissioner, Rawalpindi Division, directed the Collector, Rawalpindi, to expedite the case,—vide his endorsement No. AG/1744, dated 2nd March, 1966. The Divisional Forest Officer, Rawalpindi, South has also contacted the Collector, Rawalpindi, personally who has promised to expedite recovery. In case the Commissioner, Rawalpindi, even now fails to effect recovery within a reasonable period, the case would be taken up with the Board of Revenue, West Pakistan, Lahore.

The Committee observed that the explanation of the Department stating that the cement issued to the beneficiaries not having been used could not be shown as disposed of did not seem to be correct. If it were so, it was a clear case of procedural irregularity. No cement could or should have issued without first having been shown in the book as such. The Committee directed that the Department should once again check the files and papers relating to this item and report back the matter to the Committee as to what actually happened.

With regard to recoveries, if any, the Committee noted that the Department had been writing to the Collector Rawalpindi, since 1960 for the recoveries, requesting him as well to recover the amount as arrears of land revenue but no reply from the Collector was forthcoming.

The Committee desired that the Department should further pursue the matter directly with the Collector Rawalpindi, as well as through Board of Revenue. The Collector should also be asked to attend the next meeting of the Committee. The Secretary of the Committee will issue notice to the Collector to attend the meeting. In case the Collector recovers the amount and intimates this to the Department before the next meeting of the Committee, the Department should inform the Secretary of the Committee.

The item was deferred to come up again alongwith the accounts for 1961-62.

(12) Page 42, Para. 11—In this case a sum of Rs. 7,218 on account of sale of forest produce, etc. was awaiting recovery on the 28th February, 1959. Out of this a sum of Rs. 6,992 had been outstanding for more than a year which included a sum of Rs. 3,506 recoverable from private persons. The reasons for delay in recovery and the progress made towards recovering the outstanding amounts had not been intimated by the Department to the Audit.

The Department stated that out of Rs. 7,218 a sum of Rs. 413 has been recovered and adjusted in accounts. The break up and explanations for the balance of Rs. 2,805 were given as under:—

(i) Rs. 440—This amount was recoverable on account of sale of grass but could not be recovered as the defaulter had no immovable property, etc. It was therefore decided to write off the amount which had been done.

Subject to verification of the write off of the amount, the item was dropped.

(ii) Rs. 17.19—This amount was outstanding against Railway on account of supply of stumps and has been recovered and verified by Audit.

The item was dropped.

(iii) Rs. 1,380-00 was outstanding against the first contractor on account of re-auction of standing trees in which loss was caused for which he was responsible. The contractor was issued notice under Martial Law Order No. 104/A but the recovery could not be effected. The case was referred to the Collector, Sialkot district for recovering the outstandings as arrears of land revenue under section 82 of the Forest Act. As the whereabouts of the man could not be traced the amount was written off on 24th June, 1964.

The Committee directed that the Department should explain at the next meeting as to whether proper procedure with regard to advertisement, etc. was followed at the time of re-auction of the standing trees, due to which the loss occurred.

(iv) Rs. 5,98-75—This amount was outstanding against a Forest Ranger on account of the rent of residential portion of Range Office and had been recovered.

The item was dropped subject to verification of recovery by the Audit.

(v) Rs. 529—This amount which was outstanding against a Government servant who is now dead was written off on 20th June, 1966.

The item was dropped.

The paragraph in respect of the item which has not been dropped was deferred to be taken up again along with the accounts for 1961-62.

(13) Page 42, Para. 12—*Shortage/Loss of Stores*—In this case in the stores account for July, 1958 of a Forest Division logs of wood, firewood, slumps bricks, etc. valuing Rs. 3,83,058 were not reported to be at site. In reply to the audit objection it was stated in October, 1959 that the shortages represented accounting differences. As per Audit this was however not correct as a special staff deputed to reconcile the discrepancies had not been able to locate any differences. The shortage needed to be investigated and made good from the persons responsible.

As there was difference between the shortage shown by the Audit and that admitted by the Department, the paragraph was deferred for settlement of the amounts between the Department and the audit and would be taken up at the next series of meetings when the accounts for 1961-62 are taken up.

(14) The remaining paragraphs were also deferred for the next series of meetings.

The Department was asked to re-examine their working papers and to bring them up-to-date for the next series of meetings.

III. The Committee then adjourned to meet again at 9-00 a.m. on Tuesday the 31st January, 1967.

LAHORE :

The 30th January, 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 31ST JANUARY 1967, 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 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. Malang Khan, M.P.A.   | ... | Member.         |
| (6) Mr. Fazal-ur-Rehman, C.S.P., Syed Akhlaq Hussain, T.Q.A., C.S.P., Additional Secretaries and Mr. G. D. Memon, Joint Secretary, Government of West Pakistan, Finance Department....                  |     | Expert Adviser. |
| (7) Mr. N.A. Chaudhri, P.A. and A. S., Director, Audit and Accounts (Works), West Pakistan  | ... | By invitation.  |
| (8) Chaudhri Bashir Ahmed, Assistant Accounts Officer   | ... | By invitation.  |
| (9) Mr. Abdur Rashid Khan, S.Q.A., P.C.S., Secretary to Government of West Pakistan, Auqaf Department   | ... | By invitation.  |
| (10) Mr. Muhammad Aslam Bajwa, C.S.P., Secretary to Government of West Pakistan, Labour Department  | ... | By invitation.  |
| (11) Mr. Masood Nabi Noor, C.S.P., Secretary to Government of West Pakistan, Co-operation Department  | ... | By invitation.  |
| (12) Mr. Masud-ur-Raof, C.S.P., Secretary to Government of West Pakistan, Information Department  | ... | By invitation.  |
| (13) Mr. Muhammad Hamid, C.S.P. and Nawabzada Muhammad Yaqoob Khan, P.C.S., Deputy Secretaries, Government of West Pakistan, Services and General Administration Department                             | ... | By invitation.  |
| (14) Mr. Yusaf Ali Shah, C.S.P., Additional Secretary to Government of West Pakistan, Planning and Development Department   | ... | By invitation.  |
| (15) Mr. S.M. Wasim, C.S.P., Secretary to Government of West Pakistan, Basic Democracies, Social Welfare and Local Government Department alongwith Chief Engineer, Public Health Engineering Department | ... | By invitation.  |
| (16) S. Manzoor Elahi, C.S.P., Member, Board of Revenue and Secretary to Government of West Pakistan, Rehabilitation and Excise and Taxation Departments.   | ... | By invitation.  |

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

II. The Committee proceeded to consider the explanations of the Departments in respect of the items appearing in the Appropriation Accounts for the year 1960-61:—

#### AUQAF DEPARTMENT

(1) Page 5, Para. 8, read with page 256—Grant No. 26—Miscellaneous Departments—O—Ecclesiastical—Excess Rs. 11382. According to the Department.

- (a) There was an excess of Rs. 10,978 in Kalat Division due to payment of compensatory allowances to the low paid Government servants (Rs. 5,878) and grant of aid to Mosques (Rs. 5,100). The said excesses could not be regularised by obtaining additional fund as the II<sup>nd</sup> statement of excesses and surrenders from the Commissioner, Kalat, was not received in time for which he has been directed to warn the officials concerned not to allow such delays in future;
- (b) There was an excess of Rs. 1,139 in Khairpur Division due to (i) defective budgeting (Rs. 962) and (ii) payment of leave salary for which no provision was made through an oversight (Rs. 177) by the Commissioner's office Khairpur. The Commissioner concerned has been directed that the officials concerned should be warned not to allow such mistakes in future.
- (c) A sum of Rs. 735 was met out of the saving of Rs. 735 in Bahawalpur Division which was due to the reason that grant-in-aid to Mosques was discontinued from May 1961.

The Committee decided to recommend the regularisation of the excess-subject to the issue of warning by the respective Commissioners.

(2) Page 514, item No. 16 (i) of Annexure Misappropriation of Government Money—Rs. 9,820—In this case Government receipts and fees charged by the Nazam Amoor-I-Mazhabia were not deposited into the Government Accounts and a sum of Rs. 9,820 was misappropriated by the Accountant of the Department.

The Department stated that the Accountant was sentenced under Section 409, P.P.C. read with Section 5 (2) of prevention of Corruption Act, 1947 to a fine of Rs. 8,000 or in default to undergo 18 months rigorous imprisonment. The fine was to be paid in three instalments.

The 1st instalment of Rs. 3,000 was due on 16th October 1966, the second instalment of Rs. 3,000 on 16th November 1966, and the 3rd instalment of Rs. 2,000 on 16th December 1966.

The Committee observed that the Department should have stated whether the fine was recovered by 16th December 1966 as directed by the Court. The Committee directed that the Department should furnish this information to the Committee at its next meeting when the accounts for 1961-62 are considered.

#### LABOUR DEPARTMENT

Page 3, Para 5 read with Page 365—Grant No. 35—Development—S—I—Labour—Saving Rs. 27, 282[—Secretary, Labour Department handed over the Working Paper in respect of this item to the Chairman and Members of the Committee in the meeting.

The Working Paper was not in the proper form and it was not seen by the Audit Office since it had not been submitted to them. The Secretary, Labour Department regretted the lapse and assured that in future the Working Paper would be submitted in the proper form and in time. The item was deferred to the next series of meetings of the Committee for which the Department shall prepare and submit Working Paper in the prescribed proforma.

### CO-OPERATION DEPARTMENT

As the Working Paper in respect of the item pertaining to this Department had not been received in the Assembly Secretariat, the item was deferred to be taken up on 1st February, 1967. Secretary, Co-operation Department assured that the Working Paper would be supplied today.

### INFORMATION DEPARTMENT

(1) *Page, 5, Para 8 read with Page 256-Grant No. 26-Miscellaneous Department Public Relations Excess Rs. 2,06,023*—The Department stated that the excess of Rs. 2,06,023 did not pertain to Information Department, as this amount had been misposted under the above head.

The Committee inquired from the Audit Department as to which Department, this excess actually pertained. The Audit Department was not in a position to supply the requisite information in the meeting as the records of Accountant-General's Office were stated to have been burnt by fire. The Committee felt that this was a very unfortunate state of affairs and desired that the Audit Department should look into this matter again and try to let the Committee know as to which Department this excess actually pertained, to enable the Committee to get explanation for this excess from the Department concerned.

The item was dropped so far as the information Department was concerned. (2) *Page 4, Para 8 read with Page 163 Grant No. 12-General Administration-O-Secretariat and Headquarters Establishment-12-1(n)-Excess Rs. 2,964*: The Department stated that the excess of Rs. 2,964 was mainly due to adjustment of telephone bills towards the close of the year. This expenditure being of a fluctuating nature could not be foreseen.

The explanation was considered satisfactory and the item was dropped.

### SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

(1) *Page, 4, Para 8 read with page 164 Grant No. 12-General Administration, O-Secretariat and Headquarters Establishment-12- (2)-Excess Rs. 82,328*—The Department stated that the actual expenditure under this sub-head was Rs. 17,16,118 against the grant of Rs. 17,06,100. The excess of Rs. 10,018 being less than 1% of the grant did not call for any explanation. This was accepted by the Audit who could not say to which Department the balance pertained.

The Committee desired that the Audit Department should let the Committee know as to which Department the remaining excess pertained and intimate the excess to the Department concerned also who should submit the necessary explanation to the Committee.

The item was dropped so far as the Services and General Administration Department was concerned.

(2) *Pages 59-60, Para 88-Secret Service Expenditure*—The Department stated that the Certificate regarding Secret Service Expenditure had been sent to the Accountant-General, West Pakistan on 17th August 1961. This was accepted by the Audit. The item was dropped.

(3) *Page 511, item 1 of annexure theft of Government Money Rs. 2,866*: Government money and case property, pertaining to cases of corruption pending

in the court of Special Judge, Anti-Corruption Establishment, Hyderabad to the tune of Rs. 2,865/11/3 had been stolen from the custody of Mr. Nazir Ahmed, then C.O. (now D.S.P.) Anti-Corruption Establishment, Sukkur. According to the Department case under section 380, P.P.C. was registered and its investigation taken up first by the Local Police, then by the Crime Branch and lastly by the Special Police Establishment. The Special Police Establishment held Mr. Nazir Ahmed responsible for the loss. The matter was put up to the Provincial Anti-Corruption Council on 24th June 1965. The Council decided that a departmental enquiry should be made against the accused officer by the Special-cum-Enquiry Officer's Lahore. The accused Officer was charge-sheeted by the Directorate on 10th August 1965. The accused failed to send his explanation to the charge-sheet in a period of over 6 months. The departmental enquiry against him was entrusted to the Special Judge-cum-Enquiry Officer, Lahore, without waiting for his explanation.

The Committee observed that this item requires further detailed explanation by the Department as Government money and case property pertaining to cases of corruption pending in the court of Special Judge, Anti-corruption, was stolen at a time when cases were being prosecuted.

The Committee desired to know as to what happened actually to these cases in as much as whether any one of those cases went by default for want of the said Government money and case property.

The Committee also wanted to know as to how the Circle Officer was promoted as D.S.P. after this theft. As full information was not available with the Department, the para was deferred to be taken up again along with the accounts for 1961-62 when the Department should furnish detailed information including the result of the departmental inquiry.

(4) Pages 161 and 168—Grant No. 12-General Administration: (i) A-(3) Staff and House Hold of the Governor—Excess Rs. 46,106.

(ii) G—(21)—(1)—Discretionary Grants by the Governor  
Excess Rs. 41,600.

(iii) G—Miscellaneous—(22) Miscellaneous—(5)—Cost of Maintenance of Government Aircraft. Excess Rs. 7,06,378.

As regards (i) and (ii) the Department stated that the excess in these two items was due to mis-posting in the office of the Accountant-General, West Pakistan, Lahore. The figures of expenditure for the year 1960-61 were reconciled and correct figures communicated to the Accountant-General, West Pakistan, Lahore in May, 1963. There was no excess expenditure against these two items. The items dropped subject to verification by the Audit of the fact of there being no excess stated by the Department. Otherwise, the Department would have to get the excess regularised by making a reference to the central Government through the Finance Department.

As regards (iii) the Department contended that the Secretary to the Government of West Pakistan, Communications and works Department was the Drawing and Disbursing authority in respect of the operation of the head of account. As such it was not possible for it to explain the reason for the excess expenditure. The Military Secretary to the Governor, West Pakistan was delegated powers for the operation of this head of account in 1963.

The Audit Department, however, produced a letter dated 30th November, 1963 from the Secretary, Irrigation and Power Department, in which that Department had accepted the figures booked by the Audit Office in respect of "maintenance of Government aircraft". The Committee came to the conclusion that the Irrigation and Power Department had to explain the excess of Rs. 7,06,378 and desired that the Services and General Administration Department should transfer this item to the Irrigation and Power Department who should include the explanation for this item in the Working Paper to be prepared by that Department for the next series of the meetings of the Committee.



(5) Page, 4, Para 8 read with Page 165 Grant No. 12—General Administration — 17 - (1) - (1)—Pay of Officers—Excess Rs. 3,48,419.—The Department did not accept the figures of the total expenditure as appearing in the Appropriation Accounts and stated that the local officer have been asked to arrange reconciliation of figures to find out mis-classification. According to the Audit the figures of expenditure shown in the Appropriation Accounts had been confirmed by the Services and General Administration Department on 31st October 1963. The reply of the Department was that the figures were confirmed without verification by the Department on the assumption that the figures intimated by the Audit were correct.

The Committee observed that there was much confusion in the Department which first gave a blanket acceptance to the Accountant-General and then wrote to the Commissioner for the supply of actual figures. It seems that the Department never took any interest in the monthly reconciliation. The Department should again impress upon the Commissioners and Deputy Commissioners that monthly reconciliation should be done in time and without fail and the final figures furnished to the Services and General Administration Department.

The Committee further observed that the Department might approach the Finance Department to assist them in solving this difficulty. If necessary the Finance Department should approach the Auditor-General to have the accounts re-opened so that if there was any misposting it should be regularised.

The para was deferred to come up again in the next series of meetings when accounts for 1961-62 are taken up by the Committee.

(6) Page, 4, Para 8 read with Page 164 Grant No. 12-General Administration-12-(1)-(0)—Excess Rs. 10,553. The working paper for this item had not been forwarded to the Audit and their comments were not obtained.

The para was deferred to be taken up again in the next series of meetings when accounts for the year 1961-62 are taken up by the Committee.

#### PLANNING AND DEVELOPMENT DEPARTMENT

(1) Page, 4 Para 8 read with Page 162 Grant No. 12-General Administration-O-Secretariat and Headquarters Establishment—12-1 (C)—Excess Rs. 24,504.—The working paper prepared by the Department for this item was not in proper order. Explanation by the Department were not sent in time to the Audit, and, therefore, there were no audit comments. In these circumstances the Committee deferred the para to be taken up again at the next series of meetings when the accounts for the year 1961-62 are taken up by the Committee.

(2) Page 66, Para 92 Delay disposal of Inspection Reports and Audit Notes:—The Department stated that Audit objections have since been cleared and assured that in the future there would be no delay in replying to the Audit Notes.

The para was dropped.

#### EXCISE AND TAXATION DEPARTMENT

(2) Page 7, Para 12(i) read with Pages 93—94—Supplementary grant proving unnecessary Grant No. 3—Provincial Excise. In this case the Department had obtained supplementary grant of Rs. 19,680 which in view of the ultimate saving was unnecessary. The Department stated that the reasons for savings under each sub-head were as follows:

##### B—SUPERINTENDENCE.

Rs. 1,620—Bills for repairs to office furniture were not received from the Superintendent, Jails, Jhelum and Lahore before the close of the financial year.

Rs. 1,070—The Typewriter for which the amount was earmarked was not supplied by M/S Remington Rand, before the close of the financial year.

Rs. 8,580—Fixed travelling allowance was not drawn because the Excise and Taxation Officers were not entitled to draw this allowance. The matter was under correspondence with the Government and it was expected that the drawal of the amount might be authorised before the close of the financial year.

Rs. 6,452—Non-payment of the rent of the office building for want of fixation of rent by the P.W.D. authorities during the course of the year.

Rs. 5,502—Non supply of typewriters by the Industries Department during the year and the post of Excise and Taxation Officer having remained vacant.

Rs. 1,451—Some posts remained vacant and the amount of the Medical Charges was also not claimed.

Rs. 2,597 Less touring and refixation of pay of two Assistant Excise and Taxation Officers from Rs. 440 to Rs. 330.

*C-District Executive Establishment:* Rs. 4,680. The material required for uniforms could not be procured from the specified sources before the close of the financial year.

Rs. 3,000. Arrears claims of the officials were not finalized before the end the financial year.

Rs. 602 Payment of less records to informers.

Rs. 8,907. Due to economy in expenditure under contingencies.

Rs. 1,272. Due to non-payment of medical bills on account of sickness of the wife of the Excise Sub-Inspector for want of legal formalities.

Rs. 4,307/. Due to non-payment of rewards as the cases of excise crimes remained pending in court till the end of financial year.

Rs. 7,030/. Due to the following reasons:—

(a) The bill of the cloth purchased was not received before the close of the financial year.

(b) Four posts of Excise Inspectors at Quetta and two posts of Excise Constables at Kalat remained vacant after the issue of the 2nd statement of excesses and surrenders.

Rs. 1,509. The question of payment of arrears to three Excise Inspector was referred by Accountant-General to Finance Department for further clarification.

*D-Distilleries:* Rs. 452. Were not utilized because the pay fixation party objected that those who were Matriculates were not entitled to get their pay in the prescribed pay scales.

Rs. 98 Out of the grant of compensatory allowance.

Rs. 2,523. The expenditure depends upon actual issue of the spirit from the Ware house which was not always uniform.

The explanation was considered satisfactory and the item was dropped.

(3) *Page, 7, para, 12 (i) read with Page 106-Supplementary grant Proving unnecessary Grant No. 8-Other taxes and Duties:*—The Department stated that:—

“Against the supplementary grant of Rs. 1,23,600/ under the major head “13—Other Taxes and Duties”, the savings shown under the various sub-heads are detailed below:—

	Rs.
(a) D-Collection charges Entertainment Tax ...	(—)10,869
(b) E—Urban Immovable Property Tax ...	(—)14,388
(c) F—Charges under the Electricity Acts F-I-Electricity Inspections ...	(—)15,575
(d) F—2. Other Charges ...	(—)7,100
(e) G—Charges in connection with Tobacco Duties ...	(—)301
<b>Total</b> ...	<b>(—)54,233</b>

The Board of Revenue was only concerned with the savings shown against the sub-heads at items (a), (b) and (c) above. The remaining sub-heads at items (c) and (d) pertained to Electricity Department.

The reasons for the savings in respect of the sub-heads concerning Board of Revenue were as under:—

**D—Collection Charges Entertainment Tax Rs. 16,869—**Saving of Rs. 2,935 was due to reduction in the amount of Commission on account of exemption granted to Military personnel from entertainment tax. Saving of Rs. 13,061 was due to the fact that the Controller of Stamps, Central Store Karachi submitted the bills at the end of the year for book adjustment through the Comptroller, Northern Area, Peshawar.

Saving of Rs. 873 was due to the fact that the amount was earmarked for grant of rewards to private informers who detected leakage of Entertainment Tax in the Cinema Houses. The amount could not be utilized because the informers did not report leakages of entertainment duty.

**E—Urban Immovable property Tax Rs. 11,855—**Savings of Rs. 11,855 was partly due to economy in contingent expenditure and partly due to non-payment of arrears to non-gazetted staff on account of West Pakistan pay Revision Rules, 1959 because the pay of most of the officials could not be fixed before the end of the financial year.

Saving of Rs. 2,533. A supplementary grant of Rs. 3,990 was sanctioned in May, 1961 for appointment of taxation staff in Hyderabad Region for reassessment and collection of taxes on evacuee lands and buildings. The entire amount could not be utilized within a period of one month for want of suitable staff required for the purpose. Hence the savings.

**C—Charges in connection with Tobacco Duties Rs. 301—**The saving was due to reduction in the amount of commission to stamp vendors because of less demand of Tobacco Dealers Licenses. The expenditure under the sub-heads is of a fluctuating nature and the correct amount of commission cannot be accurately estimated."

The explanation was considered satisfactory and the item was dropped.

(4) **Page 21, Para 515—Misappropriation of Property Tax—**The Department had not submitted the Working Paper in respect of this item. They however promised to submit their explanations in the next meeting of the Committee. The item was, therefore, deferred to the next series of meetings of the Committee.

III. The Committee then considered the explanations of the Excise and Taxation Department in respect of the following item:—

**Page 3, Para 5 read with page 75 of the Appropriation Accounts for 1959-60. Grant No. 3—Opium—Saving—Rs. 1,90,370—**This item was last considered by the Committee at its meeting held on 23rd April 1966. In that meeting the Committee had accepted the explanations of the Department except for the explanations for the savings of Rs. 10,840 and Rs. 4,780.

As regards the saving of Rs. 10,840 the Department had stated that it was 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 Government.

As regards the saving of Rs. 4,780, the Department had stated that it was due to non-payment of arrears of pay to the staff on account of non-fixation of their pay in the pay scales revised by the Provincial Government in 1960.

With regard to the saving of Rs. 10,840 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 had 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 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 had directed that full and complete explanations for these two savings should be submitted by the Department.

The Department now stated that:—

"(i) *Saving of Rs. 10,840*—The uniform maintenance allowance was sanctioned by the Government of Pakistan to the Inspectors and Deputy Superintendent of Central Excise and Land Customs Department on 28th June, 1954. A bill for the payment of allowance was prepared in respect of the staff working under the District Opium Officer, Naushera and sent to the Accountant-General for pre-Audit in December, 1954. The Accountant-General, informed the District Opium Officer, Naushera, that the bill was returned unpassed by him on the ground that sanction of the Ministry of Finance only related to the staff working in the Central Excise and Customs Department and not the Opium Division. The amount could not be paid during 1954-55 due to the Audit Objection. The matter, was, however, taken up with the Accountant-General again on 18th April, 1955. The clarification given by the District Opium Officer, Naushera was again turned down by the Accountant-General on 6th May, 1955. The Assistant Collector, Opium Division informed the Collector, Central Excise that the payment of allowance sanctioned by Finance Ministry to Opium Division was refused by Accountant-General stating that the allowance was admissible only to Central Excise. He requested that the Accountant-General might be advised to pass the bills of staff of Opium Division as it was a part and parcel of the Central Excise Department.

The Collector, Central Excise, informed the Accountant-General that the uniform allowance was also admissible to the Inspectors of the Opium Section and advised him to pass the bill pending with him. The Accountant-General, informed the District Opium Officer, Naushera, on 6th December, 1955 to submit the pending bills to the Treasury. As the matter remained under correspondence, the payment could not be made in 1955-56. The staff of the Opium Division was transferred to the Provincial Government from the Central Government with effect from 23rd March 1956. The sanction for the payment of allowances was separately accorded by the Provincial Government, *vide* their communication dated 11th December, 1958. The bills for the payment of the arrears, submitted to the Audit Office, were again turned down on the plea that in the sanction issued by the Provincial Government there was no indication for the grant of maintenance allowance to Sub-Inspectors or other Subordinates. Revised sanction, was therefore, required to be obtained. The matter remained under correspondence and the case could not be finalised till the close of the financial year, 1959-60.

"(ii) *Saving of Rs. 4,780*—The pay scales were revised in 1959 and not 1960"

The explanation was considered satisfactory and the item was dropped.

IV. The Committee then examined the explanations of the Rehabilitation Department in respect of the following item:—

*Page 36, Para. 13 of the Appropriation Accounts for 1958-59 Loss of cash Rs. 1,736*—In this case a sum of Rs. 1,736 realised as sale-proceeds of foodgrains lying with Camp Commandant of a defunct Refugee Camp in January, 1948, was not credited to Government Treasury. A magisterial inquiry into the case was held but due to lack of documentary evidence, responsibility for the loss of Government dues could not be fixed.

The Department stated that on a detailed report submitted by them the amount in question was written off by the Government on 19th June 1961 and the objection was settled by the Audit on 4th September, 1961.

The explanation was considered satisfactory and the item was dropped.

V. The Committee then examined the 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 1960-61.

(1) *Page 3, Para 5 read with Page 365-Grant No. 35-Development-S-2-Social Welfare-Saving Rs. 2,38,417*—The Department stated that the explanation furnished by them in the Working Paper was not correct and that new figures have come to light since then. According to them the amount of surrender was Rs. 1,27,020 while the amount of surrender shown in the Appropriation Accounts was Rs. 8,990. According to the Department the figure of expenditure is Rs. 5,48,000 while that booked by the Audit is Rs. 3,62,543. As all this would require verification by the Audit Office, the consideration of the para was deferred till the next series of meeting of the Committee.

(2) *Page 166, Grant No. 12-General Administration-19-(3)-Local Government Department-Saving Rs. 1,00,901*—The explanation furnished by the Department had not been forwarded to the Audit and their comments had not been obtained. The Department stated that information with regard to explanations for the saving had been received from two divisions while replies from other divisions were still awaited as such the Department would require more time to get the figures from the Divisions, and also to obtain the comments of the Audit on the explanations.

The consideration of this para. was also deferred to the next series of meetings of the Committee.

(3) *Page 304-Grant No. 31-Miscellaneous-J-13 Social Welfare-Saving Rs. 46,542*—The Department stated that the modified grant under "J-13-Social Welfare" was Rs. 1,19,320. The reconciled expenditure against the above provision was Rs. 1,04,111. There was a saving of Rs. 15,209 which was on account of vacant post of Officer on Special Duty and some ministerial pos's. A small saving was on account of contingencies. There was no other complete record to show the exact amount of expenditure and the reasons as to why the excess amount could not be surrendered. The reason for this was that no proper administrative arrangements to administer the programme of Social Welfare had been made until July, 1963 when the Directorate of Social Welfare was set up. Untill 1960 a class I Officer generally remained in Charge of Social Welfare in the field who was at one time designated as Deputy Adviser and at the other O. S. D. After 1960 the office of the Deputy Adviser O. S. D. was put in the charge of officers who were not even class II officers.

The O. S. D. Incharge of the office at that time was a deputationist from the Central Government who retired from service by the end of the year under discussion. It was, therefore not possible either to question or penalise him when in Secretariat the Social Welfare had been attached to different departments during different periods such as Social Welfare and Local Government Department, Health, Welfare and Local Government Department, Co-operation, Labour and Social Welfare Department and now (since 1963) Basic Democracies, Social Welfare and Local Government Department. The explanation was considered satisfactory and the item was dropped.

(4) *Page 301-Grant No. 31-Miscellaneous (i) F-3-Consolidated and Development Grants to Local Bodies Saving Rs. 89,656. (ii) F-4-Other Charges Excess Rs. 7,60,604*—The Working Paper for this item did not contain audit comments and the Department requested for more time to furnish complete information.

The consideration of the item was deferred till the next series of meetings.

(5) *Page 302-Grant No. -31-Miscellaneous-J-Local Government Inspectorate Excess Rs. 37,328*—It was stated that efforts were being made to trace the files and more time was asked for to submit the necessary explanation. Consideration of the para was deferred till the next series of meetings of the Committee.

(6) *Page 506-Grant No. 42-Loans and Advances by the Provincial Government B-I-Loans to Municipalities, Port Fund, etc*—Same remarks as in the case of item No. (5) above.

#### PUBLIC HEALTH ENGINEERING DEPARTMENT

(7) *Page 10 Para 18—Expenditure on Works in anticipation of technical sanction to estimates*—In this case, expenditure on 48 works amounting to Rs. 10,37,195, was incurred in anticipation of technical sanction to estimates.

The Department explained that out of 48 unsanctioned works 15 works pertained to Buildings and Roads Department which have been transferred to that Department. Out of the remaining 33 works only 1 work remained as unsanctioned. The Department explained that disciplinary action against the officers responsible for incurring expenditure in anticipation of sanction was being taken and would be finalized shortly.

The Committee was not satisfied as to the reasons why technical sanction could not be obtained prior to starting the works. The Department was directed to ensure that in future works were not started in anticipation of technical sanction.

The Committee directed that Department should take steps to settle the remaining item and report to the Committee at its next meeting, the progress regarding disciplinary action.

The para was deferred to be taken up again along with the accounts for 1961-62.

(8) *Page 21, Para. 25 (2)—Expenditure incurred in excess of deposits received*—In this case expenditure to the extent of Rs. 80,61,538 in excess of the deposits from two local bodies was incurred upto, June, 1961. This was done in clear disregard of codal rules which prohibit the incurrence of such expenditure by Public Works Department in excess of amount deposited by the parties concerned.

The Public Health Engineering Department stated that the Communications and Works Department transferred this para to the Public Health Engineering Department saying that it related to them but in fact this para related to the Communications and Works Department. The Committee directed that the Public Health Engineering Department and the Communications and Works Department, with the help of the Audit, should decide to which of the two Department this para related. Failing any agreement between the Public Health Engineering Department and the Communications and Works Department both the Departments should appear before the Committee at its next meeting to furnish the necessary explanation.

The Working Paper for this para should be prepared by the Department to which it pertains and failing any agreement, by the Public Health Engineering Department.

(9) *Page 23, Para 27 (3)—Irregular payment*—In this case, final payment in eight cases aggregating to Rs. 3,649 were made to contractors by the Sub-Divisional Officer in June and August, 1960 without pre-audit by the Divisional Officer under the supervision of the Divisional Accountant though under the rules the final payments for amounts exceeding Rs. 25 are required to be made after such check.

The Department explained that it was decided in the Departmental Accounts Committee on 7th February 1963 that as there was no loss to the Government and moreover powers for passing the bills over Rs. 25 and upto Rs. 2,000 were in existence before and after this incident, hence the matter might be got regularised from the Government. The para was dropped subject to regularization by the Government.

(10) *Page 27, Para 35—Shortage of Stores*—In this case, shortage of stores worth Rs. 5,721 was detected by an Overseer in June 1959 while taking over charge from his predecessor and the amount was placed in "Miscellaneous Public Works



Advances" in May, 1960. The matter was reported to the Superintending Engineer, who, after departmental enquiry, held the relieved Overseer responsible for the shortage of materials and in February, 1962 reported the matter to the Chief Engineer whose orders are still awaited.

The Department explained that Mr. Mukhtar Ahmad, Overseer was held responsible by the Enquiry Officer, on whose recommendation it was decided that value of shortage be recovered at the rate of 1/3rd of the Overseers pay. Accordingly, recovery was started and a total amount of Rs. 1,329-80 was recovered from Mr. Mukhtar Ahmad, Overseer when he died on 28th May, 1965 while working in B.D. Division of Buildings and Roads Department, Lyallpur. The case regarding the write-off of the balance of Rs. 4,391-01 was under consideration.

Subject to the verification of recovery by the Audit and the writing off of the balance by Government, the para was dropped.

(11) *Page 27, Para 36—Outstanding recoveries*—In this case a sum of Rs. 36,348 representing the amounts of minus final bills of the contractors was placed in the schedule of "Miscellaneous Public Works Advances". The minus final bills indicated that the recovery for the cost of stores etc. issued to contractors was not made from their running bills with the result that the amounts remained unrecovered and had to be shown as outstanding in the suspense head "Miscellaneous Public Works Advances". When the matter was referred to the Division it was intimated that the contractors had absconded and as such recoveries from them were outstanding.

The Department explained that the break up of the amount of Rs. 36,348 taken up in this Para is as under:—

	Rs.
(a) Amount already included and dealt with in para No. 17 (a) 2 (11) of appropriation accounts for 1959-60 and fact verified by Audit Office ..	7,281-25
(b) Amount since recovered adjusted and verified by Audit Office.	27,030-19
(c) Amount recovered but still under verification with Audit office.	794-62
(d) Amount still outstanding ..	642-81

It was clear from the above position that out of Rs. 36,348 only Rs. 642 remained to be recovered. Action would be taken to recover this amount after making necessary enquiry.

As regards disciplinary action against defaulters the Department stated that M/S Irshad Hussain Overseer and Allah Bux, Overseer were discharged from service. Action against other officers/officials involved was being taken.

The Committee decided that the balance should be recovered and got verified by the Audit. Action taken against the officer concerned should be reported to the Committee. The Para was deferred to be taken up alongwith the accounts for 1961-62.

(12) *Page 27, Para 37—Irregular payments*—In this case payments in five cases aggregating to Rs. 917 were made in January, 1961 without pre-audit.

The Department explained that the matter was discussed in the Departmental Accounts Committee held on 7th February 1965. That Committee held that "as the powers of Sub-Divisional Officer to pay a bill over Rs. 25 but not exceeding Rs. 2,000 existed before and after the incident in question, therefore, the S.D.O. had not committed a very serious irregularity particularly where the bills in question had since been post Audited in the Division Deputy Director, Audit and Accounts after a lengthy discussion agreed to drop the para since there was no loss to the Government, but suggested that the irregularity should be got regularized from Government."



The matter was now under consideration of the Government.

Subject to the regularization of the irregularity and its verification by Audit, the para was dropped.

VI. The consideration of the remaining items of the Basic Democracies, Social Welfare and Local Self Government Department was deferred to 1st February 1967.

VII. The Committee then adjourned to meet again on 1st February, 1967 at 9.00 a. m.

LAHORE :

The 31st January, 1967

ZAIN NOORANI

CHAIRMAN

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 1ST FEBRUARY, 1967 IN COMMITTEE  
ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**I. The following were present:—**

- |  |  |                 |
|--|--|-----------------|
| (1) Mr. Zain Noorani, M.P.A.   | ...  | Chairman.       |
| (2) Rai Mansab Ali Khan Kharal, M.P.A.   |  | Member.         |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.  | ...  | Member.         |
| (4) Chaudhri Muhammad Nawaz, M.P.A.  | ...  | Member.         |
| (5) Mr. Malang Khan, M.P.A.  | ...  | Member.         |
| (6) Syed Akhlaq Hussain, T.Q.A. C.S.P.   | Additional Secretary to Government of West Pakistan, Finance Department. | Expert Adviser. |
| (7) Rana Muhammad Nasir P.A. & A.S., Accountant General, West Pakistan.  |  | By Invitation.  |
| (8) Mr. N.A. Chaudhri, P.A. & A.S. Director, Audit and Accounts (Works) West Pakistan.   |  | Do.             |
| (9) Mr. Masud Nabi Noor, C.S.P., Secretary to Government of West Pakistan, Co-operation Department.  |  | Do.             |
| (10) Malik Abdul Latif Khan, C.S.P. Secretary to Government of West Pakistan, Education Department.  |  | Do.             |
| (11) Mr. S.M. Wasim, C.S.P., Secretary to Government of West Pakistan, Basic Democracies, Social Welfare and Local Government Department alongwith Chief Engineer, Public Health Engineering Department. |  | Do.             |

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 Education Department in respect of the following three items appearing in the Appropriation Accounts for the year 1958-59 and 1959-60:—**

(1) 1958-59.

*Page 3, Para 5 read with Page 141-Grant No. 27-Industries-Saving of Rs. 54,288 pertaining to Government Technical Institute, Khairpur.—*

The Department stated that the saving of Rs. 54,288 was due to the following reasons:—

- (i) Certain technical posts having remained vacant;
- (ii) Delay in the transfer of the buildings of the defunct Virginia Tobacco Factory, Khairpur to Government Technical Institute, Khairpur wherein some adjustments were to be made.

The explanation was considered satisfactory and the item was dropped.

(2) 1959-60.

*Page 48, Para II—Audit of Grant in-aid—*The Audit observation in this case 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 re-

quisite 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, amount 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.

On 28th October 1966, it was stated that the following Local Bodies could not utilize grants-in-Aid given to them by that Department in full according to the prescribed conditions —

Serial No.	Name of Local Body	Unspent Balance
		Rs.
1	District Council, Gujrat	67,838
2	District Council, Rawalpindi	53,836
3	District Council, Jhelum	28,187
4	District Council, Campbellpur	1,65,062
5	Town Committee, Miani	1,781
6	Municipal Committee, Khushab	166
7	Municipal Committee, Bhera	685
8	District Council, Multan	66,508
9	Municipal Committee, Okara	40,000
10	Municipal Committee, Dera Ghazi Khan	6,374
11	Municipal Committee, Sadiqabad	12,713
12	Municipal Committee, Khanpur	1,869
13	Municipal Committee, Bahawalpur	818
14	Municipal Committee, Chishtian	1,292
	Total	3,02,954

The Committee felt that the Department had not furnished complete information as to the reasons why the local bodies did not spend the amount of Grants-in-Aid. The Committee had decided that detailed reasons why each of these local bodies could not spend the amount, and whether adjustments were made in the following years, should be reported.

The Department now supplied the information as under:—

Serial No.	Name of Local Body with amount of unspent grant.	The year during which the unspent grant was adjusted.	Reasons for not spending the grant during 1959-60.
1	2	3	4
1	District Council, Gujrat Rs. 67,328	1960-61	No cogent reasons have been given by the Local Bodies for non-utilization of the Grant in Aid during 1959-60.
2	District Council, Rawalpindi Rs. 53,380	1960-61	
3	District Council, Jhelum Rs. 85,187	1960-61	
4	District Council, Campbellpur Rs. 1,65,062.	1960-61	The grants were received towards the close of financial year and as such utilization during 1959-60 was not possible.
5	Town Committee, Miani Rs. 1,781	1966-67	... Due to non-appointment of a teacher.
6	Municipal Committee, Khushab Rs. 166.	1960-61	... It was a small amount which could not be utilized during 1959-60.
7	Municipal Committee, Bhera Rs. 686	1966-67	... Due to non-appointment of a teacher.
8	District Council, Multan Rs. 66,508	1960-61 1964-65	... (Rs. 31,432 + Rs. 35,076). The amount which could not be spent by this Committee during 1959-60 as this amount remained under investigation by Pakistan Special Police in connection with embezzlement case. Most of the Engineering staff which were to supervise the construction and repair work was involved in this case. Hence the work could not be executed.
9	Municipal Committee, Okara Rs. 40,000.	1960-61	... The grant of Rs. 40,000 was given to this local body for the construction of a hostel. The amount of Rs. 1,54,000 was paid by the Municipal Committee Okara to the P.W.D. authorities who did not start the construction of the hostel during 1959-60. The hostel was started by P.W.D. during the following year and amount utilized.
10	Municipal Committee, Ghazi Khan Rs. 6,874.	Dera 1960-61	... This grant could not be drawn by the Committee for want of payment authority in the Treasury Office, Dera Ghazi Khan during 1959-60. and as such the amount lapsed to Government.

Serial No.	Name of Local Body with amount of unspent grant	The year during which the unspent grant was adjusted	Reasons for not spending grant during 1959-60
1	2	3	4
11	Municipal Committee, Sadiqabad Rs. 12,713.	1960-61	The grants allocated to these local bodies during 1959-60 were spent by them during that year but due to omission on their part these grants were not accounted for against the expenditure incurred by them at the time of supply expenditure figures to the Local Fund Audit Department.
12	Municipal Committee, Khanpur Rs. 1,668.		
13	Municipal Committee, Bahawalpur Rs. 810.		
14	Municipal Committee, Chishtian Rs. 1,282.		

As regards serial No. 4, the Finance Department pointed out that the amount allocated in the budget is released by the Finance Department in time but normally these funds are collected too late.

The Committee impressed upon the Finance and the Education Department the advisability of releasing funds by these Departments as early as possible to enable the Local Bodies to spend the amount.

Regarding serial Nos. 5, & 7, the adjustments made in the year 1966-67, as shown above could not be explained by the Department. The Committee directed that full particulars of the same be submitted to the Committee together with technicalities of the adjustments in the next meetings.

As regards serial No. 8, the Committee wanted to know the details with regard to the embezzlement, the action taken by the Department and its subsequent result. The Committee also wanted to know as to whether the case was entrusted to the special police by the Department and if so, its result. As the Department could not furnish these details, the Committee directed that it should be done at the next meeting.

As regards serial Nos. 10-14, the Department could not state whether the funds were utilized in subsequent years. This also should be reported to the Committee at the next meeting.

The item was deferred to be taken up along with the accounts for the year 1961-62.

(3) 1959-60.

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-This item was last considered by the Committee at its meeting held on 3rd November 1966. In that meeting the Secretary, Education stated that the institutions to which saving related were under the Industries Department during the year 1959-60 and were transferred to Education Department in 1964. The Committee observed that Industries Department had not been able to explain saving and the Education Department stated that they did not have the necessary record.

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 Education Department now stated that the relevant record connected with the saving in question was with the Director of Industries as it was a combined record of the Institutions which had been transferred to the Education Department and the Offices/Institutions which were with the Industries Department. Moreover, the Director of Industries was the Controlling authority of the Head connected with this saving. In the absence of these details it was not possible to explain this saving. The Additional Secretary, Finance produced before the Committee a letter written by the Industries Department to the Education Department a few days ago asking the Education Department to take from the Director of Industries, the requisite record. The Education Department stated that the Officers of that Department had been to the office of Director of Industries but could not get the record.

Consideration of this item so far as the availability of records was concerned deferred for 2nd February 1967 to be taken up on that day in the presence of the Secretary, Industries. As per directions of the Committee, the Industries Department was informed on the telephone about this decision and was further asked to bring the record of the case to the Committee.

The consideration of the explanation of the Education Department was, however, deferred to be taken up at the next series of meetings when items relating to the accounts for 1961-62 are taken up by the Committee.

III. The Committee then took up consideration of the explanations of Departments in respect of the items pertaining to the Appropriation Accounts for the year 1960-61.

#### EDUCATION DEPARTMENT

(1) Page 3, Para. 5 read with Pages 343-349—Grant No. 35 Development—~~K—Education—Saving Rs. 75,69,360.~~—The Department stated that the saving under this head was due to the following reasons:—

- (i) This Head was introduced for the first time during 1960-61 and most of the Drawing and Disbursing Officer debited expenditure to the Head "37-Education instead of "63-B-Development-K-Education" wrongly.
- (ii) Non-implementation of Education Commission Report. As a result of this certain degree colleges (Government as well as Non-Government) could not be bifurcated and new Higher Secondary Schools (Government as well as Non-Government) could not be opened during 1960-61.

The Committee observed that if the explanation of the Department that saving under this Head was due to the fact that this Head was introduced for the first time during 1960-61 and most of the Drawing and Disbursing Officers wrongly debited expenditure to the Head "37-Edu" instead of "63-B-Development-K-Education", were accepted then there should have been excess under Head "37-Education". Moreover the Department did not explain the savings under each item and had given a blanket explanation which did not cover the whole case.

The consideration of the item was deferred and the Department was directed to come up with the explanation of each item under this Head at the next series of the meetings.

(2) Page 345, Grant No. 35, Development—K-5 (6) Additional Scholarship for Lawrence College, Ghora Gali—Excess Rs. 27,000.—In this case the original provision of Rs. 42,000 had been surrendered and then there was an excess of Rs. 27,000.

The Department stated that the original provision of Rs. 42,000 was not surrendered to Government, but it was re-appropriated by Finance Department from "K-5 (6) Additional Scholarships for Lawrence College, Ghora Gali to the proper head "K-8—Scholarships—Additional Scholarships for Lawrence College Ghora Gali" under their U.O. No. 1589-BI-61, dated 23rd June, 1961, when the financial year was about to close. The Principal of the College had already incurred an expenditure of Rs. 27,000 against the provision under the original head i.e. "K-5 (6)—Additional Scholarships for Lawrence College Ghora Gali". The defunct Directorate of Public Instructions, West Pakistan failed to get expenditure of Rs. 27,000 transferred to the new head. Had this been done, the figure of Rs. 27,000 would have appeared against the provision under the new head instead of the original one.

The saving of Rs. 15,000 (Rs. 42,000—Rs. 27,000) was due to the non-availability of eligible candidates.

As regards the first part, the Committee accepted the explanation given by the Department but observed that the Department had still to fix up responsibility on persons who had failed to get the expenditure of Rs. 27,000 transferred to new head. The Committee directed that the Department should take departmental action against the concerned Officer now.

As regards the saving of Rs. 15,000 the Committee asked the Department to furnish details as to how the advertisement was issued; what was the number of applications; now and how many students were selected. The item was deferred to be taken up again at the next series of meetings when accounts for the year 1961-62 are taken up.

(3) *Page 346, Grant No. 35, Development K-5—(13) Purchase of Equipment for Girls High Schools and Boys High Schools, Quetta Excess Rs. 4,23,445*—The Department stated that the original Budget provision of Rs. 50,000 was re-appropriated by the former Director of Public Instructions, West Pakistan for meeting the Expenditure sanctioned by Government in anticipation of the provision of funds during the year 1960-61. The variation was due to the fact that the Audit Office did not book the expenditure Scheme-wise and minor head-wise. That office had booked the entire expenditure under "63—B-Development" in three categories i.e. "Contingencies", "Grant-in-Aid" and "Stipends". The expenditure in respect of various schemes under the minor heads K-2, K-5, K-6 and K-7 was booked under "Contingencies". It was quite clear that it was a case of wrong booking by the Audit Office for which the Department was not answerable.

The Audit pointed out that the Department should have had the Expenditure re-conciled monthly with the Audit. The Department maintained that this had been done. The Committee observed that if this explanation of the Department were to be accepted, then the Committee fails to see how booking under wrong head could have been made.

The Committee directed that it would like the Department to enquire into this matter further and to investigate whether the explanation given to it was correct; if not, to take necessary action against the person concerned for supplying wrong information to the Committee. The Department should also now intimate full particulars of the expenditure and get the same re-conciled with Audit and the progress in this matter should be reported to the Committee at its next series of meetings when the accounts for the year 1961-62 are taken up.

(4) *Page 347—Grant No. 35—Development—K-5 (14) Purchase of Science Equipments for Middle and High Schools Excess Rs. 3,90,000*—The Department stated that the original Budget grant of Rs. 3,87,960 under the above head was re-appropriated by the former Director of Public Instructions as it related to social uplift schemes and was not likely to be spent during the year 1960-61. It was a case of misposting in the Audit Office and the discrepancy could not be reconciled as the record of that office was destroyed by fire a few years ago.



The Committee desired that further attempts should be made to get these figures reconciled with Audit. The Committee also desired that the Audit should try to make some more efforts to trace the records at their end. Progress in the matter should be reported to the Committee at its next meeting when the accounts for the year 1961-62 are taken up.

(5) Page 7, Para 12 (i) read with Page 221-224 Grant No. 18—Education Supplementary Grant proving partly or wholly un-necessary—Consideration of this item was deferred till the next series of meetings of the Committee.

(6) Page 50-51, Para. 65—Unauthorised Purchases—(i) In this case the following purchases were made during March, 1958 in a Government Girls High School without proper sanction of the competent authority and without inviting tenders:—

*Articles purchased*

*Expenditure involved.*

	Rs.
(i) Two cane sofa sets ... ..	450.00
(ii) One Tape Recorder ... ..	2,796.00
(iii) One amplifier with loud-speaker ... ..	2,880.00
(iv) 100 Chairs ... ..	1,250.00
(v) 250 Tables ... ..	6,062.00
(vi) 250 Chairs ... ..	3,000.00
(vii) Benches ... ..	1,934.00

Actual payee receipts in respect of the contingent expenditure incurred on the purchase of furniture (items iv to vii) were not produced to Audit.

The Department stated that Sadiq Inter. College, Bahawalpur was bifurcated into two Institutions viz Government Girls High Schools and the Inter. College for Women during February, 1957 and thus there was a demand for extra furniture and equipments for these Institutions. The Headmistress of Government Girls High Schools, Bahawalpur purchased these articles after observing the necessary codal formalities as required under the former Bahawalpur State rules. According to the procedure in vogue the concerned Headmistress submitted all the bills and vouchers to the Treasury Officer, Bahawalpur, including those referred to in this paragraph duly countersigned by the Inspector of Schools, Bahawalpur. In Order to settle these irregularities the case has now been referred to Industries, Finance Department for their approval and the Director of Education, Lahore Region has been asked to convey the displeasure of the Government to the concerned Headmistress for these irregularities.

The explanation of the Department was accepted and the para was dropped subject to condonation of the irregularity by the Finance Department.

(12) In this case in contravention of rules, a sum of Rs. 590 was paid as insurance charges of a Government Motor Vehicle out of the Government account which according to the Audit required to be regularised with the sanction of the Government.

The Department stated that the Motor Vehicle in question was insured with the Pakistan General Insurance Corporation Limited. As per instructions issued,—vide Government letter No. V-I-S/60, dated 25th April 1960, this concern was authorised to undertake Government insurance business.

In view of the fact that normally Government vehicles are not insured, the Committee wanted to know the reasons for which this motor vehicle was insured and under what authority. As this was not available, the Committee deferred the item to be taken up again along with the accounts for 1961-62 when the Department should also report whether the irregularity has been regularised.

(7) Page 50, Para. 66, *Splitting up purchases to avoid sanction of higher authority* :—(i) In this case in a college three microscopes and some other scientific instruments were purchased from a firm at a total cost of Rs. 2,620. The Principal of the College was competent to make such purchases upto Rs. 2,000. The suppliers who submitted a bill for Rs. 2,620 were asked to split up their bill in such a way that each should be for a sum less than Rs. 2,000. The suppliers accordingly submitted bills for Rs. 1,515 and Rs. 1,105. This constituted serious irregularity on the part of the Principal who deliberately violated Financial Rules to avoid sanction of higher authority.

(ii) In an other College it was noticed that an expenditure of Rs. 11,042 was incurred on the purchase of furniture. The purchase orders were split up into smaller amounts to avoid sanction of higher authority. The Department intimated to Audit that the point had been noted for future.

As regards (i) the Department stated that the Principal, Government College, for Women, Peshawar purchased 3 Microscopes worth Rs. 2,250 each valuing Rs 750 from M/S. Latif Brothers, Lahore. Firstly order for two microscopes worth Rs. 1,500/ was placed with this concern and after this, the demand was increased to three microscopes. In view of these two separate orders there was a confusion. As required by Audit, the Director of Education, Peshawar, accorded necessary *ex-post facto* sanction for the incurrence of expenditure of Rs. 2,250 in this connection. This objection has already been dropped by the Audit office and the Principal of the College has since been retired from service.

As regards (ii) it was stated that the Director of Education, Quetta has regularised the matter by according the *ex-post facto* sanction. In this case the *ex-post facto* sanction has since been accepted by the Audit. The Principal of Government College, Quetta Mr. S.M. Anwar, who was responsible for this irregularity has since died.

The explanation of the Department was accepted and the para. was dropped.

(8) Page 51, Para. 67-*Opening Personal Current Account in a Bank with Government Cash*—In this case a sum of Rs. 4,021 drawn from the treasury was deposited in a private bank in the name of an official. As per Audit Report the Department had stated that the irregularity was committed for want of an iron safe in the office. This explanation was, however, not acceptable to Audit as money from the treasury should not be drawn unless required for immediate disbursement.

The Department stated that the Headmaster who was responsible for this irregularity died on 4th February, 1964 and as such his explanation could not be obtained. The amount was drawn from the National Bank, Mastung and the un-disbursed amount was deposited in the Government Treasury.

The explanation was accepted by Government and the para. was dropped.

(9) Page 59, Para. 87-*Audit of Grants-in-Aid*—In this case certificate regarding proper utilization of Grant-in-aid had not been furnished to Audit by the Education Department.

The Department stated that certificates in respect of proper utilization of Grants-in-aid have been furnished to the Audit Offices with the exception of Hyderabad Region. This Director has also been directed to get the needful done immediately. The concerned Director of Education have been asked to convey the displeasure of Government to the persons at fault.

Subject to the verification of the production of certificate by the Audit, the para. was dropped.

(10) Page 66—71, Paras. 92-93—*Delay in disposal of Inspection Reports and Audit Notes* :—The Department stated that the Audit Notes pertaining to the Education Department have been replied to and the concerned Directors have been asked to convey the displeasure of Government to the Drawing and Disbursing Officers who did not dispose of these Inspection Reports within the time limit.

The Audit pointed out that reply to three Audit Notes was awaited upon which the Department contended that these have been replied to.

The Committee dropped the item subject to verification of the receipt of the replies by the Audit Department.

(11) Page 78, Para. 100 (i) and (ii) read with item No. 19 at page 515—*Financial Irregularities outstanding from previous Audit Reports*—The following two financial irregularities were outstanding from previous reports:—

Serial No.	Year of Appropriation Accounts/Audit Report.	Page No.	Para. No.	Brief particulars of the draft para. Unfinalised cases.	Amount
1	2	3	4	5	6
1	1950-51 ... ..	26	...	Mis-appropriation of Government money in the office of the Deputy Inspector of Schools, Shikharpur (Sukkur).	Rs. 10,620.13
2	1954-55 and Audit Report 1955	366	7	A clerk of Education Department embezzled Rs. 63,627 on account of pay and allowances of staff, contingent charges drawn on bogus bills during the period from November, 1954 while attached to High School. These amounts were not accounted for in the cash book. Out of this amount a sum of Rs. 1,602 was deposited by him into the Treasury on 20th August 1954 as a result of an objection from the Audit Office. The same Clerk also misappropriated a sum of Rs. 18,156 in another office of the Education Department during the period January, 1950 to October, 1952. The clerk concerned has absconded. (Government Girls High Schools, Gujrat)	80,181.00

As regards item No. 1 the Department stated that the case for the writing of the amount has been taken up with the Finance Department.

Regarding item No. 2 it was stated that this clerk was working in the office of the Government Girls High School, Gujrat and embezzled a total amount of Rs. 63,627 in this school. Out of this amount he deposited a sum of Rs. 1,602 in the Treasury on 20th August 1954. He was convicted by the court and declared as absconder in this case. This Clerk also mis-appropriated a sum of Rs. 18,150 while working in the Office of District Inspectress of Schools, Gujrat from 1950—52. This case is still pending with the police. As soon as the second case is finalized necessary action for the regularization of the whole amount will be taken up with the Finance Department.

Subject to write-off by the Finance Department item No. (1) was dropped.

As regards item No. (2) the Committee directed that the Department should pursue the police case and, failing to recover the money from the clerk concerned, get the amount written-off by the Finance Department. Subject to these observations, the item was dropped.

(12) *Page 515 Item No. 20-Suspected mis-appropriation Rs. 238*—A sum of Rs. 158 was shown in the cash book of a Government College to have been paid on 30th June, 1960 on account of merit scholarships. The acknowledgment of the student was, however, not available in the Scholarship Register. Similarly against a sum of Rs. 530 shown in the cash book as having been paid on 11th July 1960, payment amounting to Rs. 450 could only be verified by Audit from the Scholarship Register.

The Department stated that as a result of Departmental Enquiry, Mr. Muhammad Pervez, Head Clerk was held responsible for mis-appropriation of Rs. 238. The case was handed over to the police. This Clerk was challaned by the Court and fined accordingly. He was also removed from service. The Director of Education, Peshawar, has been directed for arranging the writing off of this amount.

The explanation of the Department was accepted and the item was dropped subject to write off.

#### CO-OPERATION DEPARTMENT

*Page 3, Para 5 read with page 243-Grant No. 23-Co-operation—Saving Rs. 11 99,654*—The Department stated that the following co-operative consolidation of holdings staff working at that time in the various districts of the former Punjab and N.W.F.P. was absorbed in the main scheme of consolidation of holdings in the Board of Revenue from 1st June 1960:—

Inspectors at 125—10—225 ...	...	...	...	20
Sub Inspectors at 60—4—100/5—120 ...	...	...	...	100
Head Clerk at 75—8—105/7—175 ...	...	...	...	1
Camp Clerks at 60—4—100/5—120 ...	...	...	...	20
Peons at 28— $\frac{1}{2}$ —32 ...	...	...	...	20
<b>Total</b> ...	...	...	...	<b>161</b>

The provision for the above staff was made in the budget estimates of the Co-operation Department for the year 1960-61. The said staff was actually transferred to the Board of Revenue on 1st June 1960. Therefore, the entire provision for this staff was surrendered, resulting in a saving of about Rs. 8 lacs. Certain posts of Professors and Lecturers in some Institutions/Colleges remained vacant. Economy was also exercised under Travelling Allowance and Contingencies during the year 1960-61. This resulted in a saving of about Rs. 3 lacs.

The explanation of the Department was not considered to be adequate as the details were not given. The Department stated that they had not been able to collect the necessary record from the field as the time at their disposal was very short. The Department requested for more time to be able to furnish all the details to the Committee. The consideration of the item was deferred to the next series of meetings of the Committee when the accounts for the year 1961-62 are taken up.

#### FINANCE DEPARTMENT—CO-OPERATIVE DEPARTMENT

(1) Page 508, Grant No. 42—Loans Advances by the Provincial Government—  
B-4—(10) Advances to large sized Co-operative Societies for construction of Godowns.

	Rs.
Final Grant	7,00,000
Expenditure	7,79,499
Excess	79,499

It was stated that the Co-operative Department, in fact, has drawn the sanctioned amount of Rs. 7,00,000 only,—vide Token No. 2733, dated 16th June 1961, and Cheque No. 247883, dated 30th June 1961. The excess drawal of Rs. 79,499, as shown in the Appropriation Accounts Book appeared to be an error, which needed correction.

The Committee decided that the Finance Department should get the contention of the Co-operation Department verified by the Audit and have this settled before the next meeting of the Committee.

(2) Page 504, Grant 41 Provincial Miscellaneous Investments—Rural credit Societies—Rs. 25 lacs—The Co-operation Department stated that "the scheme envisaged Government share participation in the Rural Credit Societies, at village level, matching the share capital by the members subject to a maximum of Rs. 10,000 per society. This contribution by the Government was provided to stabilize and strengthen the financial and credit structure of the primary co-operative societies. This allocation was made to enable the societies to provide funds to their members, for agricultural development and other productive purposes, at comparatively lower rates of interest. The scheme was later revised and it was decided that the Government will invest money in the share of the Apex Co-operative Banks in the province and the Bank will make an equal amount available to the societies in the form of interest free loan. Accordingly Rs. 25 lacs were passed on to the Rural Co-operatives as interest free loan. There was thus no question of earning any dividend by the Government on this investment.

On 8th October 1964 it was however, decided by the Provincial Government that Government would be entitled to get dividend from the Apex Banks like all other share holders. In pursuance on this decision a directive was issued to the Banks to declare dividend on Government shares from 1st July 1964 onwards.

Rs. 10,000 as dividend has been remitted to Finance Department, Government of West Pakistan under No. 780/C.B./PL, dated the 12th September, 1966.

In future the Apex Co-operative Bank will declare dividend on Government share and the investment will be profitable. Apart from the income, the total amount has been utilized for the benefit of small farmers and issued loan for agricultural production and development. This also justifies the investment.

The Committee dropped this part of the item subject to verification of the payment of Rs. 10,000 by the Audit.

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

(1) *Page 57, Para. 83, Un-Authorised Advances*—In this case advance payment was made to the extent of Rs. 5,042 to various firms and certain officials in anticipation of encashment of their bills for claims due to them rendering the cash in hand short by amount advanced. Recovery or adjustment of these advances was not effected till the completion of local audit. The office was closed on 30th June 1961.

The Department stated that the Government decision to wind up the V-AID Department with effect from 30th June 1961 came abruptly. The firms, whose bills for goods already delivered and service already rendered or of employees on account of Travelling Allowance, etc., were pending, became restive and anxious for early payment of their claims. In these circumstances there was no alternative but to make payments to these claimants out of the cash available in hand in anticipation of encashment of their individual bills. This action was taken by the drawing and disbursing officer in good faith and in view of the circumstances created by the abrupt decision.

The payment made, in anticipation of encashment of individual bills, out of the cash balance in hand been subsequently recouped/adjusted.

The reason for not producing the record to the Inspection Accountant by the office of the Director (BD), Quetta was that the cashier of that office was on leave. Moreover the date of the visit of the Audit party was not intimated by the Comptroller, Northern Area, to the office concerned. When the omission was noted the Inspection Accountant was requested to visit the office of the Director (BD), Quetta on 1st December, 1966 for clarification when he was still working at Quetta. He did not do so.

The Committee did not feel satisfied as to the reason for not observing the prescribed rules in making the payment, and directed that the Department should inquire into the matter further and fix responsibility of the person or the persons concerned and take departmental action accordingly. The Committee further directed that the amount of recoveries made so far should be got verified by the audit.

Subject to above observations, the Para. was dropped.

(2) *Page 57, Para. 84, Loss of Stores by Fire*—In this case in an office, stores worth Rs. 3,063 were lost due to fire which broke out on 14th September, 1960. The loss had neither been reported to the Government nor to the Audit Department as required under the rules.

The Department explained that fire broke out in the defunct V-AID Directorate Quetta's store room in the afternoon of 14th September 1960. This store room, which was a tin garage, was situated near the Secretariat building. The office Chowkidar had gone to a nearby mosque for saying his prayers and the incident was promptly reported to the Local Fire Brigade by a resident of a neighbouring bungalow. Police also reached on the spot and the fire was brought under control. As a result of this fire surplus and unserviceable store and furniture valuing Rs. 3,063.25 (which was stored in this store room) was gutted. The causes of this fire were investigated by police as well as the local authorities. The police report about the occurrence of this incident stated that:—

(1) Dust bins were lying nearing the said godown and lot of torn out and waste papers were found scattered around these dust bins.

(2) The iron sheet walls of the godown were found to contain small holes. It was possible that some passer by threw a piece of burning cigarette/beedi near the godown as a result of which the waste papers caught fire which gradually spread into the godown.

(3) No one was suspected of having put the godown on fire or making a mischief.

The Commissioner, Quetta, Division had also confirmed that according to the circumstantial circumstances which were lead during departmental enquiry later held;

- (i) this incident took place accidentally;
- (ii) the loss due to fire was not caused owing to negligence or carelessness on the part of any government official; and
- (iii) all the articles shown in the stock books to have been stored in the said godown were completely destroyed or rendered un-serviceable.

In view of the findings of the police and Commissioner, Quetta Division's report sanction to write off was accorded by the Department. The position was also explained to the Comptroller, Southern Circle, Karachi, through the annotated copy of the relevant Audit and Inspections Note, who accepted it and treated this objection to be settled.

The Committee observed that although the amount in question had been written off yet the Committee feels that the Department had not, under the rules, reported the loss either to the Audit or to the Government consequently it occurred. The loss, however, was reported after a period of 11 months. The Committee directed that the Department should take disciplinary action against person or persons responsible for not reporting the matter to the Audit and Government in time and report the matter to the Committee at its next series of meeting when the accounts for the year 1961-62 are taken up.

(3) *Page 58, Para. 85, Opening personal bank account with Government cash—* In an office, heavy amounts were drawn from the treasury and deposited with the National Bank of Pakistan in the name of an official. At the close of the financial year 1959-60, the balance in bank was Rs. 1,43,848 on 31st August, 1960 which rose to Rs. 2,01,127 through further deposits. On winding up of the department on 30th June, 1961 the bank balance was Rs. 15,866 and the cash in hand amounted to Rs. 5,109. Instead of depositing the total of Rs. 20,975 into the treasury the whole amount was taken away by the head of the defunct Institution on the plea of settling old claims for which no account had been rendered till the audit inspection. Besides, the office used to keep equally heavy cash balance in hand i.e. Rs. 92,295 on 30th June, 1960 and Rs. 49,585 on 30th April, 1961. Audit had pointed out such irregularities and the office concerned had promised to avoid recurrence thereof but the irregular procedure went on up to the close of the office.

The Department explained that the development officer never drew from the Government treasury any amount for expenditure on development schemes till these schemes had been duly sanctioned by the Development Area Advisory Committee. The amount were drawn only when they were required for disbursement to the Village Councils, in connection with execution of the Development Schemes in their respective areas. But as, in most of the cases, the Village Council concerned were required to raise the matching Community contribution or to comply other formalities before their entitlement to receive the payments, the amount in question had to be retained by the Development Officer with him.



As a justification for opening a bank account in the National Bank of Pakistan for keeping such un-disbursed amounts, the Department explained that it was done in good faith for safe-guarding the Government money. The bank account was quite clear and no irregular transaction, or withdrawal was made. The money was lying in safe custody and was operated upon whenever it was required to be paid to Village Councils concerned for execution of the Development projects.

As regards the amount of Rs. 20,975 taken away by the Development Officer on the plea of settling old claims, the Department intimated that an amount of Rs. 15,145.34 has already been deposited in the Government Treasury and the remaining amount of Rs. 5,829.44 has been paid to the persons/Agencies against their outstanding claims. The payment vouchers are on record and could be verified by audit.

The Committee observed that it was not inclined to accept the explanation given by the Department. There could be no justification for any money belonging to the Government, being deposited in the personal account of an officer. The mere fact that the defalcation might or might not have been made, was not sufficient to justify this. In the opinion of the Committee, severe action should be taken against the officer concerned and the matter reported to the Committee.

The Committee desired that Audit should verify and report to the Committee whether the Government had suffered any loss due to this or not. The item was deferred to be taken up alongwith the accounts for the year 1961-62.

(4) Page 66—68, Para. 92, *Delay in disposal of Inspection Reports and Audit Notes*—In this case certain Audit Notes had not been replied to by the Department.

The Department stated that :—

- (i) The compliance report of the only one audit note for the year 1958-59 relating to the West Pakistan, Social Welfare Council, was sent by the Council, to the Accountant-General, West Pakistan, on 23rd April 1966.
- (ii) First replies to the 26 outstanding Audit Notes pertaining to the offices of the defunct V-Aid Department were sent to Comptroller, Southern Area, Karachi by the concerned offices. Confirmation of this fact has been received from the comptroller.

As regards action for delay, the Department stated that the V-Aid Organization was wound up in June, 1961, and the officers working there have dispersed throughout Pakistan and some of them left Government Service. It had not been possible to fix responsibility for non-compliance with the audit reports.

As regards (i) the Audit pointed out that replies to three Audit Notes pertaining to Labour Office, Lyallpur, Development Office, V-Aid, Gujranwala and Deputy Director, Basic Democracies, V-Aid, Lahore were also pending. The contention of the Department was that they did not receive these reports. The Committee desired that the Audit should re-examine the three items. The Committee further directed that the Department should inform the Committee of the action taken against the officer responsible for the non-compliance of Audit Notes in time. This part of the item was deferred to be taken up again alongwith the accounts for 1961-62.

As regards (ii) the explanation was accepted by the Committee and the item was dropped.

## PUBLIC HEALTH ENGINEERING DEPARTMENT

(1) *Page—27, Para. 38, Un-authorised payment.*—According to the Audit a contractor who had tendered for the supply of 15 lacs bricks and was required under the terms of Agreement, to make his own arrangements for land and setting up the kiln close to the site of work supplied bricks from a kiln located at a distance of 12 miles from the site of the work and was paid an amount of Rs. 6,272 to him on account of carriage charges.

The Department explained that the question has been discussed in the Departmental Accounts Committee held on 7th February, 1963 after which it was decided that:—

(i) The market rate of bricks at that time should be ascertained and intimated to Audit.

(ii) The disciplinary action taken against the official responsible for wrong preparation of the agreement might also be forwarded.

The rate of first class bricks during the year 1968-59 viz. Rs. 45 to Rs. 48 per thousand numbers was ascertained by the Executive Engineer, L.I.T. Public Health Engineering Division, Lahore and the same was intimated to the Audit office on 5th September, 1963. As regards disciplinary action warning was issued to the Head Clerk.

As regards the recovery from the contractors the Department stated that since no loss was sustained to Government in this respect as agreed by the Departmental Accounts Committee held on 7th February, 1963 the question for making recovery of extra payment made to the contractor did not arise. As per agreement the contractor was supposed to supply bricks at the site of kiln and as per extra condition No. 1 he was supposed to select a site close to the work in Gulberg Extension No. III. No Kiln could be put in within the populated area and also without selecting proper soil condition for bricks. The site selected might be the probable suitable site at that time.

The Department further explained that the amount of Rs. 6,272 was not paid to the contractor who supplied the bricks. This amount had been paid to another contractor under a separate contract for the carriage of bricks. This was accepted by the Audit. The Committee feels that in view of the positive directions and rules available on the subject, the agreement should not have been worded vaguely and more precautions should have been taken. The Committee was further of the view that the matter called for warning to be given not only to the clerk concerned but also to the officer who signed the agreement.

Subject to above observation, the para was dropped.

(2) *Page 64, Para. 91, Expenditure on 173 deposit works amounting to Rs. 37,57,280 in Excess of deposits received by P.W.D.*—In this case, expenditure on 173 deposit works to the extent of Rs. 37,57,280 was incurred in excess of the Deposits received.

According to the written explanation of the Department out of the total 173 works, the balance funds for 158 works (including all the 10 Major works, have been received from the Local Bodies concerned, adjusted and verified from the Audit office.

All efforts were being made by the Superintending Engineers concerned to recover the balance amount. Regarding the disciplinary action against the officers/officials it was stated that all Superintending Engineers were asked to submit the explanations of the concerned officers/officials in this connection and the up to date position in this respect is as follows:—

(a) Regarding 158 works which have already been settled some of the Executive Engineers/Superintending Engineers have submitted their explanations that funds of the Local Bodies were available in lump sum with them at the time of start of these works, but these were not

brought on the registers against separate individual works. In such circumstances there was no loss to Government and no Government funds were utilized for Local Bodies works;

- (b) Regarding the explanations of the officers/officials for the remaining 15 works which are still to be regularized Superintending Engineers are in correspondence with the responsible officers/officials for the irregularities. Due to the fact that most of the officers/officials have been transferred to various far off places and in certain cases to other Departments it is becoming difficult and takes long time to contact them and obtain their explanations. However action is being expedited in this direction and remaining explanations will soon be obtained and proper action will be taken up by the Department.

In the oral examination the Department stated that out of 173 works as originally mentioned, 15 were settled by the audit leaving 158 works. Out of these deposits were received in lump sum in 26 cases, out of the balance of 132 cases, deposits were subsequently received for 122 works from the various Local Bodies. Subject to the verification of this position by the Audit, the Department was asked to report the details of 26 works for which deposits were received in lump sum and whether subsequently the amounts spent from this lump sum was for the relevant works.

The Committee observed that the Department did not follow the instructions with regard to the making of payments as contained in para. 2-10 (a) of Punjab Financial Rules, Vol. I.

The Committee asked the Department to clearly state the source from which the expenditure was incurred in contravention of the Financial Rules and also state the method adopted.

The Committee feels that disciplinary action must be taken against the person or persons responsible for executing the deposits works in anticipation of deposits or in excess of deposits.

The Committee deferred the para to the next series of the meetings when the accounts for 1961-62 are considered by the Committee. The Committee directed that full information and details as asked for above, should be furnished at the next meeting.

(3) *Page 69, Para. 93 (a) (b)—Delay in the Disposal of Inspection Reports and Audit Notes*—In this case, Audit pointed out that a large number of Audit Notes and Inspection Reports pertaining to the Public Health Engineering Department were outstanding and had not been disposed of inspite of the repeated reminders.

The Department explained that all the Inspection Reports and Audit Notes pertaining to this Department had been disposed of and none was outstanding. This was verified by the Audit. The Department had not taken any action against the officer responsible for the non-compliance of Audit Report. The Committee directed that the Department should take necessary action in this behalf. Subject to this direction the para. was dropped.

(4) *Page 76, Para. 98—Contract agreement not supplied to Audit*—Copies of contract agreement sanctioned by the authorities higher than the Divisional Officer are required to be supplied to Audit. In 52 works executed up to 1960-61 by the Public Health Engineering Department Audit was not supplied copies of such agreement.

The Department explained that out of 52 agreements shown as outstanding 37 agreements were not required to be sent to Audit Office, as the same had been accepted by Executive Engineers. Copies of the remaining 15 agreements have since been sent to Director, Audit and Accounts (Works). This was confirmed by the Audit.

The Committee made the same observation as in the case of Para. 93 (a).

(5) *Page 3 Para. 5 read with Page 417 Grant No. 37 Capital outlay on Improvement of Public Health*—The Committee deferred the consideration of the above and the rest of the items of Basic Democracies, Social Welfare and Local Government Department to the next series of meetings. The Department was directed to prepare fresh working papers in respect of these items containing the latest position duly commented upon by the Audit for consideration at the next meeting.

III. The Committee then adjourned to meet again on Thursday, the 2nd February, 1967 at 9.00 a. m.

LAHORE :

The 1st February, 1967

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 2ND FEBRUARY, 1967 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) Mr. Malang Khan, M. P. A.   | ... Member.   |
| (6) Rana Muhammad Yasin, P. A. & A. S. Accountant-By invitation.<br>General, West Pakistan.   |               |
| (7) Mr. Asif Ali Shah, C. S. P., Deputy Secretary, Industries, Commerce and Mineral Resources Department along with Additional Director of Industries, Controller Printing and Stationery and Member, Finance, W. P. S. I. C. | Ditto.        |
| (8) Mr. I. A. Shah, Director of Technical Education   | Ditto.        |
| (9) Mr. S. M. A. Kazmi, C. S. P., Secretary to Government of West Pakistan, Food Department.  | Ditto.        |

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

II. The Committee proceeded to examine the explanations of the Industries, Commerce and Mineral Resources Department. At the outset regrets of the Secretary, Industries were conveyed to the Committee through his Deputy Secretary that his son was seriously ill and so he could not attend the meeting. As a special case the Committee decided to take up items relating to Industries Deptt. in the absence of the Secretary.

III. In the first instance the Committee took up the following items pertaining to the Appropriation Accounts for 1959-60 :—

(1) *Page 3, Para. 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*—This item was considered by the Committee at the meeting held on 1st February, 1967, when it was deferred to be considered in the presence of the officers of the Industries, Commerce and Mineral Resources Department to-day. This Department had earlier been directed to bring all the record connected with this item to the meeting.

The Industries Department now stated that the Department had sent the relevant figures to the Education Department but the difficulty was that the figures prepared by the Director of Industries and the Director of Technical Education did not tally with each other. Thereupon the Committee asked the Education Department to send their representative to the Industries Department and tally the figures. The Committee desired that this work should be completed by both the Department by Monday next at the latest.

(2) *Page 3, Para. 5 read with Page 192-Grant No. 36 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, asked the Industries Department to furnish detailed information in respect of this saving.

At the meeting held on 3rd November, 1966, the Industries Department supplied the figures of amount allocated to various Departments. The Committee had then observed that the Department was not clear as to the purpose of the alloca-

tion under this grant nor was it in a position to state as to the nature of 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 had desired that both the Industries Department and the Finance Department should look into this matter fully and the allocation particularly as to what type of books and periodicals are meant to be purchased under this head.

The Department now stated that :—

"In accordance with the provision of rule 5-14 of the Punjab Budget Manual (5th edition), the provision under this head of account used to be made to meet the cost of all priced official publications of the Government of Pakistan (Central) or of other Provincial Governments (East Pakistan) and unofficial publications and newspapers purchased through High Commissioner for Pakistan in U. K. of general utility required by the Government Departments of the Province, which have to be paid for and the cost adjusted through the exchange account and debited to this head. This head is being operated upon by the Secretary Industries, Commerce and Mineral Resources Department as per appendix 'D' of the said manual.

As all the Departments have their own grants under contingencies of their respective heads of accounts, it has been decided in consultation with the Finance Department that the existing practice of providing funds should be discontinued from the ensuing year 1967-68 and all the Government Departments should purchase publications from their respective grants.

The Committee observed that the provisions of Rule 5-14 of the Punjab Budget Manual had been misquoted by the Department. This rule runs as under :—

5-14-57-Miscellaneous-(a) *Books and Periodicals-Cost of Books and Periodicals*—This will show the provisions required to meet the cost of all priced official publications of the Government of Pakistan or other Provincial Governments which an officer may require and which, have to be paid for and the cost adjusted through the exchange account and debited to this head. Deputy Commissioners and other Disbursing Officers will prepare the estimate for this head and submit it through their Controlling Officers and Heads of Departments (as in Appendix D).

The cost of unofficial publications and newspapers, purchased for the High Commissioner for Pakistan through the agency of the Punjab Government is shared between the Central Government and the Punjab Government. The expenditure incurred by the Punjab Government on this account is debited in the first instance to the Central Government under the head "57-Miscellaneous-Cost of books and periodicals". At the close of each calendar year the Accountant-General, Pakistan Revenues, determines the share payable by the Punjab Government and makes the necessary adjustment.

The Committee further observed that the Department had not supplied the list of books and periodicals purchased under this head. The Committee was, however, pleased to note that its suggestion had been taken note of and this grant would now be discontinued. From the Committee point of view it still required clarification as to what type of publications could be imported by the various Departments. The Committee desired that the Finance Department should look into this matter. Subject to these observations, the item was dropped.

IV. The Committee then took up the consideration of the explanations of the Industries, Commerce and Mineral Resources Department in respect of the items appearing in the Appropriation Accounts for the year 1960-61.

(1) *Page 508-Grant No. 42-Loans and Advances by the Provincial Government-B-3-(5)-Loans to West Pakistan Small Industries Corporation-Saving Rs. 3,66,801*—The Department stated that the saving of Rs. 3,05,801 was due to the reason that provision made for W. P. S. I. C. was subsequently transferred to the head "63-B-Development-R-Industries Grant-in-aid to Small Industries Corporation". The remaining saving of Rs. 61,000 was due to the fact that no sanction for the release of this amount was issued by the Government.

Subject to verification by the Audit the item was dropped.

(2) *Page 3, Para 5 read with Pages 245—249 Grant No. 24-Industries*—The Department was not in a position to give item-wise explanation with necessary details for the Surrender and Saving under this head. The Committee observed that the Department was not fully prepared to explain the items pertaining to this Department with necessary details. The consideration of all the items was therefore deferred till next series of meeting of the Committee. The Department was asked to furnish full and complete information in their working papers for the next meetings.

V. The Committee then considered the explanations of the Food Department in respect of the following two items pertaining to the Appropriation Accounts for the year 1957-58.

(1) *Page 39, Para. 22. (i)*—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. At the meeting held on 28th October, 1966, the Department had contended that there was no excess refund but misposting or mis-classification. 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 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 had then 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 upto now failed to trace out.

The Department now stated that the entries regarding the balance amount of Rs. 70,403 have been traced out in the Regional Office cash books but the circumstances leading to Misposting/Misclassifications and the manner in which the same can be rectified could not be ascertained due to non-availability of the relevant cash vouchers.

Strenuous efforts are being made by the Deputy Director, Food to dig out the old record from various places. Action is also being taken to scrutinize subsidiary record in the Regional Office to collect the required information.

The para. was deferred to be taken up alongwith the Accounts for the year 1961-62.

(2) *Page 40, Para 28 (iv) Outstanding Recoveries*—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 a short supply of 600 bags wheat and at the same time failed to return 6,400 empty bags. The remaining 10 per cent payable amount, security deposit, commission and the quality allowance as recoverable on the goods supplied were found insufficient to make good the recovery of Rs. 29,000.

At its meeting held on 28th October, 1966, the Committee was informed that the defaulter had filed a declaratory suit which had been decreed against the Government by the Senior Judge, Karachi. An appeal had been filed in the Court of District Judge, Karachi. Secretary Food had then stated before the Committee that appeal filed before the District Judge, Karachi had also been lost and an appeal had been filed in the High Court. The next day the Secretary Food informed 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 District Judge, Karachi, and the Judgement had not yet been pronounced by the District Judge. The Committee on receipt of this letter had desired that the Secretary Food should appear before the Committee on 3rd November, 1966 and explain why a wrong statement was made initially.

On 3rd November 1966, 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 paragraph comes up again before the Committee the Department should inform the Committee of the action taken against those officers who had supplied to the Secretariat incorrect information.

The Department now stated that the enquiry revealed that Mr. Patch Muhammad, Senior Auditor of Hyderabad Region was responsible for supplying the wrong information. He is being proceeded against for negligence of duty. Originally a sum of Rs. 29,000 was due to be recovered from Mr. Muhammad Ali Gorar, ex-agent. The Collector Dadu was requested to recover the amount as arrear of land revenue from the said ex-agent. The amount had been verified by the Audit Party. The account was thereafter reconsidered an amount of the recovery due was reduced from Rs. 29,000 to Rs. 21,329.25. The Department further stated that this particular case was also included in paragraph 26(4) regarding the recovery of Rs. 7,65,659 which was dropped by the Public Accounts Committee in its meeting held on 28th October 1966 with the following recommendations:—

"The Committee observed that if the cases still under litigation in which the amount involved is Rs. 7,65,659 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 paragraph was dropped."

The Committee directed that recovery part should be got verified by the Audit and further progress be reported to the Committee at its next series of meetings when the accounts for the year 1961-62 are considered.

VI. The Committee then considered the explanations of the Food Department in respect of the following items appearing in the Appropriation Accounts for the year 1960-61:—

(1) Page 51, paragraph 68—*Transit losses*—In this case Food grains stocks to the extent of 22,943 maunds valuing Rs. 2,95,750 had been lost in transit during 1957-58 and 1959-60 as detailed below:—

Particulars	Quantity	Value	Scheme
	Maunds	Rs.	Year
(i) Imported Wheat	19,045	2,33,300	1957-58
(ii) Imported Wheat	2,869	45,904	1959-60
(iii) Indigenous Wheat	960	15,360	1959-60
(iv) Wheat Atta	62	1,015	1959-60
(v) Rice Basmati	2	56	1959-60
(vi) Rice Hansraj	5	115	1959-60
Total	22,943	2,95,750	

The Audit Department had not been informed whether the loss had been made good or written off.

The Department stated that the enroute shortages in transportation of stocks of foodgrains is unavoidable and a normal feature of the Department. No loss was sustained by the Government on this account, as this element was included in the price structure of each commodity fixed by the Government and recovered from the consumers. The position of shortages in respect of each item was explained as under :—

(i) *Imported wheat, 19,045 maunds*—The quantity despatched ex-Kiamari in unstandardised consignments of Imported Wheat was found short at destination. The audit had worked out the shortages on the basis of weight shown in the railway receipts and that found at destination after standardization whereas, the actual loss could only be determined in comparison with the advised weight which was never communicated by the Central Government wagon-wise. The Provincial Government have, however, lodged claims against the Central Government for compensation of the transit losses determined on basis of consolidated ship accounts. The decision is still awaited.

(ii) *Imported wheat, 2,869 maunds*—Out of 2,869 maunds of imported wheat a quantity of 345 maunds related to shortages found in unstandardised consignment and is covered by the claim against the Central Government and the explanation for this is similar to that of the preceeding paragraph. Out of the remaining 2,524 maunds, 2,331 maunds have been written-off by the competent authority. This has been verified by the Audit.

As for the balance of 193 maunds the Department stated that at present it is examining the case as to whether it is a fit case for a write off or whether it involves any recovery.

The Committee directed that in case the amount is written off it should be got verified by the Audit. If any portion of it involves recovery the Department should take immediate steps to effect the same.

With these remarks the item was dropped.

(iii) *Indigenous wheat, 960 maunds*—The Department said that out of 960 maunds, 787 maunds have since been recovered and verified by the Audit. The cases relating to remaining 173 maunds are under investigation and results would be intimated to the Committee at the next series of meetings. The item was accordingly deferred to be taken up alongwith the accounts for the year 1961-62.

(iv) *Wheat Atta, 62 maunds*—The Department stated that out of 62 maunds cost of 30 maunds of wheat has already been recovered. The result of investigation relating to the remaining 32 maunds would be intimated to the Committee at the next series of meetings. The item was accordingly deferred to be taken up alongwith the accounts for the year 1961-62.

(v) *Rice Basmati, 2 maunds*—The amount has been recovered and credited to Government. The item was dropped.

(vi) *Rice Hansraj, 5 maunds*—The actual shortage was 4.35 maunds and cost amounting to Rs. 113.69 recovered. The item was dropped.

(2) *Page 51, paragraph 69—Infructuous Expenditure*—In this case during September, October and November, 1958, 1,78,888 maunds of imported wheat was booked from Keemari to Rawalpindi. During the same months, 1,74,646 maunds imported wheat was booked from Rawalpindi to the various destinations in Multan Division. This unplanned movement of stocks resulted in an infructuous expenditure of about Rs. 4,96,650 on railway freight. The Department had explained to Audit that the movement was necessitated due to lack of adequate storage accommodation. According to Audit the expenditure could have been avoided had the stocks been originally consigned to the P. R. Centres where it was required or where accommodation was available.

The Department stated that the objection appears to have been based on some misapprehension. No doubt, imported wheat was received at Rawalpindi for storage and milling purposes but it was not railed back to various destinations in Multan Division on Government account. Wheat Products, i.e., Atta, Maida and Suji were, however, despatched to Multan to meet the demand for local consumption.

The Audit pointed out that Department has stated that the wheat products and not the wheat were despatched from Rawalpindi to Multan Divisions to meet the demand for local consumption. The Committee asked the circumstances in which the wheat was not despatched to the nearest station of the Multan Division for milling purpose and to meet with the local demand.

The Department then stated that the Multan Roller Flour Mills having a 24 hour milling capacity of 31 tons, which was an evacuee concern, was closed when the wheat products were moved from Rawalpindi to Multan for local consumption in September to November, 1958. The Flour Mills at Lahore were not in a position to meet the demand of atta of Multan District. The extra expenditure was incurred in public interest.

The Committee observed that it would like to know the details and capacity of the Okara Flour Mills and also the capacity of the two flour mills of Rawalpindi which were used. The Department should also give details of the capacity of the flour mills in Lahore Division. Complete data of the storage capacity of various reserve centres should also be furnished.

The paragraph was deferred to be taken up again at the next series of meetings when the accounts for the year 1961-62 are taken up.

(3) *Page 52, paragraph 70—Overpayment*—In this case a large quantity of Rice was purchased by the Central Government through the Provincial Food Department. Payments were made to the dealers on the basis of the results of analysis by the Provincial Food Laboratory. On super inspection by the Ministry of Food at Karachi it was discovered that an overpayment of Rs. 41,800 had been made to the dealers as a result of incorrect assessment of the quality of the rice purchased by the Provincial Food Laboratory. The recoveries had not been effected upto 30th April, 1962.

The Department stated that there was no provision in the agreement entered into by the suppliers of rice that quality allowance on account of supplies made below specification would be recoverable on the basis of super-analysis of rice carried out by the Central Government at Karachi. According to the established practice and convention quality allowance was recovered on the basis of analysis of samples carried out in the Foodgrains Laboratory of the Provincial Government were meant for comparison only and never communicated to the suppliers. As such, no overpayment was made on this account.

The Audit pointed out that such provision should have been made in the agreement upon which the Department stated that the agreement was drafted in consultation with the Central Government and on the analogy of practice followed in the past. The Central Government neither objected nor lodged any claim on this account.

The paragraph was deferred for re-examination by the Audit and making a joint attempt for reconciliation. The results would be reported back to the Committee at its next meeting when accounts for the year 1961-62 are taken up.

(4) *Page 52, paragraph 71—Outstanding Recoveries*—In this case recoveries aggregating Rs. 53,53,716 were outstanding on 30th September, 1960, against various dealers, non-Government bodies and officials of the Food Department on account

of overpayments, cost of shortages etc. as detailed below :—

	Rs.
1947-48	52,14,421
1948-49	11,693
1949-50	23,561
1951-52	110
1952-53	15,699
1953-54	24,736
1955-56	2,293
1957-58	51,685
1958-59	2,525
1959-60	663
Gunny Bags	6,330
<b>Total</b>	<b>53,53,716</b>

Out of the above recoveries a sum of Rs. 34,224 had already been characterised by the Department as bad debts. Sanction of the competent authority for writing off the losses was as per Audit Report awaited.

The Department stated that the position of outstanding recovery was as under :—

	Rs.
(i) Amount recovered	17,548
(ii) Amount written off as bad debts	1,142
(iii) Cases under litigation	52,30,701
(iv) A sum of Rs. 254 has been recovered and losses to the extent of Rs. 5,207 written-off. The balance amount of Rs. 1,548 would be recovered shortly.	7,009
(v) Cases under scrutiny and action	97,321
<b>Total</b>	<b>53,53,716</b>

Items at Serial No. (i) and (ii) were dropped. Regarding remaining three items, the Department was directed to report the progress at the next meetings of the Committee when accounts for the year 1961-62 are taken up.

(5) Page 53, paragraph 72—*Shortage of Food Stuffs*—In this case the following shortages occurred in an office during the years 1958-59 and 1959-60 :—

Year to which pertains	Month in which noticed	QUANTITY	
		Maunds	Amount
(i) Wheat 1958-59	June, 1960	20-140	Rs. 2,51,750
(ii) Sugar 1959-60	April, 1961	97	5,102

The Department had intimated to Audit that the shortage of 18,538 maunds of wheat valuing Rs. 2,27,089 was due to (i) difference in weightment on receipt and issue of stock; (ii) receipt of unstandardized bags, and (iii) progressive dryage on account of dry climate and that they have approached the Government for write-off of this shortage. The manner in which the shortage of the remaining quantity of 1602 maunds of wheat and 97 maunds of sugar occurred and action for making good of write-off of this shortage had not been intimated to Audit.

The Department stated that these were complicated cases and the Department was making efforts but the date was not specified and as such it could be known as to why this issue had taken so long. The explanation of the Department was not considered satisfactory. The Committee directed that strenuous efforts should be made to increase the speed of recovery. The paragraph was deferred to come up again in the next meeting of the Committee when the accounts for the year 1961-62 are taken up.

(6) Pages 66-69; paragraph 92—*Delay in disposal of Inspection Reports and Audit Notes*—In this case Audit Notes had not been replied to by the Department.

The Department stated that replies to the Audit Notes have been sent to the Audit. The Officers responsible for delay have been warned to be prompt in attending to the Audit observations in future.

The explanation was accepted and the item was dropped.

(7) Page 312, Notes 3 and 4—In this case Running Accounts of Food-grains Supply Scheme and Combined Trading and Profit and Loss Account of the Sugar Nationalization Scheme had not been made available by the Department to the Audit for inclusion in the Appropriation Accounts for 1960-61:—

The Department stated that the annual financial accounts of the Food Department are drawn in the following accounts:—

(i) Running accounts showing the transactions relating to the foodgrains supply scheme;

(ii) Combined trading and profit and loss accounts of Sugar Nationalization Scheme.

The reasons for the delay in the preparation of the above-mentioned accounts were examined at length by the Standing Committee of Public Accounts in the meeting held on 24th November 1965. The Committee had 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 the existing system and to close the accounts at the end of each year."

The Government had decided that the accounts of foodgrains and sugar trading schemes handled by the Food Department should be prepared on commercial basis. An Officer of the Food Department was detailed to study the accounting procedure followed in the Food Department of East Pakistan who had already commercialized their accounts. A scheme to change the pattern of accounts has already been drawn up and tentatively approved by the Government subject to the concurrence of the Audit Department. A draft of revised accounting procedure together with 108 forms was sent to the Director of Commercial Audit, Karachi on 9th May, 1966. The comments received in September, 1966, were replied to in November, 1966. A demi-official reminder from the Secretary Food was sent to the Director of Commercial Audit on 2nd January, 1967, to expedite the finalization of the case. He has informed that the matter is receiving his attention. The Accountant-General, West Pakistan, Lahore, in his memo. of 16th January, 1967, has also sent to a similar interim reply. Mr. Akhlaq Hussain, T.Q.A., C.S.P., Additional Secretary, Finance Department, has also written a D. O. letter to Mr. S. M. Raza, S.Pk., Comptroller and Auditor-General of Pakistan on 24th January, 1967, to convey his concurrence for adoption of the commercial accounting procedure in the Food Department.

The Committee noted with satisfaction that the recommendation of the Committee for a change in the accounting procedure had been accepted. The Committee, however, observed that the Department did not take any action against the officers responsible for non-submission of the accounts in question. The Committee desired that further progress in this matter be reported to the Committee. The item was deferred to be taken up along with the accounts for the year 1961-62.

(8) *Page 516, paragraph 27 (i)—Mis-appropriation of Stock*—In this case Foodgrains Inspector and a Foodgrains Supervisor had mis-appropriated a cash of Rs. 98 and Wheat Atta, Empty Gunny Bags, Locks and Chairs worth Rs. 16,364.

The Department stated that a sum of Rs. 1,823 was recovered from the Inspector and Supervisor concerned reducing the net loss to Rs. 14,639. The court acquitted the Foodgrains Inspector but convicted the Supervisor. A departmental enquiry to determine the responsibility on the person by whose negligence the loss occurred is in progress. The matter for regularisation of the loss is under consideration.

The explanation given by the Department was accepted. The Committee directed that the recovery of Rs. 1,823 should be got verified by the Audit and the rest of the amount which is in the process of being written off should be written-off. The paragraph was dropped.

(9) *Page 516, paragraph 27 (ii)—Mis-appropriation of Stock*—In this case the staff of an office mis-appropriated Government wheat and made up the deficiency in weight by mixing sand.

The Department stated that the staff of the despatching P. R. Centre was held responsible for the mis-appropriation but the Special Judge, Sargodha acquitted the officials.

The services of the officials were terminated in 1955. Since no further action was possible at this stage, the loss was written-off.

The explanation was accepted and the paragraph was dropped.

(10) *Page 517, paragraph 28 (1)—Theft of Gunny Bags*—In this case 400 Gunny Bags had been stolen from a Provincial Reserve Centre.

The Department stated that between the night of 14th and 15th June, 1962, 501 empty gunny bags were stolen at Dunga Bunga P. R. Centre. A case was registered with the Police who recovered 185 bags and returned to the Department. The accused was sentenced to two years imprisonment but was acquitted on appeal by the Additional Sessions Judge, Bahawalnagar on 30th November 1966. Action is being taken to regularise the loss.

The Committee observed that no satisfactory progress had been made by the Department and directed that progress should be reported at the next series of meetings along with the accounts for the year 1961-62.

(11) *Page 517, paragraph 28 (ii)*—In this case theft of 900 Gunny bags had taken place.

The Department stated that 900 used gunny bags lying underneath the bins at Kasowal were stolen. A case was registered with the police but the accused were discharged. The responsibility was fixed on the Food Inspector and the value of the gunny bags, viz., Rs. 1,800 was recovered from him during 1963 in four instalments.

The paragraph was dropped subject to verification of the recovery by the Audit.

(12) *Page 517, paragraph 29—Defalcation in Stock of Imported Wheat*—In this case on a raid conducted by an Officer of Food Department 200 filled bags of imported wheat were found short in a godown.

The Department stated that the stock was concealed by the Food Inspector, Renala Khurd in a private godown which was detected by the District Food Controller and taken into account. No loss occurred to the Government. The case was reported to the police who filed it being unfit for prosecution.

The Department further stated that the Food Inspector and the Supervisor who concealed the stock and were held responsible, have been awarded the punishment of stoppage of increments for three years with cumulative effect. The Committee decided that the Department must get this verified by the Audit that there is no loss by the Government. The Committee did not consider this as sufficient punishment and directed that the Food Department should in future take a more serious view.

Subject to the above observation the paragraph was dropped.

(13) *Page 517, paragraph 30—Misappropriation of Government wheat*—In this case 3 Trucks loaded with 348/351 maunds of imported wheat worth Rs. 12,190 were hauled up by Police. Some officials of the Food Department were alleged to have removed the wheat from the Government Stocks.

The Department stated that the matter is pending in a Court of law. The Committee directed that the paragraph should come up again before the Committee alongwith the accounts for the year 1961-62 when the Department should clearly report whether any loss was sustained by Government.

(14) *Page 517, paragraph 32—Misappropriation of Government cash*—In this case an amount of Rs. 1,600 drawn for incidental charges by a Foodgrains Inspector was actually not paid to the payee.

The Department stated that the actual amount determined by the Court was Rs. 468. One Cartman complained about the non-receipt of payment. A case was registered with the Police against the Foodgrains Inspector for misappropriation and forging the signature of the payee. The accused was sentenced to one year's rigorous imprisonment and a fine of Rs. 1,000 by the Special Judge, Anti-Corruption, Multan but acquitted by the High Court on appeal. It could not be held to the evidence that the amount was not paid to the payee. Under these circumstances, no further action is now necessary.

The paragraph was dropped.

(15) *Page 517, paragraph 33—Recovery of cost of wheat supplied to a state by a Political Agent*—In this case a sum of Rs. 2,18,465 on account of cost of 17,831 maunds 32 seers and 10 chattanks wheat supplied to a state by a Political Agent in June, 1960 was recoverable. At the instance of Audit a sum of Rs. 1,36,213 was recovered and the balance of Rs. 82,252 was still recoverable.

The Department stated that the payment of balance amount of Rs. 82,252 had been withheld by the Chitral State against their counter claim of an equivalent amount on account of transportation charges of wheat stock from Malakand to Chitral. Their claim was under active consideration of the Government. Necessary adjustment would be carried out as soon as the matter was decided.

The Committee directed that progress should be reported at the next series of meetings when accounts for the year 1961-62 are taken up.

(16) *Page 518, paragraph 34(i)—Shortage of wheat in transit*—In this case shortage of 4,332 maunds 32, seers and 8 chattanks of imported wheat valuing Rs. 56,321 occurred in transit from one station to another during the period from August, 1959 to June, 1960. The shortages were found in various consignments received by the District Food Controller from time to time. All the claims lodged with the Railway were repudiated by the authorities concerned. As the Railway authorities declined to accept the claims for shortages, the Department had been asked by Audit to regularise the loss of Rs. 56,321 by obtaining the sanction of the Provincial Government to its write-off.



The Department explained that the shortages pointed out by the Audit were at variance with those reported by the destination stations and the matter was still under correspondence. The Committee directed that the matter should be reconciled with the Comptroller, Northern Area, and the Department promised to finalize the case and report its progress at its next meeting. The item was accordingly deferred to be taken up when the accounts for the year 1961-62 are considered by the Committee.

(17) *Page 517, paragraph 34 (ii)—Shortage of wheat in transit*—In this case shortage of 106 maunds, 33 seers wheat valuing Rs. 1,510 was found in the consignments of wheat at a Railway Station while taking delivery of wheat by a representative of a Political Agent.

The Department stated that the shortages have since been written-off after proper investigation by the competent authority.

The Committee did not feel satisfied with the explanation furnished by the Department and asked them to give details of the irregularities. The Committee also directed the Department to produce before them details of the disciplinary action taken against the concerned persons. The Department was also directed to get the write-off verified by the Audit. The matter would come up again before the Committee at its next meeting when the accounts for the year 1961-62 are taken up.

(18) *Page 518, paragraph 34 (iii)—Shortage of wheat in transit*—In this case quantity of 105 maunds, 36 seers and 9 chattanks of wheat valuing Rs. 1,312 was found short in transit while taking delivery from the Railway Authorities. The office of the Political Agent concerned had been asked by the Audit to make recovery of shortage from the Railway Department or to obtain sanction to its write-off from the competent authority.

The Department stated that the actual quantity of *en route* shortages was 104.24.10 maunds found in five wagons received during February and May, 1959. On conducting a preliminary enquiry, the responsibility was fixed on the Junior Inspector who did not lodge claims against the Railway Administration within the stipulated period.

A departmental enquiry under the West Pakistan Government Servants (Efficiency and Discipline) Rules, 1960 is being arranged.

The Committee did not feel satisfied with the explanations furnished by the Department and asked them to report the progress made in the matter at its next series of meetings when accounts for the year 1961-62 are taken up.

(19) *Page 519, paragraph 34 (iv)—Shortage of wheat in transit*—In this case shortages of 554 maunds of wheat had been noticed in the office of a District Food Controller in the consignment of imported wheat during the period from April, 1960 to December, 1960.

The Department stated that the *en route* shortages of 554 maunds of wheat were found in five different consignments received during the months of March to December, 1960. The claims were lodged against the Railway Administration but repudiated on one pretext or the other. Cases for write-off aggregating to 511.38.14 of wheat are under consideration of the Deputy Director Food, Peshawar. The shortages in question also include a quantity of 25.35.15 maunds of imported wheat received in unstandardised bags for which a claim had already been lodged with the Central Government as explained against paragraph No. 68. There was, however, no shortage of the balance quantity of 16.11.4 maunds of wheat as the quantity received at destination was accepted by the consignor.

The Committee directed that the non-accrual of shortage of 16.11.4 maunds should be got verified by Audit. The paragraph was deferred to be taken up along with the accounts for the year 1961-62 when the Department should also report

whether claim with the Railway was lodged in time and if not, what action was taken against the official at fault.

(20) *Page 519, paragraph 35—Overpayment of Octroi*—In this case Octroi charges on wheat were paid at Rs. 1-4-0 per maund as against Rs. 0-7-0 actually payable. This resulted in an excess payment of Rs. 21,252 during the period from 1st July, 1959, to 3rd June, 1960. The office concerned had been asked by Audit to arrange for the recovery of the amount.

The Department stated that the Octroi was incorrectly and illegally charged by the Paracinar Bazar Fund at the rate of Rs. 1-25 instead of Rs. 0-43 per maund. The Political Agent, Kurram, had admitted the claim of the Food Department and recommended to the Commissioner, Peshawar Division to accord necessary sanction for the refund of the amount. His sanction is awaited.

The Committee directed that the Department should report the progress at the next meetings of the Committee when accounts for the year 1961-62 are taken up.

(21) *Page 519, paragraph 36 (i)—Shortage in wheat*—In this case as a result of check weighment a shortage of 1,298 maunds, 14 seers and 4 chhattanks wheat valuing Rs. 16,980 was found at a station of delivery. Since the wheat was being weighed both at the station of despatch and delivery in the presence of the Railway Administration it was, therefore, for that Administration to bear the loss. The District Food Controller concerned had been asked by Audit to take up the matter with the Railway Authorities to recover the cost of wheat delivered short.

The Department stated that out of 1,298 maunds of shortages reported by the Audit Department, 96 maunds relate to the consignments of imported wheat received on inter-regional transfer of supplies from Multan Region. As a matter of fact no shortage was noticed in those consignments and no claims were lodged by consignor. With regard to balance quantity of 1,203 maunds, the cases are under investigation and consideration at different stages.

The item was deferred to be taken up alongwith the accounts for the year 1961-62 when the Department would report progress made by them.

(22) *Page 520, paragraph 36 (ii)—Shortage in wheat*—In this case the stock register of a Rationing Office of a Political Agent revealed that a shortage of 59 maunds, 4 seers and 9 chhattanks wheat was found as a result of physical verification. The office concerned had been asked by Audit either to recover the cost of the wheat from the person responsible or obtain sanction to its write off.

The Department stated that after giving a credit of 0-13-14 maunds on account of storage excesses, the net shortage was reduced to 58 maunds, 30 seers and 14 chhattanks valuing Rs. 940-34. A sweeping of 35 maunds 21 seers of wheat was collected from the same godown and auctioned which fetched Rs. 219-69, thus the net loss was reduced to Rs. 720-65 and was written off.

The explanation was accepted and the paragraph was dropped.

(23) *Page 520, paragraph 37—Loss on account of short recovery of cost of Ration Cards*—In this case the orders of Government raising the price of new Ration Cards from Re. 0-1-0 to Re. 0-1-6 with effect from 1st May 1959 were circulated by the Regional Head Office on 18th February, 1960, i.e. after 9 months with the result that the price of ration cards continued to be recovered, at the rate of Re. 0-1-0 per Ration Card during the period from 1st May, 1959 to 17th February, 1960. During the course of audit of District Food Controller, it was observed that 38,539 new Ration Cards were issued at various centres in the District. The short recovery of Re. 0-0-6 per Ration Card amounted to Rs. 1,204. The Department had been asked to regularise the loss.

The Department stated that the correct amount of outstanding recovery in Hazara District was Rs. 1,372-61. A sum of Rs. 522-49 has since been recovered and credited to the Government account. Action for the recovery of the balance amount of Rs. 850-12 had already been taken and District Food Controller asked to effect the recovery expeditiously.

The Committee directed that the recovery of Rs. 522.49 out of the outstanding amount of Rs. 1,372.61 should be got verified by the Audit. The Department was asked to recover the balance and report the progress to the Committee at its next meeting when accounts for the year 1961-62 are taken up.

(24) Page 520, paragraph 38—*Overpayment on account of Octroi on Sugar to Municipalities, etc.*—In this case a sum of Rs. 5,762 was overpaid by a District Food Controller to various Municipalities on account of arrears due to increase in the rates of Octroi on Sugar for the period from October, 1958 to December, 1958. The Government imposed an Octroi of Rs. 1-4-0 per maund on Sugar in order to observe uniformity in the rates of Octroi throughout the province. The rates then existing in various municipalities were Re. 0-8-0, 0-10-0 and 0-4-0. Accordingly the municipalities claimed the arrears from 13th October, 1958 and charged the Octroi at the increased rate of Rs. 1-4-0 per maund which was paid by the local offices. The Government sanctioned the payment of Octroi at the enhanced rate, with effect from 1st January, 1959. The payment of Octroi at the enhanced rates for the period prior to 1st January, 1959 was irregular. The local offices had been asked by Audit to obtain sanction to regularise payment of Rs. 5,762 made for the period from 13th October, 1958 to 31st December, 1958.

The Department stated that the Municipal Committees irregularly recovered Octroi on imports of Sugar at an enhanced rate. The matter was taken up with the Law Department who advised that the Municipal Committees were not justified in recovering the Octroi at enhanced rate. The matter was then taken up with the Municipal Authorities.

The Municipal Committees represented to the Commissioner, Peshawar Division, against the demand for the refund of excess amount charged by them, who in turn, referred the matter to Government in Basic Democracies and Local Government Department. The Deputy Director Food, Peshawar Region, has recently been advised after consulting Law Department and Basic Democracies and Local Government Department to effect the recovery of overpayments from the Municipal Committees. The amount is now likely to be recovered shortly.

The Committee directed that the Department should report progress at the next meetings of the Committee when accounts for the year 1961-62 are taken up.

(25) Page 521, paragraph 39—*Loss of Wheat*—In this case it had been noticed that against the book balance of imported and indigenous wheat of 66 maunds, 4 seers and 10 chhattanks and 5 maunds, 37 seers, respectively there was actually no stock at the godown on 16th August, 1960. The office concerned had been asked by Audit to obtain the sanction of the competent authority to the write off of above loss.

The Department stated that on verification of the departmental record, it has been found that the total shortages were 11 maunds 18, seers and 2 chhattanks not 66 maunds, 4 seers and 10 chhattanks of wheat as pointed out by the Audit Department. The Comptroller, Northern Area, Peshawar, has been asked to verify the position. The case is in process of finalization and the result will be reported after some time. A shortage of 5 maunds, 37 seers has, however, been written off by the Deputy Director Food, Peshawar Region after proper scrutiny.

The Committee asked the Department to give justification for the writing off of 5 maunds 37 seers of wheat and also to report progress made on the remaining shortage at its next meeting when accounts for the year 1961-62 are taken up.

(26) Page 521, paragraph 40—*Shortage in imported wheat*—In this case shortage of 101 maunds, 31 seers and 8 chhattanks was found in the office of a District Food Controller on verification during standardization of bags in September, 1960. The case as per Audit Report was stated to have been referred to the Regional Head of the Department for orders.

The Department stated that the shortage relates to unstandardized consignments of imported wheat supplied by the Central Government. The matter is under correspondence with the consignors.

The Committee directed that the progress should be reported at the next meeting of the Committee when accounts for the year 1961-62 are taken up.

(27) *Pages 521-22, paragraph 41—Misappropriation of Government Money—*In this case misappropriation of Government money amounting to Rs. 2,194 recoverable as organization fee on the issue permit for the export of fresh fruit from the former N.-W. F. P. was detected in the office of a former District Food Controller in December, 1948. The matter was reported to the Police who registered a case under section 409/420, P. P. C. Thereafter the case was entrusted to the C. I. D. Police for investigation into the alleged forgery of the Treasury challans which was altered from Rs. 100 to Rs. 400 and in some cases from Rs. 100 to Rs. 900 both in words and figures. Series of cases were registered by the Police against several traders and a few permit clerks of the District Food Controller. The accused were challaned to the Court but the cases against them were later on withdrawn by the Police after obtaining orders of the Provincial Government of former N.-W. F. P. for lack of evidence. The result of departmental enquiry in the case was awaited by Audit.

The Department stated that the amount in question has since been written off. The paragraph was dropped subject to verification of write off by the Audit.

(28) *Page 522, paragraph 42—Misappropriation of Sugar—*In an office of the Food Department 630 bags of 701 maunds of sugar worth Rs. 96,957 at Rs. 57 per maund were placed at the disposal of an official. The official did not account for the quantity in records. The case as per Audit Report had been reported to the Special Police by the Department.

The Department stated that as a result of scrutiny of the accounts of Pasni Sugar Centre during October, 1960, it was noticed that a consignment of 630 bags of imported sugar received on 28th March, 1958 was not taken into account by the Naib-Tehsildar, Supplies who mis-appropriated/embezzled the stocks. The case was immediately registered with the Police. The accused was tried in the Court of Sessions Judge, Kalat but was acquitted as a result of withdrawal of the case by the Government in consultation with the Law Department. Further action to regularise the loss and holding of a departmental enquiry will be taken on receipt of copy of the judgment from the Court.

The Committee directed that the progress should be reported at its next meeting when the accounts for the year 1961-62 are taken up.

(29) *Page 5, para. 8 read with Pages 310—12 Grant No. 34—Capital Outlay on Provincial Schemes of State Trading—Excess Rs. 3,01,99,190—*The Department's contention was that the excess expenditure reported by the Audit was not correct and that there was some confusion about the figures. The Department stated that the figures of expenditure required reconciliation and only then the excess expenditure could be explained. The Department requested that some time should be given to them for this purpose. The Committee deferred the item for consideration at its next series of meeting.

(30) *Page 517, Para 31, Theft of empty Gunny bags—*In this case 300 'B' Class empty gunny bags were stolen.

The Department stated that the theft was committed by one Chowkidar who was challaned by the Police and later acquitted by the court. The services of the Chowkidar were terminated.

The amount involved has been written off.

The para. was dropped subject to verification of write off by the Audit.

(31) *Page 3, Para. 6 read with pages 310—12 Grant No. 34—Capital Outlay on Provincial Schemes of State Trading—Saving Rs. 7,19,950 (Charged)*—The Department stated that the formula for working out of interest was approved by the Government in 1962. The amount provided for could not be surrendered.

The Committee decided to consider this item when the representative of the Finance Department was present and deferred the item to be taken up at the next meetings when accounts for the year 1961-62 are considered.

(32) *Page 9, Paragraph 14 read with page 313 Note 5—Embezzlement by a Cashier—*

(33) *Page 9, Paragraph 14 read with page 313—Note 6—Embezzlement of Cash—*  
The Working papers were submitted to the Committee very late regarding these two items. Therefore, the Committee were not in a position to proceed with the examination of these two paras. The paras. were, therefore, deferred to be taken up by the Committee at its next meeting.

VII. The Committee at this stage made a general observation that in almost all the cases which were pointed out by the Audit, the cases were initiated by the Department but subsequently the accused persons were acquitted which led to the conclusion that either the cases were not being properly pursued or not being properly framed. The Committee desired that the Finance Department should take up this matter with the Departments concerned.

VIII. The Committee then adjourned to meet again on Friday, the 3rd February, 1967 at 9-30 a.m.

LAHORE :

ZAIN NOORANI

CHAIRMAN,

The 2nd February, 1967

Standing Committee on Public Accounts.

- (c) Unforeseen increase in the number of under-trial prisoners and general rise in the fluctuating market prices of prepared food supplied to the under-trial prisoners in Judicial Lock-ups through contractors.

The Committee, after having heard the Department, felt that they had probably not presented their case to the Finance Department in such a way that the Finance Department could have felt convinced that the expenditure was in-escapable and the Supplementary Demand, to the extent asked for by the Department, had to be given. The Committee was of the view that the expenditure was really in-escapable. The Committee therefore decided to recommend that the excess expenditure might be regularised.

- (2) Page 7, Para. 12 read with page 209—Supplementary Grant proving partly or wholly un-necessary—Grant No. 15—Police—I—Works—Border Police—

	Rs.
Supplementary Grant	.. 4,44,220
Saving	... 1,50,915

In this case a supplementary grant of Rs. 4,44,220 had been obtained and thereafter there was a saving of Rs. 1,50,915. The supplementary grant had therefore proved partly unnecessary.

Explanation of the Home Department was that a sum of Rs. 4,44,220 was demanded through the Second Statement of Excesses and Surrenders for the year 1960-61 under the Sub-head "I—Works" to meet cost of construction of 15—pucca border posts at Rs. 16,000 each and 3 observation Towers at Rs. 50,450 each and other construction works which had been approved administratively during the course of the financial year. The aforesaid amount was allotted to the Department through Supplementary Estimates,—vide Finance Department letter No. 1396-BVI/61, dated June, 1961 which was received in the Headquarters of the West Pakistan Rangers on 27th June, 1961. Distribution of this grant among Subordinate Offices was made on 30th June, 1961 but the subordinate Office were not in a position to utilize the funds allotted for construction of 3 Observation Towers as agreement with the Indian side was not forthcoming for proposed sites and hence the delay resulted in the close of the financial year. Thus the funds were rendered surplus to requirements due to reasons beyond control.

The explanation was considered satisfactory and the item was dropped.

- (3) Pages 4-5, Para. 8 read with Page 307—Grant No. 32—Civil Defence—Excess Rs. 2,69,310—The Department stated that out of the excess of Rs. 2,69,310 the Book Adjustments alone stand for Rs. 2,69,174. The Book Adjustments were not in the knowledge of the Department and as such could not be foreseen because the expenditure so booked pertained to the Invoices for the year 1951 and 1959. Thus after deducting the amounts of these Book Adjustments there remained an overall excess of Rs. 136 against the final grant of Rs. 8,12,220 which is far less than 1 per cent and calls for no explanations.

On examination of the matter it appeared to the Committee that certain goods were invoiced and orders placed in earlier years and the debits on account of these goods were raised later on. The real question therefore was as to whether corresponding amounts were surrendered in the years 1951 and 1959 or not. This information was not forthcoming.

The para. was, therefore, deferred to come up again before the Committee alongwith the accounts for the year 1961-62.

- (4) Page 4 Para 8 read with Page 162—Grant No. 12—General Administration—O—Secretariat and Headquarters Establishment—12-(1) (C)—Excess Rs. 40,627—The Department stated that the excess expenditure of Rs. 40,627 was to the implementation of the Section Officer's Scheme and as a result thereof posting

of Officers drawing pay at a higher rate in the Home Department. The Budget Estimates and the revised estimates for the year 1960-61 were based on the actual pay drawn by the Section Officers who were then posted in the Home Department. In the revised estimates for the year 1960-61 it could not be anticipated that highly paid Officers would be posted to the Department during the year. Hence Rs. 40,627 were spent in excess of the modified grant in paying higher salaries allowances, etc. to these officer.

The Committee was not entirely satisfied with this explanation and sought the following further information.

(1) When was the Section Officer's Scheme introduced in the Department?

(2) When were the revised estimates for 1960-61 submitted?

(3) The number of Officers posted in the Department after the submission of revised Statements and the salary drawn by them.

(4) The total Salary that would have been drawn by the Officers who were transferred from the Home Department after the submission of revised Statement.

As this information was not forthcoming the para was deferred to be taken up along with the accounts for the year 1961-62.

(5) Page 4 Para 8 read with Page 166—Grant No. 12—General Administration—19-(2)—Reclamation Department—19-2(2)—(1)—Borstal Farm—Excess Rs. 1,404—The Department stated that the Reformatory Farms Nili Bar Burewala consisted of two units viz. the Borstal Farm and the Adult Farm Nili Bar. In considering the explanation for the Borstal Farm the accounts of the Adult Farm were also to be kept in view. The aggregate position of these two units was as under:

Against the total final grant of Rs. 94 030 for these Farms the total expenditure was actually Rs. 93,560 as detailed below and not Rs. 90,828 as shown in the Appropriation Accounts

	Rs.
Borstal Farm	55,260
Adult Farm	38,300
<b>Total</b>	<b>93,560</b>

Thus the difference between the figures of actual expenditure maintained by the audit office and the Department was Rs. 2,732 or Rs. 2,730 (round). The less booking in the audit office was mainly due to non-receipt and non-adjustment of the works bills (noted below) in the audit office—

	Rs.
(1) Work bill on account of Railway requisitions issued to the finally released parolees.	1,620
(2) Work bill on account of cost of medicines supplied to the said Farms by the Government Medical Stores Depot.	910
(3) Work bill on account of cost of service stamps purchased from the Government Treasury.	200
<b>Total</b>	<b>2,730</b>

The net position of these Farms accounts was that there was a saving of only Rs. 472 (Rs. 470 round) during the year.



The explanation was considered satisfactory and the item was dropped.

(6) Page 3, Para 5 read with Pages 212-219—Grant No. 16—Frontier Regions—Saving Rs. 16,34,355—The Department explained the saving as under :—

(a) A—Political and Administrative Charges—

(i) A-I—Commissioner and Resident in Frontier Region—Excess Rs. 13,936.

The excess was due to the reasons explained below :—

On the abolition of the office of Commissioner and Resident, staff dealing with the Tribal affairs was bifurcated and put under the charges of Commissioners, Peshawar and Dara Ismail Khan Divisions. The expenditure on account of this staff was also re-classified from the head "31—Frontier Regions" to "35—General Administration",—vide Finance Department U. O. No. BIV/60-1495, dated the 19th October, 1960. However, later on it was decided that the pay etc. of the Development officer to Commissioner, Peshawar (Tribal Areas) and his staff should be debited to the head "34—Frontier Regions". This decision was made at such a late stage when it was not possible to regularize the position as intimated by the Home Department,—vide their memorandum No. 26,9-H(SCB) 1A, dated 16th May, 1961.

The Committee observed that the Department had not been furnishing exact dates in its explanation to the Committee and directed that in future care should be taken that instead of mentioning the approximate dates exact dates should be furnished in the explanation.

On further examination by the Committee it became evident that there were differences in the explanation the Department now wanted to submit and those submitted in the Working Papers. What is obviously happening, is that the Department does not scrutinise the explanations submitted to it by its field officer and these get reproduced in the Working Papers submitted to the Committee. This only causes a lot of embarrassment to the Department when it appears before the committee. Care should be taken to see that this does not happen. This can easily be done if someone in the Department scrutinises the explanations of the Field Officers.

From the Department's explanation it appeared that a period of one and a half month was enough in which they could have re-classified the expenditure.

With these observations this part of the item was dropped.

On examination of the explanation furnished by the Department for the remaining saving, the Committee came to the conclusion that no useful purpose would be served by proceeding in the matter further as the explanation lacked details. The whole para. was therefore deferred to be taken up along with the accounts for the year 1961-62 when the Department would furnish complete information in respect of each of the items giving details.

(7) Pages 59-60, para. 88—Secret Service Expenditure—Grant No. 16—Frontier Regions—The Department had furnished the requisite certificate regarding secret service expenditure and the Audit had accepted it. The item was therefore dropped.

(8) Page 3, Para 5 read with Pages 337-342—Grant No. 35—Development—I—Frontier Regions. Saving Rs. 19,07,919—

(a) 1-2(1) Continuance of existing scholarships in Frontier Regions—Saving Rs. 17,586—The Department stated that the saving was due to non-availability of seats in the Foreign Universities. The explanation was accepted and the item was dropped.

(b) 1-2(2)—Purchase of Jeep for the Director of Education, Frontier Region, Peshawar—Saving Rs. 164—The Department stated that the saving was due to the availability of garage free of Rent. The explanation was accepted and the item was dropped.

(c) 1-3 (1)—*Malaria Organisation in Agencies—Saving Rs. 1,24,060*—The Department stated that the saving was chiefly due to non-supply of indented insecticides by M. S. D. While submitting the 2nd Statement of Excesses and Surrenders, 1960-61, the Office of the Director of Health Services anticipated that the funds provided for therein would be fully utilized by filling up vacant posts of Doctors, but owing to the non-availability of Technical Staff this expenditure was not incurred. Similarly funds retained for meeting the expenditure on the purchase of insecticides could not be utilized for want of necessary debits.

The explanation was accepted and the item was dropped.

(d) 1-4 (1)—*Reclamation and Development of Land in Frontier Regions—Saving Rs. 7,36,559*—The Department stated that sanction for expenditure was accorded by the Home Department, —vide memo., No. 2/193 H (SOI) TA/60, dated 27th August, 1960. Foreign exchange allocation amounting to Rs. 6 lacs was received from the Director of Agriculture, West Pakistan, —vide his memo No. 609/65-580 K. W. Bud, dated 31st December, 1960. Indents for import of Machinery worth Rs. 5,99,000 were placed with the Director of Industries (supply-wing) West Pakistan, Lahore, —vide Director of Agriculture, West Pakistan, Lahore memo. No. 454-55 (a) 65-554, dated 12th January, 1961, but it took considerable time to get the machinery imported. The machinery was received in 1961-62 and amount was also adjusted in 1961-62. As the Machinery could not be received during 1960-61, provision on account of pay and allowance of staff could not be utilized during that year.

The explanation was accepted and the item was dropped.

(e) 1-4 (2)—*Establishment of Fruit Nursery Farm at Rang Mohallah—Malakand—Saving Rs. 4,904*—The Department stated that the saving was due to the fact that a sum of Rs. 25,520 was placed at the disposal of the Public Works Department for the construction of buildings at Rang Mohallah. Out of this amount the public Works Department could utilize only Rs. 8,000, which the Comptroller, Northern Area, Peshawar declined to adjust. The balance could not be utilized by the Public Works Department owing to non-availability of labour.

The explanation was accepted and the item was dropped.

(f) 1-4 (3)—*Establishment of Fruit Nursery Farm at Chitral—Saving Rs. 9,158*—The Department stated that actually no expenditure out of the grant of Rs. 10,550 was incurred due to non-implementation of scheme owing to natural climatic conditions. The expenditure of Rs. 1,392 booked by the Audit Office was a case of mis-posting. Necessary transfer entries suggested by the Department were not carried out by the Audit.

The explanation submitted by the Department that the saving occurred due to non-implementation of the Scheme owing to natural climatic conditions was not considered to be satisfactory. The Committee was of the view that the climatic conditions of Chitral obviously must have been known to the Department when the Scheme was being prepared and should have been taken into consideration. Subject to these observations and reconciliation of the figures with the Audit the item was dropped.

The Committee at this stage came to the conclusion that the explanations furnished in respect of the remaining items were not precise and did not give sufficient details for the Committee to look into the causes of savings. The Committee directed that the whole matter should be re-examined by the Home Department and precise and detailed explanations of savings should be furnished in each case.

The remaining items of the saving were deferred to be taken up along with the accounts for the year 1961-62.

(9) *Page 54, Para. 77—Outstanding Dues*—In this case Dues of Rs. 8,77,693 were outstanding for the sale of Jail products to Government Departments and private parties,

The Department stated that strenuous efforts were being made to realise the outstandings, from Government Departments which had been considerably reduced. Strict instructions had been issued to all Jails that they should get the dues cleared and not to issue any finished good to any private individual on credit.

Present position was stated to be as under—

		<i>Outstanding on 30th June, 1961.</i>	<i>Realised</i>	<i>Balance</i>
		<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
<b>(1) Borstal Institution and Juvenile Jail, Lahore—</b>				
Government Offices	...	1,33,170.77	85,810.98	47,359.79
Jails	...	4,36,111.78	3,94,947.21	41,164.57
Private	...	3,493.92	1,406.45	2,087.47
<b>Total</b>	...	<b>5,72,776.47</b>	<b>4,82,164.64</b>	<b>90,611.83</b>
<b>(2) District Jail, Lahore—</b>				
Government Office	...	29,656.09	...	29,656.09
Jails	...	13,254.93	9,080.73	4,174.20
Private	...	67.87	...	67.87
<b>Total</b>	...	<b>42,978.89</b>	<b>9,080.73</b>	<b>33,898.16</b>
<b>(3) District Jail, Rawalpindi—</b>				
Government Offices	...	66,307.69	43,009.47	23,298.22
<b>(4) Central Prisons, Peshawar—</b>				
Government Offices	...	48,094.52	34,410.47	13,684.12
<b>(5) Central Prisons, Haripur—</b>				
Government Offices	...	60,382.90	45,037.44	15,345.46
Private	...	1,285.42	1,285.42	...
<b>Total</b>	...	<b>61,668.32</b>	<b>46,322.86</b>	<b>15,345.46</b>

The total balance left behind was Rs. 1,76,937.79. In the past, the Superintendent, Jail, used to allow sale on credit to all Government offices which practice had now been stopped and bills were being got accepted in advance. As regards private persons, the same practice was in vogue. This used to be done on the surety of some executive officer. The customers who still owed to Government were being reminded regularly to clear their dues.

The Committee wanted to see the list of defaulters. The Adviser Jail stated that the list could be seen in Appendix 'A' of the Working Papers. The Committee and the Accountant-General went through Appendix 'A' but did not find the referred information. When this was pointed out to the Department the Adviser to the Department who was present to assist the Administrative Head, stated that he had incorrectly referred to Appendix 'A' which was in fact relevant to the next item. He now stated that the information required by the Committee was not readily available. The Committee desired that Officers should not make any statement before the Committee unless they were satisfied about its correctness.

The Committee directed that the recoveries made by Department should be got verified by the Audit and the list of defaulters should be placed before the Committee at its next meetings when the efforts made by the Department to effect the recoveries should also be reported.

In case of default by private parties, the Department should also make attempts to recover the amount from the executive officers who had stood surety and also report their names to the Committee at its next meeting.

The para. was deferred to be taken up again alongwith the accounts for the year 1961-62.

(10) *Page 54, Para. 78—Stores in Excess of requirements*—In this case in a Jail Factory certain stores worth Rs. 42,735 were lying surplus to its requirements. This was due to the unnecessary purchases made by the authorities concerned. The Department had been asked by Audit to make arrangements for their early disposal.

In the same factory 800 lbs. Khaki Wool Yarn was purchased on 20th May, 1961 when there was already a balance of 930 lbs. of yarn in stock. The normal consumption of yarn during the year 1959-60 and 1960-61 was 100 and 50 lbs., respectively. This resulted in blocking of Government capital. It was due to lack of financial control and wrong estimation of requirements. Remedial measures if any taken by the Department to check similar purchases in future had not been reported to Audit.

The Department stated that out of the total quantity of store worth Rs. 42,735, store worth Rs. 26,262-39 could be consumed or transferred to the sister Jails uptill now and for the remaining store worth Rs. 16,472 efforts were being made to consume the same. As regards the yarn, it was stated that the cost had been recovered.

The Committee decided that the Department should conduct an enquiry as to whether the purchases were necessary or were in excess of normal consumption and about the officials who were responsible for these purchases.

The item was deferred to be taken up again alongwith the accounts for the year 1961-62.

(11) *Page 66, Para 92—Delay in disposal of Inspection Reports and Audit Notes*—The Department informed the Committee that all the outstanding Audit Notes had since been replied to. The Department further stated that the Directors of Prisons of all three ranges had been directed to name the delinquent Officers for disciplinary action against them. A list of these officials was also placed before the Committee.

The Committee wanted to know what action had been taken against persons responsible for the delay in replying to Audit Notes and against those who were responsible for not calling the explanations in time. As this information was not available, the item was deferred to be taken up alongwith the accounts for the year 1961-62.

(12) *Page 176—Notes 7 and 8—Stores Accounts. Note—9—Financial Statements*—The Department placed before the Committee a statement showing the latest position of the stores accounts and Financial Statements. The Committee desl.

red that the accounts which are yet to be verified by the Audit should be got verified at an early date. The Committee observed that the Department had not fixed the responsibility for not furnishing the accounts to the Audit in time nor had any action been taken against the persons responsible for the same. The Committee therefore, once again pointed out to the Department that this should be done before the next meeting of the Committee. The Department should get all the accounts of the various jails verified by Audit before the next meeting of the Committee and report as to what action had been taken against the persons responsible.

The item was deferred to be taken up alongwith the accounts for the year 1961-62.

(13) *Page 524—Annexure—item 54 (i) Misappropriation of Government Money—Rs. 2,871*—In this case the scrutiny, by Audit, of the treasury Challans in support of the deposits made into the treasury had revealed that amounts actually deposited were less than shown in the challans. The figures of the challans had been changed.

In the Working Paper submitted by the Department it had been stated that the case was pending in the Court of Additional District Magistrate, Bahawalnagar, and the next date of hearing was fixed as 6th February, 1967.

The Committee noticed that although two months had passed since the 6th of February no one in the Department cared to know as to what the actual position of the case was? This was not a very happy state of affairs.

The item was deferred to be taken up alongwith the accounts for the year 1961-62.

(14) *Page 524—Annexure—Item No. 54 (ii) Misappropriation of Government Money*—In this case certain cases of embezzlements, forgery, fraud and Misappropriation had been detected by Audit.

The Department stated that the case was pending with the Services and General Administration Department.

The Committee directed that the Department should get in touch with the Services and General Administration Department and finalize the matter.

The item was deferred to be taken up alongwith the accounts for the year 1961-62.

(15) *Page 524, item No. 55—th ft of Government Animals in a Central Jail*—In this case two bullocks were stolen by thieves from a Central Jail due to negligence of duty and lack of supervision of the staff at night.

The Department stated that the loss had been written off.

The item was dropped.

(16) *Pages 525—526, Para. 56—Purchase of Ration articles at Rates higher than tendered by the Contractors*—In this case Gur was purchased during the period from 19th October, 1959 to 18th October, 1960, at higher rates ranging from Rs. 24.50 to Rs. 33. per maund by calling quotations locally as against rate of Rs. 22.75 per maund tendered by a contractor which was not approved by the Regional head without recording reason. By making purchases at higher rates, a sum of Rs. 3,066 was paid in excess which would have been saved if the Gur had been purchased on contract basis at Rs. 22.75 per maund. Similarly 26 maunds 7 seers and 16 Maunds 14½ seers Gur was purchased locally during November, 1960 to 11th December 1960 at Rs. 32.75 and Rs. 29 per maund, respectively against the tendered rate of Rs. 25.87 which was not accepted by the Regional Head without recording reason. The excess of burden of Rs. 232 was thrown on State Exchequer.

The explanation of the Home Department was that the case had been discussed by the Director of Prisons, Peshawar with the Comptroller who had suggested that the case should be submitted to Finance Department for regularisation. The Director was taking action accordingly.

The Department could not say whether the case had been referred to the Finance Department for regularisation and if so, with what result.

For want of full information the item was deferred to be taken up along with the accounts for 1961-62.

(17) Page 54, Para. 79

(18) Page 525, Para. 57

(19) Page 170, Note 3—*Fraudulent withdrawal of Civil Court Deposits—*

(20) Page 529, Para. 66—

(21) Page 529, Para. 67—

(22) Page 529-30, Para. 68—The Home Department did not submit any Working Paper for these items. An intimation was sent to the Committee Secretariat that items at serial No. 17 and 18 did not pertain to Home Department.

The Committee decided that the Finance Department and the Audit Department should look into the matter and ask the Department concerned to submit explanations for these items when the accounts for the year 1961-62 are considered by the Committee.

(23) The Committee observed that Working Paper in respect of the Police Wing had not been furnished by the Home Department. The Committee asked the Home Secretary that the Working Paper in respect of the remaining items should be prepared and submitted to the Committee before the next meeting of the Committee.

The Committee then adjourned to meet again at 3-30 p.m.

LAHORE :

ZAIN NOORANI

CHAIRMAN,

*Standing Committee on Public Accounts.*

The 14th April, 1967.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 14TH APRIL 1967 AT 3.30 P. 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) Rai Mansab Ali Khan Kharal, M. P. A.  | .. Member.      |
| (4) Mr. Malang Khan, M. P. A.   | .. Member.      |
| (5) Mr. Tajummal Hussain, Secretary to<br>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) Syed Munir Huseain, C.S.P., Secretary to Govern-<br>ment of West Pakistan, Industries, Commerce<br>and Mineral Resources Department alongwith<br>Heads of Attached Departments. | By invitation.  |

Chaudhri Muhammad Iqbal, Secretary, Provincial Assembly of West Pak-  
istan acted as Secretary of the Committee.

**II** The Committee took up consideration of the explanations of the Indus-  
tries, Commerce and Mineral Resources Department in respect of the following  
items appearing in the Appropriation Accounts for the year 1960-61.

(1) *Page 3, paragraph 5 read with pages 245-248—Grant No. 24—Industries—A  
Industries other than A-3(e)*—The Department explained that they had surren-  
dered Rs. 31,96,870 which had been accepted by the Finance Department.  
The net saving was Rs. 1,50,656. Out of the modified grant of Rs. 1,17,01,020,  
the net saving was only Rs. 1,50,636. This would be less than ten per cent.  
Therefore, no detailed examination was needed for the saving itemwise. The  
paragraph was, therefore, dropped.

(2) *Page 54, Paragraph 76—Incurring of uneconomical Expenditure without  
proper sanction*—A typewriter had been hired from September, 1959 to January,  
1962 at Rs. 30 per mensem. An expenditure of Rs. 870 was thus incurred with-  
out proper sanction of the Government. Steps should have been taken to pur-  
chase a type-writer to avoid this expenditure.

The Department stated that a typewriter was hired by Industrial Develop-  
ment Officer, Loralai from September, 1959 for a period of 6 months which was  
kept on hire till January, 1962 at 30 per mensem. During these years Govern-  
ment were approached to provide funds for the purchase of typewriter but no  
funds were provided and the Industrial Development Officer, Loralai was compeled  
to keep the hired typewriter in the interest of Government work. Govern-  
ment have sanctioned the hiring of the typewriter by the Industrial Development  
Officer, Loralai for the period 1st September, 1957 to 1st October, 1962.

The paragraph was dropped subject to the observation that the Industries  
Department will themselves look into the question as to why a delay of three  
years took place in according the sanction to purchase a typewriter.

(3) *Page 59, paragraph 87—Audit of Grants-in-Aid*—In this case 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  
Department to the Audit.

The Department stated that the certificate in question had since been sub-  
mitted to the Accountant-General, West Pakistan by the Directorate of Technical  
Education.



The Committee wanted to know what action had been taken against the officials responsible for the delay. The Department stated that as the subject had been transferred to the Education Department only that Department could supply the information.

The Director of Industries and Commerce stated that he had already written to the Director of Technical Education that they should explain the reasons for the delay and the action taken against those responsible but had not received any reply.

As the Directorate of Technical Education had issued the necessary certificate, the Committee decided that they should also explain the delay which had taken place in furnishing the certificate and the action taken against those responsible for this delay.

This item was deferred to be taken up on the 15th April, 1967, when the Education Department would appear before the Committee.

(4) *Page 66, paragraph 92—Delay in disposal of Inspection Reports and Audit Notes*—The Department stated that out of the Inspection Reports shown outstanding against them, two relate to Vocational Schools for Women and Industrial School for boys which have been transferred to Technical Education Department since, 1964. The remaining five Inspection Reports do not pertain to them.

The paragraph was dropped.

(5) *Page 251—Audit comments below Store Account of the Government Institute of Dyeing and Calico Printing Shahdara—Defective procedure of physical verification of Stock*—In this case the Audit had pointed out that the procedure adopted by the Department for the physical verification of stock was defective.

The Department stated that the procedure suggested by the Audit had been adopted from the year 1963-64. The item was dropped.

(6) *Pages 505 and 508—Grant No. 42—Loans and Advances by the Provincial Government*—(i) A-7—Advances to Director of Industries for payment of arrears of rent-saving Rs. 29,900.

(ii) B-4 (12)—Loans to Hyderabad Industrial Trading Estate—Excess Rs. 1,14,860.

As regards (i), the Department stated that the amount of Rs. 29,900 was drawn by the Deputy Director of Industries, Quetta Region, Quetta, during the year 1960-61 and was paid to the claimant through the Court before the close of the financial year. The Comptroller, Southern Area, West Pakistan, Karachi was informed of the payment of the amount by the Deputy Director of Industries, Quetta Region. On receipt of the statement of Appropriation Account from the Comptroller, Karachi in February, 1964, he was again informed by the Deputy Director of Industries, Quetta Region, that the amount of Rs. 29,900 had been drawn during the year 1960-61. The Comptroller, Karachi was further informed by the Director of Industries and Commerce that as the amount had been drawn during the year 1960-61 no explanation was called for for the saving.

As regards (ii), it was stated that payment of Rs. 10 lakhs was made against the provision of Rs. 10 lakhs to the Sind Industrial Trading Estates, Hyderabad during the year 1960-61 and not Rs. 11,14,860. The payment authority of Rs. 10 lakhs was issued by the Comptroller, Southern Area, West Pakistan, Karachi to the Treasury Officer, Karachi.

The item was dropped subject to verification by the Audit.

(7) *Page 508—Grant No. 42—Loans and Advances by the Provincial Government*—B-3(5)—Loans to West Pakistan small Industries Corporation—Saving Rs. 3,66,801—The explanation of the Department that "the saving of Rs. 3,05,801 was due to the reason that provision made for W.P.S.I.C. was subsequently

transferred to the head "63-B—Development—R—Industries—Grant-in-aid to Small Industries Corporation" and the remaining saving of Rs. 61,000 was due to the fact that no sanction for the release of this amount was issued by the Government" was considered by the Committee at its meeting held on 2nd February, 1967 and the item was dropped subject to verification by the Audit. The Accountant-General pointed out that the Audit had nothing to verify. The non-release of the amount could be examined by the Finance Department. Finance Secretary stated that no reference to Finance Department for the release of the amount appeared to have been made. The Committee decided that the item should be considered to have been dropped subject to the Department satisfying the Finance Department as to when the case was taken up with the Finance Department.

(8) *Pages 4 and 5, paragraph 8 read with pages 280—81—Grant No. 30—Stationery and Printing—Excess Rs. 3,11,289*—The explanation of the Department was that "out of the net total excess of Rs. 3,11,289 under the major head "56—Stationery and Printing" an amount of Rs. 2,64,341 was under the sub-head "K—Charges in England" and the remaining excess of Rs. 46,948 was under the minor head "B—Purchase of Stationery Stores".

2. The reason for the excess expenditure under "Charges in England" is that making of budget provision for "Stores" under this head was discontinued by Government. Consequently neither provision was made for "Stores" nor any indent for the purchase of stores from abroad was placed during 1960-61, but the debits for the Stores indented during the previous years were received by the Audit direct, who booked them against this head in the accounts for June, 1961 and June, final, 1961. Due to the close of the financial year, 1960-61, it was not possible for the Department to regularise the excess.

3. Out of the total excess of Rs. 1,61,930 under "B—Purchase of Stationery Stores" as recorded in the Appropriation Accounts, net excess works out to Rs. 46,948, when the savings and excess under various minor heads of "56—Stationery and Printing" are adjusted. The reason for the same is that Government introduced an emergent scheme for keeping of copies of essential Revenue records at the Union Councils for the facility of public during the year 1960-61. There was no budget provision for Printing of numerous revenue forms relating to this new scheme. Demand for the additional funds was made but in view of the urgency for expeditious introduction of the scheme, it became obligatory on the Department to incur expenditure for the purchase of paper and binding materials for printing and supplying the requisite forms but the additional provision could not be made during 1960-61 due to the late decision of the demand, since made for additional funds. Therefore the excess could not be regularised being beyond the control of this Department."

The Finance Secretary stated that it was evident from the explanation of the Department that the entire expenditure mentioned in paragraph 3 was unauthorised and unsanctioned.

The Committee painfully noted that inspite of the fact that the Department knew that the expenditure for this amount had not been sanctioned it went ahead and incurred the same thereby completely setting at naught the control of the Finance Department.

The Committee desired that the Department should examine this matter further in view of the objections raised by the Finance Department and the observations of the Committee.

The paragraph would come up again when accounts for the year 1961-62 are taken up by the Committee.

(9) *Page 57, Paragraph 82—outstanding Government Dues*—In this case in certain Presses, the following old dues were outstanding against the various

## Departments for Printing Jobs and supply of Stationery:—

Years	Rs.
1954-55	75
1955-56	16,806
1956-57	2,303
1957-58	18,283
1958-59	66,914
1959-60	2,04,774
1960-61	2,20,687

The Department stated that a sum of Rs. 2,00,782 out of the amount mentioned above has been recovered. For the sum of Rs. 41,071 pertaining to defunct offices action is being taken to refer the cases to the Department in which the defunct offices have been merged. For the remaining amounts the defaulters are being reminded from time to time and in certain cases duplicate copies of bills have been supplied to the Departments concerned.

The Committee directed that persistent efforts should be made by the Department to recover the balance and the Audit should watch the recovery.

The paragraph should come up again when accounts for the year 1961-62 are taken up by the Committee.

(10) *Page 282, Note 4—Pro forma Accounts*—In this case certain stores accounts had not been compiled and furnished to the Audit.

The Department stated that the stores accounts have since been compiled.

The item was dropped.

(11) *Page 295, Audit Comments below Stores account of paper, Binding Material and Miscellaneous Stores of Secretariat Press, Lahore for the year 1959-60*—In this case the sanction of the Government for the adoption of closing balance for 1958-59 as opening balance for 1959-60 and for the write off of the shortage of Rs. 886 and Rs. 493 had not been produced to the Audit.

The Department stated that the requisite sanction had been issued.

The item was dropped.

(12) At this state a supplementary working paper was presented by the Industries, Commerce and Mineral Resources Department in respect of several items.

III The Committee observed that they were not prepared to consider any explanation which had not been published one week before the commencement of the meeting so that Members of the Committee, the Finance Department and the Audit had an opportunity to go through them. Accordingly all the items included in the working paper now supplied were deferred to come up again at the next meeting of the Committee when accounts for the year 1961-62 are taken up.

IV The Committee then adjourned to meeting again at 9.00 a.m. on Saturday the 15th April, 1967.

LAHORE:  
The 14th April, 1967.

ZAIN NOORANI  
CHAIRMAN,  
Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 15TH APRIL, 1967 AT 9.00 A. M. IN  
COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**1. 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 Kharal, M. P. A.   | .. Member.      |
| (4) Qazi Muhammad Azam Abbasi, M. P. A.  | .. Member.      |
| (5) Mr. Malang Khan, M. P. A.  | .. Member.      |
| (6) Chaudhri Muhammad Sarwar Khan, M. P. A.  | .. Member.      |
| (7) Mr. Tajammal Hussain, Secretary to Government of West Pakistan, Finance Department.  | Expert Adviser. |
| (8) Rana Muhammad Yasin, P. A. & A. S., Accountant General, West Pakistan.   | By invitation.  |
| (9) Mr. S. M. A. Kazmi, C. S. P., Secretary to Government of West Pakistan, Food Department.   | Ditto.          |
| (10) Nawabzada Muhammad Yaqub Khan, P. C. S., Deputy Secretary to Government of West Pakistan, Services and General Administration Department. | Ditto.          |
| (11) Malik Abdul Latif Khan, C. S. P., Secretary to Government of West Pakistan, Education Department.   | Ditto.          |
| (12) S. Manzoor Ellahi, C. S. P., Secretary to Government of West Pakistan, Excise and Taxation Department.                                    | Ditto.          |
| (13) Mr. Abu-Nasar, C. S. P., Secretary to Government of West Pakistan, Revenue Department.  | Ditto.          |
| (14) Mr. S. Husain Haider, C. S. P., Secretary to Government of West Pakistan, Transport Department.   | Ditto.          |

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

(II) The Committee proceeded to examine the explanations of the Departments in respect of the items appearing in the Appropriation Accounts for the year 1960-61.

**FOOD DEPARTMENT**

(1) *Page 5, Para. 5 read with pages 310—312—Grant No. 34—Capital outlay on Provincial Schemes of State Trading—Excess Rs. 3,01,99,190—* This item was considered by the Committee at its meeting held on 2nd February, 1967 when the Department had contended that the excess expenditure reported by the Audit was not correct and that there was some confusion about the figures. The Department had stated that the figures of expenditure required reconciliation and only then the excess expenditure could be explained. The Department requested that some time should be given to them for this purpose. The Committee had therefore deferred consideration of the item.

The Department now stated that as a result of reconciliation, the Accountant General, West Pakistan, Lahore has since modified the figures booked in his office. The actual expenditure now came to Rs. 51,59,53,636 against the original figure of

Rs. 53,25,78,600. The excess thus worked out to Rs. 1,35,74,226 instead of Rs. 3,01,99,190. If the amount of Rs. 81,88,851 wrongly adjusted in the Northern Area, Audit Circle which was written back during the year 1961-62, was also taken in the Account, the net excess in term of percentage would come to about one. This excess in expenditure was due to more imports of foodgrains than anticipated.

The explanation was accepted and the item was dropped.

(2) *Page 313, Note—Embezzlement by a cashier*—In this case a cashier of a Rationing Controller's office had mis-appropriated a sum of Rs. 1,66,118. The accused was tried in a court of law and was sentenced to rigorous imprisonment for 10 years on a fine of Rs. 40,000. Out of the mis-appropriated amount, only a sum of Rs. 4,760 could be recovered from the accused and credited to Government. The balance of Rs. 1,61,358 was written off under orders of the Government. The fraud was facilitated as per Audit report, by the defective procedure for the collection of sale proceeds of food-grains and sugar which was modified subsequently.

The Department stated that the loss was written off by the Government after due consideration of all aspects of the case. A board of enquiry consisting of Inspector General of Police (Chairman), Secretary to Government of N. W. F. P., Finance Department, and Under-Secretary to Government of N. W. F. P., Revenue Department, was constituted by the then Chief Minister of former N. W. F. P. to fix the responsibility for the loss. The responsibility was fixed on the following officers.

- (1) Raja Munir Ullah Khan, Rationing Controller, Peshawar (Now deceased).
- (2) Mr. Abdur Raouf, Assistant Controller of Rationing, Peshawar (now retired).

Warnings were administered to the officers concerned and entries made in their character rolls.

In the opinion of the Committee the warning administered to the officers who were considered responsible for the loss by the Enquiry Committee, was not sufficient but as one of the two officers had expired and the other retired from service, nothing could be done at this stage. As regards the defective procedure for the collection of sales proceeds of food-grains and sugar, the Department assured the Committee that adequate measures had already been taken to remove the defects which previously existed in this system.

Subject to the above observation, the Para. was dropped.

(3) *Page 313, Note 6—Embezzlement of cash*—In this case an Accountant of the Food Department embezzled a sum of Rs. 3,597 in the year 1948 (Rs. 3,376 by double payment of a purchase bill and Rs. 221 by not rendering the account of the advance granted to him for making payments). In the former case, the method adopted was that the entry of the original payment in cash book was scored out and a fresh payment made. The irregularity was detected in the course of audit. The latter irregularity came to notice as a result of thorough scrutiny of account's records during the course of departmental action. The accused was tried in a court of law and was awarded three year's rigorous imprisonment. On appeal in the High Court he was fined Rs. 3,500 with six months rigorous imprisonment in default of payment. The contention of the Audit was that the embezzlement was rendered possible due to failure on the part of the Drawing and Disbursing Officer to exercise the checks prescribed in the Financial Rules. As the old record was not available in the Food Department, the failure of the Officer could not be substantiated and consequently no action was considered necessary against him.

The Department stated that the Drawing and Disbursing Officer (D.F.C.) who failed to exercise the checks prescribed in the Financial Rules was charge-sheeted and a departmental enquiry under the West Pakistan Government Servants (Efficiency and Discipline) Rules, 1960, is in progress. The enquiry could not be finalized as the Officer proceeded on leave preparatory to retirement with effect from

20th June, 1966. After issue of repeated summons the Officer appeared before the Enquiry Officer on 5th April, 1967. The hearing of the case has been completed. The recommendations were under consideration.

The Committee decided that the action taken by the Department on the recommendations of the Enquiry Officer should be reported to the Committee when it considers the accounts for the year 1961-62.

#### SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

(1) Page 525, item 58 (iii) - *Mis-appropriation of Government Money—Rs. 2,280.* In this case a cashier had absconded with money lying in the cash box.

The Department stated that Mr. Zia-ud-Din, cashier of the Directorate of Anti-Corruption Establishment, West Pakistan, Lahore absconded on 29th May, 1962 with Government money which was lying in the Cash Box. A case F. I. R. No. 237, dated 31st May, 1962, under section 409 P. P. C. was registered at Police Station Old Anarkali, Lahore and investigated by the local police. The accused was sent up for trial in the Court of Special Judge, Anti-Corruption Establishment, Lahore. The Court found him guilty under section 409 & 406 P. P. C. and convicted him on 13th September, 1965 on both these counts and sentenced him to 3 years R. I. on each count together with a fine of Rs. 2,500 under section 409 P. P. C. or in default 6 months R. I. and Rs. 4,000 under section 406 P. P. C., or in default 6 months further R. I. The substantive sentences were to run concurrently. Mr. Zia-ud-Din preferred an appeal in the High Court of West Pakistan, Lahore which is still pending. The question of writing off the loss or recovery of the amount involved would be decided after the appeal of the convict was decided by the High Court.

As the case is pending before the High Court, the Committee deferred consideration of this item to its next series of meetings when the accounts for 1961-62 are considered by the Committee.

(2) Page 168—*Grant No. 12—General Administration—G—Miscellaneous—22. Miscellaneous—(5) Cost of Maintenance of Government Aircraft—Excess Rs. 7,06,378.* This item was last considered by the Committee at its meeting held on 31st January 1967, when the Department had contended that the Secretary to Government of West Pakistan, Communications and Works Department was the Drawing and Disbursing authority in respect of the operation of this head of account. The audit Department, had, however, produced a letter dated the 30th November, 1963 from the Secretary, Irrigation and Power Department in which that Department had accepted the figures booked by the Audit office in respect of "Maintenance of Government Aircraft". The Committee had thereupon come to the conclusion that the Irrigation and Power Department had to explain the excess of Rs. 7,06,378 and desired that the Services and General Administration Department should transfer this item to the Irrigation and Power Department, who should include this item in the Working Paper to be prepared by that Department.

Thereafter a letter was received from the Communications and Works Department addressed to the Services and General Administration Department stating that the matter pertained to the Services and General Administration Department who would be dealing with this item. After this neither any intimation regarding the transfer of this item to Irrigation and Power Department nor any Working Paper for this item was received from the Services and General Administration Department, nor had any representative of the Department competent to deal with this item appeared before the Committee. The Committee observed that it did appreciate that due to the transfer and re-transfer of this subject between the Communications and Works Department, Irrigation and Power Department and the Services and General Administration Department, the confusion seemed to have arisen, yet there was no justification for the light-hearted manner in which it obviously was being treated by the Services and General Administration Department, inasmuch as no

one had even bothered to explain as to why the Working Paper had not been prepared for the meeting of the Committee. The Deputy Secretary, Services and General Administration who was present in the meeting pleaded ignorance.

The Committee, therefore, decided to draw the attention of the Chief Secretary to this item with the suggestion that he should try and help to sort it out in time for the next meetings of the Committee when the accounts for the year 1961-62 would be taken up for consideration.

## FINANCE DEPARTMENT

(1) *Page 3, Para. 5 read with pages 308-309-Grant No. 33-payment of Commuted Value of Pensions—Saving Rs. 13,51,713*—The Department stated that the estimates under the head "33-Payment of Commuted Value of Pensions" were made by the Finance Department on the basis of information supplied by the Audit Offices in West Pakistan and the High Commission for Pakistan in U. K. The expenditure under the afore-said head was of fluctuating nature and could not be precisely estimated by audit offices, etc.

The Committee observed that this was an item which recurs every year. Provision has to be made on the basis of figures furnished by the Audit Offices and the Government has no means of knowing as to how many people would be asking for commutation of pension every year.

The Committee were of the opinion that as this is something which will keep on recurring every year but should be dropped every year in the preliminary examination and no explanation asked for, so that the Committee could save some paper work and unnecessary waste of time.

(2) *Page 5, Para. 9 read with page 314-Public Debt Discharged, Excess Rs. 1,61,81,269*—The Finance Department stated that the excess of Rs. 1,61,81,269 was made up of the following :—

				Rs.
(1) Permanent Debt	..	..	..	(—)30,18,731
(2) Floating Debt	..	..	..	..
(i) Ways and Means advances	..	..	..	+12,17,00,000
(ii) Other advances	..	..	..	(—)10,25,00,000
Total	..	..	..	1,61,81,269

(1) *Permanent Debt*—The figures of actual expenditure under the head "Permanent Debt" were not accepted by the Finance Department as these were not reconciled by the Audit with the State Bank. The saving was obviously due to the reason that certain bond-holders did not claim the payment of their bonds during the year. Since it could not be foreseen, the saving in question was inevitable.

(2) *Floating Debt. (i) Ways and Means Advances*—The excess of Rs. 12,17,00,000 was due to the reason that actual repayment of ways and means advances depended upon the day to day ways and means position of the Government. In fact the expenditure under this head was of fluctuating nature and the estimates thereof were not susceptible of correct estimation.

(ii) *Other Advances*—The saving of Rs. 10,25,00,000 resulted from slow lifting of stocks of food-grains on account of decontrol of wheat, which could not be foreseen at the time of framing the estimates.



The item was dropped with the same observations as in the case of item (1) above.

(3) Page 5, Para 9, read with pages 158-59. Interest on Debt and other obligations Excess, Rs. 5,94,094—The Department stated that the excess of Rs. 5,94,094 (say Rs. 6 lakhs round) was made up of a number of small items, the important of which are as follows :—

	Rs.
(i) Interest on Punjab Bonds, 1958 ..	4,61,609
(ii) Interest on Punjab Loan, 1963 ..	1,37,540
(iii) Interest on Punjab Loan, 1964 ..	2,34,386
(iv) Interest on Punjab Loan, 1961 ..	3,51,013
(v) Interest on West Pakistan Loan, 1961 ..	3,22,701
(vi) Interest on Ways and Means advances ..	4,55,609
<b>Total</b> ..	<b>19,62,858</b>

or Say .. 19 Lacs.

The excesses at items (i) to (v) were due to the payment of arrears of interest charges claimed by the bond-holders during the year. As it was not possible to foresee when the arrears would be claimed by the bond-holders, the excesses of this nature were unavoidable. The excess at item (vi) was due to the reason that the repayment of ways and means advanced and the payment of interest charges thereon, are dependent on the day to day ways and means position of the Government. As such this expenditure is of fluctuating nature and the variations are unavoidable. The above excess of Rs. 19 lac was counter-balanced by the following saving of Rs. 13 lac (round) :—

	Rs.
(i) Interest on West Pakistan Loan, 1967 ..	1,28,148
(ii) Interest on Punjab Bonds, 1955 ..	7,20,000
(iii) Interest on other Floating Loan ..	2,74,333
(iv) Expenditure connected with the issue of new loans.	2,00,000
<b>Total</b> ..	<b>13,22,481</b>

Saving under (i) was due to the reason that certain bond-holders did not claim the interest charges falling due to them during the year. This saving was unavoidable as it could not be foreseen. Saving under item (ii) was due to the reason that some expenditure booked in excess by the Audit during the year 1955, was written back during this year (1960-61). This too could not be foreseen by the Finance Department as the adjustment was carried out by the Audit after the close of the year. Saving under item (iii) was due to the slow lifting of stocks as a result of decontrol of wheat, which could not be foreseen and which led to saving in the amount of advances from the Commercial Bank and consequent saving in interest charges. Saving under item (iv) was due to the reason that the State Bank did not claim during the year the re-imbursement of expenditure incurred by them on raising the new loan during 1960-61.

The above saving of Rs. 13 lac (round) reduced the excess of Rs. 19 lac (round) to Rs. 6 lac (round).

The explanation was considered satisfactory and the item was dropped.

(4) *Page 5, Para. 9 read with page 127.—Interest on Irrigation Works for which capital accounts are kept. Excess Rs. 43,26,303.*—The Department stated that the interest charges are based on the progressive capital outlay upto 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 progressive capital outlay upto the end of the year 1959-60 as intimated by the Audit for purpose of Revised Estimate 1960-61 was Rs. 1,84,90,22,610. As against that the Capital outlay upto the end of the year 1959-60 as taken into account by the Audit for purpose of Appropriation Accounts for the year 1960-61 was Rs. 1,86,37,56,434. Moreover, the actual irrigation capital outlay for the year under review (1960-61) amounted to Rs. 23,62,94,700 against the final grant of Rs. 14,76,93,110 for that year. The excess was therefore due to more progressive capital outlay (as a result of various adjustments) and more actual capital outlay during the year under review (due to acceleration of work) taken into account for calculation of actual interest charges.

The explanation of the Finance Department was accepted and the item was dropped.

(5) *Page 1, Para. 1 (2)*—In this case the Audit had reported that in accordance with the rules of classification, certain classes of recoveries are taken in reduction of expenditure in the accounts. In the past, these recoveries were always included in the respective Demands for Grants. This procedure was defective inasmuch it provided an opportunity of incurring additional expenditure without going to the Governor for additional Grant to the extent of the increase in the amount of recoveries provided for in the demand. The actual recoveries are now compared with the Revised Estimates and have been shown at the end of each Appropriation Account. This procedure was, however, not adopted by the Provincial Government in respect of the following Grants :—

(1) Demand No. 9—Irrigation Works.

(2) Demand No. 24—Industries.

The Committee had asked the Audit Department and the Finance Department to examine and report to the Committee the reasons for which exception was made in the case of "Irrigation Works" and "Industries" and recoveries were not taken in reduction of expenditure in their case though this procedure was adopted in respect of other grants.

The Finance Department stated that the procedure of excluding recoveries from the respective demands, commonly, called the procedure of "Gross voting" was duly extended to all the Irrigation heads of account including the head "XVII—Irrigation Working Expenses" since its inception in the year 1956-57. The recoveries were duly shown below the demands in the case of the Irrigation heads of account in the Appropriation Accounts for the year 1960-61 itself as shown below :—

(i) Grant No. 10—Other Irrigation Expenditure financed from ordinary revenue (All authorised). Page 131.

(ii) Grant No. 11—Irrigation Establishment charges (All authorised). Pages 145.

(iii) Grant No. 36—Irrigation capital (All authorised). Pages 396—397.

In the case of Demand No. 9—Irrigation Working Expenses (All authorised) the final estimate of recoveries amounting to Rs. 4,02,100 for the year 1960-61 was duly shown by the Finance Department below the demand on page 56 of the Details of Demands and Appropriations (Non-developmental Expenditure) for the year 1961-62. The same amount was communicated to the Director, Audit and Accounts (Works), in a separate letter.

In the circumstances it is clear that the system of "gross voting" was adopted in the case of all the Irrigation heads of account including Demand No. 9-Irrigation Works during the year 1960-61.

As regards "Industries" the Finance Department stated that it was decided in consultation with the Comptroller and Auditor General of Pakistan that the recovery made by the Commercial Branch of the Shahdara Demonstration Weaving Factory on account of Elucation Branch of the Factory should be classified as revenue receipt under the major head "XXXII-Industries-A-6-Gross Expenditure".

The Audit pointed out that the amount of Rs. 4,48,446 shown at page 45 of the Budget Estimates for the year 1960-61 represents the net demand as the recovery of Rs. 11,47,910 (Page 46) debitable to the "68-Capital" had been reduced from the gross amount under head "Tools and Plants" before including it in the total amount of demand. As such the contention of the Finance Department that the procedure of gross voting was duly adopted in the case of Grant No. 9 Irrigation in the Budget Estimates for the year 1960-61 is not correct.

As regards 1961-62, the provision of recoveries amounting to Rs. 2,17,480 and Rs. 32,000 under the Head debitable to "68-Capital" both productive and unproductive (Pages 57-58) respectively had been reduced from the gross amount of Tools and Plants and the net amount included the total demand of Rs. 4,45,96,600 (Page 56) under Grant No. 9-Irrigation. In this way the system of gross voting was not adhered to by Government in respect of both the years 1960-61 and 1961-62 as explained above.

Subsequently the Government of West Pakistan in the Finance Department intimated that :—

(i) Even in the case of Grant No. 9 Irrigation Working Expenses (all authorised) the audit did not show the final estimate of recoveries amounting to Rs. 4,02,100 below that grant in the Appropriation Accounts for 1960-61.

(ii) The Finance Department did not show the amount debitable to the head "68" under the minor head Tools and Plants grant No. 9 in the Budget Estimates 1960-61 because in their opinion, the amount did not fall within the purview of the recoveries. This explanation of Finance Department is commented upon as under.

As the procedure of gross voting was not observed by the Finance Department and recoveries were included in votable grant the audit had to prepare the accounts accordingly giving a note of the omission on the part of Finance Department. The Finance Department was fully aware of the decision of the Central Government conveyed in Ministry of Finance U. O. No. D-10088-B/65, dated 30th November, 1965 according to which no exception was permitted and as such the Finance Department should have adopted the system of gross voting in the case of Grant No. 9 during 1960-61.

The explanation of the Department as well as the comments of the Audit Department were examined by the Committee and in view of the Finance Department's assurance that the method, as contained in the Central Government's directive pointed out in the Audit comments, is being followed, the Committee decided to drop this para.

(6) *Page 504-Note 2. Provincial Miscellaneous Investments*—The Finance Department stated that the position in respect of investment in each industry was placed before the Committee when it considered the accounts for 1959-60. The Committee had examined the item at its meetings held on 25th November, 1965 15th/19th April, 1966 and 29th October, 1966 and, being satisfied with the explanation had dropped the item. The Finance Secretary advised that going through this item year after year would not be of much use. The Committee agreeing with him, decided to drop the matter.

(7) *Page 516, item (22) Shortage in the remittance from Treasury—Rs. 10,000.*—In this case a shortage of Rs. 10,000 had been discovered at the State Bank in a Currency remittance from a Treasury in November, 1948.

The Finance Department stated that the Contracting Treasurer, (The Mont-Sahiwal Central Co-operative Bank, Sahiwal) was held responsible for the shortage of Rs. 10,000 in the remittance of Rs. 20,50,300 despatched from the Montgomery treasury in November, 1948. The Contracting Treasurer filed a suit in the court of Senior Civil Judge, Sahiwal against the State Bank of Pakistan to the effect that it could not be held responsible for the alleged shortage. An injunction order restraining the recovery was issued by the court. The case is still pending.

The Committee decided that the progress of the case should be reported when the accounts for the year 1961-62 are taken up.

(8) *Page 516, item (23), Misappropriation from the Currency Chest—Rs. 30,000.*—In this case a shortage of 300 notes of Rs. 100 each had been found by a Revenue Assistant during his surprise visit to a Treasury.

The Department stated that the embezzlement of Rs. 30,000 in the Government chest at Kabirwala Sub-Treasury took place in the year 1951. The case against the Treasurer Kabirwala (Mr. Ghulam Akbar) and others was tried in the Court of Section 30 Magistrate Khanewal in 1953 who sentenced the accused. The accused went in appeal in the High Court which accepted the appeal and set aside the conviction and sentence orders on 17th February, 1953. Thereafter proceedings were started against the Multan Co-operative Bank (District Contracting Treasurer) for the recovery of Rs. 30,000 embezzled, as Ghulam Akbar, Sub-Treasurer was the employee of that Bank. The Senior Judge of Multan ordered a decree of Rs. 37 after reducing the amount of Rs. 14,756-62 already recovered,—vide, his order dated 1st February, 1966. This was not acceptable to the Government as the amount of Rs. 14,758 and 10 Annas could not be adjusted towards the amount of Rs. 30,000. The Government went in appeal in the High Court which,—vide, order dated 14th December, 1965 accepted the appeal. The Central Co-operative Bank was not prepared to deposit the embezzled money in the Treasury and has gone in the Supreme Court for appeal. The appeal is still pending in the Court.

The Committee decided that the progress in the case should be reported when the accounts for the year 1961-62 are taken up.

(9) *Page 516, item (24), Misappropriation of Stamps—Rs. 2,796.*—In this case a shortage of court fee stamps worth Rs. 2,796 had been detected during a surprise check by a Treasury Officer.

The Finance Department stated that the irregularities have since been rectified. Mr. Amir Aizal, Assistant Treasurer, was held responsible for the defalcation. He admitted his fault and made full payment of the defalcated money. He has since tendered his resignation voluntarily and is no more in service.

The explanation was considered satisfactory and the item was dropped.

(10) *Page 516, item (25), defalcation of Government Money.—Rs. 1,922.*—In this case a shortage of Rs. 1,992 had been found during the course of surprise visit of Deputy Commissioner to a Sub-Treasury.

The Finance Department explained that the shortage took place in the Sub-Treasury Minchinabad in October, 1960 which was made good out of the security of the Cashier. Sub-Treasury Officer (both Tehsildar and Naib-Tehsildar) Minchinabad, Cashier and Siah Nawis (Accounts Clerk) were held responsible. They were placed under suspension forthwith and challaned in the court of Law. The Sub-Treasury Officer (Tehsildar and Naib-Tehsildar) and the Siah Nawis have been acquitted by the court while the Cashier has been dismissed from the service. He (Cashier) went in appeal which is pending in the Honourable High Court of West Pakistan, Lahore.

The Committee decided that the progress should be submitted to the Committee when the accounts for the year 1961-62 are taken up.

(11) *Page 516, item (26)-Misappropriation of Government Money.—Rs. 10,717.* In this case an amount of Rs. 10,717 had been received by a peon from some Lambardars as Land Revenue but was not deposited into Government Treasury.

The Finance Department stated that whole amount of Rs. 10,717-06 embezzled by Muhammad Zubair peon has been recovered from the Lambardars. The responsibility lies on Muhammad Zubair peon who embezzled the amount. On this account he was sentenced by the Special Judge, Anti-Corruption, Multan. The High Court of West Pakistan also upheld this sentence.

The explanation was found satisfactory and the item was dropped.

(12) *Page 5, Para, 9 read with Pages 277-278-Grant No. 29-Superannuation Allowances and Pensions-Excess Rs. 4,73,365—*The Finance Department stated that the reason for the excess expenditure were similar to that given in the case of item (1) above and the Committee made the same observations. The Committee recommended that the excess expenditure be regularised.

### FINANCE/CO-OPERATION DEPARTMENT

*Page 508-Grant No. 42-Loans and Advances by the Provincial Government-B.*  
(4)-(10)-*Advances to Large Sized Co-operative Societies for Construction of Godowns—*

	Rs.
Final Grant .. .. .	7,00,000
Expenditure .. .. .	7,79,499
Excess .. .. .	79,499

This item was considered by the Committee at its meeting held on 1st February 1967 when it was contended by the Co-operation Department that only the sanctioned amount of Rs. 7,00,000 had been drawn by the Department. The Committee had then directed that the Finance Department should get the contention of the Co-operation Department verified by Audit.

The Committee was now informed that the contention of the Department was correct.

The item was dropped.

### EXCISE AND TAXATION DEPARTMENT

(1) *Page 515, item (21) (i)-Mis-appropriation of Property Tax—Rs. 640.* In this case a Moharrir Patwari collected a sum of Rs. 640 from the defaulters but did not deposit it into the Government Treasury.

The Department stated that the accused Nazar Hussain Patwari Moharrir, in the office of the Excise and Taxation Officer, Lahore, embezzled, Rs. 639.62 during 1953-54. He was convicted by the Additional District Magistrate, Lahore and sentenced to three years imprisonment with a fine of Rs. 2,500.00. The accused person had illegally without any authority recovered the money from the defaulters of property tax and instead of crediting it into the Treasury he had misappropriated it.

The outstanding amount Rs. 639.62 had since been written off.

The explanation was accepted and the item was dropped.

(2) *Page 515, item 21 (ii)-Mis-appropriation of Property Tax—Rs. 1,444.* In this case a Taxation Peon collected arrears of property tax un-authoritatively from different assesses and instead of depositing into Government Treasury, misappropriated the amount by producing forged treasury receipt.

According to the Excise and Taxation Department one Habib Akhtar, an Excise and Taxation peon, Sialkot misappropriated a sum of Rs. 1,440 (Property Tax). He

was arrested by the police. At the time of his arrest, the police recovered Rs. 400 from his person. The amount was deposited in police Malkhana at Police Station Sialkot City, Sialkot. Subsequently the Department recovered a sum of Rs. 1,040 from him and it was deposited into Government Treasury. The accused was convicted and sentenced to undergo 2 year's R. I. The amount of Rs. 400 deposited into the police Malkhana could not thereafter be traced. An entry in the property register of the Malkhana indicated that the said amount of Rs. 400 was sent to Sadar Malkhana (in district courts) to be produced as Exhibit in the case, during trial in the court of A. D. M. Sialkot. But the property register of Sadar Malkhana declines the receipt of the said amount. Therefore a separate case under section 409, P.P.C. was registered at P. S. City Sialkot last year and subjected to proper and thorough investigation, but with no clue of the actual whereabouts of the amount in question or the real offender. The Road Certificate (Acknowledgement) under which the amount is shown in the register of Police Station City to have been sent to the Sadar Malkhana being time barred, has been destroyed. Ultimately, the case was reported as untraced on 27th July, 1965 and its file shelved. The sum of Rs. 400 was therefore written off.

The Committee decided to mention this case in its report to the Assembly, for though the amount involved is small, the very fact that people can get away with embezzled money even from police custody is something very serious, and if cases like this continue no respect can be left for the agency which is responsible to maintain law and order in the country.

#### TRANSPORT DEPARTMENT

(1) *Page 105-Grant No. 7—Charges on account of Motor Vehicle Act B-Inspection of Motor Vehicles-Excess, Rs. 13,407*—The Department stated that the excess of Rs. 13,407 was due to the payment of publication charges in respect of applications for route permits received from the applicants in excess of those anticipated by the Department. It was, however, not a burden on the Government exchequer as the same had been duly recovered from the applicants in advance, the cost to Government being nil.

The explanation was considered satisfactory and the item was dropped.

(2) *Page 8, Para. 12 (iii)-Surrenders made in absence of saving-Grant No. 7 charges on account of Motor Vehicle Act-B-Inspection of Motor Vehicles*—In this case the Department had surrendered a sum of Rs. 900 when there was an excess of Rs. 13,407. The Department had thus made surrender in the absence of saving.

The Department stated that they requested in the 2nd Statement of Excess and Surrenders, for additional funds to cover the net excess of Rs. 2,920.

The Finance Department, however, withdrew a sum of Rs. 900 (instead of allocating additional funds to cover the net excess) and transferred it to the Sub-head: "Surrenders and withdrawals with the grant". The withdrawal was shown as Surrender in the Appropriation Accounts.

The explanation was accepted and the item was dropped.

#### EDUCATION DEPARTMENT

(1) *Page 59, Para. 87-Audit of Grants-in-Aid*—In this case 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 to the Audit by the Director of Industries, West Pakistan.

At the meeting held on 14th April, 1967, the Industries Department had stated that the certificate in question had been submitted to the Accountant General by the Directorate of Technical Education. When asked as to what action had been taken against the officials responsible for the delay, the Industries Department had



stated that as the subject had been transferred to the Education Department only that Department could supply the information. The Committee directed that the Education Department should report to the Committee at its next meeting when the account for 1961-62 are considered, the action taken against the officials responsible for the delay.

(2) *Page 3, Para 5 read with Page 246-Grant No. 24-Industries-A-3-(c)-Emerson Institute for the Blind-Saving,—Rs. 55,351—*The Department stated that due to the re-organization scheme of the Emerson Institute for the Blind, Lahore, an additional grant of Rs. 1,09,190 was sanctioned in addition to the normal budget grant of Rs. 68,890 for the year 1960-61. Number of additional posts were sanctioned in the said scheme including the provision of the employment of 100 blind workers in the Sheltered workshop attached to this Institute and enrolment of 40 day scholars at a monthly stipend of Rs. 10 p. m. each, in addition to 25 boarders, who were to be provided free boarding and lodging at Government cost. Moreover, there was a provision for the purchase of raw-material in bulk quantities and payment of variable labour wages to the blind workers. All such activities remained suspended due to the non-construction of the building of the workshop and lack of accommodation, with the result that the additional blind workers could not be engaged during the year 1960-61. Similarly 40 day scholars were not admitted, as the blind boys of the prescribed age limit were not available. The post of the Principal of this Institute also remained vacant throughout the year, and as such the scheme of the Institute could not be implemented in full. A medical Social Officer of the Mayo Hospital was holding an additional charge of this Institute and he had very little time to look after the administrative affairs of the Institute. At the time of submission of the II<sup>nd</sup> Statement of Excesses and Surrenders for the year, 1960-61, it was expected that the re-organisation scheme of the Institute would be partly implemented. Hence, the entire additional funds sanctioned by the Government for the purpose were not surrendered.

The Institute was under the administrative control of the Secretary to Government of West Pakistan, Health Welfare and Local Government Department, during the period and the major head of account of the Institute was as under :—

“43-Industries-A-Industrial Education-(c)-Emerson Institute for the Blind, Lahore”

The Medical Social Officer of the Mayo Hospital, who was given the additional charge of the post of the Principal of this Institute was transferred immediately after the submission of II<sup>nd</sup> Statement of Excess and Surrenders and was replaced by an other Social Welfare Officer. Due to the frequent changes of the Head of the Institute, non-construction of the building of the workshop and the other factors explained above, the expected expenditure for the remaining part of the financial year could not be incurred, which ultimately resulted in a total saving of Rs. 55,351 during the year 1960-61.

The Committee observed that from the explanation furnished by the Department it appeared that at the least it was a case of bad budgetting, inasmuch as the amount was for the construction of the building, appointment of staff and stipend for the students and by no stretch of imagination could it be expected that a building of this nature could be constructed within the same year and therefore, there was no justification for providing for remuneration of the staff as well as stipends during this year.

Subject to these observations, the para. was dropped.

(3) *Page 4, Para. 8 read with page 163-Grant No. 12-G. A. C:Secretariat and Head quarters Establishment-12 (i)-(G)-Excess—Rs. 4,623—*The Department stated that out of the excess of Rs. 4,623, an excess of Rs. 4,140 was due to installation of more telephones and the remaining excess of Rs. 483 was due to leave salary for which no provision could be made in the Budget at a late stage. Moreover the details of



accounts cannot be furnished now as the record was destroyed in the fire which broke out in the Education Department in May, 1964.

The explanation was accepted and the para. was dropped.

(4) Page 7, 12-(i)-read with pages 221-223—*Supplementary Grant proving partly or wholly unnecessary—*

Supplementary Grant	..	..	..	Rs.
Saving	..	..	..	22,53,470
				11,59,273

In the explanation furnished by the Department the Supplementary grant was stated to have been obtained for certain purposes which were quite different from those enumerated when the additional grant was provided during 1960-61. The Education Secretary asked for time to look into the matter again. The item was, therefore, deferred to be taken up at the next series of meetings of the Committee when the accounts for the year 1961-62 are taken up.

(5) Page 3, Para. 5 read with pages 343-349—*Grant No. 35-Development-K-Education*—The Working Paper for this item, without the comments of the Audit, was circulated in the meeting itself. The Committee did not have the time to examine it. The item was therefore deferred till the next series of meetings of the Committee when the accounts for the year 1961-62 are taken up.

#### REVENUE DEPARTMENT

(1) Page 3, Para. 5 read with page 275—*Grant-Famine-Saving—Rs. 2,40,332*—The Department stated that an amount of Rs. 2,32,000 was allocated to the Commissioner, Dera Ismail Khan Division for finalizing the Kamara Test Works started in that Division. The Kamara Works involved excavation of canals, irrigation channels and repairs to bunds and channels. The main object of the scheme was to ease the near-famine condition prevailing in the Dera Ismail Khan District to serve as permanent benefit to the inhabitants of the localities concerned. It was also intended to provide labour and succour to the affected population. The details of the Famine Test Works had to be examined, before execution, by the Planning and Development Department and Finance Department. As the financial year was drawing to a close and it was not considered possible to utilize the amount allocated to the Commissioner, for the purpose specified, the Finance Department were requested to accord approval to incur the expenditure on the proposed Works in Dera Ismail Khan District during the financial year, 1961-62. The Finance Department accorded the necessary approval on 23rd August, 1961. The glaciers and melting snow swell the hill torrents usually in April, May, June. In order to meet un-foreseen calamities, a small amount of Rs. 8,332 was kept in the Relief Commissioner's reserve.

The explanation of the Department was accepted and the item was dropped.

(2) Page 4, Para 8 read with page 98—*Grant No. 4-Stamp-Excess—Rs. 2,69,437*—The grant No. 4 related to expenditure under the head "9-Stamp". In the printed book of Appropriation Accounts for 1960-61 the following excesses and savings were shown against each sub-head :—

	Rs.
(1) A-Superintendence	+3,491
(2) B-Charges for the Sale of Stamps	+3,78,149
(3) C-Cost of Stamps supplied from Central Stamps Store.	-1,14,299
(4) C-Cost of Stamps supplied from Provincial Stamps.	+2,006

The contention of the Revenue Department was that the Board of Revenue was not concerned with the excess of Rs. 2,096 shown against the Sub-head-Cost of Stamps supplied from Provincial Stamps Store as there was no such head under the Major head "9-Stamps". The excesses and savings shown against the sub-heads at items 1, 2 and 3 had been reconciled with the Audit Office and found that an expenditure of Rs. 2,81,648 pertaining to sub-head "C-Cost of Stamps supplied from Central Stamps store" was wrongly booked under the sub-head "B-Charges for the sale of Stamps". The correct position of excesses under the sub-heads 'A' 'B' and 'C' was as under :—

	Rs.
(1) A-Superintendence ... ..	+3,491
(2) B-Charges for the sale of Stamps ... ..	+96,501
(3) C-Cost of Stamps supplied from Central Stamps Store. ... ..	+1,67,349—
Total ... ..	<u>2,67,341</u>

The excess of Rs. 3,491 was partly due to posting of incumbents drawing higher pay than their predecessors and partly due to receipts of consignments of Stamps by the Commissioner, Peshawar Division just before the close of the year when he had no time for obtaining additional funds.

The excess of Rs. 96,501 was mainly due to more sale of judicial and non-judicial stamps during the last two months of the financial year. The expenditure on the sale of stamps was of fluctuating nature and the exact requirements on this account could not be foreseen by the local officers while preparing the Final Statements of Excesses and Surrenders in April, 1961.

The excess of Rs. 1,67,349 was due to increased demand of judicial and non-judicial stamps on account of increased number of Litigation and also on account of unforeseen nature of transactions such as sales, mortgages and other agreements as well as registration of Motor Vehicles and Taxation thereon.

The explanation given by the Department for the excess under sub-heads 'A', 'B' and 'C' were accepted by the Committee.

As regards the difference of Rs. 2,096 under sub-head "Cost of Stamps supplied from Provincial Stamps stores" the Committee directed that the Department should reconcile the discrepancy of Rs. 2,096 with the Audit and report the result to the Committee at the next meetings alongwith the accounts for the year 1961-62.

(3) Page 4, Para. 8 read with page 130-10-Other Irrigation Expenditure Financed from Ordinary Revenue-18-II-B-(1)-Works-Incharge of civil officers—Excess Rs. 14,588. The working paper for this item did not contain Audit Comments. The Committee directed that the Department should obtain the comments of the Audit Office and the item should come up again before the Committee when it considers the Accounts for 1961-62.

(4) Page 4, Para. 8 read with page 165—Grant No. 12—G. A. 16-Commissioners—Excess Rs. 1,04,644—The Department stated that the excess expenditure was incurred by the Commissioner, Kalat and Peshawar. The reasons for

Peshawar. The reasons for the excess were given as under :—

### COMMISSIONER, KALAT

The excess expenditure was due to the following reasons :—

	Rs.
(i) Payment of Compensatory Allowance ..	14,800
(ii) Fixation of Pay of non-Gazetted staff in the prescribed revised scale of pay.	6,000
(iii) Posting of officials drawing higher pay than those provided in the budget.	14,098
(iv) Certain items of secret service expenditure were incurred by the Commissioner, Kalat with the sanction of the Government in the Home Department.	40,800
<b>Total ..</b>	<b>75,698</b>

No demand for excess amount was made by the Commissioner during that year. The officials who were responsible for this mistake have since been transferred.

### COMMISSIONER, PESHAWAR

The excess expenditure of Rs. 28,946 was due to incorrect booking of expenditure by the Comptroller, Northern Area, Peshawar. If the officials of Commissioner's office had carried out reconciliations of expenditure with the Audit Office during that financial year, the incorrect booking could be pointed out to Audit for necessary correction at the appropriate time. The Commissioner has, therefore, been asked to fix responsibility and take suitable action against the official at fault.

As regards the excess of Rs. 40,800 stated to have been due to a certain Secret Service expenditure incurred by the Commissioner, Kalat without the sanction of the Government it was pointed out by the Audit as well as the Finance Secretary that it was an un-authorised expenditure. The Committee took a very serious view of the matter as the expenditure was not subject to Audit. The Committee directed that the Department should hold a proper enquiry into this matter and take suitable action against the officer directly responsible for incurring this un-authorized expenditure.

As regards the excess of Rs. 28,946 stated to be on account of incorrect booking of expenditure by the Comptroller, Northern Area, Peshawar, it was pointed out by the Audit that as far back as November, 1963, the Board of Revenue had accepted the figures of the Comptroller, Northern Area. The position, therefore, was that the excess of Rs. 28,946 still remained to be explained. The Committee directed that the Department should look into the matter and furnish the necessary explanation. The Department should also furnish full information as to the action taken against the officer responsible for not reconciling the figures at the proper time with the Comptroller, Northern Area.

The item was deferred to be taken up alongwith the accounts for the year 1961-62.

(5) Page 4, Para. 8, read page 165—Grant No. 12—General Administration  
(17) (1)-(2) Other than pay of officers—Excess Rs. 21,18,417—The Department explained the excess as under—

(a) Commissioner, Peshawar—(Rs. 1,10,330)—

(i) Rs. 89,853—Debits were raised in the accounts of the Audit Office on account of telephone and trunk call charges after the close of the financial year.

(i) *Rs. 20,477*—Some Deputy Commissioners had incurred expenditure on account of remuneration to Copyists. The remuneration to Copyists is met from grant under the minor head "Copying Agency Establishment" and not from the "District Office Establishment". The incorrect incurring of expenditure by the Deputy Commissioners under the head "District Office Establishment" resulted in excess.

(b) *Commissioner, Dera Ismail Khan—Rs. 1,28,354*—Out of the total excess of Rs. 1,28,354, an expenditure amounting to Rs. 1,15,066 in respect of Kohat district was taken into account of the Dera Ismail Khan Division. The remaining excess of Rs. 13,288 was due to payment of arrears on account of revision of pay scales and payment of certain bills at the end of the financial year.

(c) *Commissioner, (Lahore)—Rs. 1,07,343*—

(i) *Rs. 35,415*—In the end of 1961 certain posts were created for the Magistrates who were posted in addition to sanctioned strength to dispose of several criminal cases. The excess expenditure could not be regularised during the year as the expenditure was incurred after the submission of the 2nd Statement of Excesses and Surrenders in April, 1961.

(ii) *Rs. 71,928*—The sanction for the continuance of the staff was accorded on 17th July, 1961 by the Government, *vide* their letter No. Estt. (I) 12/131/59, dated the 17th July, 1961. The expenditure already incurred could not be regularised due to the late receipt of the sanction.

(d) *Commissioner, Multan, (Rs. 44,588)*—

The excess expenditure was due to the payment of Compensatory Allowance. The orders regarding payment of Compensatory Allowance were received in July, 1960 when the budget of that year had already been sent and no provision could be made in the original budget. The excess amount was not demanded by the Deputy Commissioner, Muzaffargarh and Multan through an oversight.

(e) *Commissioner, Bahawalpur (Rs. 2,24,584)*—The excess was due to the fact that after the reconstitution of the divisions, the districts of Muzaffargarh and Dera Ghazi Khan were merged with Multan Division but the expenditure in respect of these districts for the period from July, 1960 to December, 1960 had been booked against the Bahawalpur Division.

(f) *Commissioner, Rawalpindi (Rs. 3,09,864)*—(i) *Rs. 1,30,969*—The excess was due to creation of various temporary posts and payment of arrears of pay by the Deputy Commissioners of the Division during the year.

(ii) *Rs. 6,324*—The excess was due to the extensive touring by the local officers in pursuance of the direction issued by the Chief Secretary.

(iii) *Rs. 71,888*—The excess was due to posting of extra staff for the Extra Assistant Commissioners posted for training in Gujrat, Campbellpur and Rawalpindi districts. The extra staff provided for officers under training were paid Compensatory Allowance, House Rent besides Medical Charges.

(iv) *Rs. 1,00,733*—The debits of Rs. 1,00,733, were raised in the accounts of the Audit Office on account of Telephone and Trunk Call Charges after the close of the financial year. The excess expenditure could not, therefore, be regularised.

(g) *Commissioner, Hyderabad, (Rs. 2,22,087)*—

(i) *Rs. 28,079*—The pay scales of Non-gazetted Government Servants were revised with retrospective effect from 14th October, 1955. The excess was due to payment of difference due to them for the period in question.

(ii) *Rs. 62,938*—The local officers were required to undertake extensive touring in pursuance of the direction issued by the Chief Secretary. The Deputy Commissioners who were transferred to Hyderabad from other divisions were paid transfer Travelling Allowance Bills. The Deputy Collectors and Assistant Commis.

moners under-training were paid Travelling Allowance while performing duties assigned to them during training period.

(iii) Rs. 75,776—Government sanctioned Conveyance Allowance for the staff drawing pay less than Rs. 105, with effect from 1st July, 1960. The Budget for 1960-61 had already been sent and no provision could, therefore, be made for Conveyance Allowance.

(iv) Rs. 55,294—The excess was due to the payment of Telephone Charges; purchase of more Service Stamps owing to increase in correspondence and petrol charges of the vehicles due to the extensive touring of the local officers. An additional amount of Rs. 1,30,000 was distributed amongst the District Officers and it was expected that the expenditure would fall within the Final Modified Grant but the expenditure increased un-expectedly, and no demand for additional funds was made as the financial year was already over.

(h) Rs. 9,71,267—The Comptroller, Southern Area, Karachi, confirmed that the excess expenditure of Rs. 9,71,267 related to sub-head other than "District Office Establishment."

As regards Rs. 1,10,330 the Committee asked the Department to take suitable action against the official responsible for incorrect incurring of expenditure.

Subject to this the item was dropped.

As regards Rs. 1,28,354 the Department requested for further time so as to get the necessary explanation of the Commissioner, Dera Ismail Khan as well as Peshawar.

The item was deferred for the next meeting of the Committee when the accounts for the year 1961-62 are taken up.

As regards Rs. 35,415 it was admitted by the Revenue Department that as there was no financial provision for the additional posts, the Deputy Commissioner could not and should not have created the posts and filled these up. The Department further said that an explanation of the Deputy Commissioner has been asked for and proper action would be taken in the matter. The Committee decided that the action taken by the Department should be reported to the Committee at the next meeting when the accounts for the year 1961-62 are taken up.

Regarding Rs. 71,928 the Committee wanted to know under whose instructions did the staff continue prior to the sanction from the Government and what was the date when these instructions were given and also the date when the Finance Department was approached for the sanction of additional funds for this purpose.

The item was deferred to be taken up at the next meeting of the Committee when accounts for the year 1961-62 are taken up.

As regards Rs. 44,588 the Committee was informed that the Department had asked the Commissioner to take action against the officer responsible for the excess. The Committee felt that the ultimate responsibility for this expenditure must rest on the shoulders of the Commissioner himself because, in their opinion, it was the responsibility of the Commissioner. The Committee directed that the Department should look into this aspect of the matter and report its findings and the action taken in this connection to the Committee at its next meeting when the accounts for the year 1961-62 are taken up.

Regarding Rs. 2,24,584, the Department required time to get the explanations of both the Commissioners of Bahawalpur and Multan. The Committee decided that explanations should be supplied to the Committee at its next meeting when accounts for the year 1961-62 are taken up.

Regarding Rs. 1,30,869 the Committee was not satisfied with the explanation given by the Department that the excess was due to the creation of various temporary posts and payment of pay by the Deputy Commissioners of the Divisions during the year.

The Committee wanted to know —

- (a) the reasons under which the posts were created in the absence of the funds;
- (b) the list of the posts created; and
- (c) what was the nature of arrears that were paid.

And decided that the details should be supplied at the next meeting of the Committee when the accounts for the year 1961-62 are taken up by the Committee.

Regarding Rs. 6,324 the Committee directed the Department to produce at the next meeting of the Committee when the accounts for the year 1961-62 are taken up, the copies of the T. A. bills and T.A. registers, and desired that the Accountant-Generals' Offices should also try to locate the originals of the T. A. Bills. The Committee wanted these documents because the Committee was informed that T. A. could not be drawn under any circumstances over and above the provision in the Budget for this item and the grant position is always shown in the T. A. Bills.

Besides the explanation noted above for the excess of Rs. 71,888, the Department explained that the Commissioner, Rawalpindi had stated that the provision for the extra staff was not made due to an over-sight. The Department had asked for the explanation of the persons concerned and action was proposed to be taken in the matter. The Committee directed that further progress should be reported in the next meeting of the Committee when accounts for the year 1961-62 are taken up.

Explanation for the excess of Rs. 1,00,733, Rs. 28,079, Rs. 75,766 and Rs. 55,294 were considered satisfactory and the items were dropped.

As regards the excess of Rs. 62,938, the Committee made the same observations as in the case of excess of Rs. 6,324.

Further to the explanation given above for the excess of Rs. 9,71,267, the Department explained that the Commissioner, Kalat, had been requested to depute a representative to re-concile the figures with the Comptroller, Southern Area. At the same time, steps were being taken to find out why the figures were not reconciled at the proper time. Action would be taken against the persons responsible for the same.

The Committee decided that progress should be reported to the Committee at its next meeting when accounts for the year 1961-62 are taken up.

(6) Page 4, para. 8 read with page 165—Grant No. 12 G.A.17(2)—*Excluded Areas of Dera Ghazi Khan, Excess Rs. 644*—The Department was not ready with the explanation and asked for time to enable them to explain the item at the next meeting of the Committee when accounts for the year 1961-62 are taken up. The item was accordingly deferred.

(7) Page 4, Para. 8, read with page 167—Grant No. 12-G-A-C—*Secretariat and Headquarters Establishment-19-(4)(iii)—Nazul Establishment-Saving Rs. 5,990*—The Department stated that the amount could not be utilized because the entire Nazul Property was handed over to the Multan Improvement Trust and Nazul Staff was discontinued in the office of the Deputy Commissioner, Multan during that financial year. The Deputy Commissioner, had, however, regretted that the grant was not surrendered to Government at the appropriate time through an oversight.

The Committee noted once again that the Deputy Commissioner had stated that the grant was not surrendered to the Government at the appropriate time due to an oversight. The Committee felt that merely stating that this was done due to an over-sight was not a sufficient reason and adequate action should be taken against the person responsible for this. Subject to these observations, the item was dropped.

(8) Page 4, para. 8, read with page 168—Grant No. 12-G-A-19-4-(xi)—*Municipal Establishment—Saving Rs. 43,520*—The Department stated that the grant was not utilized because the Municipal Staff was transferred to Notified Area Committee, Gawadar and the amount lapsed. The Commissioner, Kalat was requested to fix responsibility and take suitable action against the official

responsible for not surrendering the amount to Government during that financial year.

The Committee decided that further progress towards fixing the responsibility for the non-surrender of the amount and the action taken against the person responsible should be reported at the next meeting of the Committee when the accounts for the year 1961-62 are taken up.

(9) Page 4, para 8, read with page 167—Grant No. 12-G-A. 19-(4)(viii)—Road Side Tree Establishment—Saving Rs. 15,140—19-4-(ix)—Garden and Petty Establishment—Saving Rs. 6,480—The Department stated the expenditure under these sub-heads was not maintained separately in the office of Commissioner, Quetta. The expenditure of these sub-heads was booked jointly under the sub-head "Stagging Bungalow Establishment" notwithstanding the fact that the allotment in respect of each sub-head was placed separately at the disposal of the Commissioner, Quetta during that year.

The Revenue Department assured the Committee that proper procedure has now been adopted. In view of the above explanation the item was dropped.

(10) Pages 4 and 5, para 8, read with pages 255-257—Grant No. 26—Miscellaneous Departments—Excess, Rs. 80,876—The Department stated that out of the excess of Rs. 80,876 they were concerned with an amount of Rs. 734 which was incurred in excess under sub-head "Fees to Examiners for Naib-Tehsildars, Kanungos and Patwaris Examination" subordinate to the head '47—Miscellaneous Departments—L—Examination'.

Honorarium was sanctioned to certain Examiners in 1958-59. The Examiners did not draw the honorarium due to them during that year as well as in the year 1959-60 although required sanction was issued in this regard. They had actually drawn their honorarium in June, 1961. The provision for this excess amount could not be made in Second Statement of Excesses and Surrenders during that year, because according to the instructions issued by the Finance Department the Second Statement is required to be sent to that Department by 15th April every year.

The explanation was accepted by the Committee and the item was dropped.

(11) Page 7, Para. 12 (i)—read with Pages 88—91—Grant No. 2—Land Revenue—Supplementary Grant proving partly or wholly unnecessary—

	Rs.
Amount of Supplementary Grant	16,43,580
Saving	8,07,637

The explanation given by the Department in the Working Paper was as under—

Against a supplementary grant of Rs. 16,43,580 under the major head '7—Land Revenue' the savings shown under the various sub-heads subordinate to this major head in the Appropriation Accounts for 1960-61 are detailed below :—

Sub-head	Supplementary Grant	Saving
	Rs.	Rs.
A-3—Special Revenue Establishment ..	53,850	22,204
C—Survey Settlement and Record Operations.	4,440	1,97,687
D—Colonization Operations ..	1,54,270	2,68,775
E-2—District Charges ..	14,25,740	5,65,218
I—Charges on account of Land Revenue Collection.	5,280	—6,000



The reasons for the savings were explained as under —

**A-3—Special Revenue Establishment—**The saving of Rs. 22,204 was due to the fact that some posts remained vacant.

**C—Survey Settlement and Record Operations—**A supplementary grant of Rs. 4,440 was placed at the disposal of the Deputy Commissioner, Deza Ghazi Khan under the primary unit 'Other Allowances and Honoraria'. The entire amount was utilized. The saving of Rs. 1,97,687 occurred under other primary units. Reasons for the saving are as under :—

A saving of Rs. 1,15,000 was due to the fact that the full strength of Patwaris and Kanungos was not engaged owing to non-availability of the experienced staff. The remaining saving of Rs. 82,687 was due to the fact that the construction of Seh-Haddas in the Rawalpindi district could not be carried out because no suitable contractors came forward to undertake the work despite inviting tenders.

**D—Colonization Operations—**

(i) Rs. 1,50,875—The saving was due to the transfer of the office of the Colonization Officer, Thal Project Colony, Jauharabad to the control of the Commissioner, Sargodha Division during 1960-61.

(ii) Rs. 29,820—A saving was due to the fact that the Revenue Surveyor and Survey Tapedars who were engaged for measurement of Setharke Minor in Nawabshah district completed the work much earlier than the anticipated period.

(iii) Rs. 19,000—The saving was due to the fact that the amount provided for payment of arrears of pay was not utilized by the Deputy Commissioner, Montgomery during the year.

(iv) Rs. 42,971—

(a) Rs. 26,246—The rent of T.D.A. buildings used as offices by the Revenue field staff at various stations could not be paid up due to late receipt of bills.

(b) Rs. 16,725—In Jauharabad certain arrears of pay bills remained under objection and could not be finalized during the financial year.

(c) Rs. 26,109—Additional allotment was received by the Commissioner, Bahawalpur at the end of the financial year. The required staff could not be appointed in Rahimyar Khan district due to late receipt of allotment.

**E-2—District Charges—**

(i) Rs. 1,84,946—The saving was due to the fact that first allotment of Rs. 9,50,000 was placed at the disposal of Director, Land Records on 3rd May, 1961 and the second allotment of Rs. 26,070 was placed at his disposal on 12th June, 1961. These allotments were re-allocated by him to the District Offices. The local officers could not utilize the entire amount allotted to them for the preparation of Parat Zamin-dar within that financial year due to short time at their disposal.

(ii) Rs. 1,82,280—The supplementary grant of Rs. 1,82,280 was allotted for payment of fees to Revenue staff for copying and preparation of essential Revenue Records. This work was to be done by qualified patwaris who were not readily available during the period from May to June, 1961 and the qualified patwaris already available on the district establishment were busy in collecting the Land Revenue relating to Rabi as the agricultural year was about to close. Hence the staff for the purpose could not be appointed and the amount lapsed.

(iii) Rs. 51,036—The allotment was received late by Commissioner, Bahawalpur during the financial year and the amount could not be spent promptly in time by the Deputy Commissioner.

(iv) Rs. 1,11,956—The supplementary grant was placed at the disposal of the Commissioner, Khairpur during May and June, 1961 for payment of fees to the Revenue staff for copying and preparation of Revenue Records. This work could not be assigned to Patwaris as they were busy in collection of the revenue relating to Rabi. Hence the amount lapsed.

(v) Rs. 35,000.—The additional allotment of Rs. 35,000 conveyed to the Commissioner, Quetta,—vide, Board's Memo. No. 3050-61/1651-LR.II, dated the 3rd May, 1961 was not received by him. Matter was being pursued with Commissioner and the final reply was still awaited.

*I-Charges on account of Land Revenue Collection (Rs. 6,000)*—The Commissioner, Kalat, did not send a final reply despite official and demi-official reminders. He intimated that the required information was being collected from the Deputy Commissioners concerned. The matter was being pursued and a final reply in this regard would be submitted to the Committee.

As regards "A-3—Special Revenue Establishment", the Committee asked for the details of vacant posts as well as the details of the efforts made by the Department to fill in the post.

As regards "C—Survey Settlement and Record Operations", the Committee observed that it would like to know as to what efforts were made by the Department to recruit experienced staff.

The Committee further observed that while the Department has asked for a supplementary Grant of Rs. 4,440 which they allocated for the Deputy Commissioner, Dera Ghazi Khan under primary unit "Other Allowances and Honoraria", there was a saving of Rs. 1,97,687 under other Primary Units. It thus appeared to the Committee that some sort of system should be introduced whereby it would be possible for the Department to know not only the further requirements of those Units where there was a shortage or where further funds were required, but also the details and figures of those units where fund were in excess of the requirements so that the Department could re-allocate the surplus fund without having to go to the Finance Department.

In this connection the Committee further observed that in spite of clear orders regarding progress of expenditure and responsibility for watching it,—vide Para. 12.3 of Chapter 12 of the PUNJAB BUDGET MANUAL which is reproduced below, correct procedure had not been adopted by the Department—

"12.3. The Head of the Department is responsible for watching expenditure incurred against supply communicated to him. He will exercise general control over the actual expenditure incurred against grants, communicated to Controlling and Disbursing Officers, and particular control over the supply not distributed by him. As laid down in Article 201 of the Audit Code First Edition (1939) the authority administering a grant, and not the Audit Department, is ultimately responsible for keeping expenditure within the grant. For this purpose the following procedure should be adopted by all Disbursing Officers, as well as Controlling Officers and Heads of Departments, as shown in Appendix D, except in the Public Works and Forest Departments where the control of expenditure is governed by the rules laid down in Appendices E, F, G and M —

(1) On receipt of the appropriations from Controlling Officer, Disbursing Officer will open separate registers in Form B. M. 26 by major and minor heads and (where they exist) sub-heads, and note therein the appropriation so communicated for all primary units (and secondary units), if any which for appropriation has been communicated. The appropriation should be noted in red ink at the of top the register under each head concerned.

He will also maintain a register in the same form in respect of the primary units of appropriation "Pay of Officers" and "Pay of Establishment" in which he will record only the actual expenditure as disbursed under these units.

See also Paragraph 12.3 (11) (b).

(2) Whenever a bill is prepared for payment at the treasury, the complete accounts classification as shown in the statement of appropriation communicated to him should be entered therein by the disbursing officer; that is to say, the major and minor heads, sub-heads (if any) and the primary unit of appropriation, as also the secondary unit, if any is prescribed, against which

the amount of the bill is to be debited. If two primary or secondary units are included in the same bill, the amount under each unit should be indicated. This should be done on all bills, including those for "Pay of Officers" and "Pay of Establishment". All fixed allowances classifiable under 'Other Allowances and Honoraria' should be drawn along with pay on the bills for 'Pay of Officers' and 'Pay of Establishment'. Allowances and Honoraria other than fixed allowances should be drawn on separate bills.

(3) When any bill other than a bill for "Pay of Officers" or "Pay of Establishment" is presented to the treasury for payment a small slip (Bill extract) in Form B. M. 27, giving a brief description of the charges and the amount of the bill, will be attached thereto, duly signed by the Disbursing Officer. This Bill Extract Form will also be attached to such of the bills for 'Pay of Officers' and 'Pay of Establishment' on which fixed allowances to be classified under the primary unit 'Other Allowances and Honoraria' are drawn. It will be returned to him with cash or cheque, stamped "Paid" with the treasury seal and with the number and date of the treasury voucher noted thereon. In the case of bills paid at sub-treasuries the Bill Extract Forms should not be detached by the sub-treasury staff, but should be sent along with the bills to the Saddar Treasury, where the District Treasury Officer will assign the treasury number and date of the voucher and return the Bill Extract Form to the presenter of the bill. The Treasury Officer will prepare in duplicate a schedule showing the number, date and amount of vouchers paid during the previous month for supplying on the 2nd of every month one copy to the Disbursing Officer (or to the Controlling Officer where he is his own Disbursing Officer) and also to the Controlling Officer concerned (or to the Head of Department where he is his own Controlling Officer). The Disbursing Officers will furnish a certificate to the Controlling Officers along with their monthly expenditure statements to the effect that entries have been checked with the Treasury Schedules and found correct.

As the Accountant-General's office discharges the function of a treasury in respect of the payments made at the pre-audit counter at Lahore, the cheque delivered in payment of a bill will take the place of the Bill Extract prescribed above and the Accountant-General will, in a monthly schedule of payments which he will furnish to the Controlling Officer (or to the Head of the Department where he is his own Controlling Officer) mention the number and date of all the cheques issued by him. The Disbursing Officer, on the other hand, will modify the record maintained in their offices in Form B.M. 26 in so far as the first two columns of the form are concerned and will indicate the number and date of cheques received from the Accountant-General's office in payment of bills instead of the number and date of the voucher presented at that office. This procedure which, on the one hand, will relieve the Disbursing Officers of the necessity of attaching the Bill Extract to the vouchers will, on the other, conduce to a considerable reduction of work in the Accountant General's Office.

(4) Disbursing Officers will keep accounts in appropriate registers in Form B. M. 26, referred to in clause (1) above in which will be entered every bill cashed at the treasury under its appropriate primary and secondary unit, if any, with quotations of the numbers and dates of the vouchers on which money has been drawn from the treasury. At the end of each month the expenditure against each Primary or Secondary Unit will be totalled. The total expenditure will, at the same time, be deducted from the allotment shown at the top of each column, and results brought forward to the account of the next month.

(5) Should the allotment against any Primary or Secondary unit be increased or reduced by the Controlling Officer, the allotment figure will be corrected by plus or minus red ink entries.

(6) Should the disbursing officers receive information from their controlling officers that particular items have been misclassified, they will correct the accounts of expenditure and the available balances of the allotment by means of minus or plus entries in red ink.

(7) On the 5th of every month the disbursing officers will submit to their controlling officers statements of accounts in Form B.M. 26 being a copy of the register in that form, of the sums drawn by them from the treasury during the previous month under each primary and secondary unit, noting the numbers and dates of the treasury vouchers or cheques against each entry and supporting them by the individual slips (Bill Extracts received back from the treasury, see clause (3) above). This will be accompanied by an abstract in Form B. M. 29.

(8) The Controlling Officer for such parts of his budget as he retains under his own control will carry out the procedure detailed in clauses (1)-(4).

(9) The Controlling Officer will maintain registers in Form B. M. 28 separately for each minor head of account or subordinate head, if any. He will post monthly totals as received from Disbursing Officers in Form B. M. 29 in this register, and will also post in it his own monthly expenditure, and he will check the whole with the schedules received from treasury officers under clause (3) and with the account received in Form B. M. 26 from Disbursing Officers, which they will submit with a certificate prescribed in clause (3) above. These figures will, if the Controlling Officer is not himself the Head of the Department, be reported in Form B. M. 29 to the Head of the Department.

(10) (a) The Head of the Department will prepare a monthly account in form B. M. 29 of the expenditure under each primary and secondary unit except "Pay of Officers" and "Pay of Establishment", thus working up to the total monthly expenditure under each such unit. For this purpose, if he has controlling officers under him he will consolidate the statements he receives from them. This statement will be prepared and forwarded to the Accountant-General so as to reach him by the 20th of the month following that to which the accounts relate. It should be accompanied by the disbursing officers' statements, in original, from which it has been compiled. It will be prepared separately for each minor head, or sub-head, if any, showing the expenditure against each primary or secondary unit. The Accountant-General will check this with his own accounts (which will be based on the vouchers received direct from the treasuries), and the Head of the Department and the Accountant-General will be jointly responsible for reconciling differences and correcting mis-classifications. Any mis-classifications will be generally communicated to the Head of Department by the Accountant-General, and the former will pass them on, through the controlling officer, to the disbursing officer, with the necessary orders for correction. These will be made by a red ink entry in the column of remarks against the item reclassified, and a plus and minus entry made in the register where it is maintained. This entry will run as follows: "Adjustment on account of re-classification in vouchers dated \_\_\_\_\_".

The explanation regarding Rs. 1,50,875 under "Colonization Operations" submitted by the Department that it was due to the transfer of office of the Colonization Officer, Thal Project Colony to the Control of commissioner, Sargodha Division, was not accepted by the Committee in view of the fact that the transfer of Thal Project from Rawalpindi to Sargodha Division should not have any effect on the total expenditure.

The Department was, therefore, directed to look into this matter again and explain full details, etc., to the Committee.

Regarding Rs. 29,820 the Committee wanted to know as to why the Supplementary Grant was asked for when a sum of Rs. 29,820 was being saved in view of the fact that this work had been completed a month earlier and as to why this amount could not be used for other purposes instead of asking for Supplementary Grant.

As regards Rs. 19,000 the Committee wanted to have further details as to when the Commissioner, Multan Division placed the amount of Rs. 19,000 at the disposal of the Deputy Commissioner, Montgomery and also the detailed reasons for non-utilization of the amount by the Deputy Commissioner.

Regarding Rs. 26,246 the Committee wanted to have further details regarding the dates, etc., on which the bills were received.

Regarding Rs. 16,725 further details and information about the dates were required by the Committee.

Regarding Rs. 26,109 the Committee wanted to know the dates.

Regarding Rs. 5,65,218 under "E-2—District Charges", the Finance Secretary pointed out that the Finance Department had allowed the Department to incur expenditure in anticipation of provision of funds,—vide U. O. Nos. R-1-56/746 61, dated 25th March, 1961 and 2426-SOX (Rev)/60, dated 18th November, 1960. In view of this observation made by the Finance Department, the Department sought further time to look into this aspect of the case.

The item was deferred to be taken up again at the next meeting of the Committee when the accounts for the year 1961-62 are taken up.

(11) *Page 99, item (4)—Store Accounts*—The Department stated that the Store Accounts have been sent to the audit offices concerned. As regards the action for the delay, the Department stated that the delay was unavoidable because the accounts were not received from the treasuries in time and there were discrepancies in the accounts which were received and had to be reconciled before the consolidated statements were prepared. The Department had, however, warned all concerned with the preparation of accounts to ensure that no delay occurred in future. It was further stated that the mode of preparation of accounts had been modified which would eliminate delay in the consolidation of Store Accounts.

The Audit pointed out that there were discrepancies in the accounts furnished by the Department and the same were returned for correction in certain cases.

The Committee directed that the Department should carry out the reconciliation with the Audit and report back to the Committee at its next meeting when accounts for the year 1961-62 are taken up.

(12) *Page 523, item 48—Embezzlement of Cash Rent—Rs. 16,224*—The Department stated that the information was being collected.

(13) *Page 523, item 49—Misappropriation of Government Money (Rs. 5,991)*—The Department had not shown their explanation to the Audit. Consideration of the item was therefore, deferred.

(14) *Page 523, item 50—Defalcation in the Accounts of Nazarat Branch—(Rs. 1,460)* Same as in the case of item (14) above.

(15) *Page 4, Para. 8, read with page 104—Grant No. 6—Registration—Excess, (Rs. 8,857).*

(16) *Page 8, Para. 12 (iii)—Surrenders in absence of saving—Grant No. 6—Registration*—Consideration of these items was deferred as the Inspector-General of Registration (Northern Zone) was not present.

Items (18) to (17) would be considered by the Committee along with the accounts for the year 1961-62.

#### LAND UTILIZATION DEPARTMENT

(17) *Page 3, Para 5r read with page 315, Grant No. 35—Development-C—Colonization—Saving under C-1 and C-2*—The Revenue Department stated that this item pertained to the Land Utilization Department. The Committee decided that the Land Utilization Department should submit explanation at the next meeting of the Committee when the accounts for 1961-62 are considered.

The Committee then adjourned to meet again at 3.30 p. m.

LAHORE :

The 15th April, 1967,

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 15TH APRIL 1967, AT 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) Chandhri Muhammad Nawaz, M.P.A.  | .. Member.      |
| (3) Qazi Muhammad Azam Abbasi, M.P.A.  | .. Member.      |
| (4) Mr. Malang Khan, M.P.A.  | .. Member.      |
| (5) Chaudhri Muhammad Sarwar Khan, M.P.A.  | .. Member.      |
| (6) Rai Mansab Ali Khan Kharal, M.P.A.   | .. Member.      |
| (7) Mr. Fazalur Rehman, C.S.P.,<br>Secretary to Government of West Pakistan,<br>Finance Department.                                    | Expert Adviser. |
| (8) Rana Muhammad Yasin, P. A. and A. S.,<br>Accountant-General, West Pakistan.  | By Invitation.  |
| (9) Dr. Amir Muhammad Khan,<br>Secretary to Government of West Pakistan,<br>Health Department along with Regional Heads of Department. | By Invitation.  |

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

**II. The Committee proceeded to consider the explanations of the Health Department in respect of items appearing in the Appropriation Accounts for 1960-61.**

*Page 3, paragraph 5, read with pages 225—231—Grant No. 19—Health Services—*

	Rs.
Final Grant	.. 5,12,13,800
Expenditure	.. 4,48,94,581
Saving	.. 63,19,319

The Department stated that the audit figures of expenditure were different from the departmental figures. The Department's explanation in respect of the saving under each head was, therefore, based on the departmental figures.

The Accountant-General pointed that he had offered the following comments in this matter for the consideration of the Committee:—

"The Department is to reconcile its figures with those booked by the Audit Office monthly. The discrepancies, if any, found out during reconciliation are required to be corrected. It appears this was not done by the Department. On closing of the accounts, each Audit Office supplies its figures of expenditure to the Department to accept them and to explain the causes of variations. Subsequently the accounts are compiled for the entire province and a copy thereof is supplied to the Department for favour of acceptance/comments. If no reply is received within the prescribed period, the account is finalized and a note that the Department has failed to communicate its acceptance is recorded in the Appropriation Accounts.

In the case of the Health Department, copy of the Appropriation Account was sent to the Secretary, Health Department,—*vide* D.O. No. Appropriation 12/1-19/60-61/187, dated 1st of October 1963, in reply to which the Department,—*vide* their letter No. SOV-2/2-62, dated 21st of October, 1963, stated that necessary verifica-



tion of the figures would be carried out within a fortnight and a reply will follow. In spite of the following reminders, nothing was heard and the Appropriation Accounts was printed with a note that the Department did not convey its acceptance.

APP. II/1-19/60-61/828, dated 10th January, 1964.

APP. II/1-19/60-61/1062, dated 8th February, 1964.

APP. II/1-19/60-61/1311, dated 11th March, 1964.

The Committee may, therefore, like to know the circumstances under which the procedure of reconciliation with the audit office was not followed and the discrepancy, if any pointed out, would have been corrected after due verification. This would bring us to this point now that the figures booked in the Audit Office were communicated to the Department in 1963. They were asked to reconcile, verify, accept or reject these figures. They promised they would do in fifteen days time but they did not do so. We kept on reminding them, we sent them three reminders but they did not send a reply. If they challenge the accounts now, how are we going to carry on with the work.

But the Department did not reproduce the same in the Working Papers. Instead, a very small portion of it was incorporated in the working papers as audit comments."

The Committee took a very serious view of the tampering with the audit comments by the Health Department. The Committee decided that it should be impressed upon all the Administrative Departments that the audit comments were in no way to be tampered with. The Committee desired that the Finance Department should issue a circular to all Administrative Departments asking them not to tamper with the audit comments in any case.

The Health Secretary expressed his regret over this mistake on the part of his office and assured that the mistake was not intentional as audit comments in respect of each sub-head had been incorporated in the working papers, once they were of the opinion that this was sufficient. He further assured the Committee that in future this mistake would not be repeated.

As regards the comments of the audit, Secretary, Health stated that he believed that in 1960-61, the reconciliation was done by the then Director of Health Services and the Department has got for each and every item acceptance of the Audit Department, and their certificates to the effect that these were the correct figures. Subsequently, the Directorate was abolished and obviously for no fault of the A. Gs. Office and also on the part of the Health Department certain figures were printed by the Audit Department without the acceptance of the Health Department. The Accountant-General was quite correct that Health Department should have informed the Audit that these were the correct figures which Audit had accepted. But for each item referred to in the Working Papers the certificate of the Audit Office that these were the accepted figures were in possession of the Health Department.

The Accountant-General stated that if the Department had stated this position earlier, he could have verified the figures and submitted his observations to the Committee. He was now at a complete loss what figures the Health Department would produce. The certificates could not be examined in such a short time because these certificates might be out of context.

The Health Secretary suggested that the item might be considered by the Committee accepting the figures of the Health Department. The explanation would be subject to verification by the Audit later on.

The Accountant-General stated that in the absence of mutual reconciliation, he was in no position to assist the Committee as to the disposal of a particular item.



The Committee observed that as the explanations given by the Department were based on their own figures and not the figures accepted by the Audit and printed in the Appropriation Accounts, the Committee could not proceed further with their examination unless the Department reconciled their figures with the Audit. The whole exercise if it were now made, would be futile. The Committee, therefore, reluctantly deferred the consideration of this item and all other items pertaining to the Health Department to a subsequent meeting to be appointed later. The Committee desired that in the meanwhile the Department should reconcile their figures with the Audit and prepare fresh working papers on the basis of verified figures.

The Committee observed that the Health Department did not submit working papers in respect of the following outstanding items pertaining to the Appropriation Accounts for 1959-60:—

(1) Page 3, paragraph 5, read with page 150, Grant No. 21, Health Services—Saving Rs. 58,76,718—

(2) Page 3, paragraph 5, read with page 208—Grant No. 42—Loans and Advances by the Provincial Government—A-3 Advances to students of Bahawalpur—Saving Rs. 63,940.

(3) Page 7, paragraph 12, read with page 150—explanations for the Supplementary Grants, proving partly or wholly unnecessary, Grant 21—Health Services. Saving Rs. 57,52,525—Supplementary Rs. 39,89,800, Surrendered Rs. 2,13,200—

(4) Page 150-152 Saving of Rs. 5,28,101 due to non-purchase of articles for want of sanction—The Committee decided that explanation in respect of these items should also be submitted in the next series of meetings.

The Accountant-General pointed out that some of the Departments sent him their working papers a day or so before the commencement of the Public Accounts Committee meeting, when his office was already busy, and it was not possible for his office to include their comments on the draft working papers. The Committee observed that it has been repeatedly directed that the draft working papers prepared by the Administrative Departments are to be sent to the audit for their examination and comments at least a month in advance of the commencement of the Public Accounts Committee meetings. The Committee again emphasised that the draft working papers prepared by the Administrative Departments should be forwarded to the Audit at least a month before the commencement of the meetings of the Public Accounts Committee and audit comments obtained from the Audit on personal level so that they are in a position to supply the final working papers to the Secretariat of the Committee at least a week before the commencement of the meetings. The Committee desired that the Finance Department should again emphasise this fact to all Administrative Departments.

The Committee then adjourned to meet on Tuesday, the 18th April, 1967, at 9-00 a.m.

LAHORE:

The 15th April, 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 18TH APRIL, 1967, 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) Qazi Muhammad Azam Abbasi, M. P. A.  | .. Member.         |
| (4) Mr. Malang Khan, M. P. A.  | .. Member.         |
| (5) Rai Mansab Ali Khan Kharal, M. P. A.   | .. Member.         |
| (6) Chaudhri Muhammad Sarwar Khan, M. P. A.  | .. Member.         |
| (7) Mr. Tajamul Hussain, P. M. A. S., Secretary to Government of West Pakistan, Finance Department   | .. Expert Adviser. |
| (8) Mr. Riaz-ud-Din, P. A. & A. S., Joint Director, Commercial Audit.  | .. By invitation.  |
| (9) Mr. S. M. Ellahie, C.S.P., Member, Board of Revenue (Excise and Taxation)  | .. Ditto.          |
| (10) Mr. Ahmed Hassan, P.S.E.I., Secretary to Government of West Pakistan, Irrigation & Power Department, alongwith Member, Finance, WAPDA | .. Ditto.          |
| (11) Dr. Capt. Ashfaq Ahmed, Joint Secretary to Government of West Pakistan, Agriculture Department  | .. Ditto.          |
| (12) Mr. Asif Ali Shah, Deputy Secretary to Government of West Pakistan, Industries, Commerce and Mineral Resources Department             | .. Ditto.          |

Mr. Muhammad Athar, Assistant Secretary, Provincial Assembly of West Pakistan, acted as Secretary of the Committee.

**II. The Committee in the first instance considered the explanation of the Finance Department in respect of the following item appearing in the Commercial Accounts for 1959-60 :—**

*Page 714, item No. 1 (i)—Alleged mis-appropriation by encashing of forged bills at Government treasuries amounting to Rs. 4,830 —* In this case contingent bill for Rs. 4,830 was encashed in a treasury in May, 1956.

The Department explained that an inquiry had been held but the Services and General Administration Department in consultation with the Law Department has recently observed that as several irregularities have been committed in conducting the departmental enquiry, the entire proceedings have been vitiated. It has, therefore, been decided that a fresh enquiry be held strictly in accordance with the provisions laid down in the West Pakistan Government Servants (Efficiency and Discipline) Rules, 1960 and the enquiry should be completed within 3 months. Accordingly, the departmental proceedings so far conducted against the Cashier who alone was responsible for the wrong payment on the basis of the findings of the preliminary enquiry conducted by the D. C., Khairpur have been vitiated. The formal orders to conduct a fresh enquiry are being issued in the case.

The Committee directed the Department to report the progress of the case to the Committee when the Accounts for the year 1961-62 are considered.

III. The Committee then considered the explanations of the following Departments in respect of the items appearing in the Commercial Accounts for the year 1960-61.

#### EXCISE AND TAXATION DEPARTMENT

*Page 8, paragraph 18 (XII)—Non-preparation of the Accounts of the Opium Alkaloids Factory, Lahore, for the year 1960-61.*—The Department explained that the Commercial Accounts of the Opium Factory, Lahore, for the year 1960-61 have been completed and Audited by the Deputy Director, Commercial Audit, Lahore. The Accounts could not be compiled earlier for want of a qualified Accountant.

The explanation was found satisfactory and the paragraph was dropped.

#### FINANCE DEPARTMENT

*Page 14, paragraph 22—Embezzlement by encashing forged bills amounting to Rs. 15,265 at a treasury.*—In this case, an employee of a certain Tobacco Factory fraudulently drew a sum of Rs. 15,265 on contingent bills from a treasury in the month of January, 1957 by forging the signature of the General Manager of the factory. The bills were manipulated to show purchases of firewood from a certain contractor. The management stated that the Factory had no account with the treasury and as such responsibility for the fraudulent payment rested with the treasury concerned.

The Department explained that this amount was fraudulently drawn from Sukkur Treasury through 4 forged bills as detailed below:—

Rs.	
(1)	4,530
(2)	3,750
(3)	4,860
(4)	2,125
Total ..	15,265

After necessary investigation by the Police the accused officials were prosecuted. They were, however, acquitted by the Court. Departmental proceedings are under way against the Treasury Officers responsible for the loss sustained by Government.

The Committee directed the Department to report the progress of the case to the Committee when the Accounts for the year 1961-62 are considered.

#### IRRIGATION & POWER DEPARTMENT

(1) *Page 8-9, paragraph 18 (vi)—Non-compilation of Accounts of the Electricity Scheme in Peshawar and Dera Ismail Khan Divisions for 1955-56.*—The Department explained that the Accounts for the year 1955-56 (Pre-integration) along with the audited office copy of the same were sent to Director, Commercial Audit, Karachi, in March 1961, which were reported to have been lost. A fresh copy was supplied in May, 1966. The Director Commercial Audit intimated,—vide his letter dated 3rd August, 1966, that the accounts were being recast by his office. The recast accounts together with Audit comments were received from the Director, Commercial Audit, Karachi,—vide his letter, dated 1st October, 1966. It was explained to Audit on 25th October, 1966 in reply to the above letter that the figure shown in the recast accounts for the year 1955-56 (Pre-integration) did not tally with the figures shown

by the Director, Audit and Accounts (Works), West Pakistan, Lahore, in the Finance Schedule. No, further remarks were thereafter received from the Director, Commercial Audit, Karachi.

The Director, Commercial Audit, however, that the accounts supposed to have been sent in 1961 as well as 1963 were never received in his office. The first time the same were received in May, 1966 in a typed form without any signature. These accounts were not drawn up properly and were not in accordance with previous years accounts as included in Commercial Accounts 1954-55. To assist the Department, Audit recast the accounts and returned them to the Department with its comments on 1st October, 1966. On 25th October, 1966 the Department advised a large number of changes in the figures of the Accounts previously supplied by it and certified by Audit with the result that it was decided that these accounts should be recast. This has now been done and awaits verification by the Audit.

The Committee observed that the submission and resubmission of accounts from the Department to the Audit and its being treated like a shuttle-cock was not a very happy sign. It was difficult for the Committee at this stage to pin-point responsibility for the delay between the Department and the Audit. The Committee would, however like that more care should be taken at both ends to minimise the time lapse in the completion and preparation of the accounts and the final audit of the same.

Subject to these observations and verification of accounts by the Audit the paragraph was dropped.

(2) *Page 9, paragraph 18 (viii)—Non-preparation of the accounts of the Moghalpura Irrigation Workshop Division for the year 1957-58 to 1960-61.*—The Department explained that Commercial Accounts of Moghalpura Irrigation Workshop for the years 1957-58 to 1960-61 have since been compiled, audited and included in the Commercial Accounts of Government of West Pakistan for 1964-65.

As regards the delay in preparation of these commercial accounts, the Department stated that the audited figures for 1958-59 required for the compilation of accounts in question were supplied by Audit Office in August, 1963. Moreover direction charges, pensionary charges and Audit and Accounts charges needed in the preparation of profit and loss account were supplied by Audit Office in January, 1964. Consequently the *pro forma* accounts in question were submitted to Audit Office on 24th January, 1964 for the first time. Due to the reason above the *pro forma* accounts for the year 1958-59 and 1959-60 were submitted to Audit in January, 1964, the *pro forma* accounts for the year 1960-61 prepared in January, 1964 and submitted to Audit Office. Thus there was no delay on the part of the department in the preparation of these Accounts.

The explanation was found satisfactory and the paragraph was dropped.

(3) *Page 9, paragraph 18 (ix)—Non-compilation of the Accounts of the General and Steel Mills Moghalpura from 9th January, 1948 to 31st March, 1960.*—The Department explained that the commercial accounts of Steel and General Mills from 9th January, 1948 to 31st March, 1950 have since been compiled, audited and printed in Commercial Accounts of Government of West Pakistan for the year 1962-63 at pages 464 to 486.

The explanation for the delay in the late submission of the accounts was found satisfactory and the paragraph was dropped.

#### AGRICULTURE DEPARTMENT

IV. The Committee then considered the explanation of the Agriculture Department in respect of the following outstanding items pertaining to Commercial

# Accounts for 1959-60 —

(1) *Page 9-10, Paragraph 18 (iv)—Non-compilation of Accounts of Shishom exploitation Scheme in Mardan for the period from 16th December, 1959 to 30th June, 1960.*—The matter was last considered by the Committee at its meeting held on 2nd November, 1966 when the Committee was 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 was able to prepare the Accounts for the remaining period. The Committee at that time desired that the Finance Department should take interest in the matter and get the two Departments together for the preparation of the Accounts. No progress was thereafter made.

The new Finance Secretary promised that he would call upon the two Departments to attend a meeting, which would be held very soon to settle this matter.

The paragraph was deferred to come up again before the Committee at its next meeting when the Accounts for the year 1961-62 are considered.

(2) *Page 9-10, paragraph 18 (vi)—Non-compilation of Accounts of the Mechanical Cultivation Scheme in Quetta for 1956-57 to 1959-60.*—The matter was last considered by the Committee at its meeting held on 2nd November, 1966 when the Department explained that two officials were deputed with the Director of Commercial Audit Office, Karachi. They received training for one week. But they could not compile the requisite accounts. A scheme for the provision of suitable posts of commercial Accountants had been prepared and was then 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 workshop would be overcome.

The Department now explained that the accounts of the Mechanical Cultivation Scheme for the year 1956-57 and 1957-58 have been prepared and the Director of Commercial Audit has been requested to audit the accounts. As soon as these accounts were audited further would be completed which are to be based on the closing balances of these accounts.

The Audit pointed out that the accounts for 1957-58 were found to contain the following serious shortcomings due to which these could not be certified by the Audit —

- (1) *Revenue Receipts*—The Revenue Receipts shown in the *pro forma* Accounts were not correct. Advances obtained from zamindars were not adjusted although work was carried out in a number of cases. Thus, the revenue receipts were understated thereby understating the loss.
- (2) *Sundry Creditors*—For the above reasons the amount of Sundry Creditors was over-stated. The extent to which the Sundry Creditors were to be cleared and revenue receipts accounted for in the Profit and Loss Accounts could not be worked out by the local office.
- (3) *Assets*—The ledger of assets was not produced to Audit. As such, value of assets in the Balance Sheet could not be verified in Audit.
- (4) *Balance Sheet Liabilities side*—The total of liability side was short by Rs. 1,18,663 as compared with the assets side. The difference could not be reconciled and the same was shown under the head "Suspense". Thus, the Balance Sheet did not depict a true state of affairs.

- (5) *Sundry Debtors*—The personal accounts of Zamindars were not brought up-to-date. As such, the amount of Rs. 3,92,744 shown as outstanding against them, was not correct. The correct amount of outstandings against them could not be worked out by the local office.

The Committee felt that the irregularities pointed out by the Director of Commercial Audit were of a serious nature and serious efforts should be made to rectify them. Reasons for non-submission of accounts for future were not considered satisfactory. The Committee directed that these accounts should be prepared and submitted to the Audit on the lines of the accounts prepared for the years 1956-57 and 1957-58 within a period of three months.

The paragraph was deferred to be taken up again along with the accounts for 1961-62.

(3) *Page 9-10, paragraph 18 (vii)—Non-compilation of the Agricultural Engineering Workshop, Tando Jam (1947-48 to date)*—The matter was last considered by the Committee at its meeting held on 2nd November, 1966 when the Department had stated that the accounts for 1958-59 to 1963-64 had by then been prepared but the previous accounts could not be prepared. The Committee directed the Department to prepare the accounts from 1947-48 to 1957-58 also which were in arrear and if they were unable to do it, they should have the matter straightened out with the Finance Department.

The Department now explained that as the Finance Department had not condoned the preparation of accounts from 1947-48 to 1958-59, the Department would make every effort to prepare the accounts and submit report in the next meeting.

The Audit pointed out that the accounts for 1958-59 contained the following major defects due to which those could not be certified by Audit :—

(i) *Receipts, Rs. 11,12,045—*

The above figure shown as receipts in Profit and Loss Accounts was not correct. It included the advances received from Zamindar for which work was not done. The debts of the previous years realised during 1958-59 were also included in the revenue receipts for the year under audit. Neither the figure was segregated nor any records were made available to audit from which the revenue receipts for the year 1958-59 could be worked out. As such, the working results shown by the Profit and Loss Accounts were incorrect.

(ii) *Withdrawals from Treasury, Rs. 38,97,049—*

In the Balance Sheet the withdrawals from Treasury were shown as Rs. 38,97,049 whereas the details given in the Profit and Loss Account worked out to Rs. 35,25,131. The difference of Rs. 3,71,918 could not be reconciled.

(iii) *Assets, Rs. 43,87,162—*

Assets Register could not be produced to Audit for verification and as such the accuracy of their value amounting to Rs. 43,87,162 was not susceptible to check.

(iv) *Balance Sheet—*

The Balance Sheet did not depict a true position for the following reasons :—  
Cumulative loss from the very beginning was not shown. Similarly the figures of cumulative depreciation reserve were not shown.

(v) The Accounts were not supported with the necessary schedules and other details. As a result, the accuracy of the figures of sundry debtor could not be verified.

The Committee made the same observations as in respect of item (2) above and deferred the paragraph for the next series of meetings to be considered along with the Accounts for 1961-62.

(4) *Page 23, paragraph 28—Non-accounting of petrol, oil and lubricants worth Rs. 7,282*—In this case, it was noticed that 544 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 issued during the year 1959-60 were not accounted for.

On 2nd November, 1966, the Department explained that the Agricultural Engineer, Tandojam 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, and that to avoid recurrence, remedial steps had been taken by the Workshop. From the oral inquiry on 2nd November, 1966 the Committee found that the inquiry had not been properly conducted. The responsibility had been fixed only on some labour who were no more working with them, and no sort of inquiry had been made against any supervisory staff. This was 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 was either shielded or exonerated. The Committee then 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.

The Department now produced treasury challans to show that recovery of the amount of Rs. 1,049 has been effected. As regards the amount of Rs. 6,233, the Department stated that the Department has now fixed the responsibilities of shortages on the executive and the supervisory staff at the ratio shown against each:—

Agricultural Engineer, Tandojam	..	25%
Assistant Agricultural Engineer concerned	..	25%
Unit Supervisors/Operators and Truck Driver	..	50%

The Committee decided that the recovery of Rs. 1,049 be verified by the Audit and the progress with regard to further recoveries should be reported to the Committee when the Committee considers the accounts for the year 1961-62.

(5) *Page 23, paragraph 29—Over-payment 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 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.

In the meeting held on 2nd November, 1966, 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 in this case it did not do so. The official did not remain silent with any bad motive but the rush of work made the official to lose sight of the item and he did not pursue it; hence it remained unrecovered for sometime. 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 had been made, yet what remained to be seen was whether the Department on its own moved for obtaining the recovery when it was discovered that an overpayment 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 overpayment 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 overpayment 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 Department now stated that the enquiry is being held. The result of enquiry had not been reported. However it is stated that Mr. H. R. Bodiwala was appointed as Enquiry Officer in 1965. The rush of work has actually resulted in double payment which could not be detected till the arrival of Audit Party. As a matter of fact the firm who had received overpayment is at fault who on demand confessed their fault and issued credit memo. which could be done prior to pointing out by the office. As such Committee may like to drop the item.

The Finance Secretary pointed out to the Committee that the note of the Agriculture Department did not appear to have been seen by the head of the Department as no officer could have approved the language of the note. It was not proper for the Department to submit this note to the Committee without being seen by the Agriculture Secretary.

The Committee observed that the Department had now accepted that the supplier had been asked to make good the value of the parts received short after the Audit had pointed this out and that as a result of the observation of the Public Accounts Committee an inquiry was being conducted to fix the responsibility for the negligence. The Committee was of the firm opinion that no doubt there was a case of negligence on the part of the person or persons concerned and although the amount of Rs. 4,703 was recovered afterwards it did not, in any way, alter the fact that negligence, wilful or otherwise, did take place in this case. From the explanation as well as the oral explanation given to the Committee, the Committee felt that either the Department had not grasped the seriousness of making efforts to prevent its officers and officials from aiding the suppliers to hold on Government money for long stretches of time or an attempt was being made to shield the person or persons concerned.

The Committee, therefore, directed that the inquiry which the Department claimed to be in progress should be proceeded with and the results of the same as well as full papers of the inquiry be submitted to the Committee for consideration alongwith the accounts for 1961-62.

(6) *Page 141, paragraph 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.

In the meeting held on 2nd November, 1966, the Department explained that a large amount of these outstanding amounts had been liquidated and that vigorous efforts were being made to obtain the bills from the parties concerned and clear the rest of the liabilities. The Committee then 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 explanation given to the Committee were complete in all respects and do not leave out the figures.

The Department now explained that the total amount of outstanding liabilities of Rs. 4,50,445 as on 30th June, 1960 included a sum of Rs. 22,201 pertaining to sundry creditors. The total amount of outstanding liabilities as on 30th June 1960 was Rs. 4,29,244. Out of this total outstanding balance, the sum of Rs. 1,03,747 was paid during the year 1960-61 and there remained a balance of Rs. 3,24,497 as outstanding liabilities for the year 1959-60 as on 30th June, 1961.

Rupees 2,15,554 were paid during the year 1961-62 out of the balance outstanding liabilities for the year 1959-60, leaving a balance of Rs. 1,08,943.40 as on 30th June, 1961.

During the year 1962-63 the balance of outstanding liabilities was further reduced by Rs. 11,207 and there remained a balance of Rs. 97,736 out of the total amount of outstanding liabilities for the year 1959-60 as on 30th June, 1963, the details of which are as under—

	Rs.
Unadjusted liabilities for 1955-56—Coal Commissioner, Karachi ..	1,896.30
Unadjusted liabilities for 1956-57—Exchange Account Railway Credit Notes ..	50,800.00
Unadjusted liabilities for 1958-59—Turpentine Commission on direct sale ..	273.50
Unadjusted liabilities for 1959-60—Steam Coal, Regional Coal Controller, Lahore ..	44,766.50
<b>Total ..</b>	<b>97,736.30</b>

As regards liquidation of liabilities of P. W. R., the Department was in correspondence with the Railway authorities and the Accountant-General, West Pakistan with regard to the adjustment of the sum of Rs. 50,800. As regards unadjusted liabilities of Coal Commissioner, Karachi and Regional Coal Controller, Lahore, the Department had written to them for a number of times but the bills were not forthcoming as a result of which the liabilities could not be liquidated. As far as the Coal Commissioner, Karachi and Regional Coal Controller, Lahore, were concerned, the contention of the Department was that the record in the Coal Commissioner's Office had not been properly kept, as reported to Department by the representative who had been sent to Karachi for this purpose and that even the letters addressed to the Coal Commissioner, Karachi, had not been answered.

Since this subject of coal had been transferred to the Province in 1964 and the Department of Industries were looking after it, the Committee requested the Deputy Secretary, Industries to throw some light on this matter. As a result of this, it was revealed that some time in 1964 when this subject was taken over by the Department of Industries in the Province, the entire work of the Coal Commissioner's Office had been handed over to the Directorate of Mineral Development. The Committee, therefore, requested the Deputy Secretary, Industries to co-ordinate with the Agriculture Department and have this matter finalised.

At the same time, the Committee would like the Department to make a thorough inquiry into the dates on which their representative was supposed to have visited Karachi for the purposes of visiting the Coal Commissioner's Office and the report given by him on his return. The original papers regarding the trip as well as the reports submitted by him, be placed before the Committee for consideration at its next series of meeting when the accounts for the year 1961-62 are considered. Further progress with regards to the liquidation of the liabilities should also be reported at the same time.

V. The Committee then considered the explanation of the Agriculture Department in respect of the following items appearing in the Commercial Accounts for 1960-61 :—

(1) *Page 8-9, paragraph 18 (ii)—Non-compilation of accounts of the Shisham Exploitation Scheme in Mardan*—In this case, the Accounts of the Shisham Exploitation Scheme in Mardan District for the years 1958-59 to 1960-61 had not been compiled correctly by the Department.

The Department explained that—

(1) The account of Shisham Exploitation Scheme in Mardan District for the year 1958-59 has since been certified by the Commercial Audit and this account has been printed in the Commercial Accounts 1962-63.

(2) The account of Shisham Exploitation Scheme in Mardan District for the period from 1st July, 1959 to 15th December, 1959 has been audited by the Audit Party which concluded on 20th February, 1966.

(3) The administrative control of the scheme was transferred to the P.W.D., with effect from 15th December, 1959 (Afternoon) and as such it is presumed that accounts for the subsequent period are not to be prepared by the Forest Department which may be confirmed.

As regards (1) and (2), the Committee was pleased to note that the accounts have been compiled and certified by the Audit. The Committee, however, observed that no satisfactory explanation had been given for late submission of the accounts. The Committee desired that effort should be made in future to prepare the Accounts well in time and submit them to the Audit as per schedule laid down.

As regards No. (3) necessary action would be taken as decided in respect of the item appearing at page 9-10, paragraph 18 (iv) of the Commercial Accounts for 1959-60.

The paragraph was dropped.

(2) *Page 8-9, paragraph 18 (iii)—Non-compilation of the accounts of Jallo Rosin and Turpentine Factory*—In this case, the accounts of Jallo Rosin and Turpentine Factory for 1960-61 were produced to Audit late. The Accounts have since been included in the compilation for 1961-62.

The paragraph was dropped.

(3) *Page 8-9, paragraph 18 (iv)—Non-compilation of accounts of the Mechanical Cultivation Scheme in Quetta Region*—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 thereafter received by the Audit. The accounts for the years 1957-58 to 1960-61 had also not been compiled by the Department.

The Department explained that the position of the accounts of Mechanical Cultivation Scheme (now Agricultural Engineering Workshop, Quetta) was same as explained against the outstanding paragraph 18 (vi) of the Commercial Accounts for the year 1959-60.

The Committee decided that the observation made in respect of the Accounts for 1959-60 should apply to this case as well.

(4) *Page 8-9, paragraph 18 (v)—Non-compilation of the Accounts of the Agricultural Engineering Workshop at 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 Committee decided that decision taken by the Committee in respect of item appearing in paragraph 18 (vii) of the Commercial Accounts for 1959-60 should apply.

(5) *Page 8-9, paragraph 18 (vi)—Non-compilation of Accounts of the Cold Storage of Baghbanpura Lahore and Sialkot*—In this case, the accounts of the Coal Storage of Baghbanpura, Lahore and Sialkot had not been prepared by the Department since 1951-52. This item appearing in the Commercial Accounts for 1959-60 was dropped by the Committee on 2nd November, 1966, subject to Finance Department agreeing to condone the non-preparation of the accounts.

The paragraph was dropped here also.

(6) *Page 69, paragraph 82—Working results*—In this case, the working results of the year 1958-59 (15 months) disclosed a net profit of Rs. 4,279 as compared to a net profit of Rs. 61,619 during the year 1957-58 (12 months). According to the Audit the decrease in profit was mainly due to increase in collection rates coupled with less increase in selling rate in comparison to previous year.

The Department explained that the increase in the collection rates had been in sympathy with the general rise of labour charges and transportation cost the contractors had to pay. As regards the decrease in sale rates it was stated that higher rates were fetched from the ephedra supplied for export but in view of the competition by synthetic ephedrine in foreign markets there were limited and reserve demands for ephedra in foreign countries. The result was that the bulk of the quantity had to be sold locally to the only ephedrine factory in Pakistan at a lower rate.

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

(7) *Page 75, paragraph 89—Closing stock*—In this case, the closing stock was valued at average cost price and stood at Rs. 1,85,569 on 30th June, 1960, as compared with Rs. 52,754 on 30th June, 1959.

The Department explained that the contracts for the collection of ephedra are let out in the middle of the year and contractors continue to supply the contracted quantities up to the close of the year. Under these circumstances the ephedra collected during the particular financial year, unless there are standing offers, is usually sold in the next year. Accordingly the ephedra collected during 1959-60 was actually to be sold during the year 1960-61. However, since there were standing offers and the opening balance for the year 1959-60 was also in a limited quantity, i.e., 7,029 maunds only, the demands during the year 1959-60 were met from the harvest of that year. A total quantity of 27,719 maunds and 45 lbs. was

sold during the year 1959-60. This sale was met as under:—

	Maunds.	Lb.
(i) Opening balance for the year 1959-60	7,029	...
(ii) From the harvest for the year 1959-60	20,690	45
(iii) Total sales	27,719	45

The balance of 24,708 maunds and 18 lbs. from the collection of 1959-60 was disposed of during the year 1960-61.

The explanation was found satisfactory and the paragraph was dropped.

(8) *Page 76, paragraph 91—Adjustment of Rs. 3,00,518*—In this case, a sum of Rs. 3,00,518 had been adjusted during the year as compared to nil during the last year.

The Department furnished the following details of the adjustment amounting to Rs. 3,00,518 :

	Rs.
(1) Receipt on account of sale-proceed relating to previous years but realised in the year 1958-59.	8,811
(2) Amount realised in March 1958,—vide schedule of sale for 1958-59.	(—) 1,850
(3) Difference between opening balance of capital for 1955-56 and closing balance for 1954-55.	6,981 2,93,557
Total	3,00,518

The explanation was found satisfactory and the paragraph was dropped.

(9) *Page 82, paragraph 97—Sale and Purchase Rates*—In this case, Audit pointed out that the sale and purchase rates of ephedra were fixed by the Conservator of Forests on *ad hoc* basis. There was no definite formula to determine the rates each year with due regard to supply and demand and market conditions. The Department was asked to evolve with the approval of the competent authority some method to determine the sale and purchase rates,—vide paragraphs 134 and 104 of the Government of West Pakistan Commercial Accounts 1956-57 and 1957-58, respectively, the necessity for evolving suitable formula was again stressed in the accounts for 1960-61.

The Department explained that the purchase rates are now fixed in accordance with the tenders received from the contractors as prescribed under the rules. While accepting the minimum tenders for purchases from various localities the following factors are taken into consideration:—

- (1) Labour charges at a particular locality.
- (2) Transportation charges from a particular locality keeping in view the leads from harvesting sites to the Forest Depots.

Similarly the rates of sale are fixed after calling for tenders in accordance with Serial No. 3 of the Second Schedule of Part II of Delegation of Financial Powers Rules, 1962 and while fixing the sale rates it is now ensured that the produce is not sold at a loss and that at least Rs. 2-00 per maund is recovered as a net profit in addition to cost of collection and incidental charges as calculated according to the guidance provided by the Audit.

The explanation was found satisfactory and the paragraph was dropped.

(10) Page 82, Paragraph 98—*Depreciation of Ephedra Sheds and tarpaulins*—In this case, Depreciation on Ephedra Sheds and tarpaulins at 2½ per cent and 20 per cent, respectively, was charged during the year 1958-59 and 1959-60 while on Fire Fighting Equipments, depreciation was charged at 10 per cent during 1960-61. Sanction of the competent authority for the above rate was, however, not obtained. The Audit further pointed out that depreciation at the rate of 2½ per cent was generally applied in the case of first class buildings; that the application of the above rate in the case of Ephedra Sheds did not seem to be justified and that the said rate of depreciation needed to be revised in the light of the above assets.

The Department explained that the depreciation charges have been applied at the rates as prescribed in the Forest Manual, Vol. III and that this position had been explained to the Audit previously and accepted by them,—*vide* their letter No. 774/Audit/16-1/63, dated 17th December, 1964 and the objection was treated as settled.

The paragraph was dropped.

(11) Page 82, Para. 99—*Physical verification of stock*—In this case, physical verification of stock was not carried out during the years 1958-59 to 1960-61. Verification was also not conducted during 1956-57 and 1957-58,—*vide* para. 108 of the Compilation for 1957-58. The accuracy of the stock at the close of each year was thus not authentic.

The Department explained that the Department had informed the Audit that according to rule 159 of G.F.R., Volume I quoted by them, physical verification of only store articles was required to be carried out. Since Ephedra was not a store, its physical verification in terms of the afore-mentioned rule was not necessary. It was even otherwise impracticable because the weighing of thousands maunds of Ephedra lying in the form of heaps would have cost considerable expenditure. However, since the Audit were insistent upon the physical verification of the stock they were informed that instructions would be complied with in future. Accordingly physical verification of the stock for the year 1961-62, 1962-63 and 1963-64 was carried out under intimation to the Audit.

The explanation was found satisfactory and paragraph was dropped.

(12) Page 82, Paragraph 100—In this case, a sum of Rs. 1,573 was charged to the accounts of each year on account of share of Divisional and Head Office Establishment on *ad hoc* basis. According to the Audit these charges should have been worked out on the basis of actual expenditure incurred in the Divisions and Head Office and an amount equal to a percentage of such total expenditure in proportion to work performed in each Division should have been charged to the account of each year under review.

The Department explained that the overhead charges were calculated after taking into consideration the percentage of pay, etc., of staff employed on Ephedra according to the load of Ephedra work done by them *vis-a-vis* their over all duties as under—

	Per cent	Rs.	Rs.
(1) Circle Office	...	5	3,576.00.. 179.00
(2) Quetta Division	...	10	8,088.00.. 809.00
(3) Sibi Division	...	4	8,088.00.. 323.00
(4) Zhob Division	...	3	8,088.00 .. 262.00
Total	...		1,573.00

The adjustment for the above percentage was taken into the *pro forma* Account of the subsequent years.

The explanation was found satisfactory and the paragraph was dropped.

(13) *Page 82, Para. 101—Commercial Books*—In this case, separate commercial books of accounts were not being maintained for this scheme. The transactions relating to this scheme were recorded in the main cash book and other subsidiary books of the Forest Officer wherefrom transactions relating to Ephedra were picked up for preparing the *pro forma* Account in question. The Department was asked to maintain separate books of accounts in order to facilitate preparation of *pro forma* account,—vide paragraphs 135 and 110 of the Government of West Pakistan Commercial Accounts, 1956-57 and 1957-58, respectively. The necessity of maintaining separate set of books was again stressed in the accounts of 1960-61.

The Department explained that the maintenance of separate commercial books of accounts would have necessitated the appointment of a commercial accountant and other staff as the existing staff did not know the commercial accounting system. In view of only marginal profit from the Ephedra, the Scheme would not have been in a position to maintain the above staff otherwise loss was bound to occur. The scheme has since been deleted from the list of commercial projects, with effect from 1st July, 1964 and as such the maintenance of the account on commercial basis would not arise now.

The explanation was found satisfactory and the paragraph was dropped.

#### INDUSTRIES COMMERCE AND MINERAL RESOURCES DEPARTMENT

VI. The Chairmans informed the Committee that he had received a letter from the Department of Industries saying that the Secretary, Industries had gone to Rawalpindi to attend a two-day Conference and, therefore, the Deputy Secretary, Industries, Mr. Asaf Ali Shah, C.S.P., would be representing him at the Public Accounts Committee meeting. The Committee agreed to the appearance of the Deputy Secretary on behalf of the Secretary, Industries and proceeded to examine the explanation of the Department.

#### COMMERCIAL ACCOUNTS FOR 1957-58

*Page 55-56, Paragraph 61—67—Mela Ram Cotton Mill, Lahore*—In this case, the Mill was leased out to Messrs. 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 2nd November, 1966, when the Committee instructed the Department to—

- (i) furnish detailed explanation, as to why a guarantee of Rs. 4,00,000 was accepted as against the stores worth Rs. 10,00,000;
- (ii) to expedite Law Department to examine the question of there Bank Guarantee and advise early; and



- (iii) to examine the possibility of filing criminal case against the defaulters.

The Department now explained that the figures of Rs. 10 lacs shown in the Commercial Accounts for the year 1957-58 represented value of stocks of cloth, yarn, coal, material, in process and miscellaneous stores. According to the agreement with the lessees the mill's stores, stocks of coal and the material in process were handed over to them, the value of which was estimated as about 4 lacs against which a bank guarantee of Rs. 4,00,000 was furnished by them. The stock of cloth and yarn included in the figures of Rs. ten lacs were not handed over to the lessees but were stored in the Mill's premises which were subsequently disposed of by Government. It was, however, found that the lessees had disposed of 34 bales of cloth worth Rs. 40,604 and 7 bales of yarn worth Rs. 8,701 without any authority from Government. The Government claim against the lessees in respect of the yarn and cloth besides the stores was worked out as Rs. 4,85,176 which was subsequently reduced to Rs. 4,13,655 as certified by the Commercial Audit in the balance sheet for the year 1961-62. Thus the Bank Guarantee of Rs. 4 lacs was taken against the stores and stocks, excluding yarn and cloth the value of which was Rs. 3,66,548 (Rs. 4,13,655 - Rs. 47,107). As the stocks of yarn and cloth were disposed of by the lessees to the extent stated above without any authority from Government a criminal case was filed against them. The question whether the value of Government stocks and stores could be recovered from the Sialkot Central Co-operative Bank Ltd., against the Bank guarantee of Rs. 4,00,000 furnished by them was still under examination with the Law Department to whom reminders have been sent by Government to expedite their advice. As regards the possibility of filing a criminal case against the lessees the matter was under active consideration and the Law Department was being consulted in the matter whether it would be advisable to start criminal proceeding against the lessees. A civil suit for the appointment of an Arbitrator was being heard in the Civil Court in pursuance of High Court Orders dated 15th October, 1962.

The Committee deferred consideration of the paragraph to its next series of the meetings when the account for 1961-62 are considered. The Committee decided that in the next meetings fixed for the consideration of this item the following officers should be asked to be present:—

- (1) Law Secretary or his representative.
- (2) Chief Settlement and Rehabilitation Commissioner or his representative.
- (3) Secretary, Co-operation.
- (4) Registrar, Co-operative Societies.

The Committee further decided that the Industries Department shall prepare fresh working papers containing the up-to-date position of the case for the next meeting and in addition to the Committees shall supply copies of the working papers to the above-mentioned officers also in advance of the meeting.

#### COMMERCIAL ACCOUNT FOR 1959-60

- (1) Page 28, paragraph 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 and Rs. 29,263, respectively.

The matter was last considered by the Committee at its meeting, held on 2nd November, 1966, wherein the Department informed the Committee that the sanction of Government for the write off of shortages and accounting for the excesses had been referred to the Finance Department on 20th April, 1966, who in turn asked for certain additional information which were being collected. 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.

The Department now explained that the centre had no doubt been running into loss for years up to 1964-65; but the working of the centre has now considerably improved and the Accounts for the year 1965-66 have revealed a profit of Rs. 8,74,382 out of which an amount of Rs. 6,26,538 has been transferred to Education side resulting in net profit of Rs. 2,47,844. The working of this unit would further improve as new weaving machinery worth Rs. 4,36,000 has been imported which is being installed. The results of the new machinery would appear in the accounts for the year 1966-67.

The Finance Secretary pointed out that the Finance Department had asked for the following information from the Administrative Department which had not been furnished:—

- (1) Whether it is correct that the excesses and shortages in the stocks and stores were due to mixing of qualities during processing and mis-posting of items with each other;
- (2) if so, whether all the shortages and excesses were due to this reason or on account of some other reasons as well which have not been reported by the factory authorities;
- (3) what were the circumstances under which the case of excesses and shortages was not taken up in time with the Government of West Pakistan and the issue was delayed for several years. Why has not the reply to Finance Department U. O. No. 1037-SOX. VIII/66 (1-17/66), dated 25th May, 1966, been furnished by the A.D. (factory authorities in time);
- (4) it should be confirmed whether the excesses and shortages reported by the AD have been confirmed by the Audit Department, Government of Pakistan. Responsibility for the shortages and excesses should be clearly fixed on the staff concerned and Finance Department informed as to what action is proposed to be taken against them;
- (5) the statements were not furnished by the factory authorities under the *pro forma* suggested by the Administrative Department and it was stated that as the ledgering system in the factory was different the query could not, therefore, be answered and the statement could not be furnished accordingly. It is not understood as to why a system which is considered to be defective has been followed and whether any steps have been taken to have a better system or not; and
- (6) mis-posting is quite a serious thing in any factory which aims at functioning on commercial lines. Administrative Department may, therefore, intimate as to what measures have been taken to avoid any such situation in future.

The Committee observed that inspite of the fact that the Committee had asked the Administrative Department to supply full information, they did not come forward with the same. The Committee decided that further information asked for by the Finance Department should be supplied both to the Finance Department as well as the Committee itself.

The paragraph was deferred to come up again with the accounts of 1961-62.

(2) *Page 9, Paragraph 18 (ii)—Non-compilation of the Accounts of the Sales and Display Depot, Lahore for 1959-60*—The matter was considered by the Committee at its meeting held on 2nd November, 1966 when 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.

The Department now explained that the accounts have been re-cast in the light of the observations made by the Audit Department and are being audited by them.

The Committee observed that no satisfactory progress has been made in the matter as neither the write-off has been finalised nor the accounts have been audited so far. The Committee decided that the matter should come up again before the Committee for consideration, with the report of the Administrative Department regarding progress made in this behalf, when the accounts for the year 1961-62 are being considered.

(3) *Page 22, Paragraph 24—Treasury Challans missing worth 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 the Audit when called for.

The matter was last considered by the Committee at its meeting held on 2nd November, 1966 when the Committee observed that five years delay, had taken place in reporting the matter to the Police and some body must be held responsible for this in-ordinate delay. The Committee asked that 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 Department now explained that the Sales Manager, Sales and Display Depot, Lahore, took up the matter with the Officer on 23rd January, 1962 for verification of deposits of Rs. 24,436.90. The Treasury Officer, however, took a long time to verify the deposits and the reply was received in March 1966 in which he showed his inability to verify the credits except one item of Rs. 270.37.

In the oral examination the Department informed the Committee that as it had proved to be a case of embezzlement, a case has been registered with the police which is pending.

The Committee were of the opinion that the delay of five years was not due to negligence on the part of the Industries Department inasmuch as the Sales Manager, Sales and Display Depot at Lahore, had taken up the matter on the 23rd January, 1962 with the Treasury Officer regarding the verification of deposits of Rs. 24,436.54 but the latter had taken inordinately long time and ultimately replied on the 16th March, 1966. The Committee requested the Finance Depart-

ment to look into the reasons for this delay on the part of the Treasury Offices and to take necessary action against the persons concerned and report the same to the Committee when the accounts for the year 1961-62 are considered. The Industries Department should also keep the Committee informed of the progress made in the criminal case.

(4) *Page 748, item No. 2 to 6, Annexure*—The items were last considered by the Committee at its meeting held on 2nd November, 1966 when the Committee was informed that all the cases were registered with the Police in December, 1961, and were pending in courts. The Committee had asked whether the cash security or a fidelity bond was obtained and who was responsible for this omission.

The Department now stated that all the cases are still pending. The Department further stated that no cash security or personal surety was forthcoming.

The paragraphs were deferred to be taken up along with the accounts for 1961-62.

The Committee directed that in the next meeting the Department should also report as to who was responsible for not taking security or fidelity bond from the persons concerned.

#### COMMERCIAL ACCOUNTS FOR 1960-61

(1) *Page 8-9, Paragraph 17 (x)—Non-compilation of Accounts of Excise and Salt Department, Lahore, 1958-59 to 1959-60*—In this case, the Accounts of the Excise and Salt Department, Lahore for the year 1958-59 were produced for audit late. The accounts for 1959-60 had not been compiled by the Department.

The Department explained that 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. The Commercial Accounts of the Salt Department for the year 1959-60 have also been audited and published in the Compilation of Government of West Pakistan Commercial Accounts, 1964-65 and Audit Report 1966.

The explanation was found satisfactory and the paragraph was dropped.

(2) *Pages 8-9, Paragraph 17 (xi)—Non-compilation of Accounts of Government owned Salt Stores at Saran*—In this case, the Accounts of the Government owned Salt Stores at Saran had not been prepared by the Department.

The Department explained that in July 1966 the Government of West Pakistan decided that the *pro forma* Accounts of Government Owned Salt Stores at Saran should be prepared by West Pakistan Industrial Development Corporation although the Corporation never took over the charge of this Salt Works. However the Commercial Accounts of this Salt Works from 1956-57 to 1963-64 have been prepared and got Audited. Copies of Audited accounts have since been forwarded to Director of Commercial Audit, Karachi for publication in the next Compilation of Government of West Pakistan, Commercial Accounts.

The explanation was found satisfactory and the paragraph was dropped.

(3) *Page 15 paragraph 23—Shortage of stores in Provincial stationery office, Lahore*—In this case, a sum of Rs. 1,404 had been shown in financial irregularity for writing off the amount.

The Department explained that sanction to write off the amount of Rs. 1,403/14 had been accorded in 1959 and sent to Audit in 1962. The explanation was considered satisfactory and the audit objection was dropped.

(4) *Page 89, Paragraph 105—Opening and closing balances*—In this case, the balance at the commencement of the year valued at the rate fixed for the year 1960-61 was Rs. 37,52,092 and the closing balance on 30th June, 1961 revalued at the rates fixed for the year 1961-62 amounted to Rs. 50,53,228. The Committee had asked the Department to explain the formula evolved for fixing the rates of stock articles.

The Department explained that the formula is prescribed in paragraph 11-7 of West Pakistan Printing and Stationery Manual, 1st Edition.

The paragraph was dropped.

(5) *Page 89, Paragraph 111—Shortage of Rs. 1,111*—In this case, stores valuing Rs. 1,111 were found short at the time of annual stock verification.

The Department explained that the shortage has since been written off.

The paragraph was dropped.

(6) *Page 17, Paragraph 26*—In this case, the Weaving side of the amalgamated unit continued to work in single shift as in the previous year. The necessity of running the factory in double shifts was badly felt as the products of the single shift were found quite inadequate to meet the entire demand of Government Departments in the West Pakistan Government. This could be verified from the fact that there stood a credit balance of Rs. 4,56,309-21 at the close of the year, which amount (including some portion of the previous years other than 190-61) was received in advance from Government Department on account of supply of cloth, but could not be catered owing to limited stock of Government needed qualities. This case was taken up with the Government for restarting the double shift and has been considered favourably.

The Department explained that against the credit balance of Rs. 4,56,309-21 as on 30th June, 1961, cloth worth Rs. 4,19,220-13 has been supplied leaving a balance of Rs. 37,088-08 on 30th June, 1965. Action is being taken to clear the credit balance.

The Committee directed that further progress should be reported to the Committee when it takes up the Accounts for 1961-62.

(7) *Page 19, Paragraph 35—Transfer of Expenditure*—The factory earned a net profit of Rs. 2,74,737 during the year under review as against the net profit of Rs. 2,19,229 made during the previous year. The percentage of profit to turn over worked out to 20-30 as compared with 14-60 during the previous year. The profit had been arrived at after transfer of expenditure of Rs. 4,13,187 from the Commercial side to the Education side. But for this transfer, the profit would have turned into a loss of Rs. 1,38,453.

The Department explained that the Finance Department had set up a Committee to examine the procedure of transfer of expenditure to the Education side at 4/11 of the total amount spent. The said Committee had finalized its report and had recommended that separate budgets should be prepared for Education side and Commercial side from the year 1967-68. The Committee was informed about this in the meeting held on 2nd November, 1966.

The explanation was found satisfactory and the paragraph was dropped.

(8) *Page 19, Paragraph 36—Sundry Debtors*—In this case, the amount of Sundry Debtors at the close of the year under review was Rs. 3,46,512. Year-wise analysis of the Sundry Debtors was not furnished to the Audit and as such it could

not be ascertained as to which year the debts related. The Audit desired that effective steps should be taken for early clearance of outstanding dues.

The Department reported that:—

(i) The year-wise analysis of Sundry Debtors was as under:—

	Rs.
1947-48	8,658.05
1948-49	280.31
1951-52	610.75
1952-53	2,364.88
1953-54	19,915.74
1954-55	19,318.66
1955-56	35,062.29
1956-57	10,664.22
1957-58	21,148.92
1958-59	7,391.86
1959-60	1,18,072.34
1960-61	1,03,024.06
<b>Total</b>	<b>3,46,512.10</b>

(ii) Out of the above amount a sum of Rs. 2,32,892 has been received leaving a balance of Rs. 1,13,620 on 30th June, 1965.

The Committee went through the list showing amounts of Sundry Debtors. It was noticed that besides the Government Departments, a number of private parties and firms had also taken the goods on credit and on an inquiry from the Department as to whether this sale on credit to non-Government Departments or private parties was authorised, the Department admitted that this was unauthorised. The Committee therefore, directed the Department to enquire as to who was responsible for this unauthorised sale on credit and to take immediate and necessary action against the person or persons responsible for the same and report this to the Committee along with further progress. The paragraph was deferred to come up again when the Committee considers the accounts for 1961-62.

(9) *Page 22, Paragraph 38—Decrease in consumption*—The Audit had pointed out that total consumption of yarn and stores during the year 1960-61 had decreased as compared with the year 1959-60.

The Department explained that the decrease in value of the yarn consumed during the year, 1960-61 was due to the fact that coarse cloth was produced in large quantity against the fine cloth produced during the year, 1959-60. A reference was made to paragraph 28 of the financial review which revealed that 684,862 yards of cloth was produced for which yarn and stores worth Rs. 6,65,596 were consumed during 1960-61 against the production of 676,301 yards for which yarn and stores valuing Rs. 7,41,671 were utilized.

The explanation was found satisfactory and the paragraph was dropped.

(10) *Page 25, Paragraph 39—Sales on Credit*—The Audit had pointed out that sale on credit during the year increased as compared with the previous years.

The Department explained that under the working rules of the Centre the General Manager was competent to sell cloth on credit to Members of Legislature and Government officials upto a limit of Rs. 100. However in accordance with normal business practice General Manager had to allow credit facilities to reputable firms and private individuals to secure business in competition with private mills. The amount outstanding on account of credit sales had been reduced from Rs. 3,46,512 to Rs. 1,13,620 as at 30th June, 1965. Efforts were being made to realise the amounts and it was hoped the amount would be realized early.

The Committee made the same observation as in respect of item (8) above.

(11) *Page 26, Paragraph 40—Increase in Administration cost, payment of bonus and interest on capital*—The Department explained that—

(i) the administrative cost did not increase.

(ii) During the year, 1960-61 two bonuses for the years, 1957-58 and 1958-59 were paid as sanctioned by the Government on 18th July 1960 and 20th May, 1961, whereas no bonus was disbursed during 1959-60 except the unspent balance of 1956-57.

(iii) The increase in interest charges during the year was due to increase in the working capital from Rs. 7,18,800 in 1959-60 to Rs. 9,43,005 in 1960-61 on which interest is charged at 4 per cent.

The explanation was found satisfactory and the paragraph was dropped.

(12) *Page 28, Paragraph 41*—In this case, the Department maintained a heavy balance of closing stock amounting to Rs. 12,60,368 as compared with the value of stock utilized during the year amounting to Rs. 6,43,171.

The Department explained that the factory was run in double shift till the year 1958-59 and the stock of yarn, etc., was procured for the double shift. During the years 1959-60 and 1960-61 the factory had to work in single shift and as such the stocks of yarn, etc., could not fully utilized. The factory was again put on double shift from the year 1961-62 and the stocks in hand of yarn and miscellaneous stores have been consumed in 1961-62 and in subsequent years.

The explanation was found satisfactory and the paragraph was dropped.

(13) *Page 29, Paragraph 42—Value of Stock written off*—In this case, certain articles of stock were found excess and short during the year whose value had been written off. The Committee had asked for the details of these articles.

The Department placed before the Committee a statement showing the excess and shortages of cloth for the year ending 30th June, 1961. The question of write off had been referred by the Department to the Finance Department who asked for the similar information as had been asked for in respect of the accounts for 1959-60 (page 28, paragraph 44 appearing in earlier part of these minutes).

The Committee made the same observations as in the previous case. The paragraph was deferred to be taken up alongwith the accounts for 1961-62.

(14) *Page 33, paragraph 44*—In this case, a sum of Rs. 4,85,176 was shown outstanding against Messrs. Rashid, Ghani and Malli (ex-lessees). The Committee had asked for the details of this amount.



The Department furnished the details as under :—

	Rs.
Cotton ... ..	18,789
Coal ... ..	51,041
Cloth ... ..	40,406
Yarn ... ..	6,701
Cotton Yarn Waste ... ..	74,590
Cloth in show room ... ..	11,057
Stores consumed ... ..	80,156
Cotton and Yarn in process (Spinning) ... ..	1,03,225
Cloth in process (Weaving) ... ..	60,201
Cloth in finishing section ... ..	39,010
<b>Total ... ..</b>	<b>4,85,176</b>

The Department further reported that a civil suit had been filed.

The Committee directed that the further progress should be reported to the Committee when it meets again to consider the accounts for 1961-62.

(15) *Page 37, Paragraph 46*—In this case a sum of Rs. 4,91,411 was shown under "Adjustment". The Committee had asked for the nature and the details of the adjustments.

The Department explained that the amount recoverable from the Rehabilitation Department on account of repair of building and machinery etc., was Rs. 4,91,412 as shown in the Balance Sheet for the year 1958-59 and amount payable to the Rehabilitation Department was Rs. 4,91,101 on account of value of stocks and stores received on 1st, May, 1950 when the possession of the mill was delivered to the Government. These amounts were adjusted during the year 1959-60.

The explanation was found satisfactory and the paragraph was dropped.

(16) *Page 39, Paragraph 50*—In this case, physical verification of the Stores was not carried out during the year under review.

The Department explained that the stocks and stores were sealed by the Rehabilitation Department under the orders of the Provincial Government as a criminal case was filed against the lessees of the mill in 1955. The stores were under the custody of the Rehabilitation Department and could not be physically verified.

The item was deferred for consideration at the next meeting along with other paragraph regarding the Mela Ram Cotton Mills.

(17) *Page 39, Paragraph 51*—A sum of Rs. 4,323 shown on liabilities side of Statement of Affairs represented difference in the Trial Balance for 1954-55. This difference had not been reconciled.

The Department explained that the Punjab Government Cotton Mill was closed on 3rd February, 1955 under the orders of the Provincial Government and the services of the entire staff were terminated with effect from 31st August 1955. The current files, etc., were transferred to the Directorate of Industries for necessary action after 31st August, 1955 for which no extra staff was sanctioned. The remaining record pertaining to the Mill which was very huge was kept in two rooms of the mills which was sealed by the Rehabilitation Department. In the year 1960 the work of this mill was transferred to the Audit Branch of this Directorate. The audit staff of this Directorate visited the premises of

Government Cotton Mills in 1960 and found that some record including one cash book for the year 1954-55 was eaten up by white ants as the rooms were never opened for the last 4 years. In view of these circumstances the difference in the Trial Balance could not be reconciled so far.

The same decisions as in case of (16) above.

(18) *Page 39, Paragraph 52*—A sum of Rs. 63,972 shown in the Statement of Affairs as on 30th June, 1961 against "Other Debtors" included Rs. 58,531 and Rs. 2,794 pertaining to year 1952-53, respectively, recoverable from certain Jails. The circumstances under which these amounts could not be recovered needed investigation.

The Department explained that the amounts of Rs. 58,531 and Rs. 2,794 pertained to yarn supplied to the Jail Department before integration. The payments are withheld by the Jail Authorities on the ground that in 1954 when the Punjab Government Cotton Mills was leased to Messrs. Rashid, Ghani and Malli, the Superintendent, Central Jail, Multan placed a demand for 71 bales of yarn with the mill and issued an R. T. R. for Rs. 54,312 in favour of the above lessees who failed to supply the yarn. In fact the R. T. R. should have been sent in the name of Punjab Government Cotton Mills. Although the matter was subsequently reported to the C. I. D. and case registered against the lessees, the Jail Authorities demanded the sum of Rs. 54,312 wrongly paid by them to Messrs. Rashid, Ghani and Malli before they make payment of Rs. 58,531 and Rs. 2,794 due to Industries Directorate. In fact the Jail Authorities are not justified to withhold this payment of yarn supplied to them or to adjust Rs. 58,531 etc. payable to the Department as the two cases are not at all interconnected. The case was taken up on Government level for the recovery of the amount but the Jail Authorities refused to make payment unless they receive back Rs. 54,312 from the ex-lessees of the mills. However the recovery of Rs. 54,312 has been included in the Civil Suit filed against the lessees as mentioned in the case of paragraph 44.

The same decision as in the case of item (16) above.

(19) *Page 43, Paragraph 54*—In this case, a sum of Rs. 74,271 has been shown as loss during the year. The Committee asked for the reasons thereof.

The Department stated that the reasons for the loss have already been explained in the Financial Review of the Commercial Accounts for 1960-61.

The paragraph was deferred for consideration along with the accounts for 1960-61.

(20) *Page 45, Paragraph 57*—The Government Tannery, Shahdara was Liquidated in 1927. The total loss to the Tannery upto 31st December, 1960 amounted to Rs. 6,26,057. According to Audit Note the loss was mainly due to *pro forma* adjustment of interest on the Capital at Charge from year to year.

The Department explained that Government have been requested to write off the loss.

Subject to write off of the loss and its verification by the Audit the paragraph was dropped.

(21) *Page 62, Paragraph 73*—This was a case in which neither the Physical verification of assets and stores was carried out nor any register or ledger showing quantitative balances were available with the Management. The authenticity of assets and stores could not, therefore, be verified in Audit.

The Department explained that the position of the Factory was discussed in the Commercial Accounts for the year 1959-60. Proper stores account were not maintained by the factory management. At the time of disposal of the factory the store etc. were physically verified in June 1959 and after disposal of the stores the remaining stores are lying under the charge of Industrial Development Officer for want of disposal. The stores are physically verified for time to time by the Industrial Development Officer, Khairpur.

The explanation was found satisfactory and the paragraph was dropped.

(22) *Page 62, Paragraph 74*—The Audit had pointed out that no provision of Audit and Accounts charges had been made in the Accounts under review. The provision in this regard was required to be made in next year's accounts.

The Department explained that the provision for Audit and Accounts charges has since been made.

The explanation was found satisfactory and the paragraph was dropped.

(23) *Page 62, Paragraph 75*—Stores and assets lying at Zaida Depot were sold for Rs. 19,144 and for Rs. 911 by public auction during the year 1959-60 and 1960-61 respectively. As no record showing the book value of the articles sold was available with the management, the fact whether there was any loss in the sale transaction thereof could not be verified by the Audit.

The Department explained that the factory was closed in the year 1956 and staff was discharged. No action could be taken against the employees in view of entire mismanagement of the affairs of the factory.

The explanation was found satisfactory and the paragraph was dropped.

(24) *Page 62, Paragraph 76*—A sum of Rs. 5,15,693 was shown in the Realization account for the year 1959-60 on account of sale of factory building on credit to Principal, Technical Institute, Khairpur. The Department was asked to take steps to effect the recovery.

The Department stated that the buildings of the Khairpur Virginia Tobacco Redrying Factory were handed over to the Principal of Technical Institute in August, 1959 under Government orders. A bill for the amount was sent to the Principal of the Institute for payment which was not made inspite of repeated reminders. The Education Department have now intimated that the buildings of the Polytechnic Institute was under construction at Khairpur and the buildings of Khairpur Virginia Tobacco Redrying Factory would be vacated in the near future. The case for the disposal of buildings belonging to Khairpur Virginia Tobacco Redrying Factory, is under consideration of Government.

The Committee was of the view that in case the cost of the buildings was not paid by the Technical Institute, suitable rent should be recovered from them for the period, the building remained in their possession and desired that further progress be reported to it when accounts for the year 1961-62 are taken up.

VII The Committee then adjourned to meet again on 19th April, 1967 at 9-00 A.M.

LAHORE :

ZAIN NOORANI

CHAIRMAN,

The 18th April, 1967.

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 19TH APRIL, 1967 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) Qazi Muhammad Azam Abbasi, M. P. A.  | ... Member.         |
| (4) Mr. Malang Khan, M. P. A.  | ... Member.         |
| (5) Rai Mansab Ali Khan Kharal, M. P. A.   | ... Member.         |
| (6) Chaudhri Muhammad Sarwar Khan, M. P. A.  | ... Member.         |
| (7) Mr. A. H. Ghauri, Deputy Secretary to Government of<br>West Pakistan, Finance Department   | ... Expert Adviser. |
| (8) Qazi Anwar-ul-Islam, P. A. and A. S., Director, Audit<br>and Accounts (Works), West Pakistan   | ... By invitation.  |
| (9) Mr. Ahmed Hassan, P.S.E.-I., Secretary to Government<br>of West Pakistan, Irrigation and Power Department<br>alongwith Chief Engineers and Member Finance<br>WAPDA | ... By invitation.  |

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 item appearing in the  
Appropriation Accounts for the year 1958-59 :—**

*Page 23, Paragraph 17 (a) 18 (1)—Shortage of Stores—*In this case, a shortage of stores worth Rs. 1,14,873 and a surplus of stores worth Rs. 1,99,773 was noticed at the time of physical verification of stores in 1955 but the deficiencies and the surpluses were not accounted for till December, 1956. A report of the shortage and surplus was not made to the Audit office. The physical verification required under the rules was not done from 1953 to 1956. The non-compliance of rules facilitated further shortage in stores and the department replied in February, 1961, that on the completion of the physical verification shortages worth Rs. 2,61,040 against 35 section holders and surpluses worth Rs. 2,71,441, were found and accounted for but neither the amount of Rs. 2,61,040 had been recovered nor any disciplinary action taken against the officials responsible for the shortages and delay in the accounting of these deficits and surplus.

The matter was last considered by the Committee at its meeting held on 23rd January, 1967 when the Committee decided that the action taken against the officers who were being proceeded against by the Department should be reported to the Committee in due course of time.

The Committee further asked for a full report in this case when it goes into the question whether any amount should be written off and whether all the amounts that could be realised have been recovered.

The Committee wanted the Department also to look into the question of surpluses and furnish necessary details as to how the surpluses occurred and what steps have been taken or are being taken to guard against the fictitious entries in the issues or non-entries on the receipt sides of the stock registers.

The Department now explained that —

"1. The explanations of one Executive Engineer now Superintending Engineer, two Assistant Engineers now Superintending Engineer, and one Assistant Engineer now Executive Engineer have been received. Charge sheets are being framed against them. Replies of :—

- (1) Executive Engineer.
- (2) Executive Engineer now Section Officer.
- (3) Assistant Engineer now Executive Engineer.

1. Assistant Engineer now Superintending Engineer, have not been received so far. Director, Audit has been asked to take action against 18 Divisional Accountants.

(2) (a) Recoveries made so far amount to Rs. 1940/61 out of which cash recovery of Rs. 947-35 has been verified and the remaining recovery which was in kind is yet under correspondence with the audit office. 1940/61—

	Rs.
(b) Adjusted and verified by Audit	14,795-89
(c) Further adjusted and verified by Audit	10,788-80
(d) Under verification with Audit	3,881-48
(e) Cases under examination for further recovery (5 persons involved). Replies to 'Show Cause' notices served on these persons have been received and cases of punishment alongwith recovery are in hand	4,910-48
<b>Total amount</b>	<b>36,315-26</b>

As no more recovery is possible, estimates for losses of stocks have been framed as follows :—

	Rs.
Sent to Secretary, Irrigation and Power	27,993-00
Under scrutiny	1,96,730
<b>Total</b>	<b>2,61,939-00</b>

(3) A Committee was formed consisting of messers :—

- (1) Sh. Zahurul Haq, S. E. Meeh. Circle, Lahore ... Chairman.
- (2) Mr. R. K. Anwar, XEN, Stores Division. ... Member.
- (3) Ch. Ismat Ullah, XEN, Lahore Drg. Division, Lahore.. Member.

to sift the record and furnish necessary details as to how the surpluses occurred and what steps have been taken or are being taken to guard against the fictitious entries in the issues or non-entries on the receipt sides of the stock registers.

The Committee has met only once uptil now and is on the job. There are as many as 568 items involved and obviously it will take quite some time to examine the events of issues and receipts of various articles. As it may not be possible to go through all the items in reasonable time, some representative articles will be examined by the Committee to show the trend".

The Committee observed that so far as the question of verification of the recoveries was concerned, it was a matter between the Audit and the Department and they should settle it themselves. So far as the surplus was concerned, the Committee noted that an Inquiry Committee had been appointed by the chief Engineer, Lahore, to go into the matter. A number of representative items might be selected by the Inquiry Committee to go into and these items come back to the Public Accounts Committee together with the report of the Inquiry Committee.

So far as the question of taking action against the defaulting officers was concerned, the Committee desired a full report.

The item was deferred to be taken up along with the accounts for 1961-62.

III. The Committee then considered the explanations of the Irrigation and Power Department in respect of the items appearing in the Appropriation Accounts for the year 1960-61.

(1) Page 31, Paragraph 40 (8)—*Shortage of Stores*—In this case, a shortage of 3,35,228 cft. boulder stone worth Rs. 2,01,301 was noticed against the Overseer in October, 1959 after he made over charge of his post on transfer but no report was made to the Audit as required under the Rules.

The Department explained that Executive Engineer, Multan Division who was appointed as an Enquiry Officer found that the difference between Book balance and ground balance was 303,325 cft.

The Overseer had not accounted for the issue of 225,056 cft. boulder stone. The shortage was thus reduced to 78,269 cft.

On checking the ground balance of another Overseer at the same site 150,905 cft. boulder stone was found surplus. The shortages of 78,260 cft. was recovered by this surplus stone. As the stone of both of overseers was lying at the same site and there was every possibility of intermingling of the Boulder Stone. The initial record of all the transactions was under verification with the Audit.

The consideration of the item was deferred to be taken up again when the accounts for 1961-62 are considered by the Committee, by which time the Audit was expected to verify the position.

(2) Page 31, Paragraph 40 (9)—*Shortage of Stores*—In this case, stores worth Rs. 27,859 were found short against an overseer at the time of his handing over charge on transfer.

The Department explained that amount of Rs. 27,859 represents the cost of T. and P. articles found short against Fazal Haq Khan, Meeh. Overseer. An amount of Rs. 20,700 for the cost of 7 Nos. Pumping Sets returned in kind by the Overseer has been withdrawn from Misc. P.W. Advances in August 1964. The relevant record has

been got verified in Audit Office from 12-17/12/66. The result of verification was still awaited.

As regards the recovery of remaining amount of Rs. 7,159 an enquiry was instituted by Chief Engineer, Remodelling in July 1966. This enquiry was nearing finalization and further action in respect of recovery would be taken on receipt of the enquiry report.

The Audit Objected to the return of the Pumps in kind. Audit further pointed out that hire charges for 2 years and ten months when the Pumps were with the Overseer should have been recovered from him besides disciplinary action.

After discussion the Secretary, Irrigation and Power stated that he wanted to reconsider the whole matter to decide once for all whether the T & P articles found missing could be replaced in kind or not. The Committee therefore at the request of the Secretary, Irrigation and Power Department deferred consideration of the item to be taken up again alongwith the accounts of 1961-62, when the Department should furnish complete information in regard to 7 Pumping Sets and other articles found short.

(3) *Page 31, Para 40(10)—Shortage of Stores*—In this case, stock worth Rs. 9,891 was shown as short against various officials from 1951 to 1956. As per rules on the subject, the amount of shortage should have been debited to the suspense head "Miscellaneous Public Works Advances" and a report of the same should have been made to audit.

The Department explained that recovery of shortage to the extent of Rs. 235 has been affected.

Out of the remaining Rs. 9,656, cost of 6,520 gallons Diesel Oil was recoverable from Executive Engineer, Feeder Division, Hyderabad as the Stores were issued to that Division. Action for the recovery of Rs. 29 from the Overseer concerned was under way. Recovery was expected very soon.

Subject to verification by the Audit the paragraph was dropped.

(4) *Page 32, Para. 40(11)—Shortage of Stores*—In this case, an amount of Rs. 3,437 on account of shortage of stores was placed under the suspense head "Miscellaneous Public Works Advances" in the account for the month of February, 1960 as recoverable from various overseers and contractors.

The Department explained that the draft para. framed by the audit office contains Rs. 3,437.56 as recoverable amount, but on actual verification, it was found that amount of Rs. 1,843.56 and Rs. 146.37 was incorrectly included in this draft para. as it had already been included in para. 17(a) 64 of 1956-57. The position regarding the remaining amount was reported to be as under :—

1. *Mr. Muhammad Ashrif Ex-Overseer, Rs. 314.37*—The matter was referred to the Collector, Rawalpindi to recover the amount as an arrear of land Revenue. He informed the Executive Engineer, Chaj Drainage Division that the defaulter was not traceable. The Executive Engineer had been advised to obtain his permanent address. If the address was made available, the case would again be referred to the Collector, Rawalpindi, otherwise the amount shall have to be written off.

2. *Mr. Muhammad Nazir, Overseer, Rs. 675*—The case was still under investigation by the Executive Engineer.

3. *Mr. Rafique Ahmed, Overseer, Rs. 455.25*—After verification of the connected record, it was found that a sum of Rs. 301 was actually recoverable from S. Muhammad Ilyas, Contractor. The amount of Rs. 301 has since been recovered from the Contractor. For the balance amount of Rs. 154.25 the Overseer has promised to pay it.

The item was deferred to be taken up alongwith the accounts for the year 1961-62.



(5) *Page 32, Para (40)12—Shortage of stores*—In this case, Shortage of material worth Rs. 1,152 was found against an official in the year 1957. Neither a report of the loss was made to the Audit Office nor was the amount debited to "Miscellaneous Public Works Advances."

The Department explained that the entire recovery of Rs. 1,152 has been effected and verified from the Audit Office. As regards disciplinary action annual increment of the clerk has been stopped for one year.

The explanation was found satisfactory and the paragraph was dropped.

(6) *Page 32, Paragraph 41(1)—Loss to Government*—In this case, 12,000 empty Kerosine oil tins were sold to a private individual for Rs. 9,000. The sale price was not recovered from the purchaser and the amount was debited to the suspense head "Miscellaneous Public Works Advances" in September, 1956.

The Department explained that 12,000 No. Empty Kerosine Oil Tins were auctioned by the Assistant Director, Disposal, during August 1956 in defunct Link Mechanical Sub Division and highest bid of Rs. 9,000 offered by M/s Parvez Manufacturing Company, Lahore, was approved,—vide Director, Disposal, Lahore No. DDL/Misc/867 sup, dated 23rd February, 1966. The credit for balance amount of Rs. 8,820 after deducting Departmental charges and auctioneer's commission was afforded by him in April 1957 through the Director, Audit and Accounts (Works), West Pakistan, Lahore. The adjustment memo, No. AOIS/732, dated 23rd August, 1957 has been adjusted and the amount cleared from Miscellaneous Public Works Advances in August 1966.

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

(7) *Page 32, para. 41/2—loss to Government*—In this case, an Electric motor worth Rs. 595 was stolen from the Tube-well Section on the night between 23rd and 24th December, 1956 due the negligence of the Public Works Officers in keeping the motor outside the pump house unattended during the night. The case was reported to the police who filed it as untraceable. A departmental enquiry was also conducted in December, 1957 in which the Operator and Assistant Operator in charge of the section had been held responsible for the loss and orders issued to effect recovery of the cost of the article. Later, as a result of appeal these orders were set aside by the Superintending Engineer, without intimating the basis of the same.

The Department explained that the orders were set aside in view of the fact that the Police did not find the Operator, and Assistant Operator guilty of theft. The only charge against them was of negligence for which one year's increment of each was stopped. The Department proposed to write-off the amount.

Subject to the write-off and its verification by the Audit, the paragraph was dropped.

(8) *Page 33, Para 41(3)—Loss to Government*—In this case, two Electric motors and one C. F. Pump costing Rs. 1,400 were stolen on the nights between 7th and 8th October, 1957 and 19th and 20th October, 1957, respectively. No guard establishment was employed to look after the installations but the gaugemen of the respective Sub-Divisions watched them during their night rounds.

The Department explained that the amount has been written-off by the Chief Engineer,—vide his No. 1425/B/63/175, dated 8th June, 1963.

As the write off has been verified by the Audit the para. was dropped.

(9) *Page 33, Para. 41(4)—Loss to Government*—In this case, an amount of Rs. 16,970 was outstanding since June, 1960 under the suspense head "Miscellaneous Public Works Advances" losses, retrenchments, and errors on account of the cost of 3394 cement bags stated to have been set during the floods in 1956.

The Department explained that the Audit had advised that a departmental enquiry should be held and responsibility for not stocking the materials safely and removal during the flood be fixed and loss written-off to finalize the case. The

Superintending Engineer was appointed as an Enquiry Officer. He reported that as the quantity of 3,394 Nos. of cement bags had set during flood of 1956, no body was responsible as the case of the setting up of the cement was only due to rain and on account of high rise in the river Indus and rise in the sub-soil water level at Garang, Chiman and Chak I/Bs.

The cement was never indented by the Executive Engineer but Government of Pakistan imported some Russian cement in paper bags and DGS&D, Karachi started sending in bulk of 62 wagons. The cement was received in paper bags which were in dilapidated condition and quite a good quantity of about 25 % to 30 % was lying loose in the wagons. The bulk cement taken out from torn paper bags was refilled in gunny bags. Some cement got  $\frac{1}{2}$  set during the process of being refilled in gunny bags at railway station. Some of it got set during transit from Railway Station to the place of storage as most of it was carted through camel carts. During 1956 it rained cats and dogs so much so that the total rainfall for those days exceeded all previous records. The Sub-Division did not have any storage accommodation for such huge quantity of cement. The result was that it had to be stored on the spaces whatever were available in the said I/Bs. All necessary precautions were taken by the Divisional Authorities and the cement was kept in pucca buildings under roofing but unfortunately the rains and flood during 1956 were unprecedented and exceeded all the previous record as stated above and were beyond the control of Divisional Officers. Naturally there was abnormal rise in the sub-soil water level. All the floors of the buildings near about the bund became wet due to seepage, hence the cement was damaged. If the cement had not been stored at the above-mentioned places, the whole of it would have set at the railway station. In spite of this some of it was despatched to other Divisions at the earliest opportunity. Some of the paper bags got torn up in the places of storage also while it was being stocked there. The loss was therefore inevitable and could not be stopped or minimized. Action for write off was under way.

Subject to verification of the write-off by the Audit the paragraph was dropped.

(10) Page 33, Para 41(5)—*Loss to Government*—The Audit reported that nine cases of theft of cash and stores valuing Rs. 13,997 were detected in August, 1960. These thefts took place during the years 1957 to 1959. The Police authorities with whom reports were lodged could trace out the culprits in two of these cases only. Despite the fact that departmental enquiries were conducted in each of these cases and the concerned officials were held responsible for these losses action against only one official had been taken.

The Department explained that—

- (i) One electric motor 15 H.P. costing Rs. 1,500 was stolen on 13th/14th October, 1957 in Sargodha Sub-Division. The Assistant Tube-Well Operator was found responsible and handed over to Police. He did not join after Police enquiry. The case remained untraced. The case regarding write off the loss has been initiated.
- (ii) One brass strainer 32" of 7 $\frac{1}{2}$ " dia was stolen on 16th/17th December, 1957 in Malakwal Tube-Well Sub-Division. Stores Chowkidar responsible for the loss left duty without permission due to sickness. The case remained untraced. Write-off has since been sanctioned by the Chief Engineer.
- (iii) G. I. Pipe 20' and one lock were stolen on 24th/25th July, 1958 in Sargodha Tube-Well Sub-Division. The loss was attributed to the carelessness of Tube-Well Operator and Assistant Operator who have since been removed from service. Lock was recovered from the Overseer incharge in kind. G. I. Pipe was fitted by I.B. (Deptt.) on external wiring of the pump house and was not borne on the Returns of the Divisions.

(iv) Two number electric Motor Starters were stolen from Sargodha Tube-Well Sub-Division on 11th/12th August, 1958. Theft occurred as the doors had not been fitted to the Tube-Well concerned. As a result of Police enquiry the case was reported as untraced. Write off has since been sanctioned by the Chief Engineer.

(v) Following articles were stolen from Eminabad Tube-Well Sub-Division on 24th/25th July, 1959:—

1. Starter BTH 15 RP.
2. Main Switch Triple Poles.
3. Main Switch Double.
4. V.I.R. Cable 7/044.

The culprits were caught and all articles recovered.

(vi) Rs. 3,500 in cash of Eminabad Tube-Well Sub-Division were stolen on 10th September, 1959. As a result of Departmental enquiry Barkat Ali, Daffadar was found responsible for the loss who has been dismissed and debarred from further Government service. The Police reported the case as untraced. The write off has since been sanctioned by Government.

(vii) The following articles were stolen in Malakwal Tube-well Sub-Division on 9th/10th October, 1959:—

Shafts with Impellar.

Shafts and Ball Bearing.

Culprits were tried and convicted and all articles recovered.

(viii) Brass articles (screw wire gauze pump shafts, etc.) in Malakwal Tube-Well Sub-Division were stolen on 20th October, 1959. The Police reported the case untraced. The case regarding write off sanction was under action.

(ix) The following articles of Eminabad Tube-Well Sub-Division were stolen on 11th/12th July, 1959 :

Brass strainer 7+10	dia	...
Empty Gunny Bags		.. 160
Column shafts		.. 200
P.S. switch and starter		.. 500
Top shafts		.. 200

Out of the above articles the Police recovered 1 No. Col. shaft and 1 No. top shaft.

Two chowkidars of the Department were suspended and they were under the investigation with the Police. The case regarding write-off of the loss was under consideration.

The Audit pointed out that the stolen articles subsequently recovered have not been got verified by the Audit. The sanction of the competent authority for write-off had also not been received by the Audit.

Subject to verification of recovery and write-off by the Audit the paragraph was dropped.

(11) *Page 33, Paragraph 41(6)—Loss to Government*—In this case, cash kept in a "chest" in the custody of a Divisional Officer was found short by Rs. 3,720 on 23rd September, 1959 and the amount was placed in the Schedule of "Miscellaneous Public Works Advances" during September, 1959.

The Department explained that the shortage of Rs. 3,720 in the Divisional chest was noticed on 23rd September, 1959. The Head Clerk Mr. Abdul Majid was directed by the Executive Engineer to make good the shortage. On the Head Clerk failing to do this the matter was reported to the Police on 24th September, 1959. The Police sealed the chest on the 24th night and opened on 25th morning. As desired by the Superintendent of Police, Bannu and approved by the Superintending Engineer, Southern Irrigation Circle, Bannu, the Head Clerk was relieved of his duties. While handing over charge, the Head Clerk found the missing Rs. 3,720 in the wooden box lying in an almirah of the Correspondence Branch of the office in the presence of his successor Mr. Rehman Gul, other clerks and contractors and handed over this cash to Mr. Rehman Gul. The Police was informed of this fact and the cash was taken into custody by the Police as case property. The Special Judge, Peshawar acquitted the accused. The sum of Rs. 3,720 has since been returned by the Police to the Executive Engineer, Kurram Garhi C.C. and R. Division (Now Marwat Canal Division) Bannu and the item outstanding under Misc. P.W. Advances cleared in May, 1964.

The Ex-Head Clerk was convicted on 7th October, 1961 in another case and sentenced to a fine of Rs. 600 or in default 3 months imprisonment. He underwent imprisonment, has been removed from service with effect from 7th October, 1961.

The explanation was found satisfactory and the paragraph was dropped.

(12) *Page 33, paragraph 41(7)—Loss to Government*—In this case, a leather cash bag containing Rs. 1,027 was stolen on 9th November, 1959 by breaking open an office almirah.

The Department explained that the responsibility for the loss of cash was fixed on Mr. Muhammad Umar Khan, Head Clerk, Hydrology Division, Peshawar and the orders were issued by the Chief Engineer, Irrigation, Peshawar Region for effecting recovery of the amount from him.

The Head Clerk filed a writ petition before the Peshawar Bench of the High Court of Judicature, West Pakistan against the aforesaid decision of the Chief Engineer and got a stay order on 24th July, 1964 for withholding the recovery till decision of the petition. The case has not been finally decided by the Court.

The paragraph was deferred to come up again when accounts for the year 1961-62 are taken up by the Committee.

(13) *Page 34, Paragraph 41(8)—Loss to Government*—In this case, Machinery was employed for execution of works on behalf of other Divisions from which recoveries were effected on the basis of estimated figures of expenditure on the working and maintenance of the machinery and works required to be done during the course of the year. Normally, the recoveries should have been effected in such a manner that the total thereof should be equal to the total expenditure incurred on the working and maintenance of these machines during the year. It was, however, noticed that recoveries fell short of the expenditure by Rs. 64,645. This amount was placed under the suspense head "Miscellaneous P.W. Advances". Out of this amount Rs. 36,146 related to the year 1955-56 and Rs. 28,499 to the year 1957-58. It indicated that either the expenditure incurred on the working and maintenance of the machinery was excessive over and above the estimated amounts, or the work done was not upto expectations.

The Department explained that—

(i) The para. was based on the following items of the register of Miscellaneous P.W. Advances of Excavator Division, Lyallpur:—

Item No.	Month of Adjustment	Amount	
			Rs.
85/91	... 3/56(S)I	... 10,488-75	} 36,145-62
86/92	... Ditto	... 25,656-87	
105/116	... 3/58 (S)	... 12,314-35	} 28,499-19
110/21	... Do.	... 16,184-84	

(ii) The figures of Rs. 36,145/-62 represented fictitious loss for the period from 14th October, 1955 to 31st March, 1956 which should normally have been adjusted against the excessive outturn (profit) against the estimate. Due to an oversight the figures for the pre-integration and post-integration periods could not be combined in explaining the position and this figure was erroneously shown in the register of Misc. P.W. Advances as a loss on operation. This mistake was rectified through T.E.I. dated 20th May, 1963 by write back of the expenditure from the suspense head Miscellaneous P.W. Advances to manufacture account of Tractors, Excavator and Vehicles.

(iii) The figure of Rs. 28,499 represented the expenditure of extraordinary special repairs carried out to vehicles P.J.L. 938 and J.L. 3248 originally received during 1946 and 1953 respectively which remained under constant use. This expenditure was debitable to special repairs "Suspense" as defined in Art. 2,28-4 of I.M.O. and accordingly the adjustment of this expenditure was made to the suspense A/C manufacture of the Division and included in T.E.I., dated 20th May, 1963, and the amount cleared from the Advances.

(iv) As such there was no question of any irregular expenditure in this case.

As the Department had not produced the record for verification of the factual position by the Audit, the para. was deferred to come up again along with the accounts for the year 1961-62.

(14) Page 34, Paragraph 41(9)—*Loss to Government*—In this case according to the Audit, the Government had to incur an additional expenditure of Rs. 58,350 by not accepting the lowest rate of premium tendered by a contractor in the first instance. The original lowest tender for earthwork at 245 per cent above the Basic Schedule of Rates received during October, 1959 was lost in the Direction Office. Subsequently tenders were invited for the same work in February, 1960, and the lowest rate quoted and accepted was 260 per cent above the Basic Schedule of Rates. As a result of the carelessness shown by the departmental officers in losing the tendered documents the Government had to incur an extra expenditure to the extent of Rs. 58,350.

The Department explained that the case had been investigated by the Superintending Engineer, Headquarters, Lahore Region. It was revealed that there was no case of excessive payments as the second rate of 260 per cent above Basic Schedule was approved by competent authority with due consideration of the old tendered rate, viz., 245 per cent above basic schedule received a year earlier.

From the explanations given by the Department, both in writing and, orally, the facts, as they emerged, were that originally tenders were invited on 10th October, 1959. Seven contractors participated in the same. Three quoted according to the "construction schedule" while the remaining four according to the "basic schedule". The Executive Engineer recommended that the rate of 245 per cent above basic schedule which worked out to 188 per cent above construction schedule, be accepted.

However, the Superintending Engineer not agreeing with him, suggested that as an incentive, rate should be increased to 200 per cent above construction schedule. This resulted in correspondence between the Chief Engineer, Superintending Engineer and Executive Engineer, ultimately resulting in the loss of the papers. Subsequently, the work was transferred from Drainage Circle to the Upper Chenab Construction Circle, and the Engineers there decided to re-invite tenders. The lowest rate quoted now being 260 per cent above basic schedule of rates corresponding to about 200 per cent above the construction schedule.

The Committee wanted the Department to explain as to why the Engineers in the Upper Chenab Construction Circle did not have the work executed as per the original tenders and what was the reason for re-inviting the same. As the records were not forthcoming the para. was deferred to be taken up along with the accounts for 1961-62 when the Department shall also (i) produce before the Committee all the original papers including the notice of the first tender as well as second tender as issued and the details of the publicity given to this (ii) give the name of the contractors who ultimately executed the job, and (iii) bring up all the papers and correspondence relating to this item.

The Committee desired that in the meanwhile the Department should consider whether there was any defect in the system to invite the tenders which led to the loss in this case and whether the Department could suggest some other system by following which such contingencies could be avoided.

(15) *Page 34, Paragraph 41(10)—Loss to Government*—In this case 139,423 empty cement bags were sold to a private individual for Rs. 10,185 in December, 1956. The sale price costing slightly over one anna per bag which was much less than the market rate prevailing in those days was also not recovered from the purchaser and the amount was debited to the suspense head "Miscellaneous Public Works Advances" in October, 1957.

The Department explained that the amount of Rs. 10,185 included in Draft Para was placed in the Misc. P.W. Advances in October 1957 pending clearance on receipt of the credit for the auctioned amount. Credit amounting to Rs. 10,080 after deducting departmental charges and auctioneer's commission was received from Directors, Audit and Accounts, Lahore, vide Adjustment Memo No. AOIS/517, dated 17th August, 1957 which was adjusted in December, 1957 but was wrongly credited to R&R capital Account instead of clearing the amount lying in Misc. P.W. Advances. The misclassification was set right in March 1963. Disciplinary action against those responsible officials for wrong classification has been taken.

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

(16) *Page 34, Paragraph 41(11)—Loss to Government*—In this case, the lowest tender of a contractor for the construction of a building was approved on 7th June 1959, but the work was not given to him at these rates. Fresh tenders for the same work were again invited in March, 1960 without giving any reason as to why the work could not be got done by the contractor whose tendered rates had already been approved by the Department. The rates approved the second time were too high although the sale contractor had been willing to execute the work at his previous rates. As a result of the irregular action of the Divisional Officer the Government was put to an additional expenditure of Rs. 4,681.

The Department explained that the first tenders were invited in February 1959, when there was no estimate, no allotment of funds and no sanction to start the work. The work was, therefore, not taken up after the sanction of the tenders. The sanction to start the work was accorded by the Superintending Engineer in February, 1960 after one year of the calling of the first tenders. Tenders had to be recalled as the rates were fast rising. The same contractor who was the lowest in 1959 was again lowest in 1960 but his rates now were higher than what he had quoted a year earlier. However he was declared unsuitable for the work, and the work was given to the second lowest contractor.

The Department further explained that the present S. E. N. B. C. had made a thorough inquiry into this case. His inquiry revealed that the Executive Engineer received orders in February 1960 to start the work in anticipation of sanction of the estimate and accordingly he invited the tenders. He was new to the Division with a stay of hardly about month and did not know anything about the previously approved tender which had been called by his predecessor. This fact was also never brought to his notice by his office. It was, however, brought to the notice of the then Superintending Engineer N.B.C. by the Circle Accounts Clerk through office notings that the approved tender rate for the work existed in the name of Muhammad Abdullah, Contractor. The same contractor had now tendered again but had quoted higher rates, which incidentally were again the lowest. Having used his discretion the then Superintending Engineer accepted the second lowest tender of Chiragh Din Contractor which implied automatic cancellation of the previous tender. Justification for this action of the Superintending Engineer is sought under Rule 2.72 (2) of the Punjab P.W.D. Code (1961-Edition) and Article 6.1(5) read with Account No. 58, dated 19th October, 1943 of IMO (1964-Edition).

The Committee directed that detailed information should be supplied by the Department to the Committee with regard to the following:—

- (a) whether it is a fact that when the first tenders were received by the Executive Engineer the lowest tender was withheld by him. Subsequently on the intervention of the Superintending Engineer the said contractor's tenders were forwarded by the Executive Engineer to Superintending Engineer and were accepted by the Superintending Engineer and if this is correct, the reasons given by the Superintending Engineer for the acceptance of the same;
- (b) The reasons for the work not being placed on the basis of the first tender;
- (c) The reasons for re-inviting the tenders ;
- (d) What was the time lapse between the first and second tenders;
- (e) Reasons for not accepting the lowest tender at the time of second tenders;
- (f) Who was awarded the work.

The para. was deferred to be taken up alongwith the accounts for 1961-62 when the Department should bring all relevant papers also.

(17) *Page 35, paragraph 42—Unaccepted Debits*—In this case, certain cases were noticed during local audit of Public Works Division where debits raised by the Public Works Divisions on account of work done and supplies made or services rendered on behalf of other Divisions were not accepted by the Public Works Division, concerned for years together and the expenditure under the final heads of account was under stated. In view of the long period during which the debits had not been accepted possibility of stores and services represented by the debits, having been misappropriated either in the originating Public Works Division or in responding Public Works Division could not be ruled out, as either the debits might have been raised fictitiously or the responding Divisions might not have received the stores. Some of the important cases of this



type where neither the reasons for non-acceptance were furnished to the Audit nor the expenditure had been booked under the final head were—

Serial No.	Year when the debit was raised				Amount involved Rs.
1	1950-51	...	...	...	35,761
2	1951-52	...	...	...	25,367
3	1951-52	...	...	...	20,823
4	1952-53 and 1954-55	...	...	...	56,245
5	1953-54 and 1954-55	...	...	...	28,254
6	1954-55	...	...	...	12,850
7	1954-55	...	...	...	1,89,354
8	1954-55	...	...	...	3,360
9	1954-55 and 1955-56	...	...	...	97,975
10	1955-56	...	...	...	2,385
11	1955-56	...	...	...	12,453
12	1955-56	...	...	...	3,916
13	1955-56	...	...	...	18,703
14	1955-56	...	...	...	16,436
15	1956-57	...	...	...	2,052
Total					5,25,934

Item No. 1 had been included in the Appropriation Accounts for 1959-60 also. It was, therefore, dropped.

As regards item No. 2, the Department stated that this relates to supply of stores worth Rs. 25,365.75 to the Ghulam Muhammad Barrage Division (now in Irrigation, Sukkur Zone) by Buildings Sub-Division of the Fuleli Canals Divisions of this Project during the year 1952. As the debit on account of the cost of stores was not accepted by the receiving Division (Ghulam Muhammad Barrage Division), it was decided to hold an enquiry to investigate and fix up the responsibility for the shortage of the stores in question. In this respect, the Government of West Pakistan, Irrigation and Power Department charge-sheeted Mr. Gul Muhammad A. Hafiz, S.S.E.-I Executive Engineer (the then Sub-Divisional Officer in charge of the Buildings Sub-Division) and appointed the late Mr. J.H. Aftasi, Superintending Engineer, Nara Canal Circle, Hyderabad as Enquiry Officer. On the basis of the report of the Enquiry Officer submitted to the Secretary to Government of West Pakistan, Irrigation and Power Department, Lahore,—vide his confidential letter No. Steno/G-148/G-157, dated 26th June, 1966, the Government have now decided that the loss sustained by the Government on account of shortage of M.S. Bars (Weighing 2 tons, 4 Cwt and 9 lbs) should be recovered from Mr. Gul Muhammad A. Hafiz, presently posted as Executive Engineer, Research Division, Karachi, who is prepared to make good the loss. The aforesaid Government decision has been communicated by the Chief Engineer, Irrigation, Sukkur Zone, Sukkur,—vide his letter No. S-30-C/Eng/ R.C.C/3-A (I), dated 12th December, 1966. In pursuance of the Chief Engineer, Irrigation, Sukkur's letter referred to above, the Superintending Engineer, Left Bank Construction Circle and the Executive Engineer, Fuleli Canals Division, Hyderabad, have been directed to work

out at once the cost of the materials recoverable from Mr. G.A. Hafiz, Executive Engineer, for communicating the same to the latter so that he should deposit the amount in the Government Treasury. This is expected to be done with in a period of one month.

Subject to verification by the Audit, this item was also dropped.

Items 3, 4, 6, 7, and 9 pertained to unaccepted debits raised against Buildings and Roads Department for services rendered in connection with the Construction of Latifabad Township. Subject to acceptance of debits by the Buildings and Roads Department, the items were dropped.

Item 5 related to non-acceptance of 2 A.T.Ds. issued by Lower Sind Mech. Division in February 1954 and August 1954 respectively. In fact these A. T. Ds. had been accepted by responding Division in March 1954 and March 1955 respectively. The items were dropped.

As regards items 8, 10, 11, 12, 13, 14 and 15 necessary adjustments have been made by the Deputy Director, Accounts, Gudu Barrage, Agriculture Development Corporation, Sukkur. These items were dropped subject to verification by the Audit.

(18) *Page 36, paragraph 43(1)—Outstanding Recoveries*—In this case, a sum of Rs. 3,207 on account of the cost of material recoverable from the contractors was incorrectly debited to the head "Miscellaneous Public Works Advances" during the year 1947-48, 1952-53, 1953-54, 1954-55 and 1957-58 instead of recovering the amounts from their bills.

The Department explained that—

- (a) a sum of Rs. 1,256 has since been recovered out of which Rs. 1,050.50 has been verified by the Audit.
- (b) Civil Authorities have been asked to recover a sum of Rs. 911 from the various contractors under Dues Recovery Ordinance, 1962.
- (c) Director, Audit and Accounts has been approached to recover a sum of Rs. 908 from a firm which has since been taken over by the Government of West Pakistan.
- (d) A sum of Rs. 132 was recoverable from two contractors who have died.

The Committee directed that the recoveries already made should be verified by the Audit. Efforts should be made by the Department to recover the balance and the amount which could not be recovered should be got written off and verified by the Audit. The Department should take action against the persons responsible for this. Subject to these observations the para. was dropped.

(19)—*Page 36, paragraph 42(3)—Outstanding Recoveries*—In this case, stores worth Rs. 93,568 were issued to other Public Works Divisions and the amounts as detailed below were placed in the Schedule of "Misc. Public Works Advances," pending receipt of acceptances from the Public Works Division concerned. A period of more than ten years elapsed but neither any acceptance was obtained from the receiving Divisions nor responsibility fixed on the officials concerned for non-accountal of the stores. No details of the stores issued were available with the divisions concerned.

No Departmental enquiry was either instituted to fix responsibility on the officials at fault :

Serial No.	month in which amount was placed in	Misc. P.W. Advances	Amount Rs.
(i) December, 1951	...	...	9,686
(ii) May, 1951	...	...	6,080
(iii) June, 1951	...	...	11,924
(iv) November, 1951	...	...	20,549
(v) August, 1951	...	...	20,347
(vi) July, 1951	...	...	13,292
(vii) April, 1951	...	...	11,690
Total			93,568

The Department explained that stores worth Rs. 93,568 were issued by Upper Sind Mech. Division to other Divisions of either Buildings and Roads or Irrigation Administration during 1951 and the amount was placed in Misc. P.W. Advances pending receipt of acceptance from the Divisions concerned, but the same were neither accepted nor rejected by the responding Divisions with the result that the entire amount was placed under suspense. The old records pertaining to these transactions which were misplaced at the time of formation of M.P.O. have been dug and built up after great difficulty. Out of the unresponded debit of Rs. 93,568.44 the final acceptance and adjustment of Rs. 65,877.56 has since been secured from Lower Sind Mechanical Division and got adjusted in its account for June 1966 (1st supplementary). The remaining debit of Rs. 27,688.88 pertained to Buildings and Roads Division Larkana which division has also accepted the transfer transactions in its following acceptances pending adjustment in the accounts in hand and verification by audit—

Executive Engineer Roads A.T.C. No. SC/G-2(b)/3167  
dated 12th November, 1966.

Executive Engineer Roads A.T.C. No. SC/G-2(b)/3168  
dated 12th November, 1966.

Executive Engineer Roads A.T.C. No. SC/G-2 (b)3169  
dated 12th November, 1966.

Subject to verification of the acceptance by the Audit the para. was dropped.

(20) Page 37, paragraph 43(3)—*Outstanding Recoveries*—In this case, Government revenue to the tune of Rs. 29,805 on account of rent of buildings, water charges and electric charges was in arrears to the end of March, 1959.

The Department explained that the outstanding amount of Rs. 29,805 on account of water/electric charges and rent of buildings was mainly due to omission of posting of realization in past years. The Rent could not be posted due to non-receipt of DFR PW 5 (Statement of rent recoverable) from the Treasury Officer. In order to post the Register of Rent, Office copies of pay bills of the non-gazetted Government servants of local offices were verified and it has been seen that:—

- A sum of Rs. 20,599.15 has already been recovered or adjusted.
- Rs. 6,276 due from Bahawalnagar Municipal Committee was likely to be realised as soon as budget grants were received. Commissioner, Bahawalpur has issued orders to the Committee to clear these arrears.
- Recovery or adjustment of Rs. 911 could not be verified because of non-availability of records pertaining to non-muslim migrant officials.

- (d) Record pertaining to recovery of Rs. 2,018 from Gazetted Officers was reported to have been burnt in a fire which occurred in the office of Accountant-General, West Pakistan, Lahore. In this case efforts were being made to obtain payment certificate of individual officers.

Subject to recovery of arrears, adjustment of total rent and its verification by the Audit the para. was dropped.

- (21) Page 37 Paragraph 43 (4)—*Outstanding Recoveries*—In this case, a sum of Rs. 20,406 was outstanding against a Sub-Divisional Officer since March, 1958 which represented cost of certain machine, stock material burnt in fire.

The Department explained that fire accident broke out in the year 1946 in the camp of 2-30-B Machines working in the Chinni Sub-Division which resulted in loss to the Government of stock materials and also in death of one Cooly named Allahdad, son of Gul Muhammad. Necessary compensation of Rs. 800 was also paid to heirs of the deceased by the former Sind Government in the P.W.D. Out of the total amount Rs. 4,334 was written off by the former P.W.D. Government of Sind in October 1952. Out of the remaining amount of Rs. 16,071.31 an enquiry was entrusted to an Executive Engineer who as a result thereof reported that Rs. 15,416.75 was the cost of Petrol transferred to Upper Sind Mechanical Division and Rs. 655 represented the cost of material burnt in fire in addition to those covered by the write-off sanction of 4,334. Accordingly action for getting the acceptance of debit of Rs. 15,416.75 by Upper Sind Mechanical Division and write-off of Rs. 655 was under way.

The Committee directed the Department to get the adjustment verified by the Audit. Further the Committee wanted to know from Department the reasons as to why this amount was placed in the Miscellaneous P.W. Advances in 1958 when the fire broke out in 1946; who was responsible for this lapse and what action the Department intend to take against the person responsible for. The Committee would also like to know the person responsible for. The Committee would also like to know the person responsible for the wrong contention that these things had been burnt in the fire when subsequently it was proved that this was not correct; what action the Department intend to take against the person concerned.

The Committee further directed that a copy of the enquiry report should also be supplied to the Audit.

The para. will come up again before the Committee at its next meetings along with accounts for 1961-62.

- (22) Page, 37, paragraph 43(5)—*Outstanding Recoveries*—In this case, an amount of Rs. 63,657 was outstanding against certain officials of Public Works Department since March, 1958. The outstanding amount represented unauthorised payment of labour wages.

The Department explained that the Enquiry Officer after detailed proceedings found that the entire expenditure was legitimate and regular and that there had been no loss to the Government on this account.

The Audit pointed out that the complete inquiry had not been conducted and the report, as submitted was that of an incomplete inquiry or an improper inquiry. The Committee decided that the Department should look into this matter and report progress when the accounts for 1961-62 are considered by the Committee.

- (23) Page 37, Paragraph 43(6)—*Outstanding Recoveries*—In this case, Rs. 5,088 representing wharfage and demurrage charges were paid to the Railway authorities in December, 1951 on account of delay in taking the delivery of the material in time. In March 1953 the above charges were debited to the suspense head "Miscellaneous Public Works Advances" as recoverable from the Assistant Engineer.

The Department explained that the machines were booked by the Mechanical Engineer for Khairpur Gambo Sub-Division of Nasir Division which were required for the E./W which was going on under the charge of Mr. M.A. Bhughio Assistant

Engineer, Khairpur Gambo Sub-Division against whom the said amount is lying recoverable. Mr. Bhughio was the consignee of the machines and was, therefore, responsible for delay in taking the delivery of the machines as a result of which the facts of the case alongwith a draft charge sheet were referred to Government for their approval to be served on the defaulting officer. The case, however, took different turn on the basis of the facts elaborately explained by Mr. Bhughio in his explanation. Mr. Aftasi, Superintending Engineer, was appointed Enquiry Officer to investigate the charges against Mr. Bhughio. His Enquiry Report was sent to Government who have since exonerated the concerned Assistant Engineer. Further action with regard to the write-off of the amount involved is under way.

Audit pointed out that the copy of enquiry report has not been supplied to them. The Committee directed that a copy of the enquiry report should be sent to the Audit for verification of the factual position and progress should be reported to the Committee when the accounts for 1961-62 are considered.

The Committee further directed that the Department should determine who was responsible for not supplying copy to the Audit for such a long time and what action the Department intend to take against that officer.

(24) Page 37, paragraph 44(1)—*Infructuous Expenditure*—In this case, 96,050 bricks were carried to the site of work in excess of the actual requirements. This resulted in an infructuous expenditure of Rs. 1,296 on their carriage and re-carriage which could have been easily avoided.

The Department explained that it had not been able as yet to trace the record. The Committee observed that 14 years had lapsed since the irregularity was originally pointed out. The Department explained to the Committee the difficulty it had to face and stated that further time should be given to the Department to make further attempt. The para. was, therefore, deferred to take up alongwith the accounts for 1961-62 when further progress could be reported by the Department.

(25) Page 38, Paragraph 44(2)—*Infructuous expenditure*—The Committee decided to consider this para. at its meetings to be held at Hyderabad on 4th/6th May 1967.

(26) The consideration of the remaining paras. was deferred to the next series of meetings

IV. The Committee then adjourned to meet again on 20th April, 1967 at 9-00 a.m.

LAHORE :

The 19th April, 1967

ZAIN NOORANI  
CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 20TH APRIL, 1967 AT 9-00A. 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 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) Khan Malang Khan, M. P. A.  | .. Member.         |
| (6) Qazi Muhammad Azam Abbasi, M. P. A.   | .. Member.         |
| (7) Mr. Muhammad Bakhsh, Deputy Secretary to Government of West Pakistan, Finance Department  | .. Expert Adviser. |
| (8) Qazi Anwar-ul-Islam, P.A. & A.S., Director, Audit and Accounts (Works), West Pakistan   | .. By invitation.  |
| (9) Mr. Niaz Ahmed, C.S.P., Secretary to Government of West Pakistan, Communications and Works Department along with various Regional Heads | .. By invitation.  |

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

II. At the outset the Committee pointed out to the Secretary, Communications and Works Department that the Committee, at its meeting held on 27th January, 1967, had asked the Communications and Works Department to prepare year-wise statements showing the outstanding cases of mis-appropriation and shortage of stores which appeared in the Appropriation Accounts for the years 1958-59, 1959-60 and indicating those case out of these in which the records of files were with the Anti-Corruption Department and the dates from which these were lying with that Department. These statements were to be sent to the Services and General Administration Department for expediting the disposal of cases by the Anti-Corruption Department. The Secretary, Communications and Works Department stated that the Department could not prepare these statements uptil now but he assured the Committee that the statements would be prepared and sent to the Services and General Administration Department without any further delay. Also, a report would be submitted to the Committee.

III. The Committee then considered the explanations of the Communications and Works Department in respect of the following item appearing in the Appropriation Accounts for the year 1959-60.

(1) *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 27th January, 1967 when the Department informed the Committee that Departmental inquiry which had been initiated had not been completed.

The Department now stated that the Inquiry Officer had submitted his report on the 2nd February, 1967, which was now being examined by the Communications and Works Department. The consideration of the paragraph was deferred to be taken up along with the accounts for 1961-62 by which time, the Committee hoped, the Department would apprise the Committee not only the contents of inquiry but also of action taken in the matter to settle the question finally.

IV. 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 1960-61:—

(1) *Page 15, Paragraph 21 (1)—Loss to Government*—In this case, an advance of Rs. 5,250 was made to certain colliers for the supply of coal during the year 1949 but as they failed to supply the coal the amount was placed under the suspense head "Miscellaneous Public Works Advances" in January, 1952.

The Department explained that the advance payment of Rs. 5,250 was made to the Makerwal Colliery for purchase of coal but no coal was received against this amount. The amount was, therefore, placed in Miscellaneous Public Works Advances in January, 1952. The matter was referred to the Administrative Officer, Makerwal for refund of the amount and according to reply received from the said Administrative Officer, the matter was referred to the Coal Commissioner, Government of West Pakistan, Karachi—*vide* Executive Engineer, 1st Lahore Provincial Division letter No 2552/M, dated 22nd June, 1963. The firm from whom the recovery is due has asked to establish the payment made to them. The Treasury Officer Chunian was asked to supply the details of R. T. R. issued in favour of Makerwal Colliery. The requisite information is stated to have not been furnished by the Treasury Officer in spite of repeated reminders. The Executive Engineer has deputed the S. D. O. Kasur to get the requisite information at personal level and on receipt of the same the matter will be pursued with the Coal Commissioner.

The Department further stated that out of the total amount of Rs. 5,250, Rs. 1,812.50 have been recovered leaving a balance of Rs. 3,437.50.

The Committee decided that Audit should verify the amount recovered and the Department should recover the balance. If it is not possible to get the balance recovered, then the Department should arrange to get the amount written-off, and the write-off verified by the Audit.

Subject to the above, the paragraph was dropped.

(2) *Page 15, paragraph 21 (2)—Loss to Government*—In this case, a contractor supplied certain bricks to the Department during, 1956, for which payment was made to him. After receipt of payment the contractor started selling those very bricks from the kiln to general public. It has been confirmed by the Department that the quantity of bricks sold by the contractor in this manner amounted to approximately 4 lacs valuing Rs. 10,800 while the recovery of this amount has not yet been made by the Department. They have also failed to take any action against the official responsible for the safe custody of Government material at the kiln.

The Department explained that this Paragraph was withdrawn by the Director, Audit and Accounts (Works) West Pakistan, Lahore, on 27th June, 1966, as the amount was included in Paragraph No. 16 (a)9 (ii) of the Appropriation Accounts for 1955-56.

The Committee observed that as this Para. has already been included in the Accounts for 1955-56, it should not have found place in the Appropriation Accounts for 1960-61. The Paragraph was excluded from the Accounts for 1960-61.

(3) *Page 15, paragraph 21(3)—Loss to Government*—In this case, a Government Guest House was burnt to ashes in April 1958, involving a loss of Rs. 27,479 as detailed below:—

	Rs.
(1) Cost of building ..	26,204
(2) Cost of furniture, Crockery and Cutlery destroyed by fire ..	1,275
Total ..	27,479

The Guest House at the it caught fire was in occupation of certain persons who were not in Government service, but held permits for occupation of the same.



The Department explained that the Government Guest House, Kalabagh, caught fire on the night between 19th and 20th April, 1958. At that time Mr. A. J. Salaman, Administrative Officer, U. K. Trade Commission, Lahore, accompanied by a foreigner were occupying the Guest House alongwith their families. They had been issued proper permits by the Government to occupy the Guest House in question. The very next day, i.e. on the 20th April, 1958, the Superintending Engineer, Abbottabad, Buildings and Roads Circle, Abbottabad, made a report in writing to the then Additional Chief Engineer, Northern Zone, Peshawar, under intimation to Chief Engineer, Communications and Works Department and the Superintendent of Police, Hazara, simultaneously with a view to investigate the cause of the fire and to fix responsibility, etc., a court of enquiry was constituted by the Superintending Engineer,—vide his memo. No. 6384-85/AC, dated 23rd April, 1958, addressed to the Executive Engineer, Abbottabad, Buildings and Roads Division, Abbottabad. This was done as per provisions made in para. 436 of the P. W. D. Code according to which, the Divisional Officer concerned is required to hold, in every case of loss by fire or otherwise a departmental enquiry and to accord his findings. The court of enquiry expressed the opinion that the fire was accidental and as such no body could be held responsible for the outbreak of the fire. The Police authorities also did not attribute the cause of fire to any body's negligence and filed the case as per decision of the Assistant Commissioner's Court, Abbottabad. Officials concerned who had failed to report the case to the Audit have been warned to be more careful in future. Obviously it was through some oversight but in spite of this omission the matter was all along pursued vigilantly and no negligence towards its investigation was committed at any stage. The case was referred to the Government for its write-off but as advised by the Finance Department the case would be referred to them again after examination of the para. by the Public Accounts Committee.

The Committee was satisfied that the fire was accidental and recommended that the loss should be regularised and verified by the Audit. Subject to this observation, the Para. was dropped.

(4) Page 16, Paragraph 21 (4)—Loss to Government Worth Rs. 44,215—In this case, 8843 cement bags were damaged due to floods and rains during the year 1955 to 1957, resulting in a loss of Rs. 44,215 to the Government.

Since this Paragraph had already appeared in the Accounts for 1962-63, it is deleted from the Accounts for 1960-61 as it should not have appeared here.

(5) Page 16, Paragraph 21 (5)—Loss to Government worth Rs. 6,820—In this case, 3,410 cement bags were issued to the contractors, but the empty cement bags were neither taken back from them after the cement was used on work nor cost thereof at Rs. 2 per bag was recovered from the contractors in accordance with the terms of the contract agreement resulting in a loss of Rs. 6,820 to Government.

The Department explained that the present position of the paragraph is as below :—

Name of Division	Balance outstanding on 30th October 1965	Quantity received
(1) Construction Division No. 2, Multan	779 Nos.	779 Nos.
(2) Provincial Division, Montgomery	2631 Nos.	2631 Nos.
1. Multan Construction Division No. 2 (779 Nos. Empty Cement Bags)—All empty cement bags have been received back adjusted and got verified from Audit Office.		
2. Montgomery Provincial Division (2631 Nos. Empty Cement Bags)—All the empty cement bags have been received back/adjusted and got verified from the Audit.		

The Para. was dropped.

(6) *Page 16, Paragraph 21 (6)—Loss to Government of Rs. 12,718*—In this case, stores such as bricks, cement and steel were issued to contractors at rates lower than the stock issue rates for these items with the result that the Government was put to a loss of Rs. 12,718. The Department explained that recoveries at lower rates were made in accordance with the provisions of the agreement with the contractors wherein recovery of the cost of stores at lower rates was provided to attract lower rates of premium. It was pointed out to the Department that this was neither covered by the rules nor based on facts.

The Department explained that the rate of Rs. 28 per cent. No. Bricks to be delivered at kiln site was exhibited in the N.I.T. When the work was taken in hand there were no bricks with the Department. The same were got transferred from the Irrigation Department at their issue rate of Rs. 41.15 per cent Nos. The sanctioned estimate includes this extra cost of bricks and as such the Government is not put to any financial loss as pointed out by the Audit in the Draft Paragraph. It is quite evident that the contractor while tendering rate for the work under reference kept in view the stock issue rate, viz., Rs. 28 percent Nos. Had evidently the contractor would have quoted a higher premium. As such the question of any loss to Government did not arise.

The explanation of the Department was accepted and the paragraph was dropped.

7. *Page 16 Paragraph 21 (7)—Loss to Government of Rs. 4,07,767*—In this case, unsecured, advance to the tune of Rs. 4,07,767 as detailed below were paid to several suppliers and contractors for supplying different types of material but they failed to deliver the material and the amounts were placed under the suspense Head "Miscellaneous Public Works Advances". According to the Government order such advances could be given to firms of repute only but this provision was ignored in the above cases resulting in non-recovery or adjustment of Rs. 4,07,676.

<i>Year of detection</i>	<i>Year in which advances were given</i>	<i>Amount of advance</i>
		<b>Rs.</b>
1961-62	.. March, 1950	5,780
1961-62	.. November, 1951	8,902
1961-62	.. March, 1951	6,068
1961-62	.. May, 1952	9,011
1961-62	.. September, 1952	6,491
1961-62	.. March, 1953	7,707
1961-62	.. 1947 to 1952	3,46,58
1961-62	.. May, 1954	6,650
1961-62	.. December 1947	5,000
1961-62	.. December, 1950	6,000
	<b>Total</b>	<b>4,07,767</b>

The Department stated that the entire amount has been recovered, and some of the items have already been verified by the Audit.

Subject to the verification of the remaining items by the Audit, the Paragraph was dropped.

(8) *Page 18 Paragraph 21 (8)—Embezzlement of cash of Rs. 32,490.*—In this case, a senior clerk of the Division embezzled a sum of Rs. 32,490 by fraudulently encashing cheques received from a party as deposit towards the cost of execution of certain work during 1953. This was apparently facilitated by entrusting the cheques to the clerk for encashment instead of clearing them through the bank as required under the rules. Contrary to the requirements of rules the loss was also not reported to the Audit.

The Department explained that—

- (i) The matter was reported to the police on 16th January, 1954 but by that time the clerk had managed to abscond. The accused was declared a proclaimed offender. After due proceedings on the Chalan put up in the Court under Section 512, Cr. P. C. the Court filed the case on 28th October 1954. Further proceedings could only be taken as and when Kh. Raza Ullah, the accused was arrested.
- (ii) Undoubtedly the loss was facilitated by laxity of supervision on the part of Mr. S. A. Hakim, the then Executive Engineer in whose incumbency the embezzlement occurred. But no action could be taken as Mr. Hakim has since expired.
- (iii) In view of the above, there is no alternative except to get the loss written-off under the orders of competent authority.
- (iv) As regards the observations of the Audit that the embezzlement was facilitated by entrusting the cheques to the clerk for encashment instead of clearing them through the bank, the Superintending Engineer, Provincial Circle, Bahawalpur has reported that the encashment of cheques was entirely a discretionary issue and as a such drawing of cash from Treasury was not irregular. The procedure was being followed in the time of Bahawalpur State and there existed no rule prohibiting encashment of cheques received from other Department/Local Bodies. The case was also promptly reported to the Accountant-General, Bahawalpur State. Thereupon special audit of the cash book of Divisional Officer was conducted by him.
- (v) The case was referred to the Government for according sanction to the write-off of loss of Rs. 32,490. The Government has entrusted further enquiry to the Superintending Engineer, Provincial Circle, Bahawalpur, but as the matter was subjudice, the inquiry could not be conducted.

The Committee deferred the paragraph to be considered along with the Accounts for 1961-62 when further progress would be reported.

(9) *Page 18 Paragraph 21 (9)—Loss to Government of Rs. 16,464.*—In this case, Coal worth Rs. 9,386 and Rs. 7,078 was issued during July, 1952 and May, 1955 respectively to certain contractors but the cost thereof was not recovered from their bills at the time of final payment.

The Department explained that both the amounts pointed out by Audit have already been adjusted and cleared.

(10) *Page 18 Paragraph 21 (10)—Stock worth Rs. 13,152 not accounted for.*—In this case, stock of the value of Rs. 13,152 transferred to a Division by another division of the same area in March, 1951 had not been accounted for. The amount had ever since been lying under suspense head "Miscellaneous Public Works Advances" and no action was taken to ascertain the whereabouts of the material recovered or conduct proper departmental enquiry to fix responsibility and make good the loss to Government besides taking appropriate disciplinary action against the defaulters.

The Department explained that the amount of Rs. 13,152 represents the cost of A. T. D. No. 110, dated 10th April, 1951 of Ahmadpur East Division adjusted provisionally during March 1951 (Supplementary Accounts) during *Ex-Bahawalpur State* period. The debit has been re-raised by the Executive Engineer, Provincial Division, Bahawalpur against the Ahmadpur East Division but the same has not been accepted so far. The enquiry to fix responsibility and to make good the loss is held up for want of the original A. T. D. from Audit Office. The Audit was last reminded to supply the original A. T. D.,—vide Executive Engineer, Provincial Division, Bahawalpur No. 389, dated 13th October 1965 but the same is still awaited. This is an old case relating to *Ex-Bahawalpur State* period and all out efforts are being made to dispose of the same.

In the oral examination the Department stated that an inquiry had been made from which it appeared that the Divisional Accountant had accepted the Debits although the goods had not been received. He has, therefore, been presumably held responsible and the copy of the report has been sent to Audit for further action.

The Committee was not satisfied with the inquiry. The Committee was of the opinion that Divisional Accountant alone could not be responsible because he did not receive the goods which must have been received by somebody else who misappropriated them. The Committee asked the Department to conduct a detailed inquiry in the matter and report the result to the Committee when it takes up the Accounts for 1961-62.

(11) *Page 16 Paragraph 21 (11)—Payment of Rs. 11,078 as Interest*—In this case, land was acquired in January 1957 and compensation amounting to Rs. 65,323 was paid in January, 1960. Thus the payment was delayed for about three years. The reason for this delay was that the detailed estimate had not been prepared and sanctioned nor had funds been provided in the budget. As a result of this delay Government paid interest amounting to Rs. 11,078 which could have been avoided if timely action was taken towards sanction of estimate and allotment of funds. The revised estimate was stated to be under sanction which meant that the payment had been made without sanction to the revised estimate.

The Department explained that the land in question was actually acquired by the *Ex-Bahawalpur State* Government during 1954. Possession was declared by the Land Acquisition Officer of defunct State Government (Assistant Commissioner), up to 1956. On declaration of the award during 1956, the question of payment of the same arose. During that year no funds for the work "Construction of College at Rahimyarkhan" for which the land was acquired were received. The funds were being demanded in the Budget Estimates regularly but unfortunately no funds were allotted by the Finance Department. The case was referred to the Finance Department by the former Chief Engineer, West Pakistan, Lahore for its advice to the incurring of expenditure for payment of land compensation in anticipation of provision of funds which took a long time in its consideration and final settlement. In reality, neither the Department, nor the Finance Department took any responsibility for payment of land compensation in anticipation of provision of funds and as such its payment was delayed upto January 1960 when the Finance Department allowed incurring of expenditure of Rs. 65,323 during 1959-60. This amount includes the interest charges of Rs. 11,077-87 to which the audit has objected. The interest charges related to the period after declaration of the award. The interest charges are actually chargeable to the work (Construction of College at Rahimyarkhan) a Provision for which has already been made in the estimate. The above position of this paragraph was discussed in the Departmental Accounts Committee meeting held on 2nd September 1963 where it was decided that the payment of interest be regularized under the sanction of the proper authority. Accordingly the case has been referred to the Secretary to Government, West Pakistan Education Department, Lahore for obtaining approval of the Government to regularize the payment of interest.

The Audit pointed out that interest was paid as nobody could take the responsibility of incurring expenditure in anticipation of receipt of funds whereas lakhs of rupees have been spent by the Communications and Works Department in excess of budgeted allotment every year. In this connection the Audit referred to Rule 17-17 of the Punjab Financial Rules, Vol. I, which reads as follows :—

“Notwithstanding the provisions of rules 17-2 to 17-6 and 17-13 to 17-15 the want of provision in the estimates does not operate to prevent payment of any sums really due by Government. If an inevitable payment is required to be made in the absence of funds, the error lies not in the payment, but in the entering into the liability to meet which the payment is made”.

The Committee observed that on the face of it the Audit's contention appeared to be correct and even morally there was no justification for unnecessary and long delays in payment of compensation. But in order to arrive at a proper decision as to whether Rule 17-17 should apply to cases of land acquisition a further study in the matter was required. The Committee decided to go further into this matter at its next meeting when the Committee hoped that the Finance Department would also be in a position to give a firm and detailed advice in this matter to the Committee. The Committee directed that the Member, Board of Revenue dealing with such cases should be asked to be present at the next meeting to advise the Committee. The Committee further directed that the Communications and Works Department should furnish to the Committee a statement of all such cases where interest had to be paid for land acquired for various purposes for the last five years. This paragraph was deferred to come up again when accounts for the year 1961-62 are considered by the Committee.

(12) *Page 18 Paragraph 22 Unaccepted Debts Rs. 4,18,962*—Cases came to the notice of the Audit where debts raised by Public Works Divisions on account of work done, supplies made or services rendered on behalf of other Divisions were not accepted by the Public Works Divisions concerned for years together and the expenditure under the final head of account was under stated. In view of the long period during which the debts had not been accepted, the possibility of stores represented by the debts, having been misappropriated either in the originating Public Works Divisions or in responding Public Works Divisions could not be ruled out, as either the debts might have been raised fictitiously or the responding Divisions might not have received the stores. Some of the important cases of this type were as follows:—

<i>Serial No.</i>	<i>Year when the debit was raised</i>	<i>Amount involved</i>
1.	1950-51	12,468-B
2.	1949-50 and 1950-51	86,455
3.	1950-51	78,330
4.	1950-51	1,04,029
5.	1951-52	23,200
6.	1950-51	22,706
7.	1950-51	49,022
8.	1950-51	8,941
9.	1955-56	6,166
10.	1954-55	7,458
11.	1950-51	6,008
12.	1952-53	7,547
13.	1954-55	6,634
To		4,18,962

According to the Department the position in respect of each item is as follows —  
*Item No. 1*—The total amount was responded in March, 1963 supplementary I and II and verified Audit.

*Item No. 2*—The total debit has been accepted by the Gujranwala Provincial Division.

*Items No. 3*—The total debit was accepted in March, 1951. Final Account against another A. T. D. No 67, dated 12th March 1951. The Department further said that the actual figure was Rs. 73,829.54 and not Rs. 78,330 as stated by the Audit. The Audit agreed to look into the matter.

*Item No. 4*—The Executive Engineer, Shikarpur Canals Division has not responded the debit. The case has been taken up through the Deputy Chief Engineer, Guddu Barrage, Sukkur.

*Item No. 5*—Reply of Nasrat Division is still awaited.

*Item No. 6*—The amount is stated to have been over-assessed. The Karachi Buildings Division has been directed to issue fresh debit and get it accepted immediately.

*Item No. 7*—The case is under correspondence with the Chief Engineer, Guddu Barrage, Sukkur.

*Item No. 8*—A sum of Rs. 7,864.00 has since been adjusted and accepted by Audit,—vide minutes of the D.A.C. meeting held on 2nd September 1963. The clearance of the remaining amount of Rs. 1,077.00 is held up for want of reconciliation of the balances of the schedule of Misc. P. W. Advances, with Audit. Necessary reconciliation will be done when the relevant broad sheets and other records of Audit are made ready for the purpose.

*Item No. 9*—Rs. 5,500.00 was cleared,—vide T. E. No. 6 for June 1962 and Rs. 666.00 in June 1963 Supplementary I.

*Item No. 10*—Original A. T. D. (duly verified by the Division concerned and supported with indent) is not available in the Divisional Office. The Audit has been requested time and again for supply of the details. Further action will be taken on receipt of requisite details from Audit.

*Item No. 11*—Total amount of Rs. 6,005/60 cleared in 1952-53 (against the actual amount of this transaction, viz. Rs. 61,790.25 placed in Misc. P.W. Advances in March 1951 Supplementary II).

*Item No. 12 and 13*—The debits were re-raised but have not been accepted by Electricity Division WAPDA, the successor of E. and M. Division, Bahawalpur, on the plea that the liability relates to ~~Ex~~-Bahawalpur State period and it could be settled through the Director, Audit and Accounts (Works), Lahore. The matter was referred to Audit by the Executive Engineer, Provincial Division, Bahawalpur. Further action will be taken on receipt of reply from the Audit.

The Committee took the following decision :—

- (1) Rs. 12,498—Subject to verification, the item was dropped.
- (2) Rs. 88,455—Subject to verification, the item was dropped.
- (3) Rs. 78,330—Subject to verification, the item was dropped.
- (4) Further attempts towards financial adjustment should be made
- (5) by the Department and Audit. They should report progress at
- (6) the next meeting of the Committee when accounts for 1961-62 are
- (7) taken up by the Public Accounts Committee.
- (8) Rs. 8,941—The Committee directed the department to make further efforts to reconcile the remaining figure of Rs. 1,077.00 with the Audit. Subject to this, the item was dropped.

(9) Rs. 6,166—Subject to verification, the item was dropped.

(10) for Rs. 7,458-00

(11) for Rs. 6,006-00

(12) for Rs. 7,546-50

(13) for Rs. 6,684-25

} Progress should be reported.

} back to the Committee along with the accounts for 1961-62.

(13) *Page 19, Para. 23(1)—Outstanding Recoveries of Rs. 49,354*—In this case, a sum of Rs. 49,354 on account of Royalty for plying buses for the period from 1st April, 1953 to 31st March, 1956 was outstanding against various contractors in accordance with the terms of their agreements as the control of Lorry services rested with Public Works Department before integration.

The Department explained that out of total amount of Rs. 49,353-56 a sum of Rs. 18,854-69 has since been recovered and got verified by Audit on 4th September, 1953. As regards remaining sum of Rs. 30,498-87 notices were served to Lorry Contractors to pay the amount but no reply was received from them. The efforts made by the Department to effect recovery even through Provincial Transport Authority failed as most of the Transporters were not available and some of the companies have since been closed. As the case relate to *Ex-Bahawalpur State* period and there is no chance of recovery of Royalty from the concerned Lorry Contractor/companies, there is no alternative except to write-off the balance amount of Rs. 30,500.

The Committee directed that the progress be reported to the Committee along with the accounts for 1961-62.

(14) *Page 20, Para. 23(2)—Non-recovery of Rs. 6,145 from the contractors*—In this case, the Audit objection was that full recovery of the cost of material issued to the contractor during the year 1956 was not made from his first five running bills with the result that his sixth and final bill revealed a minus amount of Rs. 12,087-00. The work was completed in January, 1957 but the amount in question was placed under suspense head "Miscellaneous Public Work Advances" in May, 1959 pending recovery from the Contractor. A sum of Rs. 5,042 on account of his security deposit was adjusted against the contractor in April, 1960 leaving a balance of Rs. 6,145-00 to be recovered from him.

In the working paper the Department explained that C.C. VI and final bill entered in M.B. No. 678 page 109 and 124 for Gujranwala Drainage Scheme Part I (Construction of 48" i/d R.C.C. brick work sewer from R.D. 6000 to 7000) in the name of M. Shujaat Ullah Khan, Contractor revealed the minus balance of Rs. 12,087-00. Out of this amount a sum of Rs. 5,942 had been adjusted against the security deposit of the contractor and the balance of Rs. 6,142 being the cost of empty cement bags not returned by the contractor at Rs. 2 per bag was to be recovered from him.

Subsequently the contractor returned 1003 empty cement bags which was acknowledged in the stock papers for October 1962 and as such a sum of Rs. 4,139 only was still due from the contractor. The Audit Office did not verify the same, on the plea that empty cement bags were not returned immediately. The explanation of the Overseer concerned, who was responsible for not taking the empty cement bags back, have been called for. Necessary disciplinary action would be taken against him after observing the codal formalities. As regards recovery of the balance, amount of Rs. 4,139 from the contractor the Civil Authorities had been requested to effect recovery from the contractor but they advised that a proper verification to recover the amount under West Pakistan Recovery of Government Dues Ordinance, 1962 might be got issued. The case for getting the notice issued was under preparation.



As regards disciplinary action, against the persons, responsible for not making recovery from the bills of the contractor, the explanation of the following officers/officials were called for :—

- (1) Mian Muhammad Saeed, Executive Engineer, Lahore Sanitary Division (the then Sub-Divisional Officer Incharge).
- (2) Mr. Muhammad Ashraf, Overseer.
- (3) Mr. Muhammad Hussain, S.D.C.
- (4) Mr. Zahoor Ahmad, Accounts Clerk.
- (5) Mr. Safdar Ali Gill, Divisional Accountant.

M/s Muhammad Ashraf, Overseer and Muhammad Hussain, S.D.C. have, since submitted their explanations, which were examined by the Executive Engineer, Gujranwala Provincial Division, M/s Saeed and Zahoor Ahmad have not tendered their explanations inspite of repeated reminders from Executive Engineer, Gujranwala, Superintending Engineer and this office. As regards the disciplinary action against Mr. Safdar Ali Gill, Divisional Accountant this Department is not in the know of further developments of the case on this account. Had the said Divisional Accountant been vigilant no such recovery could have been lost sight of disciplinary action against the persons, held responsible, will be finalized as soon as their explanations are received and codal formalities are observed.

The Committee examined the Chief Engineer. From this examination it was learnt that a total of Rs. 12,087 was shown as recoverable from the contractor. Out of this Rs. 5,942 were recovered from his security with the Department, leaving a balance of Rs. 6,145. The contractor returned 1003 empty cement bags, which were accepted by the Department and he was given credit for Rs. 2,006 equivalent to the penal rate of Rs. 2 per bag for 1003 bags. This left a balance of Rs. 4,139.

On further examination, the Chief Engineer stated that out of this amounts of Rs. 3,695 represented material issued to him and Rs. 916.87 had been wrongly shown in the account of the contractor. If this contention of the Chief Engineer was accepted, the result would be that the Department would have to pay Rs. 472.87 to the contractor instead of making any recoveries from him.

The question arose whether the Department was competent to waive the penalty imposed on the contractor for non-return of cement bags and to accept 1003 bags after a lapse of five years. The attention of the Committee was drawn to an observation of the *Ad hoc* Public Accounts Committee, presided over by the then Governor some time in December, 1961, which reads as under :—

“While examining the question of return of empty cement bags at a subsequent date, it was observed by the Committee that the idea underlying the return of empty cement bags was to ensure that the material was actually consumed on Government Works and that there was no possibility of pilferage of the material. To ensure this, the departmental authorities should watch that the empties are received back immediately after the cement, etc. is consumed on the work. Return of empty cement bags after sometime should not be accepted.”

From the above it was evident that the acceptance of empty cement bags in lieu of the penal rate of Rs. 2 was not proper. The market rate of the cement bags as stated to the Committee today would work at roughly 0.37 per bag. The Committee therefore, directed the Department to explore the possibility of recovering the balance of Rs. 1.62 per bag from either the contractor concerned or the Officer responsible for accepting bags after a lapse of five years. The entire contention of the Department should be got verified by the audit and progress reported to the Committee. The para. was deferred to come up again alongwith the accounts for 1961-62.

(15) Page 20, Para. 23(3)—*Outstanding Recoveries Rs. 45,215*—In this case, the Audit reported that a major work was allotted to a contractor and material such as cement, bajri, wood and bricks worth Rs. 76,450 was issued to him for use on the work. The contractor left the work incomplete. It was noticed that after adjusting the cost of work done and the security deposits lying at his credit, recovery of Rs. 46,215 was still due from him. The outstanding amount represented mainly the cost of stores issued to the contractor in excess of actual requirements and which were lying unused and were removed by him from the site of work. The cost of such stores should have been recovered from the remaining bills paid to the contractor.

The Department explained that the Departmental investigations revealed that eight officials/officers were involved in the irregularity :—

The appointment of a Formal Enquiry Officer in terms of Para. 6(i)(iii)(a) and 8(i) of West Pakistan Government Servants (E&D) Rules, 1960 was under consideration of the Department. Disciplinary action as and when finalized would be reported to Audit.

The Committee observed that although the irregularity was pointed out in January, 1961, the formal enquiry has and yet commenced. The Department was asked to expedite the finalization of enquiry and report the results of the enquiry and the action taken to the Committee when the accounts of 1961-62 are considered.

(16) Page 20, Para. 23(4)—*Non-recovery of Rs. 7,799*—In this case, full recovery on account of cost of materials issued to a contractor during the year 1954 was not made from his first two running bills with the result that his third running and final bill revealed a minus amount of Rs. 13,669. The work was completed in October, 1954 but a sum of Rs. 13,477 (instead of Rs. 13,669) on account of the minus bill was placed under the suspense head "Miscellaneous Public Works Advances" in May, 1959 pending recovery from the contractor. An amount of Rs. 5,878 on account of his security deposit was adjusted against the contractor in March, 1960 leaving a balance of Rs. 7,799.

The explanation of the Department was "C.C. II and final bill for the work of Sialkot Suburb Drainage Scheme part-I (Construction of disposal work at Rangpura Sialkot) reveals minus balance of Rs. 13,668.63. Rs. 13,477 were placed in suspense "Miscellaneous Public Works Advances" in May, 1958 pending recovery from the Contractor, M/s. Engineers United (Firm no longer exists proprietor, Mr. Iftikhar Ahmad Farooqi, is understood to be working with C.D.A. in Islamabad) Rs. 5,670 were adjusted against the security deposit. Thus a recovery of Rs. 7,990.56 is due to the Government. C.C. III and Final bill reveals minus balance on account of the fact that full recoveries were not made in the 1st and 2nd running bills and non-return of 1960 empty cement bags. Mr. Muhammad Hussain Malik, Divisional Accountant pre-audited the C.C. I and II running bills. His explanations were called by Executive Engineer, Sanitary Division, Lahore which have been received and will be examined along with the explanation of other officials.

As regards the disciplinary action against other staff the then Sub-Divisional Officer Mr. Muhammad Saeed, now Executive Engineer Sanitary Division, Lahore, the then Overseer Mr. Rafiq Ahmad Sheikh (who has since left service and working as Government contractor in Public Health Engineering Department, the then S.D.O. Mr. Majid Ali, now working as 2nd Clerk in Sanitary Division, Rawalpindi, the then Auditor Mr. Muhammad Shafi Khan have been asked to explain their position. Action against them shall be taken after receipt of their replies. The Contractor has been issued the notice for depositing the amount in question and the Deputy Commissioner has also been requested to recover the amount as arrears of land Revenue under the Governor's orders."

Further progress in this case reported orally was that the contractor who was reported untraceable earlier, has now been traced and it was stated that efforts were being made now to make recovery either through the C.D.A., Islamabad, where the contractor was at present working, or by way of arrears of land revenue. The Committee decided that the progress of the whole case should be reported to the Committee, when the Accounts for 1961-62 are considered.

(17) Page 20, Para. 23(5)—*Recovery of Rs. 7,025*—In this case, a sum of Rs. 7,025 on account of charges for private trunk calls made from office telephone is outstanding under the head 'Miscellaneous Public Works Advances' as recoverable from various persons since February, 1953 to June, 1959.

The Department explained that the total sum of Rs. 7,024.75 represents the charges on account of Telephone Trunk calls made by various officials/high dignitaries, etc., from the telephones installed in the Government Guest House Abbottabad/Circuit House, Abbottabad during their stay in these houses and not from any office telephone. Further more all these trunk calls cannot be termed as private ones as most of the Government officials/high dignitaries also made the trunk calls in their official capacity. A reference to the Trunk-call Registers maintained in the said Guest Houses revealed that most of the officials/high dignitaries, etc., did not at all make any entries indicating particulars of the calls, whether officials or private, their addresses and to whom made, etc., As such great difficulty is being felt in effecting recoveries from the persons concerned/Department in case of official calls, as the bills on this account were received by the Department after a long time. However, after making strenuous efforts, a sum of Rs. 750 could be recovered so far while for the balance amount investigations are being made.

The Committee asked the Department to continue their efforts for making the recoveries and get them verified by Audit.

Subject to these observations, the para. was dropped.

(18) Page 20, Para 23(6)—*Outstanding Recovery of Rs. 24,015*—In this case, steam coal valuing Rs. 24,015 was issued to two kiln contractors from stock in November 1962. No action has been taken to recover the amounts from the contractors.

The Department explained that this para. related to non-recovery of cost of slack coal from the following contractors:—

1. Sh. Salah-ud-Din, Cost of 442 tons slack coal Rs. 12,556.22.
2. Mr. Shankat Ali, Contractor. 225 Tons slack coal Rs. 11,459. The cost of 442 tons of slack coal lying outstanding in the schedule of Miscellaneous Public Works Advances against item No. 1 of above as recovered during March, 1955, thus leaving no balance against the contractor. As regards recovery of balance amount of Rs. 11,459 due from the contractor at Serial No. 2 above it relates to the ex-Bahawalpur State period and most of the staff directly concerned with this irregularity has been transferred to Irrigation Department and the enquiry could not be completed for want of explanation of the concerned officials. All out efforts are being made to finalize this case.

The Committee directed the Department to get the recovery of Rs. 12,556.22 verified by audit to make efforts to effect the recovery of the remaining Rs. 11,459.00 and to report the progress to the Committee when the accounts for the year 1961-62 are under consideration.

(19) Page 20, Para. 23(7)—*Outstanding recoveries Rs. 2,035*—In this case, Government Jeeps were used by various officials for private purposes. But the usual charges were not paid by them on this accounts. The Division concerned has failed to recover the amount due from the Officials concerned and placed this amount Rs. 2,035 under the suspense head 'Miscellaneous Public Works Advances.'

The Department explained that out of a total sum of Rs. 2,034.61 recoverable from various Government Officers/officials, a sum of Rs. 1,382.07 had been recovered. The Committee directed the Department to get the recovery of Rs. 1,382.07 verified by Audit and to make efforts for the recovery of the balance of Rs. 652.54 and as soon as the recovery was made, to get it verified by Audit. Subject to these observations, the para. was dropped.

(20) Page 21, Para. 24(1)—*Undue Financial Aid to the Contractor worth Rs. 1,61,118*—In this case, stores worth Rs. 1,61,118 were issued to certain contractors for use on departmental works upto April, 1959 but the recoveries of their cost were not made regularly and promptly from the running payment made to them as required under the rules. The postponement of recoveries resulted in undue financial aid to the contractors to the tune of Rs. 1,61,118.

As the recovery had been effected and verified by Audit, the para. was dropped.

(21) Page 21, Para. 24(2)—*Undue Financial Aid to the Contractors worth Rs. 79,496*—Advance payments amounting to Rs. 79,496 were made to a contractor during the period from November, 1956 to September, 1957. Out of the total advance payments a sum of Rs. 37,021 was recovered after a period ranging from 6 to 15 months while the remaining amount of Rs. 42,475 was recovered as late as February 1961, although measurements of the work were stated to have been recovered by the Sub-Divisional Officer in April, 1958.

The Department explained that the defaulting Sub-Divisional Officer's viz., Sufullah Khan, Ali Anwar Abro and Z.A. Sheikh, had been charge-sheeted for their failure to adjust the advance against the dues of the contractor in time. The explanation of the defaulters is under examination.

The Committee directed the Department to report progress made in the matter when the accounts for the year 1961-62 would come up for consideration.

(22) Page 21, Para. 24(3)—*Undue Financial Aid to Contractors worth Rs. 8,681*—In this case, Government dues aggregating Rs. 8,681 were outstanding against the various contractors for a period ranging from four to nine years. This inordinate delay in making recoveries that amounted to undue financial aid to the contractors and also involved the risk of certain amounts becoming irrecoverable with the passage of time.

The Department explained that the present position of the case is that the recovery of Rs. 2,235.14 has since been got verified from Audit. The amount of Rs. 1,051 is under adjudication in the court of Law. As regards the balance amount of Rs. 5,395 the matter was referred to the respective Deputy Commissioners for recovery from contractors concerned but no appreciable progress has been made. Only one case regarding recovery of Rs. 1,213 recoverable from M. Abdul Samad, Contractor was referred to Tehsildar, Jhelum by Deputy Commissioner Jhelum to effect recovery during February, 1965 but the contractor has in return filed a suit against the Department in the court of Senior Civil Judge, Jhelum, which has been decided against the Department. The Superintending Engineer, Rawalpindi Construction Circle, has been directed to recover the amount from the Departmental Officer/official responsible for committing the irregularity. Since result of recoveries through Deputy Commissioners were still awaited no disciplinary action against the officers/officials involved could be taken because if the amount happened to be irrecoverable this would be included in the charge-sheet of the officers/officials.

The Committee directed the Department to report further progress made in the matter when the accounts for the year 1961-62 would come up for consideration.

(23) Page 21, Para. 25(1)—*Expenditure incurred in excess of Deposits of Rs. 26,823*—In this case, Expenditure amounting to Rs. 26,823 was incurred on works on behalf of certain Municipal Committees without recovering any deposits from the parties. The amount was placed under the suspense head 'Miscellaneous Public Works Advances' during March, 1953.

The Department stated that the sum of Rs. 20,122.33 had been recovered and verified by Audit. The Department assured the Committee that efforts were being made to recover the balance of Rs. 6,700.45. The Committee directed the department to speed up their efforts for the recovery of the amount and, as soon as it was recovered, get it verified by Audit. Subject to these observations and subject to the recovery of the amount being verified by the Audit, the para. was dropped.

(24) Page 23, Para. 25(3)—In this case, it was observed that an expenditure of Rs. 34,770 was incurred during December, 1960 on behalf of a Trust Board without obtaining the deposits from the Board. The amount pending recovery was kept under the head "Miscellaneous Public Works Advances."

The Department reported that the recovery had already been made. The Committee, however, noted that the work had been undertaken without the receipt of deposits. The Committee did not view with satisfaction the practice of starting jobs without proper and adequate receipt of deposits. The Committee directed the Department that efforts should be made, in future, to avoid the starting of all such jobs without the receipt of deposits.

Subject to these observations the para. was dropped.

(25) Page 22, Para. 26(1)—*Theft of Stores Rs. 2,581*—In this case, stores worth Rs. 2,581 were stolen and the amount was placed under the suspense head 'Miscellaneous Public Works Advances' in July 1956. Neither report of the theft was made to Audit nor the case appears to have been registered with the Police. The amount in question has neither been recovered by the Department so far nor written off under the orders of competent authority.

The Department explained that in the Departmental enquiry it was found that theft had taken place (between the night of 4th and 5th February, 1956) due to the carelessness of the Chowkidar. The services of Chowkidar were terminated and case was also got registered with the Police. The case was tried in the Court of Law but the court acquitted the accused. Case for write-off was under action.

Audit pointed out that according to the Inquiry Report the Overseer was also responsible but no action was taken against him.

The Committee instructed the Department to look further into the matter and find out as to why necessary action was not taken against the Overseer concerned, despite the inquiry report. The Department was also directed to find out as to whether the Overseer was exonerated at a later stage or not. In case he was not exonerated then what action was taken against him.

As far as the write-off was concerned, the Committee asked the Department to proceed with the writing-off and, as soon as it was done, get it verified by Audit. Subject to these observations, the para. was dropped.

(26) Page 22, para. 26(2)—*Theft of Stores*—In this case, about 120 Rft. G.I. Pipe worth Rs. 998 was stolen in January, 1958 from a Kila. The case when reported to the Police was declared untraceable. Although a departmental enquiry into the case was conducted by the Sub-Divisional Officer and a report submitted in March 1958 neither any responsibility was fixed for the loss nor was the amount placed in 'Miscellaneous P.W. Advances' to watch its recovery or write-off.

The Department explained that the pipe was laid for feeding water for moulding bricks and was not issued to any contractor. The theft was reported to the Police but the case was filed as untraced. The case for write-off the loss in question is pending.

Subject to the write-off and its verification by the Audit, the para. was dropped.

(27) Page 22, Paragraph 26(3)—*Theft of Stores worth Rs. 5,000*.—In this case, 62 M.S. Sheets (4.75 tons) worth Rs. 5,000 were stolen in January, 1958 from a P.W. Department godown. The case when reported to the Police, was declared untraceable in June, 1958. The amount was, however, placed under the suspense head 'Miscellaneous P.W. Advances' in January, 1959. Departmental enquiries were conducted in the first instance by a Sub-Divisional Officer who submitted his report on 31st January, 1958 without fixing any responsibility and then by the Superintending Engineer concerned who has not completed his report so far.

The Department explained that Mr. Azhar Abbas, Overseer lodged a report with the Police with a copy to Sub-Divisional Officer, 4th Construction Sub-Division on 13th January 1958 that 62 Nos. M.S. Sheets worth Rs. 5,000/- had been stolen. The case was filed by the Police as untraced. Later on, the C.I.A. Staff was entrusted with the investigations and the D.I.G. Lahore Range reported that no theft was established and that M/s. Azhar Abbas, Overseer and Muhammad Abbas Zaidi, Supervisor were suspected for having misappropriated the material in question. The Deputy Inspector-General suggested departmental action against the said officials. Consequently the report of C.I.A. embodying reasons for suspicion and replies received through the Superintending Engineer were forwarded to Law Department for advice with regard to making good the loss to Government and proceedings against the officials concerned. The Law Department advised that if as a result of a departmental inquiry under the Rules Mr. Azhar Abbas was found guilty of having caused loss to Government through fraud or negligence and loss was recovered from his pay under the order of the competent authority, the action taken against him would not be challengeable in a court. Accordingly departmental action was taken against the Overseer and departmental enquiry got conducted against him. On the recommendations of the Enquiry Officer, sanction to write-off the loss was accorded by Government under intimation to Audit and a copy of enquiry report was also supplied to the Audit.

After thorough examination of the explanation and the record of the case, the Committee came to the conclusion that right from the beginning, the Department had proceeded on the presumption that there was a theft of stores worth Rs. 5,000 without knowing, at any stage, that there was a shortage. It was the firm opinion of the Committee that this matter should have been treated as shortage of Stores and not as a case of theft. It appeared to the Committee that some one in the Department, on discovering the shortage of stores worth Rs. 5,000/-, took the easiest way out by attributing it to theft. This view of the Committee was also borne out by the results of the Police Inquiry in which the D.I.G. was reported to have stated that no theft was established and that M/s. Azhar Abbas, Overseer, and Mohammad Abbas Zaidi, Supervisor were suspected for having misappropriated the material in question. Obviously, the opinion of the D.I.G. as expressed, could only be interpreted to mean that the matter should be treated not as a matter of theft, but departmentally an inquiry should be made as to the cases of the shortage. This had at no stage been done but, instead the Department continued to proceed on the assumption that there has been a theft.

The Committee was also pained to note that without first exploring the possibility of there being shortage of stores and not of theft of stores the amount was recommended for write-off and sanction for the same was accorded.

It was further the opinion of the Committee that the sanction for write-off had not been properly accorded as it had not been substantiated that the loss to Government was due to theft. On the contrary, papers as well as the details so far available tend towards showing that the loss was due to negligence, and as such, the write-off if at all sanctioned should have been done by the Finance Department and not by the Department concerned. The Committee decided that the Department as well as the Audit and the Finance Department should look into this aspect of the case and



report their findings to the Committee at the next meetings when the accounts for 1961-62 are considered.

(28) *Page 23 para. 27(1)—Irregular payment worth Rs. 575—A Muster Roll for Rs. 954-00 was prepared for maintenance of a road from mile 24 to 41 and paid to departmental labour employed from 18th November 1948 to 13th December, 1948. Again another muster roll for Rs. 575 for the same period for miles 33 to 38 of the same roads was prepared and paid. In the face of the first payment of Rs. 954 the second payment of Rs. 575 was not a genuine charge and the amount has obviously been misappropriated.*

The Department explained that the relevant record, i.e., Muster Rolls and Measurement Book on which the objection had been raised pertains to the period 1948-49. As these records are not traceable it has become difficult to link up the objection with the relevant voucher. However, from the trend of the objection it appears that 2 Muster Rolls were operated in one and the same reach in between 18th November 1948 to 15th December 1948 and according to Audit one of them appears to be double payment. Since the remark is on presumption this payment cannot be finally decided as double payment. It is just possible that two different types of jobs, were got executed through two different Muster Rolls in the same reach to avoid complications.

The Department further stated that all the payments including the one under consideration, upto 1952 were made after pre-Audit. So there was no question of this payment being irregular. Subject to verification of this fact by the Audit the paragraph was dropped.

(29) *Page 23, para. 27(2)—Irregular Payment of Rs. 2,61,000—A work for the construction of buildings was allotted to different contractors. In the agreements drawn up with them the size of bricks to be used was not specifically mentioned but as the work was to be done in accordance with Buildings and Roads Specifications, small size bricks were to be used in construction. In construction actually small size as well as standard size bricks were used and payment made at a uniform rate as provided in the agreement. However, after completion of the work in December, 1956, the contractors using small size bricks claimed extra payment on the plea that the use of small size bricks cost them more labour and material than the standard size bricks would have cost. An extra cost of Rs. 4 per hundred cft. of bricks work was allowed to the contractor using small size bricks on the analogy of similar rates provided in the old schedule of rates. This resulted in on unauthorized and irregular payment of Rs. 2,61,000 to different contractors.*

The Department explained that the objection has been based on the presumption that the Buildings and Roads Specifications for bricks work required the use of architectural size bricks. This was not so. The relevant specification No. 2-2 (2) of the Buildings and Roads Specification was substituted by Chief Engineer former Punjab requiring the use of standard bricks of, 9" x 4½" x 3" size for building work normally.

The rate provided for ordinary bricks work in the District Schedule of Rates/Agreement required the work to be constructed in accordance with relevant provisions in the Buildings and Roads Specifications. The rate for ordinary bricks work in the agreement/schedule of rates did not, therefore, relate to the special bricks work with the use of architectural size bricks. Since appropriate rate for the special brick work had not been specified in the agreement, nor was available in the District schedule of rates, the Executive Engineer, Incharge of the work was justified in recommending to Superintending Engineer, the Non-scheduled rates for the items involved. He, however, recommended that the additional payment involved over and above that based on the rate specified in the agreement for ordinary brick work would be more than the additional rate allowed in the obsolete schedule



of rate of the Circle, viz., Rs. 4 per cent off. for architectural size brick work plus tendered premium and as such asked the Superintending Engineer to sanction this later rate as a Non-Scheduled rate. The Superintending Engineer accepted this recommendation and approved the additional rate of Rs. 4 per cent off. subject to tendered premium.

The explanation of the Department was accepted and the para. was dropped.

(30) Page 23, Paragraph 28(1)—*Additional Expenditure*—In this case, tenders for annual repairs to Government Buildings were invited by an Executive Engineer on 19th June, 1948. The tenders quoting rates from 17 per cent below to 30 per cent, above the schedule of rates were received. The tenders quoting at 20 per cent to 30 per cent above the schedule of rates were, however, approved the Superintending Engineer, without assigning any reasons for rejecting the lower rates and without obtaining sanction of the higher competent authority. The works were allotted accordingly to the contractors. In the meanwhile when some of the works had been executed at higher rates, the Superintending Engineer's order were set aside by the Chief Engineer on representation of the contractors who had offered lower rates. By the time the work were reallocated to the lowest tenderer excess payment to the extent of Rs. 6,862 had already been made due to higher rates originally approved by the Superintending Engineer. This action resulted in heavy additional expenditure.

The Department explained that normally the power of acceptance of tenders for the works under objection lies with the Executive Engineer but since in his opinion the contractor quoting the lowest rates was not suitable for the job, he obtained the orders of Superintending Engineer for allotting the works to the second lowest tenderer. The Superintending Engineer while doing so was quite within his competence and did not require any further approval from his superiors.

On the representation of the lowest tenderer, the Chief Engineer issued directions for the cancellation of acceptance already issued by the Superintending Engineer. The said directions of Chief Engineer also included that the works earlier allotted to the contractor by the Superintending Engineer should be stopped forthwith, contractor paid up and settled at the rates at which work were allotted to them. From this it would appear that the contractors whose tenders had already been accepted by the Superintending Engineer were to be paid up for the work done by them till the date of issue of orders of Chief Engineer at the rate accepted by the Superintending Engineer.

The Committee was not satisfied with the explanation given by the Department. Normally the work should be assigned to the lowest tenderer. However, in case there were sufficient grounds on the basis of which, this was not to be done, the reasons for the same must be recorded. In this case as pointed out by the Audit no reasons were given as to why the lowest tenderer was not given the contract. Subsequently when the tenders were reinvited the same contractor who was the lowest at the time of first tender again managed to be the lowest tenderer. However, this time his rates were higher than the first time and he was now granted the same work at this higher rate whereas in the earlier instance, the Executive Engineer, had recommended, without assigning any reasons, that he should not be given this contract, and the Superintending Engineer had acted according to the advice of the Executive Engineer. The second highest tenderer at the time of the first tender was originally given the work which was subsequently stopped by the Chief Engineer and payment was made to him for the extent of the work which he had completed. In the opinion of the Committee the Executive Engineer and Superintending Engineer were both responsible for loss of the Government for the higher rates paid to the contractor who did part of the work at rates higher than the lowest tenderer, as well as for the amount paid extra to the lowest tenderer due to recalling of tenders and not giving the job in the first instance.

However, as the Department reported that both the Executive Engineer and Superintending Engineer responsible for this had expired the question of recovery of any amount from them did not arise.

Subject to these observation the para. was dropped.

(31) *Page 24, Paragraph 28 (2)—Excessive Expenditure of Rs. 40,969*—In this case, the tender of a contractor already approved by competent authority and at rates at which he was bound to execute the work was cancelled and the work was subsequently let out to him again at higher rates after reinviting tenders which resulted in extra expenditure of Rs. 36,310. Even after the reallocation of the work to the same contractor it was stopped many a time due to non-completion of some pre-requisites by the Department such as testing of soil and providing of design of culverts etc., and the contractor finally re-refused to carry on the work. The Department, instead of solving the difficulties and expediting the execution of the work ordered the finalization of the claim of the Contractor. The portion of work left by him was re-allotted to some other contractor at higher rates which resulted in a further expenditure of Rs. 4,659. The Government, therefore, had to incur an additional expenditure of Rs. 40,969 due to injudicious action by Departmental authorities.

The Department explained that the detailed reply explaining the whole history of the case has already been given to the Audit Department by the Superintending Engineer, Rawalpindi, Provincial Circle in his Memo. No. 5143/G, dated 5th May 1962. As regards Audit Department observations pertaining to non-acceptance of tenders within a month, the Department stated that the tenders were called on 16th October 1954 which after scrutiny by the various hands in Divisional Office were transmitted to Circle Office on 4th November 1954. The tenders were also examined by the various Sections in Circle Office and necessary approval was accorded on 11th December 1954. Thus these tenders passed through various hands in Divisional as well as Circle Office and no record for their passing from one hand to other was kept. The Department contended that it was obvious that no responsibility for the delay on this account could be fixed on any individual.

The explanation given by the Department was found to be most unsatisfactory by the Committee. The Committee was of the opinion that this entire case was being treated in a very slipshod manner. The explanation submitted to the Committee referred to some explanation given to the Audit earlier without stating what the explanation was. The Committee was not in a position to appreciate, as to how the granting of a tender at a higher rate than what was originally decided could ever be beneficial to the Government, nor could the Department satisfactorily explain the reasons for the delay in acceptance of tenders within the prescribed limit of one month.

The Committee was inclined to feel that as far as this item was concerned things were not innocent as the Department would like the Committee to believe and, therefore, the Committee directed the Department to have a thorough enquiry conducted, if possible, by the Chief Engineer. A report of this enquiry should be placed before the Committee at the next meeting when accounts for the year 1961-62 will be considered and, if possible, a copy of the same be sent to the Audit as soon as the report is ready.

(32) *Page 24, paragraph 29(1)—Misappropriation of Stores—Rs. 3,18,338*—In this case, a heavy shortages of Government Stores worth Rs. 3,18,338 came to light as a result of physical verification of stores after an Overseer was arrested by the Police in August, 1955 on the charge of stealing Government stores and selling the same to a local Textile Mill under construction. As the physical verification revealed a number of irregularities such as theft of stores, omission to record entries in the measurement books destruction and un-authorized amendments

in Government in records to conceal the shortages, a special Audit of the accounts was arranged at the request of Government but even this could not help as the relevant records were not produced to Audit for scrutiny. The Police registered 5 cases against the overseer and his accomplices for some partial amount out of the whole shortage but the accused were acquitted in 3 cases due to non-production of relevant records and proper personal evidence by the Department. In the remaining two cases the accused were sentenced by the Special Judge but they were acquitted by the High Court. The Government stores seized by Police during investigation had to be returned to the parties from whom it was collected under the orders of the Government as the stores could not be recognised as belonging to the Department for want of any marks of identification thereon.

Besides the heavy shortages of stores, the Department had to undergo a further loss in the form of expenditure on conducting the case.

The Department explained that Mr. Hamid-ullah Overseer who was no more in service having been screened out on charge of in-efficiency in 1959 was mainly responsible for the shortages in this case. 5 cases of embezzlement, etc.; were registered by the Police against him. He was acquitted in all the cases.

In order to probe into the whole case and to suggest ways and means for recovery of Government loss, a Board of Enquiry with Mr. A.F. Kiryo, Superintending Engineer, Construction Circle, Multan, as Chairman and Executive Engineers, Electrical and Mechanical Division, Multan and Provincial Division, Multan was constituted. The Board of Enquiry have held Mr. Hamid-ullah Overseer solely responsible for the entire shortage of Rs. 3,18,338. The Board of Enquiry has recommended that since Mr. Hamidullah Overseer was no more in Government service and there was no possibility of recovery from him though Civil Suit or otherwise the only alternative now left was to get the loss written off under orders of the competent authority. The Board of Enquiry, however, suggested adjustment of surplus material against the similar item of shortage as under —

	Rs
(1) Shortage	... 3,18,338
(2) Surplus	... 1,79,596

The Audit have objected to the adjustment of surplus material against similar item and desired that sanction of Finance Department be obtained for regularization. The Department has carried out adjustment of surplus materials to the tune of Rs. 80,922.06 out of Rs. 1,79,596 and the net-shortage/surplus after this adjustment comes to:—

	Rs
(i) Shortage	... 2,37,416
(ii) Surplus	... 98,674

As the Department claimed that there was a surplus of Rs. 1,79,596 and wanted to adjust against this certain items of a similar nature, the Committee directed that the Department should get this verified and accepted by Audit. As for the balance amount, since the Overseer Incharge, who was held responsible, had already been screened out, and there was no possibility of effecting recoveries, the Committee directed that the competent authority should be moved to sanction the write off.

Subject to the above mentioned verification, and also subject to verification of write off, the para was dropped.

(3) Page 25 Paragraph 29(2)—*Misappropriation of Stores*—In this case, 4178 cement bags worth Rs. 19,846 were mis-appropriated by a Sub-Divisional store-keeper by changing the book balance from 10,536 bags to 6,358 bags on the 31st March, 1958. The irregularity was pointed out during local Audit in October, 1959.

It was accepted by the Divisional Officer who also suggested the appointment of another Divisional Officer to hold an enquiry into the case. Since then a period of about 3 years has elapsed but neither any action to effect recovery of this shortage has been taken nor the result of the findings of the enquiry officer reported to Audit.

The Department explained that after the preliminary investigation of the case it was noticed that the net shortage of Cement comes to 4065 bags and not 4178 as stated by Audit. The Audit was requested to get the net shortage verified through his Inspecting Officer who was concurrently inspecting that Division, but the net shortage has not been verified by Audit so far. As regards the responsibility for the net shortage of 4065 bags, the following officers had been served with a show cause notice either to clarify their position or make good the loss:—

(1) Malik Abdul Hamid, S.D.O.	... 4055 bags.
(2) Mr. Waqar Ahmed, S.D.O.	... 10 bags.
Total	4065 bags.

The explanations of these officials have been received and are under the scrutiny of the Superintending Engineer, Buildings Circle, Hyderabad.

The Committee decided that the progress should be reported to the Committee at its next meeting when the accounts for 1961-62 are considered.

The Committee had to observe that the Departments did not seem to pay any attention to the various Audit para relating to the various irregularities pointed out by the Audit till after they come up for discussion before the Committee. A lot of delay leading to loss to Government could be avoided if adequate attention was paid to the Audit objections as and when they were pointed out initially to the Departments. The Committee desired that the Finance Department should impress upon the various Departments to adopt a procedure whereby all irregularities pointed out by the Audit are gone into immediately on being pointed out.

(34) Page 25 paragraph 30—Store Recovery of Rs. 1,830—In this case it was noticed during the course of Local Audit in January, 1956, that according to the terms of an agreement, cement and steel were to be supplied to a contractor at Rs. 5-2-0 per bag and Rs. 600 per ton respectively at the Railway Station. Contrary to the terms of the Agreement these materials were, however, supplied to the Contractor at the same rates at site of work without making any recovery from him on account of carriage charges from the Station to the site of work. This resulted in a short recovery of Rs. 1,830. When the irregularity was brought to their notice by Audit, the Department authorities stated that the recovery had been affected by the official concerned but no reference to the voucher No. and date on which credit was afforded has been intimated to Audit in spite of the lapse of a 3 years since the short recovery was pointed out.

The Department explained that this para related to the work 'Constructing Village Aid Training Institute, Lalamusa'. A reply to this para was originally sent to the Audit on 28th December, 1959 stating that the materials were actually issued to the Contractor at the Railway Station, Lalamusa and not at site of the work. To keep a watch over their issues and utilization, the transactions were passed through the suspense head 'Material-at-site account'. Copies of the relevant report of the Sub-Divisional Officer, Gujrat and Overseer incharge were also sent to prove the facts that the materials were actually delivered at the Railway Station to the Contractor who carried these to the site of work. No charge on this account was borne by the Department. The accounts of the work were thoroughly analysed during the audit inspection of the Division during October, 1956, and no point of the type was noticed.

Again the Executive Engineer, Jhelum informed the Director, Audit and Accounts (Works) that he consulted the relevant record and it has been revealed that the material was handed over to the Contractor at Lalamusa Railway Station and no carriage whatsoever was paid to the Contractor. The Audit Party has taken the objection only because the words issued from material at site accounts appeared in the transactions. In light of the above facts the Director, Audit and Accounts (Works), West Pakistan desired to get the factual position verified from his office.

The explanation was found satisfactory and subject to verification, the para was dropped.

(35) *Page 25, para 31—Irregular withdrawal of Government Money*—In this case, the former Government of Sind permitted the re-imbursement of pay of Malis engaged on maintenance of the garden attached to Government residence as a war concession. It was admissible upto the date the war came to an end viz. 1945 but it continued even thereafter. Early in 1949, however, the former Government of Sind decided that the concession should be continued so long as the head quarters of the Government of Sind were situated at Karachi. The concession should have, therefore, been withdrawn from the 14th October, 1955, the date of integration but it was noticed that some officers continued to avail of the concession even after this date. Accordingly a sum of Rs. 25,706 has been irregularly drawn on this account.

On the initiative of Audit, the Government of West Pakistan in the Finance Department agreed that the concession stands withdrawn after date of Integration. Orders to the Officers of Buildings and Roads Department to put an end to this irregular payment were issued by the Government on the 12th December, 1959.

The Department explained that the payment was made by Larkana Roads Division, Nawabshah Road Division, and Karachi Buildings Divisions in good faith. The case regarding regularization of this payment is under the consideration of the Department.

The Committee directed that the payment should be got regularised by the competent authority. Subject to this observation, the para was dropped.

(36) *Page 26, Para. 32—Fictitious Stock adjustment of Rs. 25,000*—In this case, material worth Rs. 25,000 was shown as issued to a work at the close of the financial year 1958-59 in the Divisional Accounts for June 1959. Its cost was subsequently written back from that work to stock in May, 1960. Actually the material was not carted from stores to work and no carriage charges had been incurred on this account as admitted by the Department, the paper transaction was carried out merely to utilize the budget grant which would otherwise have lapsed.

The Department explained that in this case which occurred before June 1959 warning has been issued to Mr. Abdul Rehman, the then Sub-Divisional Officer concerned.

The action was found satisfactory and the para was dropped.

(37) *Page 26, paragraph 33—Non clearance of Suspense item of Rs. 7,410*—In this case, an amount of Rs. 7,410 on account of payment made by the Sub-Divisional Officer was placed under the suspense Head 'Misc. P.W. Advances' in December, 1955 with the remarks "Being under objection and correspondence". The connected correspondence on the subject to verify the objection due to which the amount was placed under suspense was not traceable from the record of the Divisional office.

The Department explained that the amount was incorrectly placed in 'Misc. P.W. Advances' and was, therefore, adjusted to the proper head of account.

The explanation was found satisfactory and the para was dropped.

(38) *Page 26, Paragraph 34—Unauthorized payment*—In this case, the contractors were paid for stacking of bricks as a distinct item. Unlike Stone Metal and Barjri the provisions of staking does not apply in the case of bricks as these are always

placed in stacks whether at kiln site or any other place and the item of carriage includes stacking. The above procedure resulted in an un-authorized payment of Rs. 2,389.

The explanation of the Department was "this para relates to payment of Rs. 2,289-3-0 to contractors for stacking charges of bricks. It was discussed at length in the Departmental Accounts Committee meeting held on 2nd September, 1963 and was finally settled".

The Committee noted that the Department did not submit any explanation for this para to the Committee and took a stand on some decision of the Departmental Accounts Committee. The Committee pointed out to the Department that the Committee is not bound by any decisions taken by the Departmental Accounts Committee. The Committee directed that the explanations called for must be submitted irrespective of whether they had been settled in the Departmental Accounts Committee or not.

The para was deferred to come up again before the Committee at its next meeting.

(39) Consideration of the remaining paras was deferred to the next series of meetings.

V. The Committee then adjourned to meet again on 22nd April, 1967 at 9-00 a.m.

LAHORE :

The 20th April, 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 22ND APRIL, 1967 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) Qazi Muhammad Azam Abbasi, M. P. A.  | ... Member.          |
| (4) Rai Mansab Ali Khan Kharal, M. P. A.   | ... Member.          |
| (5) Mr. Malang Khan, M. P. A.  | ... Member.          |
| (6) Mr. G. D. Memon, Joint Secretary to Government<br>of West Pakistan, Finance Department                               | ... Expert Adviser.  |
| (7) Rana Muhammad Yasin, P. A. and A. S.,<br>Accountant-General, West Pakistan.  | ... By invitation.   |
| (8) Mr. Amir Ahmed Khan, Secretary to Government<br>of West Pakistan, Agriculture Department<br>alongwith Regional heads | ... 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, M.P.A., the Committee chose Chaudhri Muhammad Nawaz, M. P. A. to act as Chairman for the sitting.

III. The Committee then proceeded to examine the explanations of the Agriculture Department in respect of the following items appearing in the Appropriation Accounts for the year 1959-60.

(1) *Page 42, Paragraph 13, item (1)—Shortage of Chil Scants, fire-wood, Rosin, Rail billets and Charcoal worth Rs. 1,41,775*—The Department stated that this was a case of mis-posting and not a case of actual shortage. An extra Assistant Conservator of Forests was deputed for the investigation of the shortage and it was revealed that there was no physical shortage of stock. The discrepancy was due to the incorrect posting of Timber Form No. 7. As the Timber Form had not been prepared correctly for a long period of 5-6 years, it was a difficult job to fix responsibility for the incorrect posting of Timber Forms. It had however now been ascertained that seven officials were responsible for the wrong posting of Form No. 7. The appropriate action against the above-mentioned officials would be taken after the timber forms have been reconstructed.

The Audit would like to have an opportunity to verify these facts.

The consideration of the item was deferred to be taken up alongwith the accounts for the year 1961-62.

(2) *Page 42, Paragraph 13, item (2)—Shortage of 15,721 Maunds of Fire-wood worth Rs. 39,303*—The Department stated that an enquiry made in the matter has revealed that in fact fire-wood worth Rs. 39,303 was never converted/carried. Excess payment of Rs. 13,569.81 was made to the contractors for work not done. Orders of recovery were passed against R. Nazar Muhammad, Forest Ranger after enquiry but they were quashed by the Government who advised that the recovery should be made from the contractors. The contractors have however refused to pay the amount. They have also been exempted from payment on the advice of Law Department. The case is now under consideration for writing-off the loss.

From the explanation furnished by the Department and supplemented orally it appeared to the Committee that this was a case of fraud, committed by the Forest Ranger possibly in coalition with the contractor concerned.



The Committee did not feel satisfied with the explanation furnished by the Department and directed that a further enquiry be conducted into the matter and a complete report submitted at the next series of meetings. The Committee also directed that steps should be taken to make good the loss that has been caused to the Government due to the over-payment made to the contractor by the Forest Ranger.

The item should come up again when accounts for the year 1961-62 are considered by the Committee.

(3) *Page 42, Paragraph 13, item (3)—Shortage of 237 empty drums and 1125 empty tins worth Rs. 11,732*—The Department stated that a class II Forest Officer was deputed to investigate into this shortage. According to the investigation made by the said Officer, there is no physical shortage of empty tins because discrepancy of 1125 tins which had occurred due to wrong disposal having been shown in the Form has been reconciled. Reconciliation would be got verified by the Audit. There is only a shortage of 237 empty drums and steps have been initiated for the recovery of price of the drums, but the defaulting officer was not co-operating.

The Committee took a serious note of the flouting of authority and directed that if the officer is on deputation he should be recalled at once and necessary action taken to effect the recovery of the price of the drums. This again would be subject to verification by the Audit.

The item was deferred to come up when accounts for the year 1961-62 are taken up by the Committee.

(4) *Page 42, Paragraph 13, item (4)—Timber worth Rs. 3,064*—In this case a contractor claimed that he had converted 557 cft. timber in a slip area. The timber was not transported immediately, the slip occurred and it was buried. The loss as per audit report had been ordered to be recovered from the Range Officer and intimation of recovery was awaited by Audit.

The Department stated that there has been some mis-understanding in the calculation of this amount. The amount pertains to 158 No. 306 cft. timber. According to the market rate of Rs. 3 per cft. the total amount comes to Rs. 918 which has been recovered. There is, therefore, no balance recoverable. This would be got verified from the Audit who have already been requested to do so.

The Committee directed that the correct quantity that had been converted by the contractor should be verified by the Audit. If the Audit accepts the figures of 306 cft. to be correct, the next question would be as to how value of 306 cft. had been worked out to Rs. 918 while the value of 557 cft. had been worked out to Rs. 3,064 by the Audit while preparing the paragraph, which obviously must have been on the basis of the records of the Forest Department.

The Committee noted with a good deal of concern that the Department in its explanation had stated that the recovery of Rs. 918, which was the amount worked out by it, had been effected by them. Orally it was stated that this recovery of Rs. 918 had not been made in full and that a sum of Rs. 320 only had been recovered. This case needed a thorough probe and the Department should make fresh enquiry into the whole matter and the item should come up again along with the accounts for 1961-62 after necessary verifications have been made by the Audit.

The Committee took a very serious view of the light-hearted manner in which the explanation had been furnished to it and would like that disciplinary action should be taken against the Officer, who prepared and furnished the explanation in the first instance.

(5) *Page 42, Paragraph 13—item (5)—Shortage of 550 Maunds of Firewood worth Rs. 1,100*—The Department explained that they had asked the Collector, Rawalpindi on 11th January, 1961, to recover an amount of Rs. 481/4 which has been worked out by them to be the price of 550 maunds of firewood from the Forest Guard, Mashtaq Ali, who was discharged from service, as arrears of land revenue.

The Committee failed to understand as to how the figure of Rs. 1,100 which was previously supposed to be the price of 550 maunds of firewood, had been reduced to Rs. 481/4. This was some-thing which the Department had to reconcile with the Audit.

The Committee directed that the Department should take all necessary steps to effect the recovery from the Forest Guard.

The item was deferred to be taken up alongwith the accounts for the year 1961-62.

(6) *Page 43, Paragraph 14—item (1)—Shortage of 828 Maunds of Firewood worth Rs. 1,000*—The Department explained that there were some transfers from the Books of one Forest Division to another on account of re-organisation in 1956, a year before the Audit took place and that the loss presumably was due to wastage in transit and dryage as it amounts to about 6 per cent which they stated, is common in almost all such cases. The question that arose was whether while working out the shortage in their own books, this loss in transit and dryage had been taken into account or not, and if it was taken into account, the shortage could not be had twice. The Audit was of the view that this must have been taken into account in working out the shortage which the Department contested. The Committee for once, would like this point to be settled for all such future cases and directed that an Officer of the Audit Department should be associated with the Department to verify the facts.

The item was deferred to come again before the Committee when it considers the Accounts for the year 1961-62.

(7) *Page 43, Paragraph 14—item (2)—Shortage of 1727 empty tins worth Rs. 3,000*—The Department stated that this shortage of 1727 empty tins occurred in 1956 and not in April 1957 as stated in the Appropriation Accounts. Mr. Abdul Ghani Cheema who was then Forester and was holding the charge of this Range was asked to account for the shortage. He shifted the responsibility to another Forester, Sher Bahadur. Action was then initiated against both and at one stage the case was referred to the Conservator of Forest, Rawalpindi, for a write off which is still under consideration. It was further stated that the case was registered with the Police to investigate the loss.

In the oral examination it was stated that the Police had replied in 1964 that this was not a case of theft and had suggested that the case should be referred to the Anti-Corruption which was not done. Ultimately, the responsibility was shifted to Forester Muhammad Hayat who had been screened out of service in 1959.

The Committee observed that it was amazing that the responsibility should have been shifted to a person who had been screened out of service and that too five years after he had left the Department. The Committee did not feel satisfied with the explanation at all and directed that the Department should look into this matter once again.

The Committee observed that this item was included in the working paper for the meeting of the Committee held on 30th January, 1967 when the Committee had asked the Department to re-examine the working paper for the next series of meetings but the same incomplete sort of working paper had been presented to the Committee for this meeting. The Secretary of the Department was asked to look into this matter also.

The item was deferred to be taken up again when accounts for the year 1961-62 are taken up by the Committee.

(8) *Page 43, Paragraph 14—item (3)—Shortage of Resin worth Rs. 12,020*—The Department stated that the case was investigated through Range Officer, Kahuta Range and after careful scrutiny of all the timber forms it was revealed that in fact there was no physical shortage in stock but it was the result of wrong posting of timber forms which have not been reconciled. In this connection reference was made

to the Conservator of Forests, Rawalpindi Circle, and Accountant-General, West Pakistan.

The Forest Ranger responsible for wrong posting of forms has been warned.

The item was dropped subject to verification by the Audit.

(9) *Page 43, Paragraph 15—item (1)—Shortage of 929 Maunds of Fire-wood worth Rs. 1,858*—The Department stated that in fact 24,295 Maunds of fire-wood was extracted from compartment at No. 91 Salgran by felling and cleaning during the year 1953-54. Out of this fire-wood 929 Maunds was being shown in Form No. 7 although the shortage seemed to have occurred on account of dryage etc. The dryage worked out to 3.9 percent. The case was referred by the Divisional Forest Officer, Rawalpindi, North Forest Division, to Conservator of Forests, Rawalpindi Circle who had written off the same.

The explanation was accepted and the item was dropped.

(10) *Page 43, Paragraph 15—Item (2)—Shortage of 4,160 Maunds of Fire-wood worth Rs. 8,320*—The Department explained that out of 4,160 Maunds of fire-wood, 193 Maunds have been written off. For the balance, the record being with the Divisional Forest Officer there were no possible means to verify reasons for this shortage which works out to 28.15 per cent. The Divisional Forest Officer, however, felt that bushes and shrubs cut from the Forest were mixed with the prescribed species might have reduced the weight during dryage, re-stocking and retail sales held at different occasions in the year 1955.

The Conservator seemed to have accepted the views of the Divisional Forest officer although in the view of the Committee there was hardly any justification for the acceptance of the reasons that there were no possible means to verify the reasons for the shortage.

The Committee felt that this was a case which should be gone into again and responsibility fixed for the shortages and necessary action taken against those who are found to have made the lapses. The Department should order a probe into this whole matter and the item should again come up when the accounts for the year 1961-62 are considered by the Committee.

(11) *Page 43, Paragraph (15)—item (3)—Shortage of 488 empty tins worth Rs. 976*—Same observations as in the case of item (10) above.

(12) *Page 43, Paragraph 15—item (4)—Shortage of 1308 empty tins worth Rs. 2,616*—Same observations as in the case of item (10) above.

(13) *Page 43, Paragraph 15—item (5)—Shortage of 68 cft. of Timber worth Rs. 548*—The Department stated that 32 sacants, 68 00 cft. have been shown in Form No. 7 for 12/57 and their disposal has also been exhibited. Thus there was no real shortage. The shortage reported by the Audit was due to incorrect posting of Form No. 7.

Chaudhri Ghulam Hussain, the then Range Officer has been warned for incorrect posting of form.

The item was dropped subject to verification by the Audit.

(14) *Page 43, Paragraph 15—item (6)—Shortage of 55 Maunds of Resin Valuing Rs. 1,008*—The Department stated that the entry has been traced back from the timber forms and it has been found that the following remarks have been recorded by the Range Officer, Kotli Range in his Form No. 7 for 12/57 :—

“All the resin collected has been despatched upto 3/58 and the balance in the Depot has been shown as nil. Hence there is no shortage of resin”.

The item was dropped subject to verification by the Audit.

(15) *Pages 43-44, Paragraph 16—Shortage of Timber*—In this case 2,299 third class Shisham logs measuring 17,280 cft. were sold to a contractor on the 6th January,

1959. The contractor applied for remeasurement of the logs on the 23rd January, 1959. when re-measured by the Depot Officer 3300 cft. of wood valuing Rs. 12,787 was found short although the number of logs remained the same. The shortage occurred as the volume of the various logs was less than what was recorded and the form had not been properly maintained.

The Department stated that out of 17,280 cft. timber sold to a contractor, only 17 cft. was found short as a result of remeasurement made on the request of the contractor. This shortage amounts to 0.01 percent which is very negligible and occurred due to peeling out of bark. This shortage has been written off.

The paragraph was dropped subject to verification by the Audit.

(16) *Page 44, Paragraph 17—item (1)—Misappropriation of chis scans and ballies valuing Rs. 16,577*—In this case the stores were transferred from one Depot to another but had not been taken on the books of the latter depot.

The Department stated that the store transferred from one depot to another in the same Range during August, 1967, March and June, 1968 has now been shown as under :—

(a) *Compartment No. 18 L-114-412 cft.*—The timber has been shown in Form No. 7 for 3/57. Hence there is no shortage.

(b) *Compartment No. 18/i-82332-8*—The reference quoted by the Audit Office is not correct as no entry of such shortage is traceable in the relevant forms.

(c) *Compartment No. 10/iii-250 Ballies*—The ballies were handed over to the Pakistan Signals as shown in the cash books at Lehtrar-Kotli Road,—vide voucher No. 30 of 6/58, hence there is no shortage.

Subject to verification by the Audit, the item was dropped.

(17) *Page 44, Paragraph 17—item (2)—Less accounting of Reson Valuing Rs. 13,844*—The Department stated that there was no shortage and the discrepancies were due to incorrect posting of Timber Forms by the in-experienced staff who have been warned to be careful in future.

The item was dropped subject to verification by the Audit.

(18) *Page 44, Paragraph 17—item (3)—195 Maunds of Resin in stock not carried forward*—The Department stated that the stocks were carried forward. Subject to the verification of the actual position, the item was dropped.

(19) *Page 44, Paragraph 17—item (4)*—In this case out of 199 Maunds 25 Seers of resin transferred from one depot to another, only 119 maunds 25 seers was accounted for at the latter depot.

The Department stated that 119 Maunds 25 Seers resin was actually despatched but 199 Maunds 25 Seers were entered by Range Officer through an over sight. The closing balance has rightly been shown as 164 Maunds 14 Seers, after deducting despatched quantity of 119 Maunds 25 Seers, hence there was actually no shortage. The item was dropped subject to verification by the Audit.

(20) *Page 44, Paragraph 18—Suspected Misappropriation of Stores*—In this case 2,300 tins valuing Rs. 4,600 and 383 drums valuing Rs. 15,320 were found to have been shown as disposed of in the store account of a form for July, 1958. The recovery of the cost was not traceable in the Cash Book of the Division nor had it been deposited in the treasury by the Range Officer. The matter as per audit report was under investigation of the local Officers and results of the investigation were awaited.

The Department stated that a scrutiny of the record showed that Qureshi Saeed Ahmad, the then Range Officer, was responsible for the alleged mis-appropriation. He was requested a number of times to explain for discrepancies or to make good the loss but he did neither substantiate his defence nor made good the loss. The Divisional Forest Officer was then advised to scrutinize the record once again.

thoroughly and get the case registered with the local Police, if necessary. He exonerated the Range Officer from the charge of shortage.

The Conservator of Forests did not agree with him and further consideration of the matter was in progress.

The para was deferred to come up again before the Committee along with the accounts for the year 1961-62.

(21) *Page 44, Paragraph 19—Temporary Misappropriation of Cash*—In this case in a Forest Division amounts of revenue realised by Forest Ranger and Range Officers were accounted for in the cash books or were remitted into the Treasury, after the laps of several months. A sum of Rs. 2,800 realised on the 6th January, 58 was remitted into treasury on the 3rd March, 1958 and was accounted for in the cash book on the 31st March, 1958. During the intervening period the amount was left with the subordinate who had realised it. This was against the Financial Rules which required that the amounts realised by subordinates who do not maintain a cash book should be deposited into the treasury or accounted for in the cash book of their immediate superiors with the least possible delay.

The Department stated that the official concerned was not aware of the procedure and kept the realised sum in his custody without adjusting in the accounts. He has been warned to be more careful in future. The objection has been noted by the Divisional Forest Officer, for future.

The explanation was accepted and the paragraph was dropped.

(22) *Page 45, Paragraph 20—Excess payment*—A carriage contractor is entitled to an enhanced rate for carriage of timber if it is stranded beyond the distance of one mile from the river bank. In a Division a Range Officer certified that the distance of a certain spot from the river bank was more than a mile. Actually the spot was within one mile of the river bank and the contractor was overpaid a sum of Rs. 893 in February, and May, 1955 on account of the wrong certificate given by the Range Officer. Neither the amount had been recovered nor action had been taken against the officer responsible for excess payment.

The Department stated that a contract for carriage of Chanda timber was executed during 1955. According to the agreement, the contractor was entitled to an enhanced rate for carriage of timber if it was stacked beyond a distance of one mile from the river bank. The contractor was paid according to the load of the carriage on the report of the Range Officer that the distance was more than one mile, but the Audit had objected that actually the spot was within one mile of the river bank and so the contractor was overpaid a sum of Rs. 893. In fact the payment was made to the contractor after a thorough investigation about the load of carriage for which there was no over-payment.

The explanation was considered satisfactory and the paragraph was dropped.

(23) *Page 45, Paragraph 21—Loss to Government*—In this item cases against private individuals for damages to public forests involving a sum of Rs. 41,588 could not be filed or pursued in the criminal courts of two Districts as the relevant files were missing from the Divisional office. The Register of prosecutors had not been properly maintained and the loss of the files remained undetected for a long time. The matter as per audit report was under investigation of the local officers.

The Department stated that certain prosecution cases of Montgomery Forest Division were sent upto the Court for summary trial. The summary clerk of the trial Magistrate unfortunately, destroyed these cases with mala fide intentions and was thus prosecuted. He was sentenced to rigorous imprisonment and a fine of Rs. 15,000 by the Military Court which was subsequently confirmed by the A. D. M., Montgomery. Since the clerk was suitably punished for destroying the prosecution

cases of this Department and the court also did not pass any specific orders for the relodging of these cases, the cases could not be lodged again as considerable period had already elapsed. Such cases could not be lodged with the courts after three months of the occurrence of offence. The Divisional Forest Officers are competent to file the damage reports in case they are satisfied that sufficient evidence in support of the offence is not available to prove the correctness of the case in the Court of Law. There was no irregularity in not putting up the cases again with the court. The explanation of the Department was accepted and the paragraph was dropped.

(24) *Page 45, Paragraph 22—Theft of cash*—In this case a sum of Rs. 7,024 lying in the cash chest of an Office was burgled on the night of the 4th January, 1958. The matter was reported to police who declared it untraced on the 31st March, 1958. No action was taken against the Chowkidar who was absent from duty on the night the burglary took place. When taken up by Audit, the officer incharge and the Chowkidar were reported to have been charge sheeted.

The Department stated that the loss had been written off. The paragraph was dropped.

(25) *Page 45, Paragraph 23—Remission of penalty*—In this case in a Forest Division a contract was sold standing trees in 4 farms for Rs. 1,17,800. The contract provided a penalty of 1 per cent of the sum due for 24 hours of delay after the expiry of a grace period of 3 days. The amount could be realised by confiscation of field timber and the security deposit. In the failure to payment extended to 20 days the purchaser was liable to lose all claims for trees and timber in addition to the liquidation of damages as a result of the cancellation of the contract. The following table compares the manner in which the payments were required to be made by the contractor and the manner in which these were actually made:—

*Payments were due in*

*Payments were made in*

- |   |  |
|---|--|
| 1. Three instalments from 13th August, 1957 to 31st December, 1957. | Three instalments from 23rd November, 1957 to 14th December, 1957. |
| 2. Three instalments from 13th August, 1957 to 31st December, 1957. | Five instalments from 3rd November, 1957 to 22nd January, 1958.    |
| 3. Three instalments from 13th August, 1957 to 31st December, 1957. | Five instalments from 22nd January, 1958 to 13th April, 1958.      |
| 4. Three instalments from 13th August, 1957 to 31st December, 1957. | Five instalments from 13th April, 1958 to 1st September, 1958.     |

According to the above mentioned condition of the contract, the contractor was liable to a penalty of Rs. 1,23,402. The Conservator on the 18th March, 1958 extended the date of payment of the instalments to 30th June, 1958 and imposed a penalty of Rs. 500 only depriving the Government of a legitimate claim of Rs. 1,22,902 against the contractor.

The Department stated that the contractor was granted extension from 31st December, 1957 to 30th June, 1958 by the Conservator of Forests, defunct Lahore Circle under the terms of agreement after realising the amount of penalty imposed by the competent authority for granting such extension. Accordingly a penalty of Rs. 500 was recovered from the contractor and adjusted in accounts of July 58 which was quite justified.

It was further stated that the spirit of the agreement clause made under reference was to impress upon the contractors to clear all the dues in time. The underlying idea was not to impose heavy penalty upon the contractors. The provision of 1 percent penalty proved useful and from fear of heavy penalty contractors had generally been paying their dues in time. The Government had not undergone any loss because the entire amount of Rs. 1,17,800 had been recovered in total.



The Committee observed that in this case an officer, who was not authorised to give remission of penalty as provided for in the contract, arbitrarily fixed the penalty at Rs. 500 instead of one percent per day on the amount due, which would come to Rs. 1,23,402, and recovered this amount. Moreover although the time for payment was extended upto the 30th June, 1958, the payment was actually completed on 1st September, 1958. Considerable loss had, thus, been caused to Government and undue favour had been shown to the Contractor. The Committee felt that the loss caused to Government should be recovered from the officer concerned and the progress reported to the Committee at its next series of meetings when the accounts for the year 1961-62 are under consideration.

(26) *Page 46, Paragraph 24—Non recovery of Government dues*—In this case a sum of Rs. 94,832 on account of hire charges of bulldozers lent to Zamindars for reclamation of land during the period January, 1949 to March, 1955 was awaiting recovery. The amount could not be recovered as the zamindars had neither been asked to deposit the approximate amount of hire nor had they been made to sign the prescribed agreement form according to which the outstanding amount was liable to be recovered as arrears of land revenue. When the zamindars were called upon in 1955 to deposit the amounts outstanding against them, some of them produced acknowledgements aggregating Rs. 11,894 issued by a Range Officer, who had since left service. The amount was suspected to have been embezzled by the said officer and a complaint was lodged with the special Police on the 27th October, 1955. An interesting feature of the irregularity was that it remained undetected for about six years despite internal audit of the accounts and several inspections of the range office by the Conservator and his staff. No progress towards the recovery of the remaining amount viz. Rs. 82,938 had been reported to Audit by the Conservator despite a number of reminders.

The Department explained that all the cases had been decided by the court and the accused acquitted. The Department assured the Committee that they were now approaching the Collector for the recovery of the amount as arrears of land revenue.

The Committee directed the Department to report progress made in the matter at the next series of meetings, when accounts for the year 1961-62 are considered.

(27) *Page 45, Paragraph 25—Outstanding compensation*—In this case compensation aggregating Rs. 9,953 was as per audit report outstanding against the various offenders for damage done to Public Forests during the period from 2nd May, 1958 to 23rd June, 1958.

The Department stated that all the cases have been disposed of. Subject to verification by the Audit, the paragraph was dropped.

(28) *Page 46, Paragraph 26—Acceptance of cheques on private banks as earnest money*—In this case cheques for Rs. 6,800 and Rs. 1,000 dated 15th March, 1957 and 29th August, 1958 respectively drawn by contractors on a private bank were accepted as security deposit in support of their tenders. The cheques had not been encashed upto 13th April, 1959 and were lying in the chest. It was irregular to accept the cheques as they could be dishonoured for want of balance at the credit of the drawers or their payment could be stopped by the contractors themselves. By not asking them to deposit cash in the treasury the contractors were given an unauthorised financial aid to the extent of Rs. 6,800 and Rs. 1,000 respectively.

The Department stated that Divisional Forest Officer, accepted the cheques as security deposit and kept them in his own custody as he was not probably aware of the correct procedure in such cases. The contractor, however, executed the work to the satisfaction of the competent authority and on the expiry of the period of the contract the security deposits were released in favour of the contractors. There was therefore no loss sustained by the Government but it was only an omission in following



the regular procedure. The Divisional Forest Officers have been directed to follow the Rules.

The explanation was accepted and the paragraph was dropped.

(29) *Page 48, Paragraph II—Audit of Grant-in-Aid*—In this case a 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 former Director of Agriculture, West Pakistan, to the Audit.

The Department stated that the certificate had since been sent to the Audit.

The item was dropped.

(30) *Pages 55-59—Delay in disposal of Inspection Reports and Audit Notes*—In this case certain Inspection Reports and Audit Notes were awaiting reply.

The Department stated that all the outstanding Inspection Reports and Audit Notes except 11 had been replied to. A Committee to ensure speedy disposal of Audit Notes had been formed who would ensure clearance of the outstanding Audit Notes.

The Committee directed the Department to continue their efforts to bring the work up-to-date. Subject to this observation, the para was dropped.

(31) *Page 81, Grant No. 7 Forests-E-Charges in England-Excess Rs. 2,05,320*—As per explanation of the Department printed in the Appropriation Accounts, the excess was due to inaccurate estimation of requirements. The Committee had called for the explanation of the Department for inaccurate estimate of requirements.

The Department stated that the figures of actuals of Rs. 2,10,505 intimated by the Accountant-General, West Pakistan were communicated to the Deputy High Commissioner in England for acceptance and giving details of the same in January, 1962, but he intimated that no expenditure had been incurred under the above mentioned head of account against the Forest Department during the year 1959-60.

As the Accountant-General, West Pakistan, was not in a position to verify the correctness or otherwise of the expenditure due to loss of record by fire, the item was dropped.

(32) *Page 215—item No. (13)—Loss of Potatoes—Rs. 21,465*—In this case potatoes valuing Rs. 21,665 became rotten due to long storage and were auctioned for Rs. 200 resulting in a loss of Rs. 21,465.

The Department stated that a scheme for extension of potatoes cultivation in West Pakistan was sanctioned by the Government. In accordance with the scheme 1863 crates of 50 kos net each of potatoes seed (Ultimus Variety) were imported from Holland and France during 1/59 and 2/59 in two lots out of which 931 crates were allotted to the Extra Assistant Director of Agriculture, Hazara (Abbottabad) for distribution in addition to 2213 maunds procured locally from last year's produce.

The seed was to be sold to the farmers at Rs. 5 per maund less than the Market rate on the condition that the growers will sell back to the Department upto 75 per cent of the product grown from this seed at the market rate plus 10 per cent premium as required under the condition laid down in agreement bond. Out of the total stock of potatoes seed, i.e., 3566 maunds received by the Extra Assistant Director of Agriculture, Hazara, about 1,555 maunds were disposed of by transfer and sale leaving a balance of 2010 maunds. The disposal of the remaining seed was not possible because the rate of Rs. 11 per maund fixed by Government was not reduced and the Zamindars of the District were not willing to purchase the same due to the fall of rates in local market. The rate came down to Rs. 10 per maund in the first instance and subsequently to Rs. 8 per maund. The E.A.D.A. was asked to make efforts to sell the balance seed at the rate already fixed. In spite of strenuous efforts made by him with regard to the disposal of the seed by making extensive propaganda through his staff available at that time, no substantial progress in the sale was made. The Deputy Commissioner, Hazara was also approached for help. A number of patwaries, Gardawars and Tehsildars were detailed to help distribution, but in vain, for the

farmers refused to purchase the potato seed at the fixed rate on agreement bond. The seed potatoes sprouted, became rotten and unfit for sowing. In the circumstances there was left no alternative than to sell the seed through open auction and hence entire stock of 1969 maunds worth Rs. 21,664.14 was auctioned on 8th June, 1959 at Rs. 200 resulting in a loss of Rs. 21,464/14. Subject to verification by Audit the item was dropped.

(33) Page 215, item No. (14)—Loss due to sale of Potatoes—Rs. 14,219—As the case had been settled by Audit, the item was dropped.

(34) Page 218, item No. (15)—Loss of Farm Produce—Rs. 1,756—The Department gave the explanation as under:—

(1) Rs. 1,062/12/6 (Difference between actual cost and auction value of maize seed)—Under the pressing demand of Deputy Commissioner, Hazara, for the distribution of 2,000 maunds and 3,000 maunds of maize seed respectively amongst the Zamindars of Hazara district the E. A. D. A. Hazara procured only 450 maunds maize seed for the reasons that the Zamindars of the District being poor would not be able to purchase the seed on cash at the rate of Rs. 20 per maund. Out of this, 232 maunds 24 seers 8 chatanks maize seed was left over as unsold. The same was kept in store on the hope that this will be sold next season for the sowing on its cost price. Meanwhile the maize seed was attacked by pest, which was later on disposed of by auction under the advice of maize Expert being unfit for seed purpose. The Audit had pointed out that the loss occurred due to auction of seed at lower rate should be regularized by obtaining sanction to the write off of the difference of actual cost and auction value i.e. Rs. 1,062/12/6 which has since been sanctioned.

(2) Rs. 65 (Shortage of 3 maunds 10 seers of maize seed on account of dryage)—The shortage of 3 maunds 10 seers of maize seed worth Rs. 65 had occurred due to dryage in store which is permissible as per annexure II of the Seed Depot Rules. Hence there is no need to write off the loss as pointed out by the Audit after declaring it as dryage by the E. A. D. A. being a seed depot officer.

The Comptroller, N. A. W. P. Peshawar has since been satisfied with the explanation given by the Department subject to verification of the position at the time of next audit.

(3) Rs. 229/14/- (Shortage of 11 maunds 19 seers 12 chatanks)—The responsibility has been fixed on one Mr. Muhammad Younis, Agricultural Assistant who has been asked to deposit the amount.

(4) Rs. 384/10/- (Shortage of 19 maunds 9 seers 4 chatanks maize seed due to theft)—A quantity of 19 maunds 9 seers 4 chatanks worth Rs. 384/10/- maize seed had been stolen. The case of theft was reported to Police which has since been discharged. The copy of the judgement could not be made available as the officer-in-charge copying Agency (Abbottabad) stated that the original file on the subject has been destroyed on 29th, May 1963. However a copy of the Register General has been supplied.

(5) Rs. 12/9/- + Rs. 1 (Shortage of 33 seers and 8 chatanks and 3 seers maize seed)—The shortage of 33 seers 8 chatanks maize worth Rs. 12/9/- occurred due to retail sale and part weighing of maize seed which has since been written off.

The remaining shortage of 3 seers of maize is not actually shortage.

The item was dropped subject to verification by Audit.

(35) Page 216, item No. (16)—Irregular sale on credit and non-receipt of dues Rs. 2,310—In this case sale of potato seed valuing Rs. 2,310 was made on credit in violation of the established practice of cash sales. The amount had not been recovered by the Department.

The Department stated that the amount in question has since been recovered and deposited into Government treasury.

—The item was dropped.

(36) Page 216, item No. (17)—*Shortage of articles of dead stock—Rs. 1,051.*

(37) Page 216, item No. (18)—*Shortage of Stores—Rs. 2,587*—The Department stated that the E. A. D. A. Bahawalpur investigated the matter and found Mr. Muhammad Amin, Junior Clerk, responsible for the shortage. Mr. Amin left service during 1960. Thereafter his services were terminated with effect from 26th March, 1963 due to his wilful absence from duty. However, when this fact came to light, a show cause notice was served on him by the D. D. A. Bahawalpur on 15th July, 1964 but he did not receive it. After failure of all efforts to recover the amount from him a case has been registered against him which is under investigation of the Police.

The Committee directed the Department to continue their efforts and report the progress at the next series of meetings when accounts for the year 1961-62 are taken up.

(38) Page 7, Paragraph 12 (i)—*Supplementary Grant Proving Partly or wholly unnecessary*—In this case the Department had obtained a supplementary grant of Rs. 2,67,880 and thereafter there was a saving of Rs. 4,06,632. The supplementary grant had thus proved wholly unnecessary.

The Department stated that the supplementary Grant was requested for one big launch required for Divisional Forest Officer, Coastal Zone Afforestation Division as indent for the purchase of the same had been placed with the Director General, Supply and Development, Government of Pakistan, Karachi on 15th May, 1960. The indent could not be finalised and consequently an ultimate saving of Rs. 3,62,558 had occurred. The supplementary Grant subsequently asked for could have been utilised if the indent for the purchase of the big launch was finalised in time.

The explanation was accepted and the item was dropped.

IV. Consideration of the items of the Agriculture Department pertaining to the Appropriation Accounts for the year 1960-61 was deferred to be taken up at the next series of meetings of the Committee.

V. The Committee then adjourned to meet again at 1-00 P.M.

LAHORE :  
The 22nd April, 1967. }

MUHAMMAD NAWAZ  
ACTING CHAIRMAN,  
Standing Committee on Public Accounts,

**PROCEEDINGS OF THE MEETINGS OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 4TH AND 6TH MAY, 1967, AT 9-00  
A. M. EACH DAY IN THE MUNICIPAL HALL, HYDERABAD.**

**I. The following were present —**

- |   |     |                 |
|---|-----|-----------------|
| (1) Mr. Zain Noorani, M. P. A.  | ... | Chairman.       |
| (2) Chaudhri Muhammad Nawaz, M. P. A.   | ... | Member.         |
| (3) Qazi Muhammad Azam Abbasi, M. P. A.   | ... | Membr.          |
| (4) Mr. Malang Khan, M. P. A.   | ... | Member.         |
| (5) Rai Mansab Ali Khan Kharal, M. P. A.  | ... | Member.         |
| (6) Chaudhri Muhammad Sarwar Khan, M. P. A. (was present on 4th May, 1967 only).  | ... | Member.         |
| (7) Mr. Manzoor-ul-Hasan, C.S.P., Deputy Secretary to Government of West Pakistan, Finance Department   | ... | Expert Adviser, |
| (8) Qazi Anwar-ul-Islam, P. A. and A. S., Director, Audit and Accounts, Works West Pakistan   | ... | By invitation.  |
| (9) Mr. Ahmed Hasan, P.S.E. I, Secretary to Government of West Pakistan, Irrigation and Power Department, (was present on 4th May, 1967 only)   | ... | Ditto.          |
| (10) Mr. Sarfraz Malik, O.S.D., Irrigation and Power Department   | ... | Ditto.          |
| (11) Mr. A. Rashid Kazi, P.S.E. I, Member Field, Agricultural Development Corporation (was present on 6th May 1967 only)  | ... | Ditto.          |
| (12) Mr. Aslam Owais, C.S.P., Member Finance, Agricultural Development Corporation  | ... | Ditto.          |
| (13) Mr. M. U. Arain, S.S.E.I., Chief Engineer, Agricultural Development Corporation alongwith Mr. Muhammad Aslam Khan, Deputy Chief Engineer, Agricultural Development Corporation and Mr. M. I. Parakh, Superintending Engineer, Agricultural Development Corporation | ... | Ditto.          |
| (14) Mr. Naseer Ahmad Virk, Deputy Secretary, Board of Revenue  | ... | Ditto.          |
| (15) Mr. Irshad Ahmad, C.S.P., Project Director, Ghulam Muhammad Barrage  | ... | Ditto.          |
| (16) Mr. Yousaf Munshi, Financial Adviser, Ghulam Muhammad Barrage  | ... | Ditto.          |
| (17) Mr. Shahdad Khan, Revenue Officer, Ghulam Muhammad Barrage   | ... | Ditto.          |
| (18) Mr. Abdul Malik, P. A. & A. S., Deputy Director (Accounts), Ghulam Muhammad Barrage  | ... | Ditto.          |

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

II. The Committee started consideration of the paragraph appearing in the Appropriation Accounts for the year 1960-61 relating to the Lower Sind Barrage (Ghulam Muhammad Barrage) with particular reference to the financial review of the Barrage.

The Committee went into the explanation furnished by the Department reproduced in the Working Paper, which had previously been circulated to all Members of the Committee and after some discussion decided to confine its attention to the following four points:—

- (i) Reasons for increase in the cost of the Project from Rs. 21 crores (estimated cost in 1946-47) to Rs. 45 crores 16 lakhs in 1963-64 (Fourth Revised Estimates);
- (ii) Whether the Project as a whole is productive or not judged by the standards laid down in the Financial Rules;
- (iii) Whether there has been any fall in revenue as compared with the figures assumed in the Fourth Financial Forecast, and if so, what are the reasons for that;
- (iv) Whether colonisation operations have kept pace with the provision of irrigation facilities, and if not, what were the reasons for the same and what effects the disparity between the two has produced.

III. *Increase in Cost*—The Project was originally framed in 1946-47 by the former Sind Government and was sanctioned by that Government on 5th May, 1947, at an estimated cost of Rs. 21,05,00,000. The Project in 1946-47 was prepared by Mr. Champekar.

In 1950-51 Mr. T. A. W. Foy, the then Chief Engineer and Secretary to Government, Public Works Department, revised the Project by making certain changes in the design of the main Barrage and in the lining of canals, and the estimated cost on which it was sanctioned on 20th October, 1951 by the former Sind Government rose to Rs. 24,00,00,000.

Still another revision took place in 1955-56 and this time the revision was made by Mr. Akbani, the Superintending Engineer on Special Duty. The estimated cost had risen to Rs. 35.02 lakhs and this was the cost on which the Project was approved by the Economic Committee of the Cabinet, Government of Pakistan, on 1st July, 1959.

In 1959-60 another revision became necessary, and this time the late Mr. Muhammad Akram, Additional Chief Engineer, Irrigation, estimated the cost of the Project to be Rs. 41.06 lakhs, and this was approved by the National Economic Council on 2nd December, 1964. At the time of this revision, further changes were made in the design of certain irrigation works.

In 1963-64 still another revision was made by Mr. Parekh, and the National Economic Council approved the Project at a cost of Rs. 45.16 lakhs. By this time the cost of the Project had increased by 113 per cent.

The Secretary, Irrigation and Power, giving a detailed history of the Project explained that the increase in cost was mainly due to two facts; firstly, changes in design, which became necessary with the change in requirements, and secondly, the increase in the cost of construction due to delay in execution.

As regards the change in design, explained that in the original Project there was no provision of a lined channel. This was necessary for supplying water to the perennially irrigated areas on the left bank of the river. This lined channel became necessary if seepage was to be prevented and lands were to be saved from water-logging and salinity.

As regards the increase in the cost of construction he explained that the rates of labour increased from 1947 to 1964 by more than 100 per cent and there has been an appreciation in the prices of materials to the tune of about 75 per cent. Thus approximately the average percentage of rise in cost due to these two factors would be about 100 per cent. The remaining 13 per cent would have to be ascribed to the changes in design made from time to time. The reasons given by the Department for the delay in execution and, therefore, increase in cost was that they were not getting funds from the Finance Department according to their capacity to spend them. They had been asking for Rs. 2½ to 5 crores a year varying from year to year and what they actually got from the Finance Department was varying from about Rs. 2 to 4 crores. Therefore, the construction always lagged behind the schedule. In the meantime the cost of materials and labour was always going up and whatever funds the Department got in a year could suffice for the construction of a much smaller portion of work than would have been possible if more funds had been given to them in the previous year. At this stage a point was raised whether the Department had been spending the amount which was given to them by the Finance Department from year to year or whether they had been surrendering some amounts out of those given to them for this purpose. The Audit pointed out that in 1956-57 out of an original grant of Rs. 368 lakhs, there was a saving of Rs. 1,59,27,000. In 1957-58 there was a saving of Rs. 1,34,55,497 out of the total grant of Rs. 3,05,85,340. Again in 1958-59 a sum of Rs. 2,26,42,510 was surrendered out of an original grant of Rs. 3,05,24,180 and there was excess expenditure of Rs. 1,26,41,070; net saving was Rs. 1,03,01,440. In 1959-60, there was a saving of Rs. 20,21,538 against the total grant of Rs. 2,42,83,270. In 1960-61 not only the whole of the grant was spent but there was actually an excess of Rs. 1,76,61,292. These figures pertained to the period when the Barrage was with the Irrigation Department of the Provincial Government. Since its transfer to the A. D. C. the position had been much better and the A. D. C. was able to spend the entire grant made for this Project from year to year and sometimes had actually spent more than the grant itself. At third stage the Finance Department wanted their point of view to be recorded. They explained that they had to distribute funds which were available to them at a given time. In the execution of such a major capital project they had to get money from the Central Government and in certain cases from foreign agencies like the World Bank, etc., and could only give to various Departments the amounts, which according to pre-determined priority they could spare for such a purpose. The Finance Department also stressed that they were committed to provide funds according to the cost at which a project stood sanctioned and if the cost of the project went on rising at each revision, they had to look to the state of the provincial finances and provide money according to availability.

Here a very interesting question arose. When a project, which could be executed in a number of years, is submitted to the Government for sanction, the Government has to take into consideration its anticipated Ways and Means position during those years and would sanction the project taking into consideration the availability of funds during those years. When the Government sanctions a project it in fact commits the tax-payer to the expenditure to be incurred on that project. If for some reasons the cost of the project goes on increasing the Government has no option but to continue with the project whatever the reasons may be. In the opinion of the Committee, therefore, it was rather unfair to the tax-payer that he should be committed to a project which at the time of its inception was expected to cost X crores of rupees and by the time the project was completed he had to bear not only X crores but X+Y+Z crores. The Secretary, Irrigation explained that when a revision of a project is made, some provision is made for increase in cost due to lapse of time. That generally is about five per cent per year but if that increase in cost outstrips even that provision, the matter becomes rather alarming. The Committee desired that the Finance Department should

address themselves about this matter in right earnest as development activity is proceeding apace and in almost every case the tax-payer is told that a project would be executed at a certain cost and ultimately what he is to bear is much more than that during execution. The Committee observed that the trend of prices is always upwards and some way should be devised to furnish to the public as accurate period of execution for a project as possible and a fairly reasonable estimate of the cost at which the project is likely to be finished. In the opinion of the Committee wide disparity between the original estimates of the project and the actual expenditure on a project was something which should be avoided.

Another important point that arose at this stage was whether the cost of the Project should be taken to be Rs. 45 crores or whether the cost of the drainage part of the Project should also be added. The drainage part of the scheme has been sanctioned separately at a cost of Rs. 15 crores, although the agency for the execution of both is the same and the works on both main Project and the drainage part are proceeded simultaneously in the same areas. The Audit's contention was that the drainage part was an inseparable part of the main Project itself and without the drainage scheme being executed the productivity of the whole Project and its revenue earning capacity would be affected. Therefore, according to the Audit, the drainage part must be considered as an essential part of the main project itself, as under the broad principles of classification, all works necessary for the full development of a Project which increase the revenue earning capacity of that Project, are to be considered part and parcel of that Project. If the cost of the drainage part was added to the estimate of the main Project, the whole Project, according to the figures at present available, was likely to finish at Rs. 60 crores. The Audit were further of the opinion that the Project was not going to cost anything less than Rs. 65 crores because of the rising cost of construction and because of certain incorrect credits given in the estimate itself. The interest charges would thus rise appreciably and would further affect the productivity or otherwise of the Project. This aspect of the matter, in the opinion of the Committee was one which should be very carefully examined by the Finance Department, and necessary instructions given to the Department. This was very important not only for this project but also for further irrigation Projects, if any. If an irrigation project is likely to lead to water-logging and salinity and drainage is a necessary part, drainage should be provided with the construction of the canals etc. right in the start. In the opinion of the Committee, the Project should be so framed as to include the drainage part as well and only then the correct picture of the Project as to its cost, could be determined.

Subject to these observations the Committee felt satisfied that the rise in expenditure was unavoidable.

**IV. Productivity**—The rules for classifying a project as productive or unproductive are contained in Appendix 2 to the Central Public Works Account Code. The relevant rule lays down that to admit an irrigation project as productive, there must be good reasons to believe that until ten years after the closure of its construction, its estimates should be classified as productive if the net revenue anticipated from it appears likely to repay on the expiry of that period the annual interest charges on the capital investment and arrears of simple interest. If, however, at any time, during the period of construction or within ten years of the date of its closure it becomes apparent that the work originally classified as productive will not actually be remunerative according to the prescribed criterion, the classification should be changed from productive to unproductive and *vice versa*. In the case of this project the original project framed by Mr. Champekar in 1946-47 estimated to cost Rs. 21 crores was classified as unproductive. In 1950-51 Mr. Foy's project expected to cost 24 crores of rupees was classified as productive.



and since then at every revision the project has been classified as productive. The only increase in the command area of the project that has taken place from 1946-47 to 1963-64 is about one lakh acres. At present the estimated cost of the project is Rs. 45 crores and the date of completion is 1968. According to the Audit, under ideal conditions by 1979-80 the project should yield a maximum revenue of Rs. 1,99,89,706 per year. The collection charges for this revenue and working expenses in 1979-80 would amount to Rs. 1,14,98,400. After deducting these charges the net revenue would amount to Rs. 84,91,360, which includes pre-barrage revenue of Rs. 31,43,000, leaving a net balance of Rs. 53,48,360. Against this revenue, the interest charges on capital investment (at the rate of 5.25 per cent) would amount to Rs. 2,36,25,000 per annum. Thus there would be a deficit of Rs. 1,82,76,640 per annum.

The Department, however, contended that in working out these figures the Audit had assumed that the area to be excluded from the command of this project in accordance with the advice contained in the Huntings report would be 5,82,300 acres. According to the Department this area would be no more than 1,25,000 acres as decided by them on a re-thinking of the whole matter. If the figures of the Department were accepted and there was no reason why they should not be the net revenue in 1979-80 would be Rs. 67,52,232. Apart from that, the Department also explained that the figures of revenue from lease money had also not been included by Audit while working out the net revenue. According to the Department, a revenue of Rs. 7,57,000 per year was likely to accrue from the lands which they would be leasing out on a short term basis. But that would be only a drop in the ocean, and so far as the Committee could see would not materially alter the situation pointed out by the Audit. According to the Department it was not a correct picture of the revenue yielding capacity of the project because lands were constantly being sold and the interest on the outstanding sale price after payment of instalments from year to year was also to be considered as indirect revenue of the project. But the exact amount of interest that was likely to accrue could not be given by any body and as such no assumption could be made as to what its quantum would be. The Committee observed that in this connection it is to be kept in view that in a long range project of national importance of the type of Ghulam Muhammad Barrage, the Committee could not be guided by the revenue receipts that were likely to accrue by a certain date only. The overall effects of the project were obvious and to the mind of the Committee the project was one on which national survival depended. Therefore, in the opinion of this Committee, it was immaterial whether the project was classified as productive or unproductive. In the opinion of the Committee a project of this nature really comes into full play a good deal after its completion and it could reasonably be foreseen that when the entire area was properly colonised, the project's contribution to food production, employment of surplus agricultural labour and general well being of the people of this country would be immense. However, the Committee desired that the Finance Department should see how they were going to pay the annual interest charges on capital investment till such time as the project becomes remunerative. In the meantime all that the Committee could suggest was that the Department concerned and the Audit should reconcile their figures of revenue and expenditure and when the proper stage comes the question whether the project is productive or unproductive be gone into again. Till such time the Committee felt that the para relating to the project being unproductive should be deferred.

**V. Fall in Revenue during the execution of the Project**—According to the 4th financial forecast (1964), the net water charges plus land revenue per year should have been as follows:—

					Rs.
1956-57	...	...	...	...	34,84,000
1957-58	...	...	...	...	41,52,000

				Rs.
1958-59	...	...	...	45,96,000
1959-60	...	...	...	85,06,000
1960-61	...	...	...	91,19,000
1961-62	...	...	...	98,77,000
1962-63	...	...	...	1,26,01,000
1963-64	...	...	...	1,38,22,000
1964-65	...	...	...	1,52,17,000
1965-66	...	...	...	1,66,60,000
Total				9,80,34,000

As against the above, the Department placed before the Committee the following figures of total assessment as obtained by them from Mukhtiarkars :

				Rs.
1956-57	...	...	...	37,71,989
1957-58	...	...	...	37,21,433
1958-59	...	...	...	39,30,923
1959-60	...	...	...	55,51,925
1960-61	...	...	...	73,26,548
1961-62	...	...	...	57,92,626
1962-63	...	...	...	57,24,429
1963-64	...	...	...	51,91,032
1964-65	...	...	...	45,28,555
1965-66	...	...	...	47,53,742
Total				5,02,93,202

It would be observed that while the total assessment was going up from 1956-57 to 1960-61, it started falling from that year and the figure came down from Rs. 73 lacs in 1960-61 to Rs. 47 lacs in 1965-66. While according to the Department, the total assessment up to 1965-66 was Rs. 5,02,93,202, according to the Audit, the total revenue collected up to 1965-66 was no more than Rs. 1,81,73,888.

While the area under cultivation had been going up as was evident from the following table placed before the Committee, the revenue assessment had been going down :—

Year	Area under cultivation			
				Acres
1961-62	...	...	...	9,72,610
1962-63	...	...	...	11,44,530
1963-64	...	...	...	12,76,960
1964-65	...	...	...	12,33,103
1965-66	...	...	...	14,45,645

The Committee desired that the Board of Revenue should look into this question and explain at the next meeting how the area under cultivation was going up but the assessment was going down.

The audit figures booked by the Comptroller, Southern Area, Karachi, included miscellaneous recoveries as well which would mean that the actual collection of land revenue and water rate was less than even these figures. This was something inexplicable. The Department has not been able to furnish a satisfactory explanation in respect of either the fall in assessment from 1960-61 to 1965-66, or wide disparity between total assessment and the actual realisations. So far as the disparity between the assessment made, the actual realisations and the anticipated revenues projected in the fourth financial forecast was concerned, the Committee felt themselves in a complete quandry and no explanation was forthcoming from any quarter. In the opinion of the Committee the situation was extremely alarming and it seemed that there were huge amounts of Government dues in arrears which were not being recovered. Even if it was assumed that the anticipated figures of Rs. 9,90,44,000 were too rosy an estimate, the difference between the assessment made and the revenue actually realised amounting to Rs. 3,21,19,314 would be enough to make a man's heart sink. The Committee called upon the Department concerned and the Finance Department to address themselves to this appalling problem and insist upon the arrears of revenue being recovered on as early a date as possible.

VI. *Colonisation operations*—The question whether colonisation operations had kept pace with the provision of Irrigation facilities, and if not, what were the reasons for the same and what effects the disparity between the two had produced, was examined.

According to the Fourth Financial Forecast of the Ghulam Muhammad Barrage, by the year 1963-64 an area of 19,45,250 acres should have been released. The Irrigation Department informed the Committee that they had actually released up to date an area of 14,06,698 acres. The Revenue Department contested this figure and stated that according to their calculations, the area released up-to-date was no more than 12,12,424 acres. The Committee had no means of knowing what figure to accept as the actual releases up to date. The Committee was astonished to note that there should be a disparity of about 2,06,000 acres between the figures released by the Irrigation Department and the Revenue Department. Nobody present at the meeting could explain this disparity.

As against the released area of 14,06,698 acres (according to the Irrigation Department) or 12,12,424 acres (according to the Revenue Officer's record) an area of 12,43,925 acres had been allotted as stated in a note submitted to the Committee by the Revenue Officer, Ghulam Muhammad Barrage, on behalf of the Director, Ghulam Muhammad Barrage project, Hyderabad. Out of this area of 12,43,925, an area of 20,520 acres was subsequently surrendered by the allottees and, therefore, the net disposal came to 12,23,405 acres. In the same note while giving the successive cultivation figures for the last five years, the Revenue Officer had furnished the following figures;—

Year					Area cultivated
					Acres
1961-62	..	..	..	..	9,72,810
1962-63	..	..	..	..	11,44,530
1963-64	..	..	..	..	12,76,964
1964-65	..	..	..	..	12,33,103
1965-66	..	..	..	..	14,45,645

Against the allotment figure of 12,23,405 acres, the area cultivated was stated to be 14,45,645 acres in 1965-66. This meant that more than two lakh acres of area was being cultivated unauthorisedly. It was not known whether this area had been assessed to land revenue and abiana.

The Committee then came to the assessment being made and the actual realisations against the area allotted. For the last five years the figures of assessment made were as follows:—

(These figures were obtained by the Department from the Mukhtarkars and could, therefore, be taken to be authoritative).

	Rs.			
1961-62	..	..	..	57,92,626
1962-63	..	..	..	57,24,429
1963-64	..	..	..	51,91,032
1964-65	..	..	..	45,28,555
1965-66	..	..	..	47,52,742

On the basis of averages of the last five years, the following crop pattern emerged in the cultivated areas of the Barrage:—

Wheat and oilseeds	..	..	..	16%
Cotton	..	..	..	4%
Rice	..	..	..	60%
Sugarcane	..	..	..	4%
Fodder and other crops	..	..	..	16%

On the existing rates of assessment prevalent in the Ghulam Muhammad Barrage area and on the basis of the area cultivated as given by the Revenue Officer of the Barrage, the assessment for the last five years should have been —

	Rs.			
1961-62	..	..	..	1,18,25,000
1962-63	..	..	..	1,36,62,000
1963-64	..	..	..	1,55,51,000
1964-65	..	..	..	1,50,18,000
1965-66	..	..	..	1,75,96,000
Total	..	..	..	7,36,52,000

Against this, the actual assessment for the last five years came to Rs. 2,59,90,334. Even allowing for crop failures and consequent grant of 'Kharaba' and wrong pricing of crop area, if any, the discrepancy was far too wide and required an explanation.

Another interesting aspect of the matter was that according to the Ghulam Muhammad Barrage authorities, the total assessment up to date was Rs. 5,02,93,202 while the actual recoveries of revenue booked by the Audit Office from 1955-56 to 1965-66 came to only Rs. 1,81,73,888. The question, with which the Committee was faced was: where was the revenue going if it was being realised?

The Committee felt that large scale evasion of Government dues was going on if figures of cultivation supplied by the Barrage authorities were correct. If on

the other hand the assessment figures supplied by the Barrage authorities were correct obviously the cultivation figures would be much less than they have been shown to be. This was a matter which the Committee would like the Board of Revenue and the Agricultural Development Corporation to look into carefully.

It might not be out of place to mention here that the revenue accruing from this area in the pre-Barrage period was Rs. 31,43,000 per year. It seemed hardly anything more than that was now coming. The Committee felt that the whole thing was in a mess and required to be looked into carefully. The Board of Revenue, the Agriculture Department and the Irrigation Department should join heads and look into this matter. The Committee would like this aspect of the matter to come up again when these Departments should furnish a satisfactory explanation.

As regards the colonisation operations, it was explained by the Project Director that the disposal of land was stopped about 1½ years back and, therefore, there was almost a standstill in this regard. The disposal has now been opened again and a schedule has been prepared for the disposal of land to different categories of allottees. The Project Director also explained that the land which was reserved for certain categories, but these categories were not forthcoming, will now be given on short term lease for three years.

Considering the slow pace of colonisation in the Ghulam Muhammad Barrage area and the haphazard way in which the things were moving, the Committee made the following suggestions to the Departments concerned :—

(1) The Committee found that no subsidy or loans of any kind have so far been given for the building of houses by the colonists. The Departments concerned stated that this kind of thing was not provided in the Master Plan of the Project and nothing so far had been done in that direction. The Committee felt that unless the plans were revised even at this late stage to provide for permanent settlement of colonists on these lands, the colonisation operations would not bear fruit in the shape of settled villages with social and corporate life in any foreseeable time. The colonists living in 'sarkanda' huts exposed to all the inclemency of weather etc. could never feel at home and put in their best. What is needed is that a subsidy or loans should be given to the colonists to build their houses, cattle sheds, etc. so that regular village life comes into being. Unless regular village life is there arrangements for schools, hospitals and other social services would be impossible to provide.

(2) The present age is the age of mechanization and quite a sizeable area in the Ghulam Muhammad Barrage has been allocated for mechanised cultivation. The Committee during its visit to the interior areas of the Barrage heard this complaint from a number of colonists that if one of their machines went out of order it remained so for months on end and it was a very real difficulty with them to get their machines repaired. Unless a regular net work of agricultural machinery repair workshops is set up at suitable points in the Barrage areas, mechanised cultivation would always remain a very hazardous operation. Due to lack of means of communication and transportation it may sometime be difficult even to bring machines in a state of disrepair to regular workshops. To overcome this difficulty the Agricultural Development Corporation should have a fleet of mobile workshops paying regular visits to the farms where mechanised cultivation is being done and attending to the minor repairs of machines on the spot.

The Committee felt that unless something like that was done, the experiment of mechanised agriculture might not be as fruitful as it could be.

(3) A very general complaint was heard by the Committee from the colonists in the area that while a tax holiday was given to industries generally, there was no such tax holiday for agricultural operations. If agriculture is to become an industry in this country, a system of granting tax holiday appears to be a necessity. The Committee would, therefore, like to point out to the Government that this is a matter which should be examined at a proper level and decisions taken without any further loss of time.

(4) Hitherto the Province has been importing agricultural machinery from different countries and of all different types. If import of one type of tractors was stopped from one country for some reasons, the import of spare parts and accessories also gets stopped with the result that if a tractor of that type goes out of order nothing could be done to put it back to operation.

Moreover no spare parts dealer could possibly be interested in stocking spare parts of all the types of agricultural machinery that is being used in a particular area. The result is that the farmers find it very difficult to purchase spare parts for the particular type of machinery that they possess and the situation has reached a point where the Ghulam Muhammad Barrage might become a huge grave yard for agricultural machinery. What the Committee felt in this connection was that agricultural machinery to be imported or assembled in the country itself should be suitably standardized and that standardization should hold good for at least ten years. When agricultural machinery is imported the importers should be forced to import spare parts for that machinery for a number of years to come.

(5) Pakistan is a country of small peasantry and there are very few people who can afford large tractors and other huge agricultural machinery. If we are to benefit from the latest scientific discoveries and the use of agricultural machinery, we must concentrate upon producing small tractors which are within the purchasing power of the small farmers and unless that is done large parts of the country will remain in the stage of the bullock-cart and bullock driven ploughs for a very long time to come.

(6) What the Committee observed during its tour of the interior of the Barrage areas was that means of transport and communication were woefully lacking. Days are gone when people would travel hundreds of miles on bullock-carts and colonize far flung areas. Unless means of transport and communication can be provided speedily colonization operations will proceed at a snails pace.

(7) As has already been mentioned in connection with the grant of subsidy or loans for building of houses, unless regular villages come up in the Project areas, educational and medical facilities cannot be provided for the new settlers. In the present age, it cannot be expected of any colonist to go without educational and medical facilities in the area where he is to settle down permanently. It is, therefore, of the most importance that all out efforts should be made to bring about the setting up of regular 'chaks' in the Barrage area and to provide adequate educational and medical coverage for the population.

(8) Another point which the Committee would like to highlight is that the present colonization policy is tending to produce absentee landlordism on a large scale in the new Barrage areas. The committee felt that with the exception of persons allotted lands for gallantry in the defence of the country, ex-servicemen and retiring Government servants for exceptionally good records, in all other cases lands should be allotted only to those who give an undertaking that they will live upon the lands and cultivate it themselves and not sublet it or get it cultivated through tenants.

There are large masses of landless peasants and owners of uneconomic and even less than subsistence holdings in the country and it should be assumed that they are disdained by Providence to always work for others. Apart from maximising production, a very important social principle is involved in this matter and the Committee

strongly urged that the entire colonization policy for the new Barrages should be revised on these lines.

(9) The Committee further felt that people living upon below subsistence and uneconomic holdings in the older districts of province should be paid compensation for their holdings and allotted economic holdings in new barrage areas while their original holdings are made use of to provide economic holdings to those who stay behind in these districts.

LAHORE :

The 6th May, 1967. }

ZAIN NOORANI

CHAIRMAN,

*Standing Committee on Public Accounts.*



**PROCEEDINGS OF THE MEETINGS OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 4TH AND 5TH SEPTEMBER, 1967  
AT 9.00 A. M. EACH DAY IN COMMITTEE ROOM 'C' OF THE ASSEMBLY  
BUILDING, LAHORE**

**I. The following were present :—**

- |  |                 |
|--|-----------------|
| (1) Mr. Zain Noorni, M. P. A.  | .. Chairman.    |
| (2) Chaudhri Muhammad Nawaz, M.P.A.  | .. Member.      |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.  | .. Member.      |
| (4) Qazi Muhammad Azam Abbasi, M.P.A.  | .. Member.      |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.   | .. Member.      |
| (6) Rais Haji Darya Khan Jalbani, M.P.A.   | .. Member.      |
| (7) Mr. Malang Khan, M. P. A.  | .. Member.      |
| (8) Mr. Akhlaq Hussain, T.Q.A., C.S.P., Additional Finance Secretary.  | Expert Adviser. |
| (9) Mr. S. M. A. Subzwari, P. A. & A. S., Director, Commercial Audit.  | By invitation.  |
| (10) Mr. Hussain Haider, C.S.P., Secretary to Government of West Pakistan, Transport Department (was present on 4th September, 1967 only). | By invitation.  |
| (11) Mr. Abdul Qayyum, C.S.P., Chairman, Road Transport Corporation along with Member Finance and other officers.                          | By invitation.  |

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

II. The committee in the first instance considered the explanations of the Road Transport Corporation in respect of the following items appearing in the Commercial Accounts for the year 1959-60 which were considered by the Committee in November 1966 and more details were asked for :

(1) *Page 222, Paragraph 198—Shortage of stores worth Rs. 10,87,321—*In his case as a result of the physical verification of stores of Central Stores Organization of the Road Transport Board carried out on 30th June, 1959 shortages and Excesses of the value of Rs. 16,87,321 and Rs. 10,26,863 respectively were detected. The matter was first 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 then 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 were still in service and against whom the Department was proceeding and how many of them have left service ?

The following details were furnished by the Road Transport Corporation at the Public Accounts Committee meeting held on 2nd November, 1966 :—

(i) The preliminary enquiry report was submitted by the Director, Anti-Corruption, Road Transport 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 was not defined by the enquiry officer, and the matter was 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 were still in service. Departmental proceedings were being held against them.

The Committee was further informed that the Enquiry Officer completed his findings in April, 1966 and the report was under consideration of the Road Transport Corporation for final orders. The Committee was not satisfied with the progress and deferred the para for consideration along with the accounts for 1960-61.

In the written explanation now furnished, the Department stated that out of the four officials against whom departmental proceedings were held, two have been exonerated by the Enquiry Officer. The percentage of total shortage against them works out approximately to 1 per cent and 0.154 per cent for M/s. Abdul Rashid Khan and Asghar Ali Shah, respectively. With regard to the remaining two officials, M/s. Mazhar Ahmad Zuberi and Farrakh Ali Shah, Assistant Store-keepers, it has been held that they did not hold the physical charge of the Section, but worked as helpers and Assistants to Head Store-Keepers who are no longer in Service. Precise amount of shortage recoverable from them could not, therefore, be worked out. However the case for writing off of the total shortage of Rs. 1,31,504.26 which is less than 1 per cent of the total stores handled has been referred to the Road Transport Corporation for decision.

In the oral examination the Committee was informed that the net shortage valuing Rs. 1,31,504.26 which was 1 per cent of the total shortage had been written off by the Road Transport Corporation on 30th January, 1967.

The Committee observed that two different explanations were given to the Committee. It was first stated that the amount of Rs. 1,31,504.26 came to 1 per cent of the total shortage. The Committee felt that neither of the two figures was correct. However from the explanation furnished to the Committee it was evident to the Committee that the administration in the Road Transport Corporation, during the period in question, was far from satisfactory and lacked control and proper supervision. Circumstances favourable, had been created wilfully or otherwise, to provide for a maximum opportunity of manipulating the funds and pilfering the stores of the Corporation. Those responsible for this were either no more in the employment of the Corporation or were untraceable. As such, a situation arose where the Corporation had no other alternative but to write off the amount of Rs. 1,31,504.26.

The Committee impressed upon the Department that things of this nature would lead to serious complications and confusion. The Committee felt that the only proper safeguard, that the Corporation could adopt was to tighten up its administration and have a proper system of checks and counter checks to avoid leakages in stores. This item came to the Committee at a stage where it reluctantly had to accept the position of the write-off.

The Committee was assured by the Department that since then securities had been taken from all the persons employed by the Corporation who handled either cash or stores.

The Committee strongly recommended to the Corporation that in future they should ensure that the securities furnished by the persons who go elsewhere or leave the employment of the Corporation should not be returned to them till such time as the accounts for the period during which they have been handling either cash or stores have been audited and a final clearance certificate is given to them.

Subject to above observations and recommendation, the para was dropped.

(2) *Page 224, Para 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 2nd November, 1966 when the Committee found that no progress had been made in the matter since 26th November, 1965 when the paragraph was initially considered by the Committee. The Committee then asked the Department to explain as to why no progress had been possible.

The Department now explained that the shortage amounting to Rs. 18,384.78 has been reconciled and the remaining unreconciled balance of Rs. 192.31 was written off, on 1st February, 1966.

The explanation was found satisfactory and the paragraph was dropped.

(3) *Page 252, Paragraph 235—Advances.*—In this case the Ledger Balances of the Headquarters Office on 31st March, 1958 showed an amount of Rs. 85,81,083 as advance to the Director General Supply and Development and Audit Officer, Industry, Supply and Food while the Account rendered by the offices showed the balance on that date as Rs. 23,82,101. Therefore there exist a difference of Rs. 61,98,982. The authenticity of the figure of Rs. 85,81,083 appearing in the Board's Ledger was open to doubt.

The matter was first considered by the Committee on 2nd November, 1966 when the Department 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
	<hr/>
Difference	.. 61,98,982
	<hr/>
(1) Vouchers adjusted in 1958-59	.. 53,39,117
(2) Vouchers adjusted in 1959-60	.. 1,49,252
(3) Vouchers adjusted in 1960-61	.. 2,05,042
(4) Vouchers adjusted in 1964-65	.. 54,565
(5) Vouchers awaited from D. G. S. & D.	.. 4,51,006
	<hr/>
Total	.. 61,98,982

As soon as vouchers for Rs. 4,51,006 were supplied by A. O. I. S. & F., Karachi, necessary adjustment would be made to settle the account. For procurement of vouchers, the matter was stated to be under correspondence at the level of Member Finance, Road Transport Corporation and the A. O. I. S. & F., Karachi.

The Committee then observed that the adjustment of Rs. 57,47,976 stated to have been made should be verified by the Audit and the Road Transport Corporation should make strenuous efforts to recover the balance amount of Rs. 4,51,006.

The Department now informed that the adjustment of Rs. 57,47,976 has been verified by the Audit. With regard to the balance amount of Rs. 4,51,006. All efforts to procure the original vouchers or duplicate copies thereof from the office of A.O. I.S.&F., Karachi proved futile. Consequently, the Road Transport Corporation was per force obliged to order adjustment of this debit against the credit already afforded to the D.G. S. & D. on the basis of provisional cost for goods received through him. This has not only cleared the Advance Account of A.O., I.S.&F., Karachi, but has also settled the Suspense Account to this extent (Rs. 4,51,006).

The explanation was found satisfactory and the paragraph was dropped subject to verification of the adjustment by the Audit.

(4) *Page 397, Paragraph 349—Sundry Debtors*—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 matter was first considered by the Committee at its meeting held on 2nd November, 1966 when the Committee was informed that certain recoveries/adjustments had been made and efforts were being made to clear the balance of Rs. 7,44,133. The Committee decided that the Audit should verify the recoveries/adjustments and the Road Transport Corporation should take action at the earliest to recover/adjust the balance.

The Department now explained that the position was as follows :—

(a) *Rs. 5,39,089—Adjustable on Account of Unit Transactions*—Adjustment of Rs. 25,570-00 has already been verified by the Commercial Audit. The balance of Rs. 5,13,519-00 on account of inter-unit transactions has also been adjusted in account for the year ending 30th June, 1967.

(b) *Rs. 1,23,742-64—Due from Government Departments and Private Parties*—Recoveries to the extent of Rs. 64,715 have been made. As regards Rs. 62,027-64 due from Government Departments and other private parties an officer has been specially detailed to accelerate the pace of realization. However, sum of Rs. 644-64 has been further recovered upto 30th June, 1967 and on the basis of verbal and written promises from various Government Departments it is expected that balances due from them would be realized during the current financial year.

(c) *Rs. 78,302-00 adjustable with the Income-tax Department and High Commissioner of Pakistan in U. K.*—(i) A sum of Rs. 1,96,906-31 was due from the Provincial Government on account of interest on Reserves as on 31st March 1956. They paid a sum of Rs. 14,066-31 in the year 1957 in cash. For the balance of Rs. 1,82,640-00, the Accountant-General, West Pakistan, did not pay the amount in cash but adjusted towards pending debits received from High Commissioner for Pakistan in U.K., against Punjab Road Transport Board. Vouchers to the tune of Rs. 1,45,274-10 were, however, received in subsequent years and adjusted as per details given below:—

					Rs.
1955-56	..	..	..	..	13,648-97
1956-57	..	..	..	..	76,209-33
1957-58	..	..	..	..	1,542-22
1958-59	..	..	..	..	53,873-53
Total					1,45,274-10

After the above adjustments, there remained a balance of Rs. 37,565-00. Efforts made to procure vouchers or duplicate copies thereof did not bear fruit. Consequently the Road Transport Corporation has sanctioned the adjustment of Rs. 37,565-00 against credits created on the receipt of goods at provisional costs.

(ii) Since the policy regarding the Taxability of Road Transport Corporation's income is still pending with the Income-Tax Appellate Tribunal, the sum of Rs. 39,620.00 could not be recovered from the Income-Tax Department.

The Committee decided to defer the paragraph for a complete report by the Department regarding adjustment. The paragraph should come up again with the accounts for the year 1961-62.

(5) *Page 397, Para. 350—Sundry Creditors*—In this case the liabilities on account of Sundry Creditors registered a sharp increase. The liability at the commencement of the year under review stood at Rs. 2,93,70,229 which rose to Rs. 3,82,32,595 as on 30th June, 1959.

The matter was first considered by the Committee at its meeting held on 2nd November, 1966 when the Committee was informed that out of the total amount of Rs. 3,82,32,595 liabilities to the tune 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 were under verification and as soon as necessary particulars were tallied they would be adjusted during the year 1966-67. The remaining liability of Rs. 23,51,054 related to inter-unit transactions and such vouchers as were awaited from the A.O.I.S. & F., Karachi.

The Department now explained that the adjustment of Rs. 3,63,14,807 (Rs. 3,54,550 and Rs. 8,69,257) is being verified by the Audit.

With regard to the balance amount of Rs. 19,17,788, a sum of Rs. 4,00,583 pertains to Inter-Unit transactions, which has been adjusted by Book transfer and the remaining amount of Rs. 15,17,205 relates to the D.G.S.&D. The matter was taken up with him and the Comptroller, Southern Area, Karachi, for procurement of Debit vouchers on account of supplies already received. A sum of Rs. 14,22,257 relating to the former Sind Road Transport Board has been adjusted by the Government Transport Service, Hyderabad, in Accounts, for the year 1966-67 after reconciliation with the Comptroller, Southern Area, Karachi. Thus, there remains a balance of Rs. 94,948 for which position in respect of vouchers is being settled with the A.O.I.S.&F., Karachi.

With regard to the year-wise details of Sundry Creditor, Director, Commercial Audit, Karachi, has dispensed with the preparation of details for balances prior to 30th June, 1966.

As the final position of vouchers for Rs. 94,94,800 was being settled with the A.O.I.S.&F., Karachi and the adjustments made had not been verified by the Audit, the consideration of the paragraph was deferred and will be taken up alongwith the Accounts for the year 1961-62 when complete report should be submitted.

(6) *Page 565, Para. 476—Sundry Debtors*—In this case the amounts outstanding against Sundry Debtors increased from Rs. 96,45,991 to Rs. 98,02,494 at the end of the year under review.

The matter was first considered by the Committee at its meeting held on 2nd November 1966, when the Committee was informed that a sum of Rs. 90,63,981 had been adjusted. The Committee asked the Department to make strenuous efforts to effect the outstanding recoveries.

The Department now explained that a sum of Rs. 91,54,266.00 has been recovered leaving a balance of Rs. 6,48,228.00. Out of the above balance, a sum of Rs. 4,77,645.00 pertained to Inter-Unit transaction which has been adjusted in Accounts for the year ending 30th June, 1967. With regard to the remaining balance of Rs. 1,70,583 outstanding against Government Departments, O.S.D. (Traffic) has been deputed to explore all possible measures for the realization of the amount. A case for a sum of Rs. 54,350.00 has been taken up for Book Transfer with the Rehabilitation Department leaving a balance of Rs. 1,16,233.00 recoverable from various Government Departments.

As regards the year-wise analysis of Sundry Debtors, the required analysis in respect of each Unit of the Road Transport Corporation, has been prepared from the year 1960-61 as agreed to by the Audit.

The Committee observed that year-wise analysis of the Sundry Debtors for the period in question had not been supplied by the Road Transport Corporation. The Committee directed that this should be prepared and the adjustments already made got verified by the Audit. The paragraph was deferred to come up again with the Accounts for the year 1961-62.

(7) *Page 565, Para. 477—Sundry Creditors*—In this case the liabilities on account of Sundry Creditors registered a sharp increase to Rs. 4,45,93,583 at the end of the year under review as against Rs. 3,82,32,595 at the end of the previous year.

The Department explained that out of total liabilities for Rs. 4,45,93,583 payments amounting to Rs. 4,18,05,410 have been made leaving payable balance of Rs. 27,88,173.

The break-up of outstanding balance of Rs. 27,88,173 alongwith the position of adjustment and the net balance payable as on 30th June, 1967 was as follows :—

Serial No.	Particulars	Balance on 30th June 1967	Adjustment upto 30th June, 1967	Balance
		Rs.	Rs.	Rs.
1	G.T.S., Hyderabad ..	14,35,588-00	14,22,257-00	3,331-00
2	G.T.S., Lahore ..	6,22,884-00	4,51,006-00	1,71,878-00
3	G.T.S., Peshawar ..	5,80,295-00	5,80,295-00	Nil
	Total ..	26,28,767-00		
4	Inter-Unit Transactions ..	1,59,406-00	1,59,406-00	Nil
	Total ..	27,88,173-00	..	1,75,209-00

As the position of vouchers for Rs. 1,75,209.00 had not been settled, the paragraph was deferred to be taken up alongwith the accounts for the year 1961-62.

III. The Committee then considered the explanations of the Road Transport Corporation in respect of the following items appearing in the Commercial Accounts for the year 1960-61.

(1) Pages 8-9, Para. 18 (xiii)—*Non-compilation of Accounts of Government Transport, Khairpur, 1957 and 1st January, 1958 to 31st August, 1958*—As the Account has since been included in the commercial Accounts for the year 1962-63, the paragraph was dropped.

(2) Page 94, Para. 113—*Non-compilation of Accounts*—In this case, the Accounts of the following three units of Road Transport Corporation were not compiled in time.

(i) West Pakistan Road Transport Board (consolidated Accounts), 1960-61.

(ii) West Pakistan Road Transport Board (Headquarters Office), 1960-61.

(iii) West Pakistan Road Transport Board, Central Stores, 1960-61.

The Department explained that the Annual *pro forma* Accounts in respect of Headquarters Office (Central Organization) and the consolidated Accounts of the Road Transport Corporation cannot be compiled unless the Accounts in respect of all the six Units of the Road Transport Corporation are checked and certified by the Audit and the effect of all subsequent adjustments carried out in the Accounts of the Services under the instructions of the Commercial Audit is given in the Control Account maintained in the Headquarters Office. In accordance with the procedure laid down by the Director, Commercial Audit, the consolidation is to be based on the certified figures only. The Commercial Audit completed the certification of Accounts of Road Transport Corporation Units on the 2nd July, 1964 and as soon as certified Accounts were received in this office the consolidation/compilation work was taken up by the Road Transport Corporation.

The compilation of Headquarters Office and Central Stores Accounts for the year 1960-61 was finalized without the least delay and these two Accounts were also got certified from the Commercial Audit on 27th July, 1964. These certified Accounts would have been included in the Commercial Accounts Report under review which was published sometimes, in September 1964, i.e., near about two months period if the Audit had intention to include the same. The Road Transport Corporation could not, therefore, be blamed for this delay.

However, the above Accounts have since been published by the Audit in the next Compilation of Commercial Accounts for the year 1961-62.

The Department further explained that in order to incorporate the changes and modifications suggested by the Audit in the Unit Accounts, the finalization of *pro forma* Accounts for Central Stores and the Headquarters Office was taken up after the certification of Unit Accounts. That is why they could not be certified earlier than the 27th July, 1964. With a view to save time, this practice has now been changed and the *pro forma* Accounts of Central Stores and the Headquarters Office are drawn up for presentation to Audit simultaneously with the Unit Accounts.

As the accounts have been incorporated in the Commercial Accounts of the subsequent year, the paragraph was dropped.

(3) Page 97, Para. 117—*Outstanding Financial Irregularities*—In this case Audit had pointed out that certain Financial Irregularities indicated in the Audit Report on the previous Commercial Accounts of the Government of West Pakistan had not been finalised.

The Department explained that the Public Accounts Committee had considered the irregularities relating to year 1960-61 at its various meetings and had dropped them.

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



(4) Page 99, Para. 122—*Depreciation Reserve Fund*—In this case Depreciation Reserve Fund Balance in this Account at the commencement of the year was Rs. 55,19,868. A sum of Rs. 20,28,254 was added making the total of Rs. 77,47,522. Various Assets valuing Rs. 6,42,261 were depreciated during the year and their cost was reduced from the Depreciation Reserve Fund Account. The balance under this head thus stood at Rs. 69,04,841 at the close of the year.

The Department submitted the details of assets depreciated during 1960-61 as under:—

	Rs.
Motor Vehicles ... ..	6,24,249.74
Bus Shelters ... ..	5,400.00
Tools and Plants ... ..	13,031.12
Total ... ..	6,42,680.86

According to the Department, the correct amount worked out to Rs. 6,42,680.86 and not Rs. 6,42,261 as shown by the Audit.

Subject to verification by the Audit of the difference in the figures, the paragraph was dropped.

(5) Page 101, Paragraph 128—*Loss of Rs. 9,43,879*—In this case the unit sustained a net loss of Rs. 9,43,879 during the year under review as compared to net profit of Rs. 3,70,503 earned during the previous year. According to the Audit, the loss would have been still greater if direction charges had been charged to the accounts of the year under review.

The Department explained that Lahore Omnibus operated its services within the municipal limits providing local means of transport to the Public where the density of traffic varies according to the timings of various educational institutions, *visa-vis* Government Offices and workshops as compared with District routes. Further more, the district services were operated with larger margin of time whereas in local service greater frequency was to be maintained according to the flow of traffic. Obviously the Revenue earnings as well as the expenditure varied with that of district services.

The following causes were attributed towards the adverse financial results for the period under review as compared with the preceding year:—

- (i) While there was increase in the operating and over head charges, there was no corresponding increase in the fare rates (*viz* income).
- (ii) Out of the total fleet of 306 buses under operation during the period under review, major number thereof i.e., 112 buses had either completed their prescribed life or were on the last leg of their operational period. Thus greater wear and tear had to be attended to keep the uneconomical and fully depreciated buses on road in order to meet the traffic exigencies. The replacement of these buses could not be arranged due to foreign exchange stringencies and other complications.
- (iii) 52 buses remained off road which resulted in decrease of 2,82,834 miles and consequent decline of Rs. 3,22,430 in revenue income as compared with the last year.
- (iv) The operation of the baby taxis etc. on a large scale in Lahore during 1960-61 adversely affected the earning of the service.
- (v) The announcement of the Government's Policy intending denationalization of the Government Transport adversely affected the operational activities and caused decline in earning.

The causes for abnormal increase in expenditure which lead to the adverse financial results were stated to be as follows:—

(i) *Store and Supplies Consumed (+Rs. 4,95,600)*—The increase in the expenditure was due to operation of 71 fully depreciated buses resulting in greater wear and tear and consumption of spare parts and stores to keep them road worthy. Besides the cost of tyres and spare parts increased to the extent of 25 per cent as compared with the last year.

(ii) *Salaries and wages (+Rs. 1,85,811)*—As a result of grant of compensatory allowances and annual increments, as well as payment of arrears, the expenditure was increased by Rs. 1,85,811 which was unavoidable.

(iii) *Gratuity Reserve Fund (+Rs. 62,564)*—With a view to provide greater facilities and better service conditions to the employees, the Road Transport Corporation approved the gratuity rules. As a result thereof provision to the extent of Rs. 62,564 had to be made in the year 1960-61, whereas there was no such expenditure in the previous year.

(iv) *Interest on Capital (+Rs. 1,45,778)*—Since the Government had discontinued further contribution towards their share capital with the Road Transport Corporation, two Foreign loans had to be obtained from U.K. and West Germany at a high rate of interest through the Provincial Government. The increase in the rate of interest from 4 per cent to  $7\frac{1}{2}$  per cent resulted in increase in the expenditure under this head of account.

The Department asserted that the adverse financial results was the outcome of change in the mode and the means of transport in the city and abnormal increase in the expenditure. However, the Road Transport Corporation has since improved the situation and by adopting remedial measures the unit had been made self supporting and profit earning.

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

(6) *Page 101, para. 129—Suspense Account Capital*—In this case an amount of Rs. 53,53,942 shown under the head "suspense Account Capital" on the liability side of the Balance Sheet represents provisional prices of assets acquired by the Unit during the previous years and the year under review. The amount is to be adjusted on receipt of information regarding actual cost from Headquarters Office.

The Department explained that the Suspense Account Capital was created in order to account for the value of Capital Assets purchased by the Road Transport Corporation on assessed value pending receipt of relevant vouchers containing the actual cost which generally takes a long time and it is against the fundamental principles of Commercial Accounts to leave any assets unaccounted for in the Annual *pro forma* Account. The whole amount has since been adjusted.

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

(7) *Page 101, Para. 130—Sundry Debtors*—In this case Sundry Debtors as on 30th June, 1961 amounted to Rs. 3,90,455 as against Rs. 3,49,788 at the close of the previous year.

The Department explained that a sum of Rs. 2,47,678.35 was realised during the years 1961-62 to 1964-65. The position in respect of the balance amount of Rs. 1,42,776.65 was as follows:—

	Rs.	Rs.
(i) Recoveries made	33,529.18	
(ii) Adjusted with Sister Services	38,805.66	
		72,324.82
(iii) Under Settlement with Rehabilitation Department	54,350.00	
(iv) Due from other parties	16,101.83	
		70,451.83
Total		1,42,776.65

(a) With regard to Rehabilitation Department, the authorities had been personally contacted and had arrived at a mutual agreement that the outstanding amount due from Rehabilitation Department might be adjusted towards the cost of evacuee property in possession of Road Transport Corporation. Formal orders of the Provincial Government would be obtained for settlement on book transfer basis. The amounts were pretty old and the Departments concerned had been facing difficulties in procurement of sanctions and funds to clear up the long outstandings.

(b) With regard to the outstanding balance of Rs. 16,101.83, strenuous efforts were being made for their realization from various Government Departments. The year-wise Analysis of Sundry Debtors was as under:—

	Rs.
(i) 1958-59	... 13,120.20
(ii) 1959-60	... 2,950.36
(iii) 1960-61	... 31.27
Total	... 16,101.83

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

(8) *Page 110, Para. 140—Shortage of Stores worth Rs. 15,108*—In this case stores worth Rs. 6,013 were found short during the year under review in addition to stores valuing Rs. 9,095 found short during the previous years.

The Department explained that:—

- (i) the shortages to the extent of Rs. 8,174.30 out of total Rs. 15,108 have since been written off.
- (ii) shortages amounting to Rs. 4,323.30 have since been reconciled and adjusted against excesses on the ground of similarity in nomenclature.
- (iii) as regards the remaining shortages of Rs. 2,609.85 following officials have been held responsible against whom departmental action has been taken.

- (1) Chaudhri Rashid Muhammad, Store Superintendent.
- (2) Mr. Gul Muhammad Qureshi, Store Superintendent.
- (3) Mr. Muhammad Rashid, Head Store-Keeper.
- (4) Mr. Muzaaffar Khan, Head Store Keeper.
- (5) Mr. Abdul Majid, Senior Clerk.
- (6) Mr. Muhammad Akhtar, Junior Store Keeper.

The Committee decided that the Audit should look into the question whether proper investigation had been made before the write-off. The adjustment of Rs. 4,323.30 should also be verified by Audit. The Road Transport Corporation should recover the remaining shortages.

Subject to the above, the paragraph was dropped.

(9) *Page 110, Para. 141—Sundry Debtors*—In this case Sundry Debtors as on 30th June, 1961 amounted to Rs. 91,570.00 as against Rs. 1,06,992 at the close of the previous year.

The Department explained that Rs. 86,918.81 have already been recovered and the balance of Rs. 4,651.75 was outstanding against Government Departments.

The Committee observed that the recoveries already made should be got verified by Audit and the Road Transport Corporation should continue making efforts to recover the balance amount of Rs. 4,651.75 from the Government Departments concerned.

Subject to these observations, the paragraph was dropped.

(10) *Page 114, Para. 143—Comparative Revenue Accounts*—In this case there was an increase in expenditure under the sub-head 'Salaries of Officers and Staff' and 'Allowances and Honoraria' as compared to the expenditure in the previous year.

The Department explained that due to shifting of the Federal Capital to Rawalpindi, the demand for transport facilities by the Public as well as the Central Government employees increased. Additional routes in the Local Service as well as in the District Service were introduced. Some new sub-offices were established for which additional staff had to be employed. Further, Interim Relief at Rs. 5 per mensem to the Staff drawing pay upto Rs. 100 was granted with effect from 1st July, 1960 and the arrears on this account were paid to the staff in April 1961 to the extent of Rs. 39,000.00 and Rs. 17,000.00 were further paid in May and June 1961 on the same account.

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

(11) *Page 120, Para. 154—Decrease in profit*—in this case the unit earned a profit of Rs. 2,92,836 during the year under review as against Rs. 19,18,230 during the previous year.

The Department explained that the decrease in net profit during the year under review as compared with the last year was mainly due to abnormal increase in operating and over-head cost and partly due to the change of policy with regard to treating of Sale-proceeds of unserviceable vehicles as General Reserve instead of income, which caused a decrease of income to the tune of Rs. 4,14,600. Out of the total fleet of 207 buses under operation during 1960-61, major number thereof, i.e., 106 buses had either completed their prescribed life or were on the last leg of their operational period. Thus greater wear and tear had to be attended to keep the uneconomical and fully depreciated buses on road in order to meet the traffic exigencies. This resulted in increase in the cost of maintenance, operational and over head charges.

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

(12) *Page 120, Para. 155—Shortage of Stores worth Rs. 84,720 and Surplus of Rs. 58,324*—In this case Stores worth Rs. 4,895 and Rs. 7,616 were found surplus and short respectively, during the year under review. The total surpluses and shortages as on 30th June, 1961 amounted to Rs. 58,324 and Rs. 84,720, respectively.

As the explanation given by the Department in the Working Paper was substituted in the meeting and the Audit had no opportunity to examine the revised explanation, the Committee deferred the consideration of this paragraph to be taken up alongwith the Accounts for the year 1961-62.

(13) *Page 120, Para. 156—Sundry Debtors*—In this case Sundry Debtors at the close of the year under review amounted to Rs. 1,03,698. The year-wise break up of these debts was not furnished to audit.

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The Department explained that a sum of Rs. 1,03,614.53 has been recovered leaving a balance of Rs. 83.22.

Subject to verification of recovery by the Audit and recovery of the balance, the paragraph was dropped.

(14) Page 14, paragraph 158 A—*Increase in Consumption of Stores and Supplies*—The Committee had asked the Department to explain the circumstances in which the expenditure under head "Stores Supplied and Consumed" was increased from Rs. 21,71,733 to Rs. 27,40,810 whereas the total revenue declined.

The Department explained that out of the total fleet of 207 buses under operation 106 buses had either completed their prescribed life or were on the last leg of the operational period. The replacement of these buses which had become fully depreciated could not be arranged due to stringencies of foreign exchange and some other difficulties. There was no other alternative to meet the demand of the travelling Public and to cater transport facilities to far flung areas in various Districts of Multan, Sargodha and Lahore Regions, but to keep the depreciated fleet on road by bearing heavy cost of maintenance and greater wear and tear on such vehicles which were uneconomical for further operation. The buses remained under repair and resulted in a decrease of 4,03,002 miles as compared with the last year. The expenditure of Rs. 80,579.21 on the Spare Parts and Rs. 1,29,912 on account of replacement of Engines had to be incurred to bring the buses on Road to provide Transport facilities to the travelling public on such routes where Private Operators were reluctant to ply their buses. 169 tyres size 8.25x20 were locally purchased at as high a price as at Rs. 669.33. each due to acute shortage. The average rate per tyre in 1959-60 was Rs. 515.00 each as such Rs. 154 per tyre were paid in excess for 169 tyres. Thus the expenditure increased by Rs. 26,026.00 on this account. There was an acute shortage of tyres in the last two months (May and June). About 50 buses required immediate replacement of tyres. Hence an expenditure of Rs. 77,439.00.

The Road Transport Corporation was therefore, forced to confine its requirements according to the foreign exchange allocated by the Government to continue operation under very strict competition with mostly depreciated fleet. This resulted in increase in the consumption of Spare Parts and general Stores, etc.

The variation in the figures of income earned was explained as under—

(a) Policy with regard to showing of sales proceeds of unserviceable vehicles as income of the service was revised and the sale proceeds were credited to General Reserve to meet the difference in cost of replacements purchased at enhanced market rates. Thus the sale proceeds amounting to Rs. 4,14,600 during 1959-60, was the main factor for the variation in income.

If this amount was excluded from the gross income amounting to Rs. 80,81,814 of 1959-60, the balance amount would come to Rs. 76,67,214 as against Rs. 74,37,699 for 1960-61.

(b) The decline in income was also due to less operation by 4,03,002 miles during 1960-61, with depreciated fleet and the hard and stiff competition which the service had to face on account of indiscriminate issue of route permits to the private operators in the particular operational region. The announcement of the Government's Policy intending denationalization of the Government Transport on sub-urban routes adversely affected the operational activities and caused decline in earnings.

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

(15) Page 125, paragraph 158 (b)—*Sale of unserviceable Vehicles*—In this case a sum of Rs. 4,14,600 had been shown as sale proceeds of unserviceable vehicles. The Committee asked the Department to furnish details of the transactions viz., book value of the vehicles, life of vehicles, sale value of vehicles and the mode of sale of vehicles.

The Department stated that a sum of Rs. 4,14,600 had been erroneously shown as sale of unserviceable vehicles in the revenue account because this amount included sale proceeds of 400 empty drums amounting to Rs. 18,400.00 which was sold in an open auction. The actual amount of sale of unserviceable vehicles was Rs. 3,96,200.

The Department placed before the Committee particulars regarding each of the 51 vehicles which were sold.

The Committee noted that one Bedford vehicles No. 1618 (original cost price Rs. 27,617) which remained in actual service for a period of five years and 2 months (less than the prescribed period of six years) and which had covered 1,05,876 miles was sold at Rs. 3,700 as against its sale value of Rs. 19,452.06.

The Committee also noted that four Bedford Vehicles Nos. 1619, 1623, 1682 and 7945 (original cost Rs. 27,617, 28,337, 27,019 and 30,500) which remained in actual service for a period of 5 years, 5 years, 4 years 9 months and 4 years 8 months respectively as against a prescribed period of six years and which had covered 23,093, 26,096, 1,04,310 and 29,284 miles respectively were sold in one lot for Rs. 16,000 as against the sale value of Rs. 66,161. This meant that these vehicles had been sold at an average price of only Rs. 4,000 each and that 3 of them had done less than 30,000 miles each. Similarly five Bedford vehicles Nos. 7944, 1679, 1691, 1698 and 1699 (original cost Rs. 30,500, 28,057, 27,409, 28,057 and 28,057 respectively) which remained in service for a period of 3 years 8 months, 4 years 9 months, 4 years 9 months, 4 years 8 months and 4 years 8 months respectively as against prescribed period of six years and which had covered 47,879, 71,887, 1,11,727, 66,190 and 65,728 miles respectively were sold in one lot for Rs. 21,000 as against the sale value of Rs. 74,818. This came to an average price of about Rs. 5,000 only.

After hearing the oral explanation of the Department the Committee came to the conclusion that during this period wrong type of buses had been purchased. These buses had short base and slow gear with the result that they were not suitable for service on hilly and kucha roads where they were put in service, resulting in a lot of technical defects developing in the engines so that in most cases engines had to be changed at an average of ten to fifteen thousand miles. The survey certificates procured, before the vehicles were selected for disposal, were also very sketchy and the system of conducting the survey was not very satisfactory. No reserve price was fixed at the time of auctioning the buses.

The Committee felt that these were the main factors which led to these buses being disposed off at such low prices thus causing considerable loss to the Government.

Subject to these observations, the paragraph was dropped.

(16) Page 129, paragraph 165—*Decrease in profit*—In this case the net profit earned by the Service during the year under review amounted to Rs. 7,95,813 as against Rs. 14,52,414 of the previous year. This gave a yearly return of profit of 11.60 per cent as against 35.54 per cent on the Capital invested during the current and previous years. The net profit thus registered a decrease of about 50 per cent.

The Department explained that the decrease in the net profit during the year under review as compared with the preceding year was merely due to abnormal increase in the operating and over-head cost whereas, the revenue earning was not favourable when compared with the previous year.

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

(17) *Page 129, paragraph 166—Sundry Debtors*—In this case the outstanding against sundry debtors at the end of the year under review amounted to Rs. 1,3,611.

The Department explained that out of the total outstanding amount of Rs. 1,23,611.00, a sum of Rs. 96,465.61 has been realised leaving the balance of Rs. 27,145.39 out of which only Rs. 1,748.77 are due from private parties while the remaining sum of Rs. 25,396.62 is outstanding against various Government Departments.

The Committee directed that the recoveries stated to have been made should be got verified by the Audit and the Department should continue to make efforts to effect the recoveries of the balance outstandings.

Subject to above, the paragraph was dropped.

(18) *Page 129, paragraph 167—Sundry Creditors*—In this case the Sundry Creditors on account of goods supplied increased from Rs. 11,99,843 at the end of the previous year to Rs. 14,28,764 at the end of the year under review.

The Department stated that the total liabilities of Rs. 14,28,764 have been liquidated up to the end of the year 1966 and that there was no balance outstanding. This required verification by the Audit. Subject to necessary verification by the Audit, the paragraph was dropped.

(19) *Page 131, paragraph 168 (a)—Suspense Account*—In this case a sum of Rs. 20,395 had been shown under 'Defalcation'.

The Department explained that Mr. Abdul Rashid Ex-Head Cashier, Government Transport Services, Dera Ghazi Khan who was involved in a case of defalcation amounting to Rs. 33,405.75 was convicted and awarded imprisonment. A sum of Rs. 4,870.31 was, however, recovered from the Insurance Company with whom he was insured. Further, a sum of Rs. 8,150.47 was subsequently adjusted on the advice of Departmental Audit as a result of detailed investigations and thus leaving a balance of Rs. 20,384.97 outstanding in this defalcation case. The amount defalcated has since been written off by the competent Authority.

The Committee was not satisfied with the above explanation. In the opinion of the Committee the Head-cashier by himself could not have been responsible for the defalcation. Some other officer who was responsible for the supervision should also have been taken to task. The paragraph was deferred to be taken up alongwith the Accounts for 1961-62 when the Department should report as to what action has been taken against the officer or officers concerned and if no action has been taken, the reasons for the same.

(20) *Page 131, Paragraph 168 (b)—Advances and forward payments*—In this case, under the head 'Advances and forward payments' a sum of Rs. 1,13,805 had been shown without giving details and nature of advances.

The Department having furnished the necessary details, the paragraph was dropped.

(21) *Page 138, paragraph 181—Suspense Account Capital*—In this case a sum of Rs. 46,46,700 shown under the head "Suspense Account Capital" and Rs. 26,32,246 included in Rs. 33,63,509 under the head "Sundry Creditors" on



the liabilities side of the Balance Sheet represents Provisional value of various assets and stores purchased by the Unit during the past years as well as during the year under review.

According to the Department, liabilities to the tune of Rs. 31,20,079 have been liquidated leaving a balance of Rs. 2,48,430, which has further been reduced by Rs. 1,44,000 leaving a balance of Rs. 1,04,430. The heads under which the adjustments were effected were not intimated to the Committee.

The paragraph was deferred to be taken up alongwith the accounts for the year 1961-62.

(22) Page 138, paragraph 182—*Shortage of Stores Worth Rs. 3,237*—In this case stores worth Rs. 3,237 were found short as a result of physical verification.

The Department explained that out of the total shortages of Rs. 3,237 a sum of Rs. 1,767 has been written off and a sum of Rs. 491 has been adjusted leaving a balance of Rs. 979 which is outstanding against the following Store-keepers who had left the service.

	Rs.
(1) Mr. Muhammad Ali <i>Ex-Assistant Store Keeper</i> ....	290.05
(2) Mr. Bashir Khan Afridi ...	688.99

On further reconciliation, a further sum of Rs. 290.05 has been adjusted/recovered and this settled the account of No. (1). Efforts are being made through Deputy Commissioner for the recovery of Rs. 688.99 from Mr. Bashir Khan Afridi. No disciplinary action could be taken against the defaulters as none of them is in service.

Subject to verification of adjustments by Audit, the paragraph was dropped.

(23) Page 138, Paragraph 183—*Sundry Debtors*—In this case, Sundry Debtors as on 30th June, 1961 amounted to Rs. 28,28,161 as against Rs. 2,34,887 at the end of the previous year. Year-wise analysis of these debts was not made available to Audit and as such it could not be verified as to which year these debts related.

The Department explained that the total outstanding amounting to Rs. 28,28,161 included a sum of Rs. 24,55,168 due from sister Units on account of cost of fabrication of bus bodies. Out of the above amount recoveries to the tune of Rs. 27,60,777.00 have been made leaving a sum of Rs. 67,384. Out of this, a sum of Rs. 6,717.00 relating to Inter-Units transactions has also been adjusted by Book Transfer. The break-up of the balance of Rs. 60,667 is:—

	Rs.
(i) Due from Government Departments ....	58,357.37
(ii) Due from Private Parties ...	2,309.63

The paragraph was dropped subject to verification of adjustments and further recoveries and their verification by the Audit.

(24) Page 143, paragraph 185 (A)—*Sales of Stores*—In this case the Committee asked for the details of Rs. 45,888 shown under the head 'Sale of Stores'.

The Department having furnished the details of Rs. 45,888, the paragraph was dropped.

(25) Page 143, paragraph 185 (B)—*Sale of Vehicles*—In this case, details of Rs. 2,15,825 and Rs. 90,100 shown as the Sale Value of Vehicles during 1959-60 and 1960-61 were asked for.

The Department furnished the details showing book value of Vehicles, life of Vehicles, the mileage done by each vehicle, Sale value, the mode of sale and the price fetched by each vehicle. The Committee having examined the details and being satisfied with the transactions dropped the paragraph.

(26) *Page 148 Paragraph 194—Working results*—In this case the results for the year under review disclosed a net profit of Rs. 1,28,801 as compared to Rs. 12,23,280 during the previous years. This Profit would have been reduced to a nominal figures had the Direction Charges been charged to the Accounts. These charges need be adjusted in future year's Accounts. The above profit yielded a return of 2.60 per cent only as against 12.62 per cent of the previous year on the total capital investment.

It was explained on behalf of the Road Transport Corporation that the fall in profit was due to the fact that 20 buses were withdrawn from Hyderabad Service for use in Rawalpindi. Another 28 depreciated buses were not plying on the road. The total mileage that these buses would have done in Hyderabad had these been in use, was 7,64,000 and 4,41,444 miles. The loss in profit was due to fewer number of buses plying on the roads in Hyderabad.

The explanation of the Corporation was accepted and the paragraph was dropped.

(27) *Page 148, Paragraph 195—Suspense Account*—In this case the amount of Rs. 57,00,848 shown on the liabilities side of Balance Sheet under the above head represented the provisional value of various Assets acquired and purchased by the Unit during the past years as well as the year under review, which was to be adjusted on receipt of the information regarding their actual cost from the Headquarters Office.

The Department explained that a sum of Rs. 27,07,934 has been adjusted in the accounts for the year 1961-62, 1962-63 and 1963-64 while the remaining balance (amount) has also been adjusted during the period ending on 30th June, 1965.

The procedure of accounting the balance of new Motor Vehicles purchased by the Road Transport Corporation pending receipt of relevant documents/ vouchers from the Audit Officer, I. S. and F., Karachi was adopted with a view to include all the Capital Assets in the Annual *Profarma* Accounts of the respective Unit.

The explanation was found to be satisfactory and the paragraph was dropped subject to verification by Audit.

(28) *Page 148, Paragraph 196—Sundry Debtor*—The year-wise analysis of the Debtors as on 30th June, 1961 was stated to be as under:—

	Rs.
1956-57	... 72,512
1957-58	... 2,999
1958-59	— 80,643
1959-60	... 1,16,990
1960-61	... 32,273
<b>Total</b>	<b>... 3,05,417</b>

The Department explained that out of total outstanding amount of Rs. 3,05,417.00 recoveries to the tune of Rs. 2,51,943.00 have been effected by making special efforts and approaching the higher authorities concerned. Strenuous efforts are, however, being continued for the realization of the remaining balance of

Rs. 53,474.00 which is due from various Government Departments who are being pursued vigorously. Instructions have also been issued to stop further credits to such Government Departments who have not cleared the previous outstandings. The process of payment of outstandings by the Government Departments had always been slack.

Subject to verification by the Audit and further efforts to complete the recoveries and get them verified, the paragraph was dropped.

(29) *Page 158, Paragraph 205—Increase in Cost*—In this case 75 complete bodies of buses, viz., 67 Single Decker and 8 Double Decker were fabricated during the period under review at an average cost of Rs. 12,595 and Rs. 43,496 respectively as against the fabrication of 122 new chassis (all single decker) at an average cost of Rs. 10,710 per chassis during the previous year 1959-60. This showed an upward trend in the cost of fabrication of bus bodies which need be justified.

The Department explained that fundamentally it is not proper to carry out comparison between the cost of body fabrication for the year, 1960-61, unless and until there is similarity in the wheel base of chassis fabricated in both the financial years. Apparently this important aspect of the issue has not been kept in view by the Commercial Audit prior to arriving at the conclusion that bodies on single deck chassis were fabricated on higher cost compared with the year, 1959-60. It is imperative to take into account the following factors having direct bearing on the decrease or increase in the cost of bus bodies:—

- (i) Wheel base of buses fabricated during 1959-60 and 1960-61.
- (ii) Seating capacity of vehicles fabricated during both the financial years.
- (iii) Prices of the imported/local material during both the financial years.

The impact of above-mentioned factors in the present case were—

- (a) During the year 1959-60 all the bodies were fabricated on short wheel base chassis such as Thames, Traders, etc., whereas in 1960-61, 60 bodies were fabricated on long wheel base chassis, i.e. Mercedes Bens, Bedford SB-8 and Leyland Comet and of 7 S. W. B. chassis.
- (b) The seating capacity of L. W. B. is usually 51/58, whereas 37 to 38 seats are provided in S. W. B. vehicles.
- (c) Ultimately fabrication of bodies on L. W. B. chassis entails approximately 30 per cent additional work as compared with the bodies fabricated on S. W. B. chassis. Thus manufacturing of body on L. W. B. entails 14 to 16 additional seats and more consumption of aluminium sheets, angle iron, etc., plus additional labour. Therefore, the cost of bodies on L. W. B. chassis is bound to be higher as compared with the cost of bodies fabricated on S. W. B. chassis. In so far as the prices of material are concerned it goes without saying that these are increasing year to year. Hence prices of material required for body fabrication were definitely higher during the year 1960-61 as compared with prices prevailing during the year 1959-60. Therefore, cost of the bodies turned out during the year, 1960-61 was higher which was, however, not disproportionate keeping in view the 30 per cent additional work done.

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

(30) *Page 158, paragraph 206—Establishment Charges*—In this case as in the past, the proportionate cost of the Headquarters Establishment had not been charged in the accounts under review. This had the effect of understating the cost of production.

The Department explained that the matter has already been considered by the public Accounts Committee in its meeting held on 2nd September, 1964 under Paragraph 252—256 of the Commercial Accounts for the year 1957-58 and the point was finally dropped.

The paragraph was dropped.

(31) *Page 158, Paragraph 207—Sundry Debtors*—The amount of Sundry Debtors as on 30th June, 1961 worked out to Rs. 8,27,432 as against the Sundry Debtors amounting to Rs. 9,03,206 as on 30th June, 1960. The debts represented mostly the cost of material and fabrication charges of bus bodies outstanding against different units of the Board.

The Department explained that out of Rs. 8,27,432 outstanding against Sundry Debtors, a sum of Rs. 5,54,195 has been realized upto 30th June, 1965 leaving a balance of Rs. 3,58,011 which is recoverable from sister services through book-adjustment. Efforts are being made to adjust the balance in the Current Financial Year.

Subject to verification of recoveries by Audit, the paragraph was dropped.

(32) *Page 162, Paragraph 208*—In this case the Department was asked to furnish the details about the difference in prices.

The Chairman, Road Transport Corporation placed before the Committee a statement showing the details of difference in prices for the year 1960-61 in respect of B. B. W. Lahore and explained that certain stores were obtained from Road Transport Corporation's Central Stores, Lahore, for fabrication in Body Building Workshop, Lahore. As the original documents were not received simultaneously with the stores, the costs of material were calculated on provisional basis, in the light of estimated rates. The difference between the "Actual prices" and "Provisional Cost" was, however, finally adjusted.

Subject to verification by Audit the paragraph was dropped.

IV. The Committee then adjourned to meet again on 7th September, 1967 at 9 00 a.m.

LAHORE:

The 5th September, 1967.

ZAIN NOORANI

Chairman, Standing Committee on  
Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 7TH SEPTEMBER, 1967 AT 9-00 A.M.  
IN COMMITTEE ROOM 'C' OF THE ASSEMBLY BUILDING, LAHORE.**

**1. The following were present :—**

- |   |     |                 |
|---|-----|-----------------|
| (1) Mr. Zain Noorani, M. P. A.  | ... | Chairman.       |
| (2) Chaudhri Muhammad Nawaz, M. P. A.   | ... | Member.         |
| (3) Qazi Muhammad Azam Abbasi, M. P. A.   | ... | Member.         |
| (4) Mr. Malang Khan, M. P. A.   | ... | Member.         |
| (5) Chaudhri Muhammad Sarwar Khan, M. P. A.   | ... | Member.         |
| (6) Rai Mansab Ali Khan Kharal, M. P. A.  | ... | Member.         |
| (7) Rais Haji Darya Khan Jalbani, M. P. A.  | ... | Member.         |
| (8) Mr. Akhlaq Hussain, T.Q.A., C.S.P., Additional Secretary to Government of West Pakistan, Finance Department   | ... | Expert Adviser. |
| (9) Mr. Nuzhat Hussain, P.A. and A.S., Director, Audit and Accounts (Works), West Pakistan  | ... | By invitation.  |
| (10) Mr. Mazhar Munir, Joint Secretary to Government of West Pakistan, Communications and Works Department alongwith Chief Engineers of various Regions | ... | Ditto.          |
| (11) Mr. M. U. Arain, Chief Engineer, Agricultural Development Corporation  | ... | Ditto.          |

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

II. The Committee considered the explanations of the Communications and Works Department in respect of the following items appearing in the Appropriation Accounts for 1960-61.

(1) (i) *Page 3, Paragraph 5—Grant No. 39—Town Development—Saving Rs. 44,00,414—*

(ii) *Page, 7, Paragraph 12 (ii)—Surrender in excess of Saving—  
Rs.*

Original Grant	...	1,89,66,700	
Modified Grant	...	1,21,64,710	
Actual Expenditure	...	1,45,66,296	
Surrender	...	68,01,990	as against saving of Rs. 44,00,414.

The Department stated that the figure of final grant given in the Appropriation Accounts as Rs. 1,89,66,710 was not correct. The Department's contention was that this figure included the item of Rs. 18,00,000 which was on account of Establishment of Mandi Towns in the Ghulam Muhammad Barrage Area which scheme was being administered by the Board of Revenue, and, therefore, the Department of Communications and Works was not concerned. According to the Department, the final grant under the head stood at Rs. 1,21,64,700. As against this, the Department's figure of actual expenditure was Rs. 71,91,286 but the Audit Department did not accept this figure of expenditure and according to their books, the actual expenditure was Rs. 1,45,66,296.

The Committee tried to ascertain the correct position and came to the conclusion that the Department had failed to respond to the requests made by the Director, Audit and Accounts (Works) that the figures should be reconciled if the Department contended that they were incorrect in the Appropriation Accounts. Unless the figures were reconciled and correct figures of final grant and expenditure emerged as a result thereof, the Committee could not go into the matter any further. The Committee, therefore, deferred further consideration of this Paragraph as well as Paragraph 12 (ii), which would be taken up with the Accounts for 1961-62. In the meanwhile the Committee would like the Department to reconcile the figures with the Audit figures and arrive at an agreement as to the figures of final grant and actual expenditure. Unless that was done, it would not be possible for the Committee to see whether there has been a saving or excess under this grant.

The Finance Department was requested to co-ordinate this work between the Department and the Audit, and the Additional Secretary, Finance, agreed to provide necessary co-ordination in this work.

(2) (i) Page 5, Paragraph 8, Grant No. 28-B & R Establishment Charges—Excess Rs. 1,63,846—

(ii) Page 8, Paragraph 12 (ii)—Surrender in absence of saving—  
Rs.

Original Grant	...	1,80,75,810
Modified Grant	...	1,77,33,310
Actual Expenditure	...	1,82,39,656
Surrender	...	3,42,500
Excess	...	5,06,346

As regards item (i) the Department contended that the overall excess of Rs. 1,63,846 was about 0.91 per cent and as such required no explanation,—vide paragraph 15.4 (c) of the Punjab Budget Manual. The Committee pointed out to the Department that this paragraph has been misinterpreted by the Department. If the excess is more than 1 per cent of the modified re-appropriation, it has to be explained. The Department then placed before the Committee a fresh working paper explaining the excess of Rs. 5,06,346. The Audit pointed out that as it had just received the explanation in which the audited figures were not accepted by the Department which required verification, it was not possible at this stage for the Audit to give an opinion with regard to the explanation submitted by the Department. The Committee was perturbed to note that the Department had not been able to have the figures reconciled in this case also despite the fact that more than seven years have passed.

It was also revealed to the Committee that the Audit comments on the original explanation of the Department showing the actual figures were sent to the Department some time in January, 1967. Even at that stage, no attempt was made on the part of the Department to set their house in order and to get the figures reconciled with the Audit.

The Committee was also alarmed to note that, in the scheme of things as they exist today, this Department goes on making payments by issue of cheques without caring to get their accounts reconciled on the basis of month-to-month reconciliation which is the practice. The Committee would like the Finance Department to inquire into the matter in detail and to examine whether it would be possible for it to recommend to the Government to evolve some system of check where by the Department should not be permitted to issue cheques without getting the accounts necessarily verified periodically; otherwise, if things are allowed to continue in the present manner, it would lead to confusion of such magnitude that neither the Finance

Department nor the Government itself will at any stage, be able to know what the actual financial position is.

This paragraph should come up again before the Committee with the accounts for the year 1961-62. The Department should not take more than two months to reconcile the figures with the Audit.

(3) *Page 26, Paragraph 34—Unauthorised payment of Rs. 2,289*—In this case the contractors were paid for stacking of bricks as a distinct item. According to the audit objection, unlike Stone Metal and Bajri, the provision of stacking does not apply in the case of bricks as these are always placed in stacks whether at kiln site or any other place and the item of carriage includes stacking.

The matter was first considered by the Committee in its meeting held on 20th April, 1967 when the Department did not submit any explanation on the ground that the irregularity had been settled by the Departmental Accounts Committee. The Public Accounts Committee then pointed out to the Department that the Committee was not bound by any decision taken by that Committee. The Committee directed that the explanation called for must be submitted irrespective of whether it had been settled in the Departmental Accounts Committee or not.

The Department now explained that the contention of Audit Department that the process of stacking of bricks is included in the carriage of bricks is not correct. The unloading and stacking of bricks required more labour than that of bajri or stone metal, etc. Bajri and stone metal are unloaded from trucks and stacked in heaps whereas the bricks are unloaded from the trucks in numbers and stacked in different blocks. Moreover the rates provided for all the items under Sub-Head "II carriage of material pages 3 and 4 of schedule of Rates" do not include the cost of stacking. Under this very sub-head a note is given as "for 1000 bricks 9" take 3/4 of item No. 4 to 7 (viz. rate of stone metal and Bajri)". There is nothing specifically mentioned in the above note that 3/4th rate of item 4 to 7 also include the stacking of bricks, bajri, etc. As such the stacking of bricks being a separate process, the contractor was entitled to the payment therefor. The then Additional Chief Engineer, Buildings and Roads, Eastern Region, Bahawalpur, in his letter No. 444-89/1976-90 W (2), dated 3rd October, 1960, had clarified that the stacking of bricks was admissible as a distinct item.

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

(4) *Page 42, Para. 47 (i)—Loss of Stores worth Rs. 3503*—In this case, a loss of Government stores amounting to Rs. 3,500 was noticed during the course of local inspection for the year 1948-49. The loss was due to misappropriation of stores. The cement in bags was replaced with sand and some other articles were also misappropriated and disposed of. The certificate to the effect that stock was physically verified and found correct as recorded by the Sub-Divisional Officer in March, 1948 was a false one. Due to non-maintenance of material at site account the shortages could not be detected earlier.

The Department explained that the officers responsible for the loss were Mr. Balwani, Sub-Divisional Officer and Mr. Mirchandani, Executive Engineer. They were no more in Government Service and had perhaps migrated to India. The Department proposed to write off the loss for which action was reported to be under progress.

The paragraph was dropped subject to write off of the loss and its verification by Audit.

(5) *Page 66, Paragraph 92—Delay in Disposal of Inspection Reports and Audit Notes-17 (Civil Offices)*—The Department stated that there was no arrear of Inspection Report for this year. However, the Audit pointed out that one Audit Note pertaining to the Chief Engineer, Public Works Department (Buildings and Roads) Lahore issued, vide No. CA/AN/583-83, dated 14th October, 1960, still, remained undisposed of finally. Hence the explanation given by the Department was not wholly correct.



The Committee noted that this was one more case where the directives given by the Public Accounts Committee had not been considered by the Department while submitting their explanations and also directive in regard to action being taken against the officers responsible for non-compliance of the audit report had not been reported. The Committee was of the opinion that this Department was in the habit of not complying with the directives of the Public Accounts Committee and tried to give patch-work explanations. Subject to this observation and subject to verification and final disposal of the pending audit note, the paragraph was dropped.

(6) *Page 69, Paragraph 93—Delay in Disposal of Inspection Reports and Audit Notes (Public Works Officers) 117*—According to the Department all Inspection Reports and audit notes except 7 in the Central Region have been disposed of. The Committee however noted that no progress had been made so far with regard to the outstanding seven Inspection Reports, one Test Audit Note and ten Audit Notes.

While looking through the explanation, the Committee once again observed that the directive of the Public Accounts Committee that action should be taken against the officers responsible for delay in disposal of Reports and Audit Notes be reported to the Committee, has not been attended to. The Committee took a very serious view of this and decided that this paragraph should come up again along with the detailed explanation as to the action taken against the officers responsible and also the further progress made in the matter, to be considered along with the accounts for the year 1961-62.

(7) *Page 64-65, Paragraph 91—Expenditure on deposit works in excess of deposit received by the Public Works Department*—In this case a sum of Rs. 20,76,250 was spent on 123 works in excess of the deposits received by the Department in contravention of the rules. The Department was asked to explain why the expenditure on deposit works was incurred in the absence of deposits and to state the source from which such expenditure was incurred in contravention of rules.

In explanation the Department stated that—

“The following recoveries have so far been made :—

Region		Works involved	Amount recovered
		Rs.	
Peshawar	...	9	54,390-00
Lahore	...	45	10,07,836-00
Bahawalpur	...	41	...
Hyderabad	...	1	...
Quetta	...	19	80,696-00
Total		125	11,42,922-00

1. *Remarks*—Excess in respect of 34 works has been regularised.

2. *Excess regularized*—Efforts are being made to recover the remaining amount as early as possible. Since the satisfactory recovery has been made and outstanding works will also come up for examination in the meetings of the subsequent years the item may kindly be dropped.”

The Committee considered the above explanation of the Department and noted that nobody in the Department had bothered even to read the extract of the proceedings of the meeting of the Standing Committee on Public Accounts held on 27th

November, 1965 to submit the explanation required by the Committee. Only a statement of figures showing the amount recovered and the amount to be recovered has been submitted by the Department. Neither has the Department explained as to why the expenditure on deposit works was incurred in the absence of deposits nor have they shown the source from which such expenditure was incurred in contravention of the financial rules. The Department has also not placed before the Committee the details of any action taken so far against the officer or other employees of the Department concerned who contravened the relevant rules on the subject. The Committee therefore felt that the Department was not in a position to explain the matter. The Committee asked the Department to report to the Committee as to who was responsible for giving this sort of explanation to the Committee and what action has been taken against him.

The paragraph was deferred to be taken up alongwith the accounts for 1961-62.

(8) *Page 72, Paragraph 94—Delay in preparation and submission of various Accounts Returns*—The Department explained that except for one Stock Return in Central Region, Lahore and 3 Stock Returns in Western Region, Quetta, all the arrears of Accounts, Documents and Returns have been cleared. According to Audit 41 Stock Returns were awaited.

The Committee observed that in the absence of reconciliation of figures by the Department with the Audit it could not be said whether there were only three, four or forty-one Stock returns that have not been cleared as yet. Here again the Committee pointed out to the Department that nobody in the Department bothered to read the proceedings of the Public Accounts Committee and to submit the explanations called for by the Committee. The Committee directed that the Department should submit to the Committee in detail the various stages of the Accounts Returns from 1964 onwards and also submit the information asked for by the Committee earlier.

The paragraph was deferred to come up again before the Committee when accounts for the year 1961-62 are examined.

(9) *Page 75, Paragraph 96—Un-responded items under the head "Transfer between P. W. Officers"*—In the account for the year 1960-61 debits to the tune of Rs. 9,21,32,186 were raised by the Divisional Officers against other Sister Divisions on account of supplies made or services rendered. The advices for transfer of debits issued by the Originating Divisions were not responded to promptly by the Divisions concerned with the result that at the close of the year debits to the extent of Rs. 4,85,77,536 were transferred to the head "Miscellaneous P. W. Advances" for re-raising the debits in the Accounts of the subsequent years.

Similarly a credit of Rs. 5,56,94,432 was advised to the other divisions, out of which a sum of Rs. 1,30,36,643 was ultimately transferred to the head 'P. W. Deposits' at the close of the year for adjustment in the next year's account.

As most of unresponded items placed under 'Miscellaneous P. W. Advances' and 'P. W. Deposits' during the year have been adjusted in the accounts of the subsequent years, the paragraph was dropped.

(10) *Page 75-76, Paragraph 96—Non-preparation of Capital and Revenue Account from 1940-41 onward*—The Director, Audit and Accounts (Works), West Pakistan is required to compile and publish once in three years C. and R. Accounts of the residential buildings under the charge of the P. W. D. with the exception of quarters in the Chauburji Gardens Estate, the Accounts of which are published yearly. These accounts are published with the object of reviewing and bringing to notice, inter

also, the financial result of each year or each period of three years as the case may be and to determine whether the expenditure incurred on the maintenance and repairs of the buildings in question does not exceed the rent charged in lieu thereof resulting in loss to the Government. The data needed for the compilation of these accounts is to be furnished to the Director, Audit and Accounts (Works), West Pakistan, Lahore, by the P. W. Divisional Officers and Estate Officer, West Pakistan. These Accounts were not compiled in the case of the following Areas for the periods noted against each due to non-receipt of necessary information, complete in all respect from most of the Public Works Divisional Offices and the Estate Office.

1. Former Government of Punjab 1940-41 onwards.
2. Former Government of Sind 1946-47 onwards.
3. Former Government of N. W. F. P. 1951-52 onwards.

The Department explained that the Chief Engineers, Peshawar, Bahawalpur, Hyderabad and Quetta have intimated that no Capital and Revenue Account is outstanding. In Central Region Lahore, Audit Office showed 30 Capital and Revenue Accounts outstanding upto 1960-61. In D. P. No. WM (P) 242 for 1961-62 only 5 capital and Revenue Accounts were shown as outstanding upto 1961-62. These five Accounts were also cleared. In his letter No. WM-IV/XII-24/B & R/Genl/185-189, dated 15th December, 1966, the Director, Audit and Accounts showed 73 Capital and Revenue Accounts outstanding upto 1960-61. The figures supplied by the Audit at three occasions differed.

According to Audit 128 Capital and Revenue Accounts were outstanding upto 30th June, 1967.

The Committee decided that the Department should clear up the arrears within a period of two months and submit report to the Committee when the accounts for the next year are considered.

(11) *Page 76, Paragraph 97—Outstanding Adjustment Memos*—In this case, 788 adjustment memos involving Rs. 1,52,963 were not responded by the Divisional Officers of the Department.

The Department explained that the Chief Engineers, Peshawar, Bahawalpur, Hyderabad and Quetta have intimated that all the Adjustment Memos upto 1960-61 have been cleared. The Chief Engineer, Lahore has stated that 133 Adjustment Memos are still to be adjusted and all efforts are being made to clear them and the main difficulty in verifying the charges was that the original vouchers or duplicate copies in support of the debits were not made available by the Audit. The Chief Engineer, Lahore, further stated that the latest position was that only 90 Adjustment Memos remained to be cleared.

The Committee noted that the explanation given by the Department for the non-clearance of 133 Adjustment Memos was that original vouchers or duplicate copies in support of the debits had not been made available by the Audit to the Chief Engineer but no records exist to show that the Chief Engineer had, at any time, brought this to the notice of the Audit. As such, the Committee could only come to the conclusion that this excuse submitted to the Committee was merely an attempt to put forward a plausible explanation. The Committee desired that the arrear of 90 Adjustment Memos should be cleared immediately.

The Committee once again noted that its directive with regard to disciplinary action had not been attended to. The Committee desired that the Secretary, Communications and Works Department should look into it personally and ensure that disciplinary action, wherever necessary, is taken at the earliest.

Subject to verification by the Audit of clearance of the remaining 90 Adjustment Memos and observation regarding disciplinary action, the paragraph was dropped.

(12) *Page 76, Paragraph 98—Contract Agreements not supplied to Audit*—Audit pointed out that in 328 cases, copies of the Contract agreements were not supplied to Audit.

The Department explained that the Chief Engineers, Peshawar, Bahawalpur, Hyderabad and Quetta have intimated that all the Contract Agreements required to be sent to Audit have been duly sent. The Chief Engineer, Lahore has intimated that 4 Contract Agreements were outstanding.

The Committee desired that the Department should submit these four Contract Agreements to the Audit at the earliest.

During the consideration of this paragraph, the Department maintained that the reason for the late submission of these Contract Agreements was that in actual practice agreements are made out and signed after the work commences because often the estimates are not finalised prior to the starting of the work. The Committee felt that this was a most unhealthy practice and was of the opinion that it should be discontinued at once.

subject to these observations, the para was dropped.

(13) *Page 77, Para 99—Expenditure on pay and Allowances of Government Servants acquitted by Courts of Law in Criminal cases on reinstatement to their posts*—During the year 1960-61, the Buildings and Roads Department reported that a sum of Rs. 13,642 was paid in cases in which the Government servants placed under suspension were, on acquittal by Courts, treated as on duty and paid full pay and allowances for the period of their suspension.

The Committee had asked the Communications and Works Department to report the total number of Criminal cases filed against the officials out of whom in 3 cases officials had been acquitted.

The Department stated in the explanation that the total number of criminal cases filed in the courts against the officers working in the Communications and Works Department (out of which 3 officials were acquitted by the Courts) would be indicated by the Chief Engineers in the Public Accounts Committee meeting.

The Committee observed that the Department did not furnish the requisite information. The paragraph was deferred to come up again before the Committee with the accounts for the year 1961-62.

(14) *Page 445, Paragraph 9—Irrecoverable Loss of Stores*—Audit pointed out that in certain cases loss amounting to Rs. 29,276 occurred due to shortage of Stores, the cost of which had become irrecoverable due to migration of responsible persons to India.

The Department explained that the stores worth Rs. 21,920/11 and Rs. 7,255 were lost immediately on or after Independence through the negligence of non-muslim employees of the Department who migrated to India. The sanction to write-off the above amount was accorded on 31st August, 1959.

Subject to supply of the copy of the sanction for write-off and its verification by the Audit, the paragraph was dropped.

(15) *Page 9, Paragraph 14 read with page 445, Paragraph 10—Un-authorised sale of Government Stores worth Rs. 12,548*—In this case Government material worth Rs. 12,548 was sold on credit to private persons in contravention of the Government orders on the subject.

According to the Department the paragraph related to three Divisions as detailed below :—

Serial No.	Name of Division	Particulars of stores sold	Cost	To whom sold
(i)	Construction Division No. 1.	300 cement jute bags	2,118.73	Malik Faiz Rasul, Advocate, Multan.
(ii)	Ditto.	200 cement jute bags	1,412.50	Mr. Khaleel-ur-Rehman, Superintendent, District Jail, Rahimyar Khan.
(iii)	Rahimyar Khan Provincial Division.	1000, 2000 Pacca bricks.	105.09	
(iv)	Lyallpur Provincial Division.	Cement in jute bags	8,911.50	Malik Fateh Sher etc.
	Now Jhang Provincial Division (Jhang Construction Sub-Division).			
		Total	12,547.82	

The position of each item was stated to be as under :

(i) *Multan Construction Division, No. 1—500 Cement Bags*—In the case of "construction of Pak-German Demonstration Farm, Chak No 5 Faiz Multan," instead of using cement mortar, provision for lime mortar was made in all the estimates according to the standing instructions of the Chief Engineer. A sufficient stock of cement was arranged before hand. Since there was no likelihood of using cement, the situation was brought to the notice of Additional Chief Engineer who issued instruction that cement may be used upto 1 foot above the plinth in the buildings being constructed at German Farm and surplus cement available may be issued to public on issue rates in case it cannot be consumed. The sale of 500 cement bags was allowed by the Superintending Engineer to avoid wastage/deterioration due to the weather effect, etc. Had the cement not been issued to public it would have lost its utility and ultimately got set rendering loss to Government. Under paragraph 4.37 of Buildings and Roads Code, the Superintending Engineer was competent to allow the sale. Thus the cement was issued to public in the interest of Government. There was no loss to Government.

(ii) *Provincial Division Rahimyar Khan—3,000 Pacca Bricks*—The sale was made by the Executive Engineer to the Superintendent, District Jail, Rahimyar Khan, for use on Government work. The bricks were used on construction and repair of Jail buildings. There is a certificate to this effect from the Superintendent. The bricks were surplus to the requirements of the Department.

(iii) *Lyallpur Provincial Division No. 1, now Jhang Provincial Division (Jhang Construction Sub-Division)*—In the year 1954, there were heavy rains in Jhang which caused leakage of godowns where the cement was stored. Strenuous efforts were made to safeguard the cement but some quantity thereof was partially set due to leakage in the godown. The partially set bags were sorted out for disposal through sale to avoid further loss to already affected bags. The case was reported to the Chief Engineer who authorised the Superintending Engineer to dispose of the partially set cement bags through sale. Accordingly the bags were disposed of through sale.

In the oral explanation the Department admitted that the explanation given with regard to the sale of cement in Jhang was totally incorrect.

The Committee took a very serious view of submission of explanation of this nature which subsequently turned out to be wholly untrue or distortion of truth. It was evident that whoever was responsible for the preparation of the working paper

and scrutinising them in the Communications and Works Department did not take sufficient interest. The Committee would like the Department to report, after a detailed inquiry, as to who was responsible for the fabrication contained in this explanation and the action taken by the Department in the matter. The Committee desired that the Secretary of the Department should personally look into this matter also and take the maximum possible action so as to prevent the officers in the Communications and Works Department resorting to distortion of facts while submitting explanation to the Public Accounts Committee.

The Paragraph was deferred to come up again before the Committee along with the accounts for 1961-62.

(16) *Page 511, Annexure 2—Shortage of Stocks*—In this case stores worth Rs. 7,098 were found short by an Overseer at the time of his taking over charge. The defaulting Overseer was tried in a court under Martial Law but was acquitted. As a result of departmental inquiry the defaulting overseer was found responsible for the loss and orders for effecting recovery from him were passed but no recovery was made from him till 1960-61.

The Department explained that the amount of Rs. 7,098 represented the actual cost of stores found short. After adding the supervision and storage charges the amount recoverable from the Overseer stood at Rs. 8,092. The recovery of this amount started from May 1962. A sum of Rs. 4,538 has already been recovered. The recovery of the balance amount was also being effected at the rate of Rs. 70 per mensem from the overseer concerned.

The explanation was found to be satisfactory and the paragraph was dropped subject to the recovery of the remaining amount.

(17) *Page 511, Annexure 3, Loss of Government Stores—Rs. 1,161*—In this case 172 bags of cement were damaged due to heavy rain. The case was pending for final action as per Audit Report.

The Department explained that two wagons of cement were unloaded on 2nd August, 1960. Suddenly the rain began and in consequence 172 cement bags were effected by the rain. Though the loss was not due to any laxity of the Department or the contractor but was attributed to natural circumstances, yet the amount of Rs. 1,101 was adjusted against the dues of the Carriage Contractor in the Accounts for November 66 of L. I. T. Division.

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

(18) *Page 511, Annexure 4, Loss to Government due to breach of Contract*—In this case a contractor claimed payment on account of losses borne by him due to the breach of contract. The cases were referred to an arbitrator who gave an award in favour of the contractor. As a result of this the Government was put to a loss of Rs. 11,150 on account of irregularities committed by the departmental authorities.

The Department explained that supply of bricks for works in Sargodha Provincial Division; and supply of bricks on Bhera Bhalwal Road were let out to Khawaja Minhaj-ud-Din, Contractor during 1953 in pursuance of an agreement. The contractor invoked arbitration. The arbitrator gave award in favour of the contractor. The amount was accordingly paid. The Payment was based on the award which was justified and no one was at fault. No irregularity was committed.

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

(19) *Page 511, Annexure 5—Overpayment of Rs. 4,96,954*—In this case an agreement for the construction of bridges of different sizes on a road was entered into with a firm at 39 per cent above the estimated rates. During the execution of the work bridges higher and larger than those provided in the tender were constructed. The firm was over paid Rs. 4,96,954 by incorporating the rate of premium.

The Department explained that the matter was taken up by the Anti-Corruption Establishment. The Special Judge, Anti-Corruption acquitted the accused. The



appeal lodged with High Court of West Pakistan was dismissed. A copy of the decision was sent to Audit. No Audit comments thereon were received. The relevant record was awaited from the Court of Law. Further action, if any, desired by Audit, would be taken on receipt back of the connected records.

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

(20) Page 512, Annexure 6—*Theft of Government Stores and cash—Rs. 375*—In this case theft of 150 H.G.I. Pipelaid in a D-Type Colony took place on 25th July, 1958. The case was registered with the police who after investigation recovered some of the stores from the culprit.

The Department explained that a theft of the following material took place in 'D' Type Colony, Lyallpur on 25th July, 1958 :—

	Rs.
(1) 700 Nos. Lead Connections at Rs. 5 each	... 3,500-00
(2) 200 Nos. Stop Cocks at Rs. 2 each	... 100-00
(3) 200 Nos. Bib Cocks at Rs. 2 each	... 400-00
(4) 6 Nos. Cistern of 3 Gallons at Rs. 75	... 450-00
(5) 1500 Rft. G. I. Pipe at Rs. 1/2	... 1,687-50
(6) 89 Rft. Flush Pipe at Rs. 5	... 400-00
Total	... 7,437-50

(Quantity under objection, i.e., 150 Rft. G.I. Pipe is included in item 5 above).

A case was registered with the police who after trying the culprits in the Court declared the material irrecoverable except (Stop Cook with Nipple 3 Nos. and Lead connections 16 Nos.). On the basis of the final report dated 13th December, 1961 of the police an estimate of losses of stock amounting to Rs. 6,418, after deducting the cost of the recovered material, was prepared and sent to the Deputy Rehabilitation Lahore for approval of the competent authority. The matter was under correspondence. In the meantime Departmental action was being taken.

The Committee decided that the result of the inquiry of the Department be awaited and the paragraph should come up again before the Committee with the Accounts of 1961-62.

(21) Page 512, Annexure 7—*Unreliable Muster Roll*—In this case serious irregularities in the maintenance of Muster Rolls and making payment thereof were noticed by the Audit which made the payments doubtful and irregular.

The Department explained that explanations of the officers involved, i.e., the then Sub-Divisional Officer and the Executive Engineer, and also replies to the Audit observations, required to be made by the Superintending Engineer were sent to Audit. In the meantime the case was referred to the Anti-Corruption Establishment. The Audit Office, vide their Memo. No. 1-R III/Tank/59-60/AR/179, dated 9th August 1963 informed that further comments would be intimated after the receipt of the findings of the Anti-Corruption Establishment.

The Committee decided that the result of the inquiry being made by the Anti Corruption Establishment be awaited and the paragraph should come up again before the Committee with the Accounts of 1961-62.

III. The Committee then adjourned to meet again on 8th September, 1967 at 9-00 a.m.

LAHORE :

The 7th September, 1967

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.



**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 8TH SEPTEMBER, 1967 AT 9 00 A.M.,  
3.00 P.M. ON 9TH AND 12TH SEPTEMBER, 1967 IN 'TEA ROOM' OF  
THE ASSEMBLY BUILDING, LAHORE.**

**1. The following were present :—**

- |  |    |                 |
|--|----|-----------------|
| (1) Mr. Zain Noorani, M.P.A.   | .. | Chairman.       |
| (2) Bai Mansab Ali Khan Kharal, M.P.A.   | .. | Member.         |
| (3) Chaudhri Muhammad Sarwar Khan, M.P.A.  | .. | Member.         |
| (4) Chaudhri Muhammad Nawaz, M. P. A.  | .. | Member.         |
| (5) Mr. Malang Khan, M. P. A.  | .. | Member.         |
| (6) Rais Haji Darya Khan Jalbani, M. P. A.   | .. | Member.         |
| (7) Qazi Muhammad Azam Abbasi, M. P. A.  | .. | Member.         |
| (8) Mr. G. D. Memon, Joint Secretary to Government of West Pakistan, Finance Department.   |    | Expert Adviser. |
| (9) Mr. Nuzhat Hussain, P. A. and A. S., Director, Audit and Accounts (Works), West Pakistan.  |    | By Invitation.  |
| (10) Mr. Niaz Ahmed, C.S.P., Secretary to Government of West Pakistan, Communications and Works Department alongwith Chief Engineers of various regions. |    | Ditto.          |

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

II. The Committee considered the explanations of the Communications and Works Department in respect of the following items appearing in the Appropriation Accounts for the year 1960-61.

(1) Page 3, para 5 read with pages 437-441—Grant No. 40—Civil Works—Capital—81—Capital Account.

	Rs.
Grant .. .. .	11,65,56,900
Expenditure .. .. .	9,21,82,848
Saving .. .. .	2,43,74,062

Out of the grant of Rs. 11,65,56,900 the Department had surrendered Rs. 2,69,93,400 and then spent Rs. 9,21,82,848 an excess of Rs. 26,19,348.

The Department explained the surrender of Rs. 2,69,93,400 under the following sub-heads:—

(1) *Reconditioning of G. T. Road Mile 192, 196, 203 and 207—Surrender—Rs. 2,00,000—*This amount was surrendered by the Department due to slow progress of the contractors.

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

(2) *Construction of Shingled Road from Wana to Manzar Abo Lee Khawar (S.N.A.)—Surrender Rs. 2,52,610—*This amount was surrendered by the Department as the Political Agent failed to nominate the Contractor and it was not possible to start the work and utilize the grant in full.

The explanation was found to be satisfactory and the item was dropped subject to supply to Audit of copies of references made to the political Agent.

(3) *Construction of Bahawalpur Bastimulk Road Section Adamwan to Multan Surrender Rs.—3,00,000—*The Department explained that the amount was

surrendered as the formalities for acquisition of land could not be finalized and the compensation was not likely to be paid during the year.

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

(4) *Construction of Lyallpur Khunianwala Road—Surrender Rs. 9,420.* The amount was surrendered as approval of the Central Government for acquisition of evacuee land was not received.

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

(5) *Construction of Chowkiwala Taunsa Road Mile 39—48—Surrender Rs. 90,000.* The Department explained that the scheme of constructing bridge over Sanghar stream could not be finalized. It was, therefore, not possible to provide additional bridges and culverts and complete two miles length as construction thereof depended on the location of High level Bridge. The grant which was meant for this object, therefore, was not expected to be utilized and was surrendered.

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

(6) *Original Works Communications—Surrender Rs. 18,50,990.* The Department furnished the following details:—

	Original grant	Modified grant.
(1) Improvement to Karachi Peshawar Road in mile ½ to 143 in Karachi Buildings Division. . . . .	Rs. 18,70,000	Rs. 2,01,000
Surrender . . . . .	..	18,69,000
(2) Improvement to Karachi Peshawar Road in mile 52—147 in Nawabshah Road Division. . . . .	5,00,000	4,00,000
Surrender . . . . .	..	1,00,000
(3) Survey and levelling of Roads in Southern Re- gion . . . . .	90,000	17,000
Surrender . . . . .	..	73,000
(4) Improvement to Bridge over Kotri Feeder in mile 66/3-4 . . . . .	8,900	..
Total Surrender	18,50,900	..

The following reasons for the surrenders were furnished seriatim:—

(i) The scheme for Improvement under consideration of Government was abandoned.

(ii) Work was nearly completed only liabilities worth Rs. 3.0 lakh were required to be cleared.

(iii) Originally an allotment of Rs. 10,000 was received against which Rs. 7,000 only was demanded. The surrender of Rs. 3,000 was due to postponement of works of Guddu Barrage and Ghulam Muhammad Barrage. While sanctioning the revised grant in 2nd List of Excesses and Surrenders, Finance Department modified the figures of original and final grant as Rs. 90,000 and 17,000 respectively on their own accord.

- (iv) Funds to the extent of Rs. 6,900 were demanded against the original grant but the amount was sanctioned by the Finance Department in the 2nd List of Excesses and Surrenders on their own accord.

The Committee was of the opinion that as far as the surrender of Rs. 16,69,000 relating to Karachi—Peshawar Road was concerned, it was a clear case of bad budgeting. Knowing in advance that the land had already become water-logged and not suitable for the purpose, the Department should not have asked the Government for the provision of funds.

Explanation with regard to the surrender of Rs. one lac, regarding Nawabshah Road was considered satisfactory.

With regard to surrender of Rs. 73,000 regarding Survey and levelling of Roads in Southern Region, the Department wished to change the explanation given in the working paper and admitted that a mistake had been made in their department at the time of asking for funds and submission of second statement of excesses and surrenders and instead of Rs. 10,000 an amount of Rs. 90,000 had been inadvertently asked. The Committee accepted the explanation of the Department but at the same time warned the Department to be more careful in future and avoid mistakes.

The explanation of the Department with regard to surrender of Rs. 8,900 regarding bridge over Kotri Feeder, was considered to be satisfactory.

(7) *Construction of School and boarding house at Laddah (South Waziristan).*—Surrender Rs. 1,87,300—The Department explained that due to non-nomination of contractors and selection of site by the Political Authorities the allotment was surrendered.

Subject to supplying of copies of relevant papers and their verification by Audit, the item was dropped.

(8) *Opening of Hospital at Dargai.*—Surrender Rs. 1,00,000—The Department explained that the work was in progress from previous year and a grant of Rs. 3,81,000 was allotted during the year 1960-61 necessary provision was therefore made in the first and 2nd list of Excesses and Surrenders. The Provision was however, reduced to Rs. 2,61,000 by the Finance Department without assigning any reasons.

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

(9) *Construction of a Shingled Road from Kathai Imar.*—Surrender Rs. 3,55,000—The Department explained that as the Political Agent South Waziristan failed to nominate the contractors, the grant was surrendered.

Subject to supplying of copies of relevant papers and their verification by Audit the item was dropped.

(10) *Construction of Black top road Junction of Peshawar Michni Abazai Road to mile 20/3 Pir Killi Yousaf Khel Village.*—Surrender Rs. 2,45,220—The department explained that due to non availability of administrative approval and late nomination of contractor by the Political Agent it was not possible to utilize the full grant during the year.

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

(11) *Construction of Building for Agriculture Staff in Tribal Areas.*—Surrender Rs. 22,960—The Department explained that the funds allocated for work at Miran Shah was not possible to be utilized in full due to non availability of site.

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

(12) (i) *Construction of building under the scheme for the establishment of sheep shearing centre in Peshawar Division Kaghan Balakot Hazara District.*—Surrender Rs. 2,00,000—(ii) *Buildings for the Government Institute for the blind.*

at Peshawar Surrender Rs. 41,500—According to the Department the grant could not be spent due to non-availability of administrative approval from the concerned Department. The Audit pointed out that according to the Budget Manual it was essential that the funds could not be appropriated for any manoeuvre for which administrative approval had not been received. The Finance Department disputed this point and stated that there was no bar on making a provision in the Budget Estimates for a scheme which was foreseen only that the expenditure could be incurred after the necessary administrative approval or the technical sanction was accorded. The Committee drew the attention of the Joint Secretary, Finance to para 7.6 of the Punjab Budget Manual which reads as follows:—

“The following instructions should be observed in preparing the schedule of new expenditure or lists of major or minor works:—

(b) (ii) No project should be included in the list of major works which has not received the necessary administrative approval”. The Joint Secretary, Finance contended that in view of the changed circumstances and the tremendous increase in the pace of development in the country it was essential to modify or alter this provision in the Budget Manual. The Committee agreed with him that the Budget Manual having been drafted much before the creation of Pakistan, and last revised in 1953, the time has come when it should be completely revised and redrafted according to the changed circumstances. The Joint Secretary Finance, informed the Committee that this was being done and that in all probability the work would be completed some time during this year.

As far as these items were concerned the Committee, therefore, felt

- (1) that the provision of the amount for this purpose should not have been included in the first instance in the Budget without proper and prior administrative approval—
- (2) that the provision having been made and the amount granted the administrative Department should have taken steps to have communicated the sanction to the Buildings and Roads Department at proper time.

The Committee was of the opinion that as far as the Communications and Works Department was concerned the explanation was satisfactory.

(13) *Construction of Science Laboratory in connection with the Starting of science classes in the Government College for Women at Peshawar—Surrender Rs. 90,000—*

(14) *Construction of Government Wool Spinning and Weaving development cum-training Centre at Balakot Kaghan Valley—Surrender Rs. 2,85,000—*The Department explained that as the work was not likely to be started due to non-selection of site it was not possible to utilize the full allotment during the year.

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

(15) *Construction of Building in connection with the Scheme of opening of new development Centres-cum-Training Centre for Carpet Industries at Bannu—Surrender Rs. 1,44,000—*The Department explained that as the detailed requirements asked for from the industries Department were not expected to be received during the year the full amount was surrendered.

Subject to the Department's supplying copies of the relevant papers asked for by the Audit and subject to the satisfaction of the Audit, the item was dropped.

(16) *Construction of Sericulture Farm in Northern Zone—Surrender Rs. 96,000—*The department explained that as the Administrative approval was not expected during the year, the full grant was surrendered.

The Committee made the same remarks as in the case of item (12) above.

(17) *Construction of Building for Training of field Assistant at Sargodha—Surrender Rs. 15,000*—The Department explained that the work which related to S. E. Lyallpur Provincial Circle was reported for Surrender through the 2nd list of Excesses and Surrenders for 1960-61. Hence the surrender which had been made in order to avoid lapse was unavoidable.

On further examination by the Committee it was stated that the total amount provided for the scheme was Rs. 15,000 and that the same was not spent since the administrative approval was not received.

The explanation as given was acceptable to the Committee but the Committee wished to pointed out to the Department that it would have been proper and appropriate if full explanation had been included in the Working Paper. The nature of the oral explanation given at the meeting was not such as could not have been included when the working paper was being prepared.

The item was dropped.

(18) *Construction of Agriculture Store at P.D. Khan—Surrender Rs. 2,000*—The Department explained that the work was included in the Schedule of New Expenditure for 1960-61 by the Agriculture Department and funds to the extent of Rs. 2,000 were received in the Budget Estimates for 1960-61 which were surrendered through the 2nd List of Excesses and Surrenders for 1960-61 in order to avoid lapse as the Administrative Approval was not received from the Administrative Department.

The Committee made the same remarks as in the case of 12 above.

(19) *Building for Government Printing Press, Lahore—Surrender Rs. 46,300*—The Department explained that the Administrative Approval was conveyed to the Department by the Industries and Commerce Department on 10th January 1961. It was not possible for the Department to utilise the full grant after observing Codal formalities such as technical Sanction, calling tenders and acceptance thereof.

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

(20) *Construction of Physical College at Lahore—Surrender Rs. 3,20,000*—The Department explained that the Surrender is due to the fact that the Government have not sanctioned the estimate in respect of work in question.

The Committee made the same remarks as in the case of (12) above.

(21) *Construction of Nurses Home and Operation Theatre in Lahore General Hospital at Lahore—Surrender Rs. 3,50,000*—The Department explained that the surrender was due to the fact that the allotment was received very late. Moreover, the possession of land had not been delivered by the authorities concerned.

The Director of Audit (Works) pointed out that the explanation as submitted by the Department was not correct. He referred to page 458 of the Appropriation Accounts, wherein item 131 says that the original appropriation was Rs. 5,50,000 the modified appropriation was Rs. two lacs and expenditure was Rs. 2,22,231. Hence there was an excess expenditure of Rs. 22,231. In view of the above the Committee does not accept the explanation given by the Department. The Committee had to observe that this was one more case where sufficient interest had not been taken by the Department in preparing the working papers and submitting proper and correct explanation to the Public Accounts Committee.

(22) (A) *Construction of new Primary Health Centre and up-grading of existing dispensary Kot Nainan—Surrender Rs. 2,11,690*—(b) *Construction of New Primary Health Centre and up grading of existing dispensary, Sodhran—Surrender Rs. 1,61,670* (c) *Construction of new Primary Health Centre and up grading of existing Dispensary, Khangah Dogran—Surrender Rs. 25,000*—(d) *Construction of new Primary Health Centre and up-grading of existing dispensary, Rajana—Surrender Rs. 25,000*—The Department explained that works were being let out to some agency for execution and there was no possibility that the full allotment will be consumed.

The Committee found the explanation as unsatisfactory.

	<i>Surrender</i>
(23) <i>Construction of New Primary Health Centre at Manday, Jhelum</i> ..	1,36,670
Construction of New Primary Health Centre and Up-grading of existing dispensary at Mochiwala (Jhang) ..	25,000
Up-grading of existing dispensary into primary Health Centre at Karian, District Rawalpindi .. ..	35,000
Up-grading of existing dispensary into Primary Health Centre at Lora, District Hazara .. ..	40,000
Up-grading of existing dispensary into Primary Health Centre at Tajori, District Bannu. .. ..	40,000
Up-grading of existing dispensary into Primary Health Centre at Naryab, District Kohat .. ..	35,000
Up-grading of existing dispensary into Primary Health Centre at Lawa, District Campbellpur .. ..	50,000
Up-grading of existing dispensary into Primary Health Centre at Paroa, District Dera Ismail Khan .. ..	50,000
Up-grading of existing dispensary into Primary Health Centre at Qamar Mashahi, District Mianwali .. ..	50,000
Construction of Primary Health Centre, Lala Musa, District Gujrat. .. ..	1,30,000
Construction of Primary Health Centre and Up-grading of dispensary as Primary Health Centre at Sher Sultan, District Muzaffargarh. .. ..	1,12,330
Construction of Primary Health Centre and Up-grading of Dispensary as Primary Health Centre at Chanighoth .. ..	1,12,330
Construction of Primary Health Centre and Up-grading of dispensary as Primary Health Centre at Fazil Pur, District Dera Ghazi Khan .. ..	1,12,330
Construction of Primary Health Centre and Up-grading of dispensary as Primary Health Centre at Rojana and Mianwali .. ..	2,24,660
Construction of Primary Health Centre and Up-grading of dispensary as Primary Health Centre at Katcha Khoo (Multan) .. ..	1,12,330
Construction of Primary Health Centre and Up-grading of dispensary as Primary Health Centre at Bulri .. ..	1,11,670
Construction of Primary Health Centre and Up-grading of dispensary as Primary Health Centre at Tando Muhamm- ad Khan .. ..	25,000
Construction of Primary Health Centre and Upgrading of dispensary as Primary Health Centre at Jamesabad. .. ..	25,000
Construction of Primary Health Centre and Upgrading of dispensary as Primary Health Centre at Mirpur Sakro. .. ..	25,000
Construction of Primary Health Centre and Upgrading of dispensary as Primary Health Centre at Singhor .. ..	25,000
Construction of Primary Health Centre and Upgrading of dispensary as Primary Health Centre at Rato Dero .. ..	25,000
Construction of Primary Health Centre and Upgrading of Dispensary as Primary Health Centre at Panoakil .. ..	25 000

The Department explained that possession of land was not delivered by the concerned quarters. Moreover, arrangements for allotment of works to the contractor and procurement of materials could not be finalized and the estimates of the works could not be sanctioned in time. The amounts were, therefore, surrendered.

The Committee was of the opinion that all these items were cases of defective processing of the Budget on the part of the concerned Department. The explanation of the Department was not satisfactory.

(24) *Construction of L. M. C. Building Jamshero—Surrender Rs. 15,20,800—*The Department explained that as the transfer of this building to Sind University was under consideration by Government only that much amount was kept with this department which could be utilised at the most before its transfer from this Department Hence Surrender.

The explanation was found to be unsatisfactory.

(25) *Constructing additional accommodation of 87,000 Tons capacity at various places in Southern Region—Surrender Rs. 11,98,500—*The Department explained that due to change of site and design of grain Godowns at Hyderabad and for want of sanction of tenders on account of unreasonable rates quoted by contractors some works could not be started in time.

The representative of the Department informed the Committee that the explanation of the Public Health Engineering Department as well as this item had been referred to him only a few days back. Therefore, he was not in a position to say anything further on it. The explanation was not found to be satisfactory.

(26) 1. *Police, L—Education, O—Agriculture, P—Veterinary, R—Industries, T—Stationery and Printing—Surrender Rs. 29,35,170—*The department furnished the following reasons for this surrender.

- (i) Due to heavy rain fall the communication got standed and the materials could not be transported to the site of work which is at a remote places and is not connected with pacca road link. Hence the allotment had to be reduced.
- (ii) Due to the dropping of scheme by Government the whole amount of allotment was proposed to be withdrawn.
- (iii) Due to non-availability of contractor for the work in the first six months the execution of work got delayed. Hence the reduction.
- (iv) At the time of submission of 2nd List when exact liabilities came into light the allotment was proposed to be reduced as per actual requirements.
- (v) Soft stone was used by the contractor in the plinth which was rejected by Higher authorities. The samples were sent to Buildings and Roads Laboratories for test and the work remained suspended during almost of the period till report was received. Hence the allotment got to be reduced.
- (vi) Due to non-receipt of the charges of the work from other Zones up to submission of 2nd List the allotment got to be reduced.
- (vii) The allotment got to be reduced as the work was under suspension under the orders of the Commissioners up to submission of 2nd List of Excesses and Surrenders there was no sure hope of its being executed during the later part of the year even.

The explanation of the Department was not considered to be satisfactory.



27. *F—General Administration, I—Police, M—Health Services, O—Agriculture, P—Veterinary, R—Industries, SW S (Education)—Surrender* Rs. 83,57,610—The Department explained the following reasons for this surrender—

- (i) The Schemes did not mature as site had not been decided by the Administrative Department.
- (ii) The Department did not arrange the Administrative Approval till the submission of 2nd List of excesses and Surrenders. The work could not be started and funds were surrendered.
- (iii) The Administrative approval was conveyed very late. The other formalities such as technical sanction, calling of tenders, letting out of the work to the contractor etc. had to be observed. The time left in the close of financial year was short and it was not possible to utilize the entire grant after fulfilling the codal formalities.
- (iv) The allotment was in excess of the requirements of the work

The explanation of the Department was accepted by the Committee except for those items where the administrative approval was not received prior to the inclusion of the requirements in the Budget proposals. The Committee's observation in respect of item (12) applies to this also.

28. *F—General Administration, G—Administration of Justice, I—Police, L—Education, Health Services, O—Agriculture, P—Veterinary, R—Industries and S—Civil Works. Surrender* Rs. 58,41,760—The Department furnished the following details of the surrender of Rs. 58,41,760.

(i) *Construction of 2,500 tons capacity Godown at Haroonabad—Surrender—*Rs. 58,700—The Department explained that this work was taken in hand during 1958-59 and expenditure of Rs. 62,592 was incurred to the end of that year. Its estimated cost was Rs. 3,46,300. Originally grant of Rs. 2,00,000 only was sanctioned for 1959-60, it having not been certain that additional funds will be made available during the same year, the balance amount of the estimate viz., Rs. 83,700 was asked for through the Budget Estimates for 1960-61 so that the work might not suffer. Since efforts were going on, additional grant of Rs. 69,200 was arranged during 1959-60 and further expenditure of Rs. 2,58,202 was incurred leaving balance of Rs. 25,506 only. In spite of the fact that reduced figures of demand for 1960-61 were reported through the 2nd List of Excesses and Surrenders for 1959-60 actual grant was sanctioned in excess of the balance amount of the estimate. Therefore the amount rendered surplus to requirements was surrendered.

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

(ii) *Constructing 2,500 tons capacity Godown at Ohishtian. Surrender—*Rs. 71,900—The Department explained that this work was taken in hand during 1958-59 and expenditure of Rs. 50,390 was incurred to end of that year. Its estimated cost was Rs. 3,47,700. Originally grant of Rs. 2,00,000 only was sanctioned for 1959-60 and it having not been certain that additional funds will be made available during the same year, the balance amount of the estimate viz., Rs. 97,300 was asked for through the Budget Estimate for 1960-61 so that the work may not suffer. Since efforts were going on, additional grant of Rs. 67,000 was arranged during 1959-60 and further expenditure of Rs. 2,67,304 was incurred leaving a balance of Rs. 30,006 only. In spite of the fact that reduced figures of demand for 1960-61 were reported through the 2nd List of excesses and surrenders for 1959-60.

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

(iii) *Construction of House-type Godown at Sadiqabad—Surrender* Rs. 23,000. The Department explained that the grant was arranged through the budget estimates on the hope that the food department, who was attaching importance to its

early completion as the Godown was required for storing imported wheat, will complete the formalities earlier. Requests were made time and again to the Food Department for arranging land, but its possession was actually delivered very late on 7th February 1961. Since major portion of the financial year had lapsed in arranging possession of land, the grant which was not expected to be utilized was surrendered, keeping an amount to the workable extent.

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

(iv) *Construction of Bins at Jampur in D. G. Khan District—Surrender Rs. 1,22,000*—The Department explained that originally this work was sanctioned for Rs. 1,06,000 for 500 tons capacity and was commenced during 1958-59. Expenditure of Rs. 40,528 was incurred on it to end of June, 1959. The accommodation was subsequently increased from 500 tons to 1,000 tons,—vide Food Department No. 3 (2)—SOF-II/59, dated 18th September 1959, thereby estimated cost was enhanced to 2,12,900 only for 1959-60. There was original allocation of Rs. 50,000 only for 1959-60 and as the Food Department was pressing for early completion of storage accommodation, additional grant of Rs. 1,21,600 was asked for that year. It having not been certain that additional funds will be made available during the year, a sum of Rs. 1,22,000 was asked for through the Budget Estimates 1960-61 which amount was reduced to Rs. 1,000 in the 2nd List of Excesses and Surrender 1959-60 so that the work may not suffer during next year for want of funds during 1960-61. Since efforts were going on additional grant of Rs. 1,21,600 was arranged during 1959-60 and further expenditure of Rs. 1,72,002 was incurred. In spite of the fact that reduced figures of demand for 1960-61 were reported through the 2nd list of Excesses and Surrenders for 1959-60 actual grant was sanctioned in excess of the balance amount of estimate. Therefore the amount rendered surplus to requirements was surrendered.

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

(v) *Construction of House-type Godown at Rajhan, District D.G.Khan—Surrender Rs. 42,000*—The Department explained that originally it was approved to construct 500 tons capacity storage Bins at Rajhan. The land was arranged in the end of May, 1959. During 1959-60 the work was stopped due to seepage of water in the foundation and Assistant Director Food, Bahawalpur was requested for selecting some alternative site. A detailed report in the matter was made to the A. C. E., Bahawalpur. Government decision for the shifting of site of work from Rajhan to Rajanpur was conveyed late. Therefore the budget grant arranged for execution of the work in the hope that the administrative Department who was attaching importance to it would complete codal formalities earlier, which was not expected to be utilized for want of selection of site, was surrendered. Keeping an amount to the workable extent.

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

(vi) *Construction of Storage Accommodation at Okara—Surrender Rs. 30,000*—The Department explained that this work was taken in hand during 1958-59 at an estimated cost of Rs. 6,00,570 and expenditure of Rs. 2,33,605 was incurred to end of June, 1959. Originally grant of Rs. 2,50,000 was sanctioned for 1959-60 and it having not been certain that additional funds will be made available during the same year the balance amount of the estimate viz. Rs. 1,17,000 was asked for through the budget estimate of 1960-61 so that the work may not suffer. Since efforts were going on additional grant of Rs. 1,66,560 was arranged during 1959-60 and further expenditure of Rs. 3,34,541 was incurred leaving a balance of Rs. 32,430 only. This amount was liable to be spent on the construction of compound wall and clearance of liabilities. The land where the compound wall was to be constructed was occupied by refugees and its possession having not been delivered to

this Department, construction of wall was to take some more time. The encroachers were however being proceeded against as is evident from D. F. C., Montgomery, No. 1218/10, dated 16th February 1960 but the land in question was not made available even till 7th August 1961 as is evident from the S. D. O., Okara, No. 1869-C, dated 7th August 1961. In spite of the fact that nil figures of demand for 1960-61 were reported through the 2nd list of Excesses and Surrenders (1959-60) actual grant was sanctioned in excess of the balance amount of the estimate. Therefore the amount rendered surplus to requirements was surrendered, keeping an amount to the workable extent for liquidation of liabilities as well as construction of some portion of the wall.

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

(vii) *Constructing Storage Accommodation at Lyallpur—Surrender Rs. 1,00,000—* The Department explained that this work was taken in hand during 1958-59 and expenditure of Rs. 1,09,785 was incurred to end of that year. Its estimated cost was Rs. 6,00,570. This estimate was subsequently revised and sanctioned for Rs. 6,63,130,—vide *Ex-Chief Engineer, West Pakistan, Buildings and Roads Department, Lahore No. 41-W/57/656-W (93)*, dated 5th April 1962. Originally grant of Rs. 3 lacs only was sanctioned for 1959-60 and it having not been certain that funds would be made available during the same year, the balance amount of the estimate viz. Rs. 1,91,000 was asked for through the Budget Estimate for 1960-61. The Government had been attaching highest priority to providing storage accommodation and, therefore, efforts were made for arranging additional grant of Rs. 1,85,000 and it was sanctioned in the lag end of the financial year 1959-60 and further expenditure of Rs. 4,77,296 was incurred leaving a balance of 76,000 out of the revised estimate. In spite of the fact that reduced figures of demand for 1960-61 were reported through the 2nd List of Excesses and Surrenders (1959-60) actual grant was sanctioned in excess of the balance amount. The amount thus rendered surplus to requirements was therefore surrendered.

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

(viii) *Constructing House type Godown at Sargodhas—Surrender Rs. 93,000—* The Department explained that the work was physically completed and only some liabilities were requiring liquidation. The grant surplus to requirements was therefore surrendered.

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

(ix) *Shifting headquarter of District and Sessions Judge, Montgomery from Lahore to Montgomery—Surrender Rs. 1,98,500—* The Department explained that tenders were called on 15th October 1960 and the lowest tender was rejected on technical grounds. These were re-invited a number of times after wide publicity and two tenders were received on 6th May 1961. The lowest tender recommended by the subordinate office was rejected by the former A. C. E., Bahawalpur. Tenders were again invited on 5th July 1961 and lowest tender being conditional was rejected. These were recalled on 2nd August 1961 when no contractor came forward to tender. Tenders were again invited on 16th August 1961. This time the work was divided into small groups for getting an easy response from local contractors of lower category and tenders were received at 260% to 275% premium against the 220% premium provided in the detailed estimate sanctioned by former A. C. E., Bahawalpur. Due to increased cost of labour and materials it was not possible to complete the work within the sanctioned estimate. It was therefore revised and sent to the former A. C. E., Bahawalpur for revised technical sanction. Apparently the grant which was not expected to be utilized for want of completion of codal formalities was surrendered, keeping an amount to the workable extent.

The explanation of the Department was considered and it was revealed that the tenders were invited on 15th October 1960 by the Executive Engineer and were sent to the Superintending Engineer and that from that day up to 10th April 1961 they were shunted from the Executive Engineer to the Superintending Engineer and from the Superintending Engineer to the Executive Engineer for a number of times and on each time a number of objections were raised till ultimately on the 10th April 1961, the Superintending Engineer rejected the tenders finally stating that the notice inviting the tenders had not been approved by the competent authority. If this were the case, it was beyond the understanding of the Committee as to why this could not be done earlier and what were the reasons for the Executive Engineer not to have raised this point and cancelled the tenders earlier rather than raising various objections.

The Department stated that action is being taken against the Executive Engineer and he will be charge-sheeted in the near future. The Committee was constrained to note that whereas it took the Executive Engineer over a year to decide that an irregularity had been committed and the draft of the tenders had not been got approved by the competent authority, it has taken the Department four years to reach a stage where they are contemplating issuing a charge-sheet to the Executive Engineer. Therefore, the explanation of the Department was considered by the Committee to be unsatisfactory.

	<i>Surrender.</i> Rs.
(x) Construction of Police Station at Kala, District Dera Ghazi Khan ...	23,900
(xi) Construction of building for Technical Teachers Training College at Lyallpur ...	5,89,000
(xii) Constructing 4th Hostel in S. P. School at Bahawalpur (including riding school stable building) ...	1,22,000
(xiii) Bifurcation of S. E. College, Bahawalpur (Higher Secondary School) ...	2,00,000

The Department explained the following reasons for the above surrenders:—

- (a) Actual grant was sanctioned in excess of the balance amount of the estimates.
- (b) The Administrative approval was conveyed very late and the possession of land was also delivered very late.
- (c) Due to non-availability of material (Stone metal).

The Committee made the same remarks as in the case of item (12) above.

	<i>Surrender.</i> Rs.
(xiv) Bifurcation of Government College, Montgomery (Higher Secondary School) ...	2,00,000
(xv) Construction of building for Government Degree College, Muzaffargarh ...	1,90,000
(xvi) Construction of Medical Health Technician School at Bahawalpur ...	1,50,000

	Rs.
(xvii) Constructing N. M. C. and Hospital at Multan including Mosque ...	1,78,100
(xviii) Constructing District Headquarter Hospital at Montgomery ...	50,840
(xix) Constructing T. B. Ward renamed E. N. T. Ward, Bahawalpur ...	57,520
(xx) Constructing building for the training of Field Assistant at Khanpur ...	1,00,000
(xxi) Establishment of Seed Farm Isa Khel, District Rahimyar Khan ...	4,62,000
(xxii) Extension of Government Seed Farm at Khanewal ...	3,27,500
(xxiii) Constructing building for the protection of Maize Hybrid Seed Farm at Yousafwala ...	72,500
(xxiv) Construction of new Hostel in Punjab Agricultural College, Lyallpur ...	63,300
(xxv) Construction of Library-cum-Museum in the Agriculture College, Lyallpur ...	2,00,000
(xxvi) Construction of Tractor Repairs Workshop at Punjab Agriculture College, Lyallpur ...	53,500
(xxvii) Constructing Government Technical Institute at Bahawalpur ...	4,00,000
(xxviii) Opening of new Development-cum-Training Centre for Carpet Industries at Banawalpur ...	1,34,000
(xxix) Opening of New Development-cum-Training Centre for Carpet Industries at Leiah ...	1,39,000
(xxx) Constructing One Unit accommodation at Bahawalpur ...	3,13,500
(xxxi) Constructing One Unit Colony at Multan ...	76,000

The Department explained the following reasons for the above noted expenditures:—

- Administrative approval was either not received or received very late.
- In some cases revised administrative approval was not received.
- Due to non-availability of material (lift).
- Estimates were not sanctioned.
- The Project were finally dropped.

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

29. Page 3, paragraph 5, read with page 437—441, Grant No. 40—Civil Works—

	Rs.
Modified Grant	... 8,95,63,500
Actual	... 9,21,82,848
Excess	... +26,19,348

The Department explained that the excess of Rs. 26,19,348, occurred in various divisions due to the reasons given below separately under each sub-head :—

- I. *Stock*—(a) The manufacture accounts of Chiniot Quarry were in arrears since years and the adjustment of the outturn of vehicles had also not been done since long. It was expected that the adjustment thereof amounting to Rs. 5,24,465 would be made during 1960-61. This adjustment remained un-accounted for want of necessary particulars which were not forthcoming readily from the old record. Therefore the anticipated credits of Rs. 5,24,465 could not be afforded in Lyallpur Provincial Division and this caused an excess of Rs. 5,24,465.
- (b) In Lyallpur Provincial Division some old credit notes which were not adjusted in the accounts of the months in which these were issued, on receipt of adjustment memos carrying debits amounting to Rs. 3,84,487 had to be adjusted by debiting to stock and crediting to S—Remittances, etc. These credit notes costing to Rs. 3,84,487 on receipt of adjustment memos etc. were accounted for during May and June 1961. This caused an excess of Rs. 3,84,490.
- II. *Purchases*—(a) In D. G. Khan Provincial Division, out of huge balance of Rs. 12,98,600, items costing Rs. 6,88,370 were over three years old and under the directive from higher authorities all these items were withdrawn from the purchases and credited to the head XXXIX—Revenue Receipt in the last months,—vide T. C. No. 16, dated 2nd May 1961. Since this adjustment was carried as a result of clearance drive of arrears long after submission of the estimates with a view of reducing the Suspense balances to minimum extent and it was not in view earlier, no amount was asked for it. This caused an excess of Rs. 6,10,230.
- (b) In Lyallpur Construction Division, 506 tons of bitumen were indentured for execution for various works. Efforts were being made for its procurement as early as possible and therefore full supply as per indent was expected to be received during the financial year 1960-61. The cost of the bitumen was adjusted by book transfer. The adjustment memos for the cost which are routed through the Accountant-General involves lengthy procedure and these takes considerable time (some times years) to reach the concerned Divisional Office. The cost is therefore charged to the final head giving corresponding credit to the purchases. Apparently clearances of such credits are made on receipt of adjustment memos which are often received in the subsequent years. In order to afford necessary credit to the sub-head purchases, credit balances was asked for. Out of the intended quantity mentioned above only 150 tons of bitumen had been received leaving balance quantity of 356 tons costing approximately Rs. 1,42,400. This much amount was anticipated to be credited to the sub-head purchases and its clearance

was to be made during the subsequent year. Due to non-receipt of this quantity the anticipated credit could not be afforded and net debit was not correspondingly reduced. It caused an excess of Rs. 1,42,400.

- (c) In Lyallpur Provincial Division some items were long outstanding. Clearance of the items were not possible for want of supporting documents and details as well as verification from old records which were not readily forthcoming. Strenuous efforts were however made by the staff and as a result of arrear clearance drive long outstanding items detailed below were cleared in the end of Financial year :—

Item No.	Month	Amount	Month of clearance
		Rs.	
72	... September 1958 ...	22,303	April and May 1961.
83	... January 1959 ...	1,610	April 1961.
84	... January 1959 ...	6,427	April and May 1961.
88	... March 1959 ...	6,094	March and May 1961.
97	... June 1959 ...	1,066	June 1961.
103	... August 1959 ...	7,035	June 1961.
117	... November 1959 ...	34,461	June 1961.
Total		78,996	

The excess of Rs. 8,78,757 was stated to be due to the fact that A.T.D. No. 2, dated 7th November 1960 was accounted for twice during January 1961 and May 1961,—vide T. E. No. 15, dated 18th January 1961 and No. 19, dated 1st June 1961, respectively due to certain omission. The abovementioned A. T. D. was received after the Centralization of Stores of P. H. Division, Lahore and it could not be foreseen at the preparation of Budget that this should disturb the forecast figures. The clearances of balances cannot be withheld for want of funds and the Audit Department in a recent Circular No. WM(P)/64-65 Vol. IV/1511, dated 4th November 1965 has addressed all the Executive Engineers of Buildings and Roads Department not to put off clearance of Suspense Balances for want of funds as it is an inevitable expenditure.

The explanation of the Department was accepted with the remarks that wherever adjustments are required to be made, the Department should take steps to expedite the same. Subject to verification of this by Audit, the paragraph was dropped.

30. Page 7, paragraph 12 (ii)—Surrender made in excess of total saving—The Department did not explain as to why the Department surrendered Rs. 2,69,93,400 when the actual saving was Rs. 2,43,74,062.

31. Page 3, paragraph 5, read with pages 372—377—Grant No. 35—Development 63-B—Development—

	Rs.
Original Grant	... 1,06,41,560
Modified Grant	... 95,69,470
Actual Expenditure	.. 78,07,808
Surrender	... 10,72,090
Saving	... 17,61,662



The Department furnished the following details of the Surrender of Rs. 10,72,090.

(i) *Constructing Rajanpur-Kashmore Road—Surrender Rs. 10,00,000—*The Department explained that the construction of five major bridges falling in the length from mile 0 to 32 for execution of which the grant was arranged, could not be commenced earlier for want of soil test reports and approval of design.

The explanation of the Department was found as unsatisfactory.

(ii) *Constructing additional accommodation for Government Industrial School at Lyallpur—Surrender Rs. 49,890—*The Department explained that the budget was arranged by the Administrative Department in anticipation of completing Codal formalities. Administrative approval was conveyed very late. The time left behind was very short and lot of other formalities viz., preparation of detailed plans and estimates, fixation of contractor, procurement of materials, etc. involving considerable time were yet to be gone through. Therefore the funds which were not expected to be utilized for want of completion of codal formalities were surrendered keeping an amount to the workable extent.

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

(iii) *Construction of Buildings for Seed Farm at Montgomery—Surrender Rs. 22,200—*The Department explained that the Budget grant was arranged by the Administrative Department in anticipation of completing codal formalities. Administrative approval was conveyed very late. The time left behind was very short and lot of material, etc. involving considerable time were yet to be gone through. Therefore funds which were not expected to be utilized for want of completion of codal formalities were surrendered, keeping an amount to the workable extent.

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

32. The Department furnished the following details of works on which the saving of Rs. 17,61,662 was occurred :—

(i) *Minor Works of Revenue and Rehabilitation Department—Saving Rs. 1,07,456—*The Department explained that this amount was for unspecified minor works of the Board of Revenue, a provision for which is made on the basis of lump sum. May be, there was no need to construct any minor works, therefore there was a saving. The explanation was considered to be satisfactory.

(ii) *Providing Water-supply, Sanitary fittings and Electrical Installation in Political Rest House, Harnai—Saving Rs. 17,593—*The Department explained that Funds were received from the Finance Department very late,—vide F. D. letter No. B1-1/60/61, dated 23rd June 1961 and allotted to the Deputy Chief Engineer, Buildings and Roads, Quetta,—vide Ex-Chief Engineer, West Pakistan, Lahore,—vide his No. 159-B/WP-1,619-36, dated 28th June 1961.

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

(iii) *Constructing Compound wall, two Span Culvert to Recruit Training Centre at Sargodha—Saving Rs. 29,810—*The Department explained that the Budget grant was arranged by the Administrative Department without completing the codal formalities. The Administrative approval was not made available till the close of the financial year and as such the work could not be taken in hand. Therefore the grant lapsed. The connected records have since long been transferred to the Sargodha Provincial Circle and as such it cannot be intimated whether administrative approval was accorded and work taken in hand subsequently or not.

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

(iv) *Providing two tube-wells in Reformatory Farm at Burewala—Saving Rs. 21,429*—The Department explained that the Outstanding dues of the contractor were paid and expenditure of Rs. 1,267 incurred to the end of February 1961. The budget grant was arranged to regularise it, some G. I. Pipes were lying unused at site and these were not expected to be utilized in the near future. This material was required urgently for use in other works viz. providing W/S in satellite Town Rahimyarkhan and Bahawalpur. G. I. Pipes costing Rs. 21,070 were therefore transferred on 10th June 1961 to other works through stock and credit afforded to this work.—vide T. E. No. 52, dated the 30th June 1961. Since necessity of transferring material arose very late it could not be seen earlier and allocation of grant too was made at the far end of the financial year, funds could not be surrendered. The remaining lapse of Rs. 356, occurred due to similar minor adjustments.

On further examination by the Committee it was revealed that the Department itself was convinced that the explanation as submitted was not satisfactory and as a result of this, the Department had already issued a warning to the Sub-Divisional Officer concerned. The Committee felt that the issuing of a warning was not sufficient in a case of this nature and the Department should consider whether any further action was necessary in this matter against the Sub-Divisional Officer.

The committee noted that though as early as 1966, the Department was aware that the explanation submitted by the Sub-Divisional Officer was not satisfactory yet the same explanation has been reproduced by the Department in the Working Paper. The committee took a serious note of this and directed that action should be taken against the person/persons responsible for forwarding this explanation to the Committee in spite of the fact that it was known to them to be highly unsatisfactory. Action taken should be reported to the Committee, when the accounts for 1961-62 are considered.

(v) *Constructing covered way between High Court and Bar Association—Saving Rs. 6,000—Additional accommodation for the Judges of the Supreme Court, Lahore Saving Rs. 860*—The Department explained that these works were in progress and expenditure of Rs. 40,000 and Rs. 8,870 was incurred on them up to 30th June 1961. No original grant was received for these works. The works being in progress were included in the 2nd List of Excesses and Surrenders for 1960-61 and funds to the extent of Rs. 3,440 were demanded. The allotment was received on 28th June 1961 and communicated to the Superintending Engineer on 30th June 1961. No expenditure was booked on these works as it was not sure that the funds demanded against them will be received. The allotment was received very late and as such no expenditure could be booked.

The above explanation of the Department was found by the Committee to be not totally correct and unsatisfactory.

On further examination, it was pointed out by the Finance Department that an amount of Rs. 6,000 was asked for in the second list of Excesses and Surrenders to clear the outstanding liabilities of the previous year and the amount was provided by the Finance Department. The Committee observed that even if this explanation, which was given by the Finance Department was accepted it was not clear as to why payment was not made to the contractor though it was received some time in June 1961.

In the second part of this item the Department pointed out that they had asked for a sum of Rs. 6,440 in order to complete the work for providing additional accommodation to the Judges of the Supreme Court, Lahore, but that they received only Rs. 860 on the 28th of June out of this amount, and as such this amount could not be spent. This part of the explanation was found to be satisfactory.

(v) *Installation of a tubewell in Central Prison, Dera Ismail Khan—Saving Rs. 16,293*—The Department explained that the work was in progress from previous year and necessary provision to the extent of Rs. 26,350 was made through the 1st and 2nd List of Excesses and Surrenders for the year 1960-61. The intimation to the acceptance of the 2nd List was communicated at such a belated stage when it was not possible for the executing Division to utilize the same in full. However expenditure to the extent of actual liability amounting to Rs. 10,057 was incurred resulting in lapse of Rs. 16,293 which was unavoidable.

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

(vi) *Special repair to Jail Building at Harnai—Saving Rs. 6,400*—The Department explained that the Saving was due to the late receipt of funds.

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

(vii) *Constructing 2 barracks in District Jail at Sargodha—Saving Rs. 5,708*—It was stated that neither the Administrative approval was received nor the technical sanction was available and, as such, the money could not be spent. The explanation was found to be satisfactory and the item was dropped.

(ix) *Central Jail Building to be used for residential accommodation for President Guard at Rawalpindi—Saving Rs. 4,137*—The Department explained that the work was in progress and expenditure of Rs. 1,10,707 was incurred up to 30th June 1960. No original grant was received for this work. Due to the visit of the President certain essential items had to be carried out on account of which an expenditure of Rs. 24,623 was booked from July, 1960 to February, 1961 and a further expenditure of Rs. 5,377 was anticipated to be incurred during the period from March 1961 to June 1961. Thus a total demand of Rs. 30,000 was made in the 2nd list of Excesses and Surrenders for 1960-61. The allotment of Rs. 30,000 was received very late and communicated to the Superintending Engineer/Executive Engineers on 30th June 1961. An expenditure of Rs. 25,863 was booked up to 30th June 1961 and the balance grant of Rs. 4,137 therefore lapsed. It is apparent from above that the entire grant could not be utilized due to its late receipt.

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

(x) *Purchase of evacuee building by the Director Rangers from the Rehabilitation Department—Saving Rs. 27,020*—The Department explained that it has been intimated by the Accounts Officer, West Pakistan Rangers on telephone that the cost of the evacuee building was paid on 21st June 1965. Obviously the allotment made for the purpose during the year 1960-61 lapsed. However official confirmation is still awaited.

The Committee considered the explanation of the Department as highly unsatisfactory.

(xi) (a) *Minor Works—Saving Rs. 10,000*—(b) *Minor Works Police Department—Saving Rs. 23,092*—The Department explained that the details of expenditure was not available with the Department.

The Department promised to look into this matter whether it was their responsibility to furnish the necessary explanation or of the Department at whose disposal the Minor works Grant was placed. The Committee deferred consideration of the items with the instructions that they should come up again before it alongwith the accounts for 1961-62.

(xii) *Providing residential accommodation to Medical Officers in Civil Hospital at Larkana—Saving Rs. 15,785*—The Department explained that the Saving was due to the non-availability of bricks.

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

(xiii) *Providing additional Ceiling Fans in District Hospital at Sargodha—Saving Rs. 12,328*—The Department explained that expenditure to the extent of Rs. 12,167 on account of the work done before transfer of control of E. & M. Sub-Division Sargodha to the Sargodha Provincial Division was incurred in the E. and M. Division, Rawalpindi. Debit therefore could not be adjusted due to certain discrepancies which caused lapse.

The item was dropped subject to verification by the Audit.

(xiv) *S/R to Dispensary Buildings at Harnai—Saving Rs. 17,340*—The Department explained that the saving was due to late receipt of funds.

The Committee was of the opinion that special repairs should have been done through the normal special reserve allocation placed at the disposal of the Department. In case the funds placed at the disposal of the department under this Head had already been utilised, there was no apparent urgency and the Department should have awaited till the next budget when this item should have been inculcated as a regular item. The asking of funds for the job of this nature through supplementary statement, knowing very well that the same could be available some time in June, amounts to unnecessary blocking up the fund of the Government without there being any chance whatsoever of the funds being spent on the job for which they are demanded. The explanation was not therefore, acceptable to the Committee.

(xv) *Construction of compound wall around Sisters Mess, Quetta—Saving Rs. 2,100*. The Department explained that the saving was due to late receipt of funds.

The Committee observed that the total amount required for constructing the compound wall around Sisters Mess, Quetta, obviously means that this was a minor work and should have been treated as such. No separate fund should have been asked for it through the supplementary grant. The explanation was therefore not considered to be satisfactory.

(xvi) *Construction of X-Ray section in Civil Hospital, Kalat—Saving Rs. 66*. The item was dropped.

(xvii) *Construction of 2 wards of 6 bedded each at district Headquarters Hospital at Khuran—Saving Rs. 36,673*. The Department explained that despite several reminders issued to the Director-General, supply and Development, Karachi, the steel was not supplied to them with the result that the job have not been executed hence saving.

The Committee considered this to be satisfactory and the item was dropped.

#### SUBHEAD

#### T-12 Health Services.

Saving.

(xviii) Construction of 10 bedded General Disease Ward in Siran Valley	...	1,170
Improvement to Water-supply in T. B. Sanitorium, Dadar	...	7,724
Minor Saving on other various Works	...	171
Providing Water-supply and Sanitary Installation in Civil Hospital, Lund Khawar, District Mardan	...	30,733
Providing hard board ceiling in operation theatre in Mayo Hospital, Lahore.		18,588
Constructing 300 cycle shed in K.E.M.C, Lahore.	...	16,379

	Rs.
S/R to Civil Hospital at Kahuta ..	20,868
Providing E. I. in extension to DeMontmorency College for Dentistry ..	1,300
Providing Laboratory Tables in Malaria Institute of Hygiene and Preventive Medicine, Lahore ..	3,915
Special Repair to Water-supply and Sanitary Installation in Civil Hospital at Gujranwala ..	12,670
Repairs and Renovation of K. E. Medical College for the Century Celebration (Phase I and II) ..	66,014
Reconstruction of damaged portion of the Building of Civil Hospital, Wazirabad ..	59,393
Special Repair to Rattan Bagh and Staff Quarters in Mayo Hospital, Lahore ..	52,150
Renovation of Main Building of Mayo Hospital, Lahore ..	14,700
Providing Wire Gauze in the opening of Extension of Albert Victor Hospital, Lahore ..	12,160
Improvement to existing Foot-Path in Mayo Hospital, Lahore ..	5,150
Special Repair to Civil Hospital at Rawalpindi (Phase I) ..	8,560
Special Repair and A/A. to dispensary at Sukhu, District Rawalpindi ..	3,000
Installation of five Air Conditioners in Mayo Hospital, Lahore ..	16,740
Providing Electric Installation in residence of the Hostel Superintendent in K. E. Medical College, Lahore ..	400

*T-14—Agriculture.*

Providing wire netting to doors and windows of the Entomological Laboratory ..	6,423
Constructing shed for Engineering Practical ..	8,674
Provision of Court Yard Wall Americal Bungalows ..	7,350
Constructing Mosque ..	23,798
Constructing Seed Testing Laboratory A-Office cum-Laboratory ..	7,019
Constructing Katcha-Pucca Quarters for 3 Field Assistants at Shikarpur ..	6,000
Stores ..	7,000
Levelling of newly acquired area ..	12,000
Constructing building for Seed Farm at Montgomery ..	8,414
Constructing of Shed for Tractor at Agriculture Workshop at Quetta ..	22,202
Construction of Seed Farm at Fort Sandeman ..	30,000

*T-15—Veterinary*

Scheme for Studies of Sheep under Range conditions in Cholisthan ..	20,000
Providing Water-supply and S/I. in Diary Technology in Animal Husbandry College, Lahore ..	1,270
Constructing compound wall around the Office of the Assistant Registrar, Co-operative Societies ..	1,525

*T-17—Industries*

	Rs.
Constructing additional accommodation for Government Industrial School at Lyailpur ...	5,000
Construction of building for Government Weaving Factory and Finishing Centre, Shahdara ...	27,089
Construction of building for Development-cum-Training Centre for Pottery at Paghat in Karachi Sub-Division...	5,000
Construction of building for Development of Cottage Industries in Kalat Division ...	20,000

*T-18—Civil Works*

The work of A/A to P. W. D. Rest House, Sargodha ...	85,415
Construction of Assistant Executive Engineer's Office at Jacobabad ...	3,000
Construction of Service Station at Jacobabad ...	3,000

*T-18—(II) Requisitioned Buildings*

Acquisition of Evacuee Engineering concern known as Ganga Ram, Hari Ram Metal Works, Lahore Cantt. ...	65,914
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*T-19—Stationery Printing*

Constructing New Book Depots in Government Press, Lahore	30,000
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*T-21—Social Up-lift Scheme*

Constructing a quarter for the Care-Taker, Government Press, Lahore ...	12,565
Health Services ...	40,888

The consideration of all these items were deferred to the next series of meetings when the accounts for 1961-62 are considered.

	Rs.
(a) (1) Construction of Bridge over Bare River on G. T. Road	6,398
(2) Improvement of mile 4 to 24 of Dera Ismail Khan—Bannu Road	
(3) Improving and metalling Kotri—Kashmore Road. Portion between D. G. Khan and D. I. Khan	
(4) Construction of Bridge on Nai Wala in mile 35/6 on D. G. Khan and Dera Ismail Khan	

Savings under each head being small no explanation was considered necessary.

	Rs.
(5) Constructing Rajanpur—Kashmore Road ...	1,25,107
(6) Constructing Dera Ghazi Khan—Dera Ismail Khan Road...	1,10,285
(7) Constructing Fort Munro—Bewatta Road ...	14,496

The Department explained that the above works could not be taken in hand due to non-availability of bitumen. Records produced before the Committee show that they have made sufficient efforts on their part to procure the material. The Committee felt that the explanation should be accepted and items dropped.

(xx) *Improvement of Kotri—Petro Road. Saving Rs. 1,77,345*—The Department explained that the saving is due to change in alignment and design. Provision in the 2nd list of Excesses and Surrenders was submitted for before any information about change of Design could be known. Hence no surrender in the 2nd List of Excesses and Surrenders was proposed and saving became unavoidable.

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

(xvi) *Constructing Service Road alongwith Coastal Road Linking Jiwhani—Gawadar and Pusni. Saving Rs. 1,64,917*—The Committee took up consideration of the paragraph and found that the first explanation as incorporated in the working Paper submitted by the Department was as follows:—

“The work was in progress in a defunct Coastal Road Division and was taken over by Mekran Provincial Division. Due to remoteness of locality, no contractor came forward for its execution. The work was carried out through Departmental labour which was too scarcely available. Hence saving”.

Subsequently, the Department changed its explanation and submitted that no contractors were involved and that this being a service road was supposed to have been done departmentally but due to non-availability of machinery it could not be started. A little later, the Department again changed its explanation and stated that the machinery was there and it was working but the area was very far off and isolated and since there were no proper facilities for repairs of the machinery the job could not be completed.

The Committee was at a loss to understand as to which of the three explanations was correct which could be considered. The Committee was of the opinion that none of the explanations submitted to the Committee was satisfactory. It was a service road to be built in an under-developed area and in the opinion of the Committee, it was the bounden duty of the department to have taken all precautions and made all possible efforts to see that the job was executed well in time and quite satisfactorily.

It was also stated that an entire Division was created specifically for this job and the Officers, Engineers, etc. continued to draw pay, including the work charge establishment, without any job being done. The Committee felt that if West Pakistan was to continue as one integrated unit the various departments of the Government must make extra efforts to see that the complaints of the people belonging to far off areas are removed satisfactorily, particularly, when the Government goes out of its way in making financial provisions for this purpose. This is the only way by which the feeling of oneness can be created amongst the people of the various regions.

In this case the Committee has felt that since the machinery was available, the labour was available and even the funds were available, no acceptable reason could be given for not even starting the work and as such, a high level inquiry should be conducted into the entire matter and people responsible for slackness or negligence of duty should be brought to book. The Committee directed that it should be kept informed of the progress of this inquiry in details. The paragraph should come up again before the Committee alongwith the accounts for 1961-62.

(xxii) *Improvement to road from Kotri to Mohanjedero. Saving Rs. 23,680*—The Department explained that at the time of submitting 2nd List of Excesses and Surrenders it was hoped that the Department could arrange their own bricks by starting Government kiln at Larkana. So the required amount was demanded



through the 2nd List of Excesses and Surrenders which was granted by Government. But the site for the kiln could not be provided and a saving became un-avoidable, because the schedule rates were much below than the market rates of first class bricks.

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

	Rs.
Strengthening of Malkhana and Lock-ups in Police Station, Mardan	
Strengthening of Malkhana and Lock-ups in Police Station, Sawabi	
Strengthening of Malkhana and Lock-ups in Police Station, Kalu Khan	
Strengthening of Malkhana and Lock-ups in Police Station, Lahore	
Strengthening of Malkhana and Lock-ups in Police Station, Jahangira	
Strengthening of Malkhana and Lock-ups in Police Station, Katlang	
Strengthening of Malkhana and Lock-ups in Police Station, Rustam	
Strengthening of Malkhana of Police Station, Hatri	
Strengthening of Malkhana of Police Station, Husti	
Provision of Ceiling Fan at Police Training School, Shahdadpur.	
Purchase of land Block No. 212, Chajro in Taluka Umerkot	
Providing of Lightening Conductor in Police Lines, Bahawalnagar	161
Providing of Lightening Conductor in Police Lines Rahimyar Khan	113
Iron Gate for Lock-up at Police Station, Gambat	560
Iron Gate for Lock-up at Police Station, Ahmadyar	278
Iron Gate for Lock-up at Police Station, Babarloi	2,200
Total	11,158

#### T-9—Police

Providing W/S. and S/I. in D. I. G. Office, Sargodha	3,614
Strengthening of Malkhana of Sub-Treasury Kotwali, Lyallpur	760
Strengthening of Malkhana of Sub-Treasury Police Station, Sadar Lyallpur	890
Purchase of land on which quarter of I. S.-I., A S.-I., and 5 Foot-Constables are to be constructed at Police Station Moch, District Mianwali	607
Strengthening of Malkhana of Police Station, Toba Tek Singh	488
Strengthening of Malkhana of Police Station, Tandlianwala	700
Strengthening of Malkhana of Police Station, Gojra	604
Strengthening of Malkhana of Police Station, Muridwala	515

Strengthening of Malkhana of Police Station, Pir Mahal ..	273
Strengthening of Malkhana of Police Station, Khurianwala ..	590
Strengthening of Malkhana of Police Station Look-up at Khurianwala ..	434
Providing water-supply and S/I. in Police Lines at Rahimyar Khan ..	634
Constructing Latrine in Police Lines at Rahimyar Khan ..	197
Constructing (Adding) Line Officers office to Police Line at Rahimyar Khan ..	1,710

The consideration of these items was deferred to the next series of meeting when the Accounts for the year 1961-62 are considered.

(33) Page 3, paragraph 5 read with page 377. Grant 35—Development 63-B—Development (T-Civil Works) Charged—

	Rs.
Final Grant ..	1,85,060
Expenditure ..	79,617
Saving ..	1,05,443

The Committee deferred the consideration of this item to the next series of meetings when the Accounts for 1961-62 are considered.

(34) The Committee also deferred the consideration of the item regarding excess of Rs. 58,96,233 and Rs. 1,39,329 shown on page 5, paragraph 8 and 9 under Grant No. "27—Civil Works" to the next series of meeting when the Accounts for 1961-62 are considered.

IV. The Committee then adjourned to meet again on 9th September, 1967 at 9-00 A. M.

LAHORE:

The 8th September, 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 9TH SEPTEMBER 1967, AT 9-00  
A.M., IN THE 'YEA ROOM' 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) Qazi Muhammad Azam Abbasi, M.P.A.  | ... Member.         |
| (4) Mr. Malang Khan, M.P.A.  | ... Member.         |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.   | ... Member.         |
| (6) Rais Haji Darya Khan Jalbani, M.P.A.   | ... Member.         |
| (7) Chaudhri Muhammad Sarwar Khan, M.P.A.  | ... Member.         |
| (8) Mr. Tajamul Hussain, P. M. A. S., Finance<br>Secretary and Mr. G. D. Memon, Joint<br>Secretary, Finance  | ... Expert Adviser. |
| (9) Mr. Nuzhat Hussain, P.A. and A.S., Director,<br>Audit and Accounts (Works), West Pakistan.   | By invitation.      |
| (10) Mr. Ahmed Hassan, P.S.E.I., Secretary to Gov-<br>ernment of West Pakistan, Irrigation and<br>Power Department along with Chief Engi-<br>neers of various Zone | ... By invitation.  |
| (11) Mr. Aslam Awais, C.S.P., Member, Finance,<br>Agricultural Development Corporation   | ... By invitation.  |

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

**II. The Committee considered the explanation of the Irrigation and Power Department in respect of the following items appearing in the Appropriation Accounts for 1960-61:—**

**(1) Page 38, Paragraph 44 (2)—Infructuous Expenditure—In this paragraph the Audit noted—**

“There was a proposal to transfer two Irrigation Workshops to another place in the Province for constructing a Central Workshops to cater for the needs of the whole of West Pakistan. The construction work, etc., at the new place was completed but the proposal to transfer the Workshop was dropped by the West Pakistan Government because the area chosen for the construction of the Workshop was all water-logged and the drinking water available at that place was not fit for human consumption. The Workshops was, however utilized for some time for manufacturing the gates and gearings for Taunsa Barrage Project. Even this was done merely to utilise the Workshops because a Workshop was already available at Taunsa in that area where the gates and gearings could have been manufactured. This defective planning resulted in a wasteful expenditure of Rs. 21,05,422 as indicated below for which even

the sanction of Government was not accorded before the commencement of the work—

	Rs.
(1) Construction of Workshop Building	... 3,11,120
(2) Construction of metalled road	... 96,236
(3) Laying broad gauge tracer	... 3,71,454
(4) Construction of Railway siding	... 96,000
(5) Expenditure incurred on the operation of a separate Division to look after the construction work	... 1,98,471
(6) Carriage charges in respect of material transported from Multan to Bhalwal and back in connection with the fabrication of gates and gearings	... 10,00,000
(7) Sinking of tubewells	... 32,141
<b>Total</b>	<b>... 21,05,422</b>

(2) Besides a sum of Rs. 32,400 was incurred on fetching drinking water by trucks for the daily use of foreign experts. Further, due to climatic conditions of the water-logged area the iron sheets, etc., started getting rusted and an expenditure of Rs. 42,000 was incurred on its removal which was the result of the selection of bad site.

(3) Apart from the above an expenditure of Rs. 9,77,373 was incurred on the construction of bungalows for officers and quarters for the staff which also remained mostly unoccupied during the year. These residences have, however, now been occupied due to the opening of two Public Works Divisions at that place during the year, 1960-61.

(4) The commencement of such big project without due consideration and detailed examination of various aspects of the site, is a clear instance of ill planning and mismanagement in the matter of huge investment of public money. The expenditure incurred without proper sanction also remains to be regularized. The responsibility for the injudicious expenditure is still to be fixed and disciplinary action against the officials at fault also remains to be taken".

The explanation of the Department was—

There was a national emergency which faced the country in the year 1961 on account of the concentration of Indian troops along the Indo-Pak Border, which forced the Government of ex-Punjab to take steps to safeguard and protect all the important installations in the Province and the selection of site at Bhalwal, apart from other reasons, was based on strategical considerations. The selection of site was made by a High Powered Committee appointed by the Government, consisting of representatives of the Irrigation Department, Railway Department, Army and Civil Departments. The said Committee discussed this question and considered the merits and demerits of the various sites from the defence point of view, and finally selected Bhalwal, as the venue of the Irrigation Workshop. There is nothing on record of this Department to show on what merits Bhalwal was selected for the location of the Workshop. The decision of the Committee in respect of selection of the site at Bhalwal, was, however,

reported as unanimous. It needs to be realized that the Government approved the site of location of this workshop at Bhalwal and the objection of the audit to the selection of the site at this stage has in fact no meaning and there is no point in suggesting at this stage that action should be taken against the officers responsible for ill-planning and mis-management in the matter of huge investment of public money. The audit is perhaps not within its rights to question the Government decision which was taken to tide over the emergency. Audit observation regarding the planning and treating the expenditure as wasteful has no force. There is no doubt that the emergency arose in 1950-51, and the construction of the workshop was started in 1954. One never knows when the enemy is going to strike, one does not want to be caught napping. Planning is necessary in peace time, if one wants to be prepared for a war. It was, therefore, essential to pursue the project for completing all formalities of sanctions, etc., etc. The year-wise expenditure and Revenue on Bhalwal Workshops upto the year ending 1963-64 is given below:—

Year	Expenditure	Outturn	Revenue Receipts	Total columns 3 and 4	Net Profit/Loss
1	2	3	4	5	6
1956-57	...	} The Workshop was running on "No Profit No Loss" basis during this period as it was working for Taunsa Barrage.			
1957-58	...				
1958-59	...				
1959-60	...	15,63,182	16,25,792	1,85,683	18,11,475 2,48,293
1960-61	...	10,64,173	14,49,702	5,47,487	19,97,199 9,33,016
1961-62	...	25,57,204	24,05,204	7,93,735	31,98,939 6,41,735
1962-63	...	21,21,027	19,22,640	5,18,827	24,41,467 3,19,540
1963-64	...	30,20,738	28,11,677	13,11,831	41,23,508 10,93,770

There are no losses.

Due to the creation of WAPDA, most of the works are being let out to foreign firms, and the Bhalwal Workshops was showing signs of lack of work during the year 1961-62. It was, therefore, considered necessary that fabrication of gates and gearings for the Indus Basin Project, which would have

normally been done by the Irrigation Department, if WAPDA not been created should be done at this workshop. Consequently the workshop has been tendering for fabrication of fixed wheel gates for Sidhnai-Mailsi and Mailsi-Bhawal Link Canals, gates for Tanda Dam, gates for Rasul-Qadirabad and Qadirabad-Balloki Link. This workshop is now carrying out these jobs in addition to other departmental works. This workshop has proved successful in executing these works, and has in fact completed the fabrication of gates and gearings for Sidhnai-Mailsi and Mailsi-Bahwal Link Canals, at a cost of Rs. 6,61,370-00 and has thereby earned 100 per cent foreign exchange as the entire payment was received in U.S. Dollars. The work of manufacturing gates and gearings of Tanda Dam at a cost of Rs. 11,74,500-00 is in hand and this work is expected to be completed within a period of 2 months. The work of fabrication of gates and gearings for Rasul-Qadirabad and Qadirabad-Balloki Links, will be taken up shortly and it is expected that these jobs will also earn foreign exchange to the tune of Rs. 20,00,000-00.

This workshop has justified its existence and has also proved its utility. The expenditure incurred in its erection cannot by any stretch of imagination be regarded as wasteful expenditure. From the existing performance of the workshop it could be safely said that the necessity of constructing of a workshop in the Irrigation Department exclusively for fabrication of regulator gates and gearing of canals and steel structures, was fully justified.

The Audit pointed out that its objection was based on the earlier contention of the Department that the workshop at Bhalwal was set up so that the workshops at Moghalpura and Lyallpur be shifted there and the workshop at Bhalwal be made the Central Workshop for West Pakistan.

Since neither the two workshops were shifted to Bhalwal nor was the workshop at Bhalwal made the Central Workshop.

Hence according to the Audit, the Department should substantiate its present contention that the decision of the Government was to set up the workshop at Bhalwal as a separate unit and that the decision to shift the two workshops at Bhalwal was subsequent.

The Committee asked the Department to produce records to show—

- (i) that the workshop at Bhalwal was constructed as a separate unit;
- (ii) that the question of shifting of Moghalpura Irrigation Workshop and the workshop at Lyallpur to Bhalwal was taken up subsequently;
- (iii) that no grant was obtained or taken from the Finance Department for shifting of Moghalpura Irrigation Workshop and the Workshop at Lyallpur to Bhalwal.

The Department stated that the old Punjab records would have to be looked into and asked for time.

The paragraph was deferred to be taken up on 13th September 1967 at 1-00 p.m.

(2) Page 39, Paragraph 44 (3)—*Infructuous Expenditure*—According to the Audit note an irregular expenditure of Rs. 50,461 was incurred on closing a breach on Bamhanwala Ravi-Bedian Link. No sounding plan of the pit was prepared in the estimate to ascertain depth and bed level for the purposes of calculating the quantity of earth to be dumped. A quantity of 14,94,250 cft. earth dumped was, however, measured on the basis of the bank measurements by an Overseer and payments made to the contractor accordingly. Payment was also made for dressing of the dumped earth which is not

possible underneath the water. It is not understood by what method the Sub-Divisional Officer satisfied himself as to the accuracy of the quantity entered in the bill for payment to the contractor when the bed level underneath the water was not known and the measurement of the earth dumped inside the water was not possible. Thus payment made to the contractor on account of dumping and dressing are apparently based on fictitious measurements and have resulted in enormous expenditure of Rs. 50,461. It is, however, stated in the supplementary report attached with the estimate written long after this work was done, that 13, 17 lac cft. earth was dumped on the first original alignment but as there was no sign of its coming up, the alignment was changed.

The Department explained that connected record was in the custody of C.I.A. till February 1961 in connection with another case. By that time the concerned Overseer and Sub-Divisional Officers had been transferred out of the Circle and could not be contacted. The relevant record had been consulted by the relating payment of 14,98,250 cft. earthworks (1st running bills paid on the basis of bank measurements) as the bill book did not contain any payment for dressing of earth work as pointed out in the audit note. The second running bill entries made in Measurement Book No. 34/L and 19/25L bear evidence that the entire work was remeasured on the basis of borrow pit measurements and the payment for 14,98,250 cft. earth work already made in the first bill was deducted from the earthwork measured on the basis of borrow pits. No payment for dressing was made to the contractor even in their second bills as verified from the entries in the bill Books. As such there was no case of any irregular expenditure or any fictitious measurements, etc., as pointed out in the audit note. This paragraph was discussed in the Departmental Accounts Committee on 5th and 6th July 1966 and it was decided that the position be verified by Audit Office from the Measurement Books and Bill Books. Necessary verification of record entries in Measurement Book have been made by the Audit. Who asked for the regularisation of the irregularity and disciplinary action against the official responsible for it. But as the Department was of the view that Bank Measurements of earthwork could be done quite accurately even at a late stage, there was no case according to the Department for disciplinary action.

The explanation of the Department was considered by the Committee to be highly unsatisfactory. During further discussion of the matter the Department pointed out Rule 9, on page 8 of the Account Code, Volume III, under the heading 'Definition', where the words "advance payment" have been described as—

"Advance payment means a payment made on running account to a Contractor for a work done by him but not measured."

The Committee pointed out that it was not disputing the right of the Department to make advance payment of a Contractor in order to meet his genuine needs or requirements. In the case under examination advance payment was not made to the Contractor without measurement. It was a case where the record showed that advance payment was to the Contractor on the basis of a supposed measurement. This was not feasible, inasmuch as the work executed upto that stage involved certain measurements under water and others above water. In the absence of a sounding plan, it was not possible to have conducted any sort of measurement on the basis of the bank measurement for a portion of the job under water.

The Committee could not, therefore, recommend the regularisation of the irregularity.



(3) *Page 39, Paragraph 44 (4)—Infructuous Expenditure*—According to the audit note a jeep costing Rs. 8,690 and having an estimated life of five years was put into commission in February 1954. After it had lived its life and expenditure of Rs. 3,095 was incurred for its repairs in September 1959 without any sanction from the competent authority. The jeep after running only 590 miles went again out of order in April 1960 and could not be used so far even after incurring a further expenditure of Rs. 2,495 on its repairs. Considering the original cost and its utility after the expiry of its estimated life the expenditure of Rs. 5,590 on its repairs was apparently not justified.

The Department explained that life of jeep was taken as five years for estimating purpose only. This theoretical limit did not restrict the life of the jeep, which could be extended beyond 5 years by replacing unserviceable parts. Special overhauling of jeep was carried out in Moghalpura Irrigation Workshop at the cost of Rs. 3,095. Possibilities of damage to vehicle could not be ruled out, but it did not imply that the Government Vehicles should not be repaired 5 years. If that was the case, no vehicle would be running on Road after five years. Second repairs to jeep was carried out under the advice of Moghalpura Irrigation Workshop Authorities. New Jeeps were not readily available in these days. Extensive survey work had to be carried out with the old jeep involving special repair. On 31st May 1961, the jeep was transferred to Chakbandi Division of Link Circle which was Construction Circle, for M.R. Link and its channels. It was subsequently transferred to M.P.O. on 19th April 1962 alongwith other vehicles and Machinery of the Department in running conditions.

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

(4) *Page 40, paragraph 45 (1)—Fictitious Stock Adjustment*—According to the audit note cement tiles and Bricks worth Rs. 84,284 were issued during March 1953 for use on a work. The cost of the entire material was subsequently written back and the material taken back on stock during the period from June 1953 to August 1954. No carriage charges were incurred both ways and the material was, therefore, not carried to the site of work and back. The fictitious transaction was carried out during the last month of the financial year merely to utilize the budget grant.

The Department explained that this was only a case of financial irregularity without any loss to the Government. No disciplinary action could be taken against the defaulters, who died.

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

(5) *Page 40, paragraph 45 (2)—Fictitious Stock Adjustment*—According to audit note 4000 cement bags and 192 tons 19 Cwt. 3 Qrs. 12 lbs. M.S. Bars were indented from another Division during March 1958 and shown in the accounts as having been received although the requisitioned quantity of cement was awaited from the factory even in the supplying Division by that date and M.S. Bars were actually cared to the Divisional Godowns during October to December 1959, i.e., after one and half year of their accountal in the Division. Thus the receipt of these stores was purely fictitious and was made for utilizing the Budget grant only which was against the provisions of rules. Further as a result of physical verification of stores carried out during September 1960 and February 1961, i.e., subsequent to the receipt of these stores a shortage of 16 tons 10 Cwts. 2 Qrs. 2 lbs. of M.S. Bars worth Rs. 14,931 was detected. This shortage was reported to the higher Public Works Department

authorities during March 1961 but the same was neither accounted for by debit to the suspense head "Miscellaneous Public Works Advances" nor was any information been sent to Audit as required under the rules.

The Department explained that the audit objection related to the following irregularities:—

- (i) The Store was indented from another Division in March 1958, which was carted to the Divisional Godowns after one and a half years. The receipt was therefore fictitious and was made for utilising the budget grant.
- (ii) As a result of physical verification of stores, shortage of 16 tons 10 Cwt. 2 Qrs. 2 lbs. of M.S. Bars worth Rs. 14,931 was detected and that the shortage was not accounted for by debit to suspense head Miscellaneous P. W. Advances.

The explanation for the irregularities was stated to be as follows—

*"(i) Fictitious receipt made to utilise budget grant—*Indus Bridge Division was created in January 1953 for construction of road bridge near Thatta on Indus River. Funds to the extent of Rs. 2.5 lacs were sanctioned for this Division in the 2nd list of Excesses and Surrenders. The immediate requirements of this Division was M.S. Bars and cement which were available and surplus to the requirements of Remodelling Division, Hyderabad. An indent was, therefore, placed and 192—19—3—2 tons of M.S. Bars and 4,000 bags of cement were issued by the Remodelling Division and A.T.D. No. 16, dated 25th March 1958 was forwarded to and accepted by the Indus Bridge Division. The transaction was accounted for in March 1958. It is thus clear that there was no ulterior intention to utilize the budget grant at the close of the year.

It is also not correct that the receipt of stores was fictitious. Indus Bridge Division had no storage godown to accommodate the material indented from Remodelling Division, M.S. Bars and cement occupied quite a large space and also needed a watchman. Temporary storage accommodation was therefore arranged from Remodelling Division till the same was shifted to the near premises. Thus the late shifting of the material does not indicate that the receipt was fictitious.

*(ii) Shortage of 16—10—2—2 tons of iron bars worth Rs. 14,931 and its non-account to suspense head—*As a result of enquiries, Mr. Muhammad Anwar Sheikh the then Sub-Divisional Officer has been held responsible for loss to Government. By the time, the case started, Mr. Sheikh had left service and no action could be taken against him, as his whereabouts were not known. It has now been disclosed that he is doing business in Karachi. Details of case have been furnished to him on 30th November 1966 and he has been directed to clear his position. The Superintending Engineer, Thatta Sujawal Road Bridge Circle has been asked to call Mr. Muhammad Anwar in his office to show him the required records. In case he fails to turn up and explain his position, steps will be taken to recover the amount from him as arrears of land revenue. The Superintending Engineer, Thatta Sujawal Road Bridge Circle has intimated that Mr. Muhammad Anwar had gone on Haj and therefore he could not be contacted. Recently the Executive Engineer, Indus Bridge Division made efforts to contact Mr. Muhammad Anwar but as he could not ascertain whether or not he had returned from Haj. However, the Executive Engineer has been directed to continue his pursuit till recovery is effected. As regards disciplinary action against those who failed to pursue the case promptly, it is under way."

With regard to the first part of the objection the Department further stated that during that period there had been two transactions of receipt of 4,000 bags

of cement, one in March and the other in May, but that the audit had pointed out the transaction relating to 4,000 bags received in March.

The Committee felt that the Department should have produced, if not before the Audit at least at the meeting of the Public Accounts Committee, the two receipts, one for the transaction in March and other for the transaction in May, to prove their point. This was not done. However, the Committee decided to drop the item subject to production of the relevant records to prove this point, to the satisfaction of the Audit. The Committee further decided that in case the Department was not able to satisfy the Audit within the next month, the Audit should report this to the Secretariat of the Committee, with endorsement to the Department and the matter would then come up again before the Committee alongwith the accounts for the year 1961-62.

With regard to second part the Committee considered the explanation to be unsatisfactory. The Department then stated that special efforts were being made to make the recovery from the person concerned who was traceable and was said to be in business somewhere in Karachi. The Committee desired that the Secretary, Irrigation and Power Department should take personal interest in the matter and speed up the efforts to recover the amount. He should look into this matter afresh and see whether proper attempt was made to fix the responsibility as to why the Sub-Divisional Officer alone was being held responsible. He should also find out whether anyone else in the Department, who was responsible for supervising the work of the Sub-Divisional Officer was also responsible in any way and whether responsibility should be fixed on him also. A report on both these points should come up before the Committee at its next meeting when accounts for the year 1961-62 are considered.

(6) Page 41, paragraph 46 (1)—*Fictitious payment*—According to audit objection an account of Rs. 24,645 was paid to a contractor for carriage of 3,03,323 cft. boulder stone which was actually not done by the contractor.

The Department stated that the quantity of boulder stone was shown as short against an Overseer but the Enquiry Officer found that there was no shortage against the Overseer. As such the carriage of boulder stone could not be considered as fictitious.

The Department further stated that this paragraph was inter-connected with paragraph No. 40(8) which was discussed by the Standing Committee on Public Accounts on 19th April 1967 and was deferred to be taken up alongwith the accounts for 1961-62.

The paragraph was deferred to be taken up alongwith the accounts for 1961-62. However, the Committee decided that Department should furnish a copy of the finding of the inquiry officer to the audit at an early date. In case the audit was not satisfied with the inquiry report, prior to this matter coming up before the Public Accounts Committee at its next meetings, a joint inquiry should be conducted in which the Department as well as the representative of the audit should both be associated.

(7) Page 41, paragraph 46 (2)—*Fictitious Payment*—As this paragraph was also inter-connected with paragraph 40 (8) which has already been deferred to be taken up alongwith accounts for 1961-62, the consideration of this paragraph was also deferred to be taken up alongwith the accounts for 1961-62.

(8) Page 42, paragraph 47 (2)—*Mis-appropriation of Government Material*—According to the audit note materials worth Rs. 2,105 are issued in excess of the work. The excess quantity issued was not taken back on stock and appear

to have been misappropriated because it remained unaccounted for. Thus the Government was put to a loss of Rs. 2,105.

The Department explained that during March 1948 Overseer Main Line Lower, I Section (Muhammad Shafi) issued 2,00,000 pacca bricks to Mr. Abdul Haq, Overseer of Kundian Section for constructing V. R. Bridge R.D. 32,375, Main Line Lower, but the latter showed receipt of 95,500 bricks only. The total receipt of bricks shown by Mian Abdul Haq, Overseer, Kundian, in Material at site account is 2,00,500 against which his Sub-Divisional Officer showed 3,05,000 bricks in his Material at site account. Thus the difference was 1,04,500 which collaborated with the above. This quantity of bricks (104,500) was neither received back on stock nor its consumption on the work or transfer to any other work or adjustment in any other way was available from the records. Under the circumstances this difference could only be explained by either Mian Abdul Haq, Overseer, Kundian, or by Muhammad Shafi, Overseer, Main Line Lower Section I or Mr. Muhammad Saeed Minhas, P.S.E., who was the Sub-Divisional Officer incharge of the work in those days.

As regards shingle a quantity of 8,340 cft. was shown as issued to the work and a balance of 1,608 cft. shingle was shown surplus to the requirements. This excess quantity of 1,608 cft. shingle was not adjusted anywhere but shown by the Overseer Mian Abdul Haq as lying buried under sand, Mr. Abdul Haq, Overseer was responsible for this loss.

Mr. Muhammad Saeed Minhas, P.S.E., was reported to be working as Project Director (D.C.E.) Small Dams Organization, W.P.A.D.C., Rawalpindi, Ch. Abdul Haq, O.E.S., was reported to be working as Executive Engineer in the office of Chief Engineer (C&D) WAPDA, Sunny View, Lahore. Whereabouts of Mr. Muhammad Shafi, Overseer, were stated to be not known. The Committee was shocked that although 17 years had passed since this was originally pointed out nothing tangible had been done so far. In the oral examination it was stated that on the 4th of September 1967, Mr. Abdul Haq had been charge-sheeted. The Committee felt most dissatisfied with the manner in which this matter had been treated, and directed the Department to expedite recovery of the amount. At the same time, the Department should once again examine whether Mr. Abdul Haq alone was responsible for the mis-appropriation or whether Mr. Muhammad Saeed Minhas, P.S.E., who was the Sub-Divisional Officer and Mr. Muhammad Shafi, the then Overseer, Main Line Lower Section I, were also involved. The paragraph was deferred to be taken up along with the accounts for 1961-62.

(9) Page 42, paragraph 48 (1)—*Undue Financial Aid to Contractors*—According to audit objection advance payments were made to a contractor on the certificate of the Engineer Incharge of the work that the amount work of done was not less than the amount of the advance made. On a subsequent measurement of work, however, it was found that the amount of work done was far less than the amount of the advance made. The advances were thus made on incorrect certificate of the Engineer incharge and amounted to undue financial aid to the contractors.

The Department contented that no excessive advance payment was allowed to the contractor.

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

(10) Page 43, paragraph 48 (2)—*Undue Financial Aid to Contractors*—According to the Audit note stores worth Rs. 1,38,192 were issued to a contractor during the period from March 1955 to August 1959 for use on a work

but recovery thereof was not made promptly from the subsequent running payments made to the contractor in contravention of the provisions of the contract agreement. The result was that in spite of the lapse of over two years, a sum of Rs. 54,429 remained unrecovered from the contractor. This did not only amount to an unauthorised financial aid to the contractor but also involved the risk of a loss of Rs. 54,429 to Government.

The Department explained that the recovery of the balance of the cost of stores recoverable from the contractor has since been made from him. The delay in recovery was due to delay in finalizing of the final bill of the contractor.

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

(11) *Page 49, paragraph 49—Irregular Purchases*—According to the audit objection the local purchases during a year exceeded the limit of Rs. 10,000 prescribed by the Government prior to the year 1950. This limit was raised to Rs. 12,500 in 1950. The Divisional Officer continued to make local purchases in excess of the limit ignoring the orders of the Government and the purchases exceeded the limit throughout.

The Department stated that the matter relates to purchases made by the Upper Sind Mechanical Division in excess of prescribed limits during the period 1947-48 to 1959-60. This case was examined by the Departmental Accounts Committee wherein the following decision was taken:—

“The real solution lay in changing the limit of local purchase in the particular Division by referring the matter to Finance Department. In this case the sanction of the Finance Department was necessary to regularise the matter”.

Accordingly the case for enhancement of Reserve Limit were referred to the Irrigation Secretariat. Examination of the case showed that the explanation of Mechanical Engineer in most cases was not entirely satisfactory. His explanation for these lapses was called. Further action would be taken on receipt of his reply.

The Committee observed that despite sufficient time having been given to the Irrigation and Power Department to furnish detailed explanation practically no explanation with any details was submitted by the Department to the Committee. However, that portion of the explanation submitted by the Department, which was relevant to the year, showed that the Department itself was not satisfied with the explanation of the Mechanical Engineer in most cases.

The Committee noted that from 1947-48 to 1959-60 local purchases beyond the prescribed limit were made as under—

Year		Limit	Local Purchases
		Rs.	Rs.
1947-48	...	10,000	27,690
1948-49	...	10,000	71,988
1949-50 up to July, 1958	...	10,000	1,89,143
1950-51	...	10,000	26,280
1951-52	...	10,000	1,70,947
1952-53	...	10,000	59,361
1953-54	...	...	...
1954-55	...	...	...

1955-56	...	12,500	91,103
1956-57 (upto September 1957 against Rs. 2,500).		12,500	6,172
1957-58	..	12,500	24,423
1958-59 (upto October 1958)	...	12,500	13,747
1959-60—			22,113/8 }
Petty Store	...	2,500	..
Spare parts	...	10,000	40,191

The Committee had reluctantly to observe that it was neither satisfied with the explanation submitted by the Department nor with the progress made so far in attempting to regularize the same.

The paragraph was deferred to be taken up alongwith the accounts for 1961-62.

(12) *Page 43, paragraph 50—Unauthorised payment*—According to the audit objection payment of Rs. 703 on account of bonus at 30 per cent on the work "Constructing 132-K.V. Grid Sub-Station" was made to contractor in January, 1949. Neither the relevant work order contained any provision for grant of the bonus nor sanction of competent authority was obtained for its grant.

The Department explained that the work in question was executed on behalf of Electricity Department during incumbancy of Saeikh Sharif Ahmad, Executive Engineer, who left the Department. Similarly the Sub-Divisional Officer incharge of the work had also quitted the Department. It was, therefore, not possible to obtain explanation of the defaulters for the irregular payment of bonus in absence of any provision in the estimate and work orders. The relevant records could also not be traced. It was, therefore, decided that the irrecoverable amount of Rs. 703 be got written off.

The explanation was found to be satisfactory and the paragraph was dropped subject to verification of write off by Audit.

(13) *Page 43, paragraph 51—Short recovery*—According to the Audit objection the rate for the supply of steel by the Department to the contractor, as per agreement with him was Rs. 118-50 per cwt. whereas the recovery for 6 cwt. of steel supplied to him was made at Rs. 14-13 per cwt. resulting in a short recovery of Rs. 622.

According to the Department this was not a case of loss to the Government but a case of clerical error which occurred in the preparation of schedule 'A' of the agreement. The case was referred to the Finance Department who accorded the requisite sanction to the rectification of rate of M.S. Bars size 5/8" erroneously entered by the Sub-Divisional Clerk as Rs. 118/8 per cwt. instead of Rs. 14/13 per cwt. in the schedule 'A' of the agreement No. 32 of 1949-50.

The explanation of the Department was found satisfactory and the paragraph was dropped.

(14) *Page 44, paragraph 52—Wrong payment to a contractor* (Rs. 2,892)—Mr. Nurul Hassan Ansari, Sub-Divisional Officer, Dulewala Sub-Division, made double payment to the contractor in May 1959 without any justification.

According to the Department the excess payment made to the contractor has been recovered from him and verified by the Audit. As regards disciplinary action, the Enquiry Officer held that no evidence whatever had come forth of any illegal gratification having been offered or given to the Sub-Divisional Officer. The Enquiry Officer was of the view that the running payment was made in an irregular manner by the Sub-Divisional Officer which reflected on his muddled thinking for which the officer needed to be reprimanded. He was therefore reprimanded.

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

(15) *Page 44, paragraph 53—Excess issue of material worth Rs. 1,751—*As the complete record of this case has not been shown by the Department to the Audit, the paragraph was deferred to be taken up alongwith the accounts for 1961-62 with the direction that the Department should produce all the connected records for verification by Audit.

(16) *Page 44, paragraph 54—Irregular withdrawal of Government Money—*According to the Audit objection the former Government of Sind permitted the re-imbursement of pay of Malies engaged on the maintenance of gardens attached to the Government residences as a war concession. It was admissible upto the date the war came to an end viz., 1945 but it continued even thereafter. Early in 1949, however, the former Government of Sind decided that the concession should be continued so long as the headquarters of the Government of Sind were situated at Karachi. The concession should have, therefore, been withdrawn from 14th October 1955, the date of integration but it was noticed that some officers continued to avail of the concession even after the date of integration and accordingly a sum of Rs. 73,345 has been irregularly drawn on this account. On the initiative of Audit Department the Government of West Pakistan, Finance Department agreed that the concession stands withdrawn after date of integration. Orders to the officers of Irrigation Department to put an end to this irregular payment were issued by the Government on 12th December 1959.

Another sum of Rs. 783 has also been drawn by the officer of the Irrigation Department even after the date of issue of the Government orders.

The Department explained that out of the total expenditure of Rs. 73,345 shown in the Appropriation Accounts, the Irrigation and Power Department was concerned with an amount of Rs. 6,959/18 only. According to the Chief Engineer the order withdrawing the concession were received in circle in April 1960 and as such only the expenditure after April 1960 was irregular. This irregular expenditure of Rs. 297 has been recovered from the Executive Engineer concerned.

The question whether the Government orders took effect from October 1955 or December 1959 could not be settled as the order itself was not available. The Committee therefore deferred consideration of the paragraph to be taken up again alongwith the accounts for the year 1961-62, and directed that in the mean time, the Department should take steps to have its contention cleared with the Audit and the Finance Department.

(17) *Page 44, paragraph 55—Loss to Government on Account of payment to the Contractor—*According to the audit note a portion of the work was executed by a contractor without any sketch or plan under the instruction of the supervisory staff, with the result that it had to be subsequently dismantled. As the contractor had worked under the direction of the departmental officials he was allowed full payment for work done and for dismantling the work which amounted to Rs. 1,334. The cost of material wasted during dismantling amount to Rs. 851. The Government was, therefore, put to a loss of Rs. 2,185 due to the negligence of the departmental Officials.



The Department explained that Rs. 677/6 was recovered from the contractor and the balance amount, viz., Rs. 677/6 debited to the work concerned. The Overseer was reprimanded. As regards the cost of material wasted during dismantlement of work, the stand of the Department was that when half and half amount of total cost of work had been recovered/adjusted the question of regularization of cost of material wasted during dismantlement did not arise. The Department further stated that the relevant contractors' bill through which the recovery had been effected was not traceable.

According to the Department, there was no alternative except to write-off the amount objected to by the Audit for which action has been initiated.

Subject to the production of sanction for the write-off and its verification by Audit, the paragraph was dropped.

(18) Page 60, paragraph 89 (i)—*The Lower Sind Barrage (Ghulam Muhammad Barrage)*—The Committee noted that no representative of the Land Utilization Department was present in the meeting although the Department had been asked to send a representative. The Committee decided that this matter be brought to the notice of the Member, Board of Revenue concerned. The consideration of the para was deferred to be taken up along with the accounts for the year 1961-62. The Committee decided to give one full day for the consideration of this para when the representative of the Planning and Development Department and the Board of Revenue should also be asked to be present in addition to the A.D.C., Agriculture, Irrigation and Finance.

(19) Page 63, paragraph 89 (ii)—*Mianwali Hydel Project*—In this case the audit note was as under:—

"The Mianwali Hydel Project as planned by the former Punjab Government was taken in hand in January 1950 without any detailed estimate or designs. An estimate for the Project amounting to Rs. 2,137.07 lacs was prepared after about three years of the commencement of work on the Project but was not technically sanctioned. In 1954 when the survey and preliminary investigation works on the project were in progress the Central Government ordered the abandonment of the Project on the ground that the Project was neither productive nor any aid was promised by the foreign aid giving countries. The total expenditure of Rs. 44,81,897 incurred on the Project till its abandonment not only included the expenditure on survey works but also the expenditure on the import of machinery for the Project. As a result of the commencement of the Project without sanction to the detailed estimate and approval of the Government and its subsequent abandonment, the Government had suffered the following losses:—

- (i) the expenditure of Rs. 8,20,533 on various survey and preliminary works incurred by the Division from 1949-50 to 1954-55 has gone waste as the survey works for the Mianwali Hydel Project are ultimately of no use.
- (ii) Sheet files and steel worth Rs. 5,91,401 were issued to the Project for execution of the various sub-works but as the Project was abandoned at the time when only survey and preliminary work was in progress, this material remained unused. The disposal of the valuable material is not traceable after about six years of the abandonment of the Project. In the absence of any material a site account for the sub-works of the Project to which the material has been issued, it has to be accounted for satisfactorily.

- (iii) Machinery and other stores worth Rs. 30,69,963 were imported for the Project but in view of the abandonment of the Project these are stated to have been transferred to other Divisions. In spite of the lapse of a period of about six years no adjustment of the cost of machinery so transferred has been made. In the absence of acceptance of the debits for the machinery and stores so transferred it is not clear whether or not these machinery have been accounted for by the Divisions to whom these were transferred.

The commencement of such a big project costing about Rs. 2,137.07 lacs without a sanctioned estimate and designs is a complete disregard of the principles of sound financial administration. In the absence of any such estimates and approval of the Government to the undertaking of the Project no proper financial control could be exercised by the Departmental authorities over execution of the Project and incurring of expenditure thereon with the result that serious irregularities mentioned above have been committed. Its subsequent abandonment before the start of the construction work underlines the ill planned manner in which such a huge investment of public money had been undertaken without due consideration and examination of the various aspects of the Project".

The Departments' contention was that neither the expenditure incurred on the project had gone waste nor the project was abandoned for reasons assigned by the Audit.

The Committee felt that the first decision to start work on the project and subsequently after the survey had taken place, without the work being executed the second decision to abandon the work was a policy matter. As such the Committee would not go into this. The Committee was of the opinion that in all matters which were definitely determined by settled policies of the Government the Public Accounts Committee should not conduct an inquiry. The Committee regarded it as a rule, to be carefully followed, that no expression of opinion should be given on points of general policy of the Government.

The Committee, however, decided that the Department should satisfy the Audit as to the disposal of the machinery involved. If these were transferred to other Divisions their acceptance should be shown.

Subject to these observations the paragraph was dropped provided that if the Audit was satisfied with regard to the transfer of machinery, the matter should come up again before the Public Accounts Committee alongwith the accounts for 1961-62.

(20) Page 64, Paragraph 91—*Expenditure on Deposit Works in excess of deposits received by the P. W. D.*—Audit pointed out that during 1960-61 the Department incurred expenditure on 67 works in excess of the total deposits received which act was in contravention of the rules.

The Department explained that with the exception of three works the amount involved had been recovered/adjusted. As regards the three outstanding cases the position was explained as under:—

(1) *Water Supply to K.D.A. for Rs. 11,79,439*—"The matter regarding recovery of the amount for the work done by this administration on behalf of K.D.A. has been taken up with that authority since long by the Executive Engineer, Thatta Division and the Superintending Engineer, Bagar Circle. The Head Office of K.D.A., at Karachi, refused to make any payment on account of deposit works till the Draft Agreement was finalized between K.D.A. and Irrigation (G.M. Barrage Project.) The delay in finalization of the said Draft Agreement was due to the hitches put forth by the K.D.A. from time to time which have resulted in

non-payment of our dues. As such, the entire responsibility for the delay that has occurred so far lies on the part of K.D.A. However, it is now learnt that Superintending Engineer, Bulk Water Supply and the Chief Engineer, K.D.A. have recommended the case to their higher authority for payment of said dues.

The Chief Engineer and Advisor, West Pakistan, A.D.C., Lahore is pursuing this case with the K.D.A.

The Superintending Engineer, Bagar Circle, A.D.C., G.M. Barrage Project and Bulk Water Supply Circle K.D.A., have decided in their meeting held at Karachi on 29th December 1966 in respect of payment of Deposit work as under:—

Previously the departmental charges on the K.D.A., Deposit work done by this Administration during the period ended 1947-48 were claimed at 30½ per cent. But the K.D.A., produced a copy of Executive Engineer, Thatta Division's letter No. SAC/C-9(e), dated 17th December 1947 addressed to the Chairman, Karachi Joint Water Board (since defunct), indicating that the ex-Sind Government had laid down the departmental charges at 13½ percent of Audit charges for works regarding constructing the Haleji Scheme. Accordingly, the rate of 13½ per cent as departmental charges for the said period the amount in this behalf works out to Rs. 3,43,578-06. The total claim for the Deposit work upto the said period thus comes to Rs. 28,88,206-06 out of which an amount of Rs. Rs. 23,54,500-00 has already been recovered. The outstanding balance for the said period and at the said departmental charges (i.e., 13½ percent) is Rs. 5,34,103 and for the payment of this, the Karachi Development Authority are being reminded constantly.

For the deposit work for 1949-50 to 1961-62, the ex-Sind Government laid down the rate of departmental charges at 25 per cent. At this rate the amount of departmental charges plus the expenditure on construction of Haleji Scheme payable by the K.D.A., is Rs. 9,49,379.50, against which Rs. 7,84,861 have been recovered and an amount of Rs. 1,64,518-50 is still recoverable for which the K.D.A., is being reminded constantly.

Thus the total amount recoverable from K.D.A. is Rs. 5,34,103+1,64-518 = Rs. 6,98,621.

(2) *Naranji Flow Irrigation Scheme*—The estimated cost of the scheme is Rs. 1,15,000 against which the expenditure of Rs. 92,506 has been incurred. The District Council deposited Rs. 47,700 and the Balance of Rs. 67,300 is recoverable from them. The District Council has however declined to pay the balance due to its weak finance. The Commissioner, Peshawar Division, approached the Board of Revenue to arrange Rs. 67,300 from Government funds and that the scheme may be maintained by Irrigation Department. A special application for funds was sent to Finance Department to agree to the allocation of additional funds. The Finance Department desired to know the action taken against the officer for completing the work in anticipation of deposit of additional funds by the District Council, Mardan. Reply to the observation of the Finance Department has been sent and the matter is still under correspondence. The amount will be cleared from the Miscellaneous P. W. Advances as soon as funds are received.

(3) *Construction of road inside Premier Sugar Mill*—Records were not available.

As regards the first work, the Committee decided that—

- (i) The department should satisfy the Audit by production of the original letter from the Sind Government agreeing to the Departmental charges of 13½ per cent to be recovered from the Karachi Joint Water Board (Whose successor are the K.D.A.) in place of 30½ per cent.

(ii) The Department should explain to the Committee as to how and from where this figure of 30½, which are at present being charged, came, and who authorised it.

(iii) The Department should expedite signing of the agreement with the K.D.A.

and to report the progress to the Committee at its next meeting when accounts for the year 1961-62 are considered.

As regards *Naranji Scheme* the Committee decided that the Department should take steps either to have the amount of Rs. 67,300 recovered from the District Council or approach the Finance Department for a grant. The progress should be reported to the Committee at its next meeting, alongwith the accounts for the year 1961-62.

As regards the construction of roads inside the Premier Sugar Mill, involving a sum of Rs. 1,79,225, the Department requested for time to trace out the records and place them before the next meeting of the Public Accounts Committee. The matter was deferred to be taken up alongwith the accounts for 1961-62.

(21) *Page 69, paragraph 93 (a)—Delay in Disposal of Inspection Report and Audit Notes*—The Audit Department pointed out that 25 Audit notes and 351 Inspection Reports were outstanding.

The Committee asked the Department to expedite the clearance of both the Audit Notes as well as the Inspection Reports.

Subject to this, the paragraph was dropped.

(22) *Page 71, paragraph 93 (b)*—The Audit Department pointed out that even first replies to 9 No Inspection Reports had not been furnished by the Department.

The Committee observed that the progress was very unsatisfactory and the Department should take particular care to expedite replies. Subject to this the paragraph was dropped.

(23) *Page 73, paragraph 94—Arrears of Accounts Documents and returns*—The Committee was informed that out of 3,200 documents and returns about 700 remained to be cleared. The Committee directed that the Department should expedite reconciliation. Subject to this the paragraph was dropped.

(24) *Page 75, paragraph 95—Unresponded items under the head Transfer between P. W. Officers*—As most of the unresponded item had been retained in the Accounts for subsequent year. The paragraph was dropped.

(25) *Page 75, paragraph 96—Non-preparation of Capital and Revenue Accounts*—The Audit Department informed that 102 Capital and Revenue Accounts were still outstanding.

The Department explained that the latest position was being reconciled with the Audit.

The Committee observed that the Department should expedite and get the accounts verified by the Audit. Subject to this the paragraph was dropped.

(26) *Page 76, paragraph 97—Outstanding Adjustment Memos*—The Audit Department pointed out that 237 Adjustment Memo's were still outstanding.

The Department explained that the figures were being reconciled with Audit.

The Committee made the same remarks as in case of paragraph 96 above.

(27) *Page 76, paragraph 98—Contract Agreement not Supplied to Audit*—The position was stated to be satisfactory and the paragraph was dropped.

(28) Page 512, item 8, Annexure—*Undue financial aid to the Contractor*—Rs. 41,771.—In this case the cost of cement issued to a contractor was not recovered, while making running account payments for the work on which the cement had been consumed.

The Department explained that the recovery of the amount of Rs. 41,771-00 incorporated in the paragraph was effected from the contractor through his II and III running bills paid,—*vide* voucher No. 17, dated 22nd December 1960 and voucher No. 11, dated 12th April 1961. Mr. Abdullah Jan, Sub-Divisional Officer and Mr. Muhammad Siddique, Overseer responsible for not effecting the recovery from the 1st running bill of the contractor have since been warned to be careful in future.

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

(29). Page 512, item 9—*Wasteful expenditure*—In this case three works were carried out without administrative approval and technical sanction. The tenders were also not approved by the competent authority. By the time pitching stone worth Rs. 1,29,873 was collected by the contractor the execution of works was suspended. The contractors claim were, however settled without sanctioning their agreements. In order to cover these payments fresh estimates under different nomenclatures were prepared and got sanctioned by the Deputy Chief Engineer. A detailed scrutiny of these estimates, however, revealed that pitching stone debited to two of these estimates was not likely to be consumed there against. Thus the entire expenditure of Rs. 1,29,873 was not only irregular but a portion of it, i.e., Rs. 94,229 had gone all waste due to hasty and unplanned action of the departmental officers.

The Department explained that the scheme for the construction of Gando of Boulders wrapped in G. I. Wires on Shole Nai at (i) Wali Muhammad-jo-Goth (ii) Kandobabar, (iii) and Bahawal was prepared by the Executive Engineer defunct Gaj Manchar Division to safeguard against floods as bitterly experienced in 1956-57. The *ex-Deputy* Chief Engineer, Irrigation Sukkur forwarded the same to the *ex-Chief* Engineer, Irrigation, West Pakistan, Lahore for Administrative approval. In the meantime allotment of Rs. 5,000 for each of the three works was sanctioned during the year 1957-58 and the emergent works were taken up in hand in anticipation of administrative approval and technical sanction under intimation to Audit. It was subsequently decided that there feasibility or in other words their construction on rational basis needed further examination. The works were therefore, stopped after the expenditure of Rs. 1,29,873 had already been incurred thereon. It was further intended that all the floods and drainage works of the Region should be transferred to WAPDA for execution. No further execution was therefore taken by Irrigation Department. Out of the expenditure of Rs. 1,29,873 the value of supply of stone worked out to Rs. 1,16,515 from which the stone worth Rs. 47,033 was used on the work the expenditure on which including labour, earth work, etc., worked out to Rs. 60,391. The remaining stone worth Rs. 69,482 is lying on the site of the work pending utilization on other works. The portion of the work done costing Rs. 60,391 against Rs. 94,229 shown in the draft para has not gone waste as it is useful for protection of culturable areas from floods. The work was started under the orders of Mr. Ram Chandassi, the then Executive Engineer of defunct Gaj Manchar Division who has since retired and no disciplinary action could be taken against him for the irregularity.

The Audit pointed out that the record showed that the work was actually started under orders of Mr. G. M. Leghari, Superintending Engineer who has not been asked to explain. The date of retirement of the Executive Engineer, has not been intimated to the Audit. The expenditure on carriage of stone was infructuous.

Further expenditure would also be incurred when this stone would be carried to the other work. Besides it was doubtful whether this quantity of stone would be available at site after passage of 10 to 12 years.

The Committee directed the Department to reconcile the matter with Audit and deferred the para to be taken up along with the Appropriation Accounts for 1961-62.

(30) Page 513, Item No. 10 (i) and (ii)—*Theft of Government Material*—As the loss has been written-off and the material has been recovered, the para was dropped.

(31) Page 513, Item No. 10 (iii)—*Theft of Government Material*—In this case 2972 ft. of G. I. Pipe worth Rs. 12,136 was stolen.

The Department explained that the theft has taken place in the Tribal Area and the Political Agent, Khyber, investigated the matter in his capacity of Police Officer of the Agency. A Departmental Enquiry was also held and its findings that the cost of stolen pipes be recovered from the chowkidars and the tribes on 50/50 basis was as agreed to by the Political Agent, Khyber. The Political Agent, Khyber, intimated that the recovery would be made on receipt of commission of the Tribal People from the Irrigation Department.

Recovery of Rs. 6,889.79 has been made through the Political Agent, Khyber. The balance recovery of Rs. 2,456.21 was under correspondence between the Political Agent, Khyber and the Executive Engineer, Warsak High Level Canal Division, Peshawar.

Subject to recovery being made and got verified by the Audit, the para was dropped.

(32) Page 513, Item No. 10 (iv)—*Theft of Government Material*—In this case one type-writer worth Rs. 450 was stolen away from a Divisional Office.

The Department explained that the matter was reported to the Police who having made necessary investigation and finding no clue of the culprits disposed of the case as untraced. In the circumstances loss of Rs. 450 being the cost of type-writer was written off by the Government.

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

(33) Page 513, item No. 11—*Loss due to defect in designing of Spill weir*—In this case spill weir constructed during 1959 at a total cost of Rs. 5,91,716 was washed away in the very first flood during the same year. The failure of spill weir was attributed to defect in designing. The cost of its further repairs amounted to Rs. 4,32,376. Similarly another spill weir constructed at a cost of Rs. 4,41,139 was damaged within 10 days of its completion. The damaged portion was got repaired at a total estimated cost of Rs. 3,64,616. The failure of spill weir was attributed to defective designing.

The Department explained that the loss due to defect in designing spill weirs as pointed out by the Audit Department was in respect of the following two works:—

- (1) Spillweir at Nawabi near Takwara in D. I. Khan District.
- (2) Spillweir at Warruki in D. I. Khan District.

The Departmental inquiry was held to investigate into the causes of the damages done to the two spillweirs at Nawabi and Warraki and to fix responsibility.

In the opinion of the court of Enquiry the Spillweirs were damaged mainly due to faulty design. The Government, however, after a very careful consideration of the case gave benefit of doubt to the Design Engineer responsible for these designs, and have exonerated him of the charge as in design matters chances for such losses cannot be altogether eliminated. The loss which is admitted did not occur due to any *malafide* intention or irregularity.

The case was examined, by the Departmental Accounts Committee in their meeting held on 5-6th July, 1966 when it was explained that the design adopted for spillweir was an experiment with a view to effect saving in cost of construction of such works. The experiments which are costly however did not succeed.

The Audit pointed out that the copy of the inquiry report has not been supplied to them.

The Committee directed the Department to supply a copy of the Enquiry Report to the Audit, and also place it before the Public Accounts Committee at its next meeting along with the relevant documents. The para was accordingly deferred to be taken up alongwith the accounts for 1961-62.

(34) *Page 515, item No. 18—Loss of Rs. 3,518*—In this case a Daffadar received cash on account of pay of establishment from the treasury but did not hand over it to the Department.

The Department explained that one Muhammad Ayub Khan, a Daffadar employed in Kalabagh Division had obtained Rs. 5,603/2 from the Treasury at Mianwali against approved pay bills. After encashing the pay bills amounting to Rs. 5,603/2 he absconded and when caught on reporting the matter to the Police, he had already spent Rs. 3,517/2 because only Rs. 2,086/00 could be recovered from his person at the time of arrest. The accused was sentenced to four years rigorous imprisonment and fine of Rs. 6,000. In default of payment of the fine he had to undergo further rigorous imprisonment of two years. The Court under took to make good the loss of Rs. 3,517/2 to the Executive Engineer, Kalabagh Division on recovery of the fine of Rs. 6,000 from the accused. The Court could not do so, because the accused decided not to pay the fine and instead undergo two years further imprisonment (in fact he cannot pay the fine). In view of the above position, there was no possibility of recovery of the loss of Rs. 3,517/2. Hence the case of write-off has been referred to the Finance Department.

The para was dropped subject to its write off and its verification by Audit.

(35) *Page 524, item No. 53—Theft of Government Money*—In this case leather bag containing cash was found missing from a Divisional Chest on 3rd October, 1961.

The Department explained that a sum of Rs. 11,095.06 was found missing from the Government Chest of Land Reclamation Officer (U.C.C. Circle) in October, 1961. Two persons namely M/s. Meraj Din, Accounts Clerk and Fazal Karim, Peon were challaned by the Police and tried in the Court. Fazal Karim, Peon was sentenced to 18 months rigorous imprisonment together with a fine of Rs. 12,000 or in default to undergo a further rigorous imprisonment of 18 months. Departmental Enquiry was also held in this case as a result of which the increment of Mr. Meraj Din, Accounts Clerk, was stopped for three years without future effect although he was acquitted by the Court.

The Department further explained that the procedure in vogue for the maintenance of the Chest was that the Land Reclamation Officer should kept both the keys of the Chest and was himself be responsible for the maintenance and upkeep of the Chest. The L. R. O. however entrusted both the keys to the Accounts Clerk and failed to exercise his control laid down in Rules 2-31 of P. F. R. (Punjab) Vol. I. For this act of negligence he had been charge-sheeted and action against this officer under E. & D. Rules, 1960 was stated to be in progress. The question regarding making payment to the staff of the Land Reclamation Officer by preparing duplicate bills for the month of September 1961 was stated to be under correspondence with the Finance Department who have been insisting for the finalization of enquiry case against the L. R. O. first before they could consider payment of salaries to the affected staff whose salaries for September 1961 were stolen in October, 1961.

The Committee observed that the Department should expedite action against the Land Reclamation Officer. Action taken against him should finally be intimated to the Audit. Subject to these observations, the para was dropped.



(36) Page 512, item No. 5 (ii) *Excess payment of Rs. 4,046*—In this case on the work of restoring banks of a channel damaged by flood of 1955 a case of fictitious measurements for making bogus and excessive payment was noticed by the Divisional Officer.

The Department explained that the departmental enquiry of the case involving excess payment of Rs. 4,046 in the work "Restoring banks of Pathana Minor R. D. O. to tail damaged by flood 1955" was started in the first instance during 1959-60, but before it could be finalized the Anti-Corruption Department had registered the case against the officials concerned and had taken away the connected record for investigation.

The para was deferred to come up before the Committee at its next meeting when accounts for the year 1961-62 are considered.

III. The Irrigation and Power Department placed before the Committee an interim report in respect of para. 17(a) (26) (1) (i) pertaining to the Appropriation Accounts for 1959-60 which is to be considered by the Committee alongwith the accounts for 1961-62. The Committee desired that the Joint Enquiry should be expedited.

IV. The Committee then adjourned to meet again at 3.00 p.m. to consider the items relating to Communications and Works Department.

LAHORE :

The 9th September, 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 12TH SEPTEMBER, 1967 AT 9.00 A. M.  
IN 'TEA ROOM' OF THE ASSEMBLY BUILDING, LAHORE.**

**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) Qazi Muhammad Azam Abbasi, M.P.A.   | .. Member.      |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.  | .. Member.      |
| (6) Mr. Malang Khan, M.P.A.   | .. Member.      |
| (7) Rais Haji Darya Khan Jalbani, M.P.A.  | .. Member.      |
| (8) Mr. G. D. Memon, Joint Secretary to Government of West Pakistan, Finance Department.  | Expert Adviser. |
| (9) Rana Muhammad Yasin, P.A. & A. S., Accountant-General, West Pakistan.   | By Invitation.  |
| (10) Mr. Nuzhat Hussain, P. A. & A. S., Director, Audit and Accounts (Works), West Pakistan.  | By Invitation.  |
| (11) Mr. Farid-ur-Rehman, C.S.P., and Mr. Ehsan-ul-Haq, C.S.P., Deputy Secretaries to Government of West Pakistan, Basic Democracies, Social Welfare and Local Government Department, alongwith Chief Engineer, Public Health Engineering Department. | By Invitation.  |
| (12) Mr. Masood Nabi Noor, S. K., C.S.P., Secretary to Government of West Pakistan, Home Department.  | By Invitation.  |

Chaudhri Muhammad Iqbal, S.K., 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 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 218, Para. 30 — *Loss due to fire*—In this case the Office of the Development Officer, Village Aid was reported to have caught fire as a result of which an almirah containing the records of the accounts was burnt. The cash book for the period from 1st April 1959 to 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 inquiry was being held. The Committee had then directed that the result of the Department inquiry should be reported to the Committee. The

Department at the meeting held on 1st November, 1966 stated that charge-sheets had been served upon the Development Officer and ex-Head Clerk. The former was working in the Agriculture Department and the latter in the office of the Deputy Commissioner, Peshawar. The Assistant Political Agent, North Waziristan had been appointed as the Enquiry Officer. The Department opined that some time was bound to be taken before the inquiry is finalised.

The Committee had then 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.

The explanation now given in the Working Paper was that "The Inquiry Officer has finalised this case and submitted his report to Government as under:—

- (i) That Dr. Akbar Khan the then Development Officer has been found to be incapable to hold any post of responsibility and may, therefore, be debarred from holding such a post in future and his two increments may be stopped. This punishment might appear a bit lenient but this case has been proposed keeping in view the fact that this enquiry has been hanging over his head like the sword of Damocles for the last 8 years although he did not enjoy 'Boon'.
- (ii) That Mr. Nasir Muhammad the then Head Clerk-cum-Accountant may be removed from Government Service because he has been found to be responsible for setting the record on fire in order to succeed in embezzling the amount of Rs. 70,000 out of Development Fund.

Further action in the light of the report of the inquiry officer is being taken by the Department in consultation with other Departments concerned and the question of writing-off the embezzled amount to the tune of Rs. 70,000 is also being referred to the Finance Department for concurrence before necessary sanction in this behalf is issued".

The Committee considered the explanation of the Department as contained in the working paper as well as the one given subsequently to the Committee at the meeting. From both the explanations, it was abundantly clear that the responsibility of the Development Officers was being ignored. It was not an acceptable excuse that an officer who was over-worked or who was holding extra charge in addition to his own duties, could commit such an irregularity without being held responsible just because he claimed that he was over-worked. In fact, every officer who is in the employment of the Government must at all times be vigilant and try to fulfil his obligations according to the rules laid down, and when he accepts to hold additional charge, he cannot escape all the responsibilities of the job he holds.

The Committee was not satisfied with the manner in which this case was being handled. It was also beyond the understanding of the Committee as to how the Head Clerk could set fire to the records in his own office and at the same time be responsible for the burning of the vouchers in the office of the Comptroller, Northern Area. Furthermore, if the vouchers in the office of the Comptroller, Northern Area were missing, it was difficult to understand as to how the accounts reconstructed by the Department subsequently, could have been verified by the Comptroller. This matter deserved looking into afresh and the Committee was of the opinion that this could only be done if the entire case was handed over to the Anti-corruption Establishment. In the meantime the Accountant-General should verify as to whether it was a fact that the vouchers and record were missing from the office of the Comptroller, Northern Area, and if it was true, what was the method by which the accounts were verified. The Committee directed that further progress should be reported back to the Committee when it considers the accounts for the year 1961-62.

(2) Page 5, Para. 8, read with page 175—Grant No. 31—Civil Works Surrender of Rs. 792,200—This para relates to the Drainage Scheme for Hyderabad.

The Department explained that the detailed design and estimate of the scheme on the receipt of its administrative approval was prepared and sent by the Additional Chief Engineer, Buildings and Roads Hyderabad to Chief Engineer, West Pakistan, Buildings and Roads Department, Lahore, in the year 1959. The scheme was further improved in the office of the Chief Engineer, Buildings and Roads Department, Lahore and then sent to Additional Chief Engineer, Buildings and Roads, Hyderabad, for examination of its suitability of local conditions and practicability. The Additional Chief Engineer got the site examined by making trial pits and it was reported that the scheme cannot be carried out with conventional design and method due to high sub-soil water level, treacherous soil and heavy water-logging condition. It was then decided that for this difficult and complicate construction, advice of the consultants may also be obtained. The Consultants could not be appointed for lack of various sanctions during the remaining part of the financial year in spite of best efforts, and thus the lapse of funds could not be avoided.

The Committee considered the explanation given by the department both in the working paper and orally. From this, it became evident that this scheme was first administratively approved by the Sind Government in 1953. Up to 1959-60, no one knows what happened to it. In 1959-60, the scheme was approved by the Chief Engineer, Hyderabad, and sent to Chief Engineer, Lahore, who, in his turn, did not agree with the proposal of the Chief Engineer, Hyderabad, and returned it back to him after a lapse of some time. On no agreement being arrived at, at the two Chief Engineers' level, the Government decided that this be referred to some foreign Consultants. The decision to appoint foreign Consultants was taken in 1961 but they were actually appointed in 1963. The foreign consultants submitted their report in 1965 in which, among other things, it was estimated that the scheme would cost Rs. 3.92 crores. Then again, after a period of lull, it was decided that the scheme be referred to the World Bank and implemented after securing necessary funds. In 1966-67, the Government made a provision of Rs. 2 lacs, one lac in local currency and one lac in foreign exchange out of which Rs. 22,000 was spent towards part payment to the Consultants. In 1967-68, another provision of Rs. 40,000 has been made in the Budget.

It became necessary for the Committee to take note of the history of this Project from 1953 to 1967 in order to point out to the Assembly how schemes of an essential nature like the present one, were some times handled half heartedly and in a luke-warm manner whereby a basic necessity of daily life like the drainage which was required in an important city of West Pakistan like Hyderabad, were yet in the planning stage though 14 years have lapsed since the then Government recorded its administrative sanction for the same. Originally this scheme was being handled by Buildings and Roads Department and the Public Health Engineering Department inherited it only in 1961. The Committee was of the opinion that this scheme had been most tardily handled, and the department should make up its mind once and for all whether the people of Hyderabad are to be provided with modern drainage scheme or not. If this is a necessary public service and is to be provided to these unfortunate people of Hyderabad, efforts should be made to have a planned programme made out and all efforts should be made for proper administrative and technical co-ordination, to see that it is implemented at the earliest.

The very fact that the Government is willing to place large sums of money at the disposal of the Department for this scheme proves its keenness to provide drainage for Hyderabad. But the shuttle-cocking of the scheme from one Engineer to another, the delay in appointing of consultants and other similar administrative bottlenecks created by the Department does not speak well of its efficiency and its intentions.

All the good work done by the Government to satisfy the people of the smaller and less developed regions and to bring them at par with their more fortunate brothers goes to waste when the various Department get careless and do not take the necessary interest in implementing essential schemes like this one.

(3) *Page 35, Para. 17 (a) 27—Fictitious Stock Adjustment*—According to the audit note G. I. Pipes worth Rs. 1,50,000 measuring 2,500 R. Ft. were indented from another Division in March, 1958. The material in question was actually received in the Division in the month of September and October, 1958. But the entire cost thereof was already charged to a certain work in March, 1958. Thus a fictitious stock adjustment was carried out in the last month of the Financial year obviously to avoid the lapse of funds.

Further against the indented quantity of 2,500 R. ft. only 2035.25 Rft. of G. I. Pipes were issued by the Supplying Division. Thus an excess expenditure of Rs. 27,885 representing the cost of 464.75 Rft. G. I. Pipes less received was also charged to the work.

The Department explained that the Superintending Engineer has given the following explanation :—

“The Audit has pointed out that the full quantity of G. I. Pipes worth Rs. 1,50,000 was indented by Hyderabad Division from Mirpurkhas Division and debited to work in March, 1958 but actually the material was removed from Mirpurkhas to Hyderabad in September/October, 1958. Thus according to the Audit, this was fictitious adjustment to avoid lapse of funds.

In fact this is not a fictitious stock adjustment because what happened was that there was shortage of G. I. Pipes in Hyderabad at that time. There was some stock of G. I. Pipes in Mirpur Khas. The Executive Engineer P. H. E. Division, Hyderabad indented this material for use on the work “Laying and join in G. I. Pipes at Hirabad in Hyderabad. The S. E. has explained that in the case of imported material advance action for procurement has got to be taken so the G. I. Pipes though formally taken over in March 1958 at Mirpurkhas were not carried to the site of work at Hyderabad until it was actually required for laying in Sept. October, 1958. The Superintending Engineer has further stated that although the material was not sent to the site of work at Hyderabad from Mirpurkhas in March 1958 but it had definitely been earmarked in Mirpurkhas for Hyderabad work and separately reserved as such. The action of the Executive Engineer in making arrangement of the material in advance and “Not carrying it to the site of work until it was required is in fact, a wise step because there would have been difficulty in getting material when required and moreover if the material had been removed to the store at Hyderabad there would have been a double payment on account of carriage from Mirpurkhas to Hyderabad Store and from Hyderabad Store to site of work. The material was, therefore, allowed to remain in the Government Store of P. W. D. at Mirpurkhas and was carried to site when actually required.

Audit has further pointed out that this material was not entered in the Measurement book but the position is that according to Rule (i) Appendix 8 Bombay P. W. D. Manual Vol. II (extract given below) such material was not to be recorded in the measurement book.

#### EXTRACT

Measurements in the case of stores obtained through the I. S. D., Director General of Stores or any other Government Department or office of which invoices or bills giving full details are received before or at the same time as the stores themselves need not to be recorded provided the following conditions are fulfilled :—

- (1) Note of the check is made and attested on bills or Invoices.
- (2) The duplicate copy of the bill or invoice is carefully filed and treated as the original record.
- (3) The pay orders are endorsed on the bill or invoice and voucher or adjustment book item number and date is quoted for the purpose of reference.

Audit has further pointed out that out of this material of Rs. 1,50,000 material worth Rs. 27,885 was debited to work in excess but this objection is met by the fact that this amount was written back in December, 1959 as it was not actually used on work. In fact the total quantity originally earmarked for Hyderabad work was not found necessary by subsequent calculations. This does not prove the transaction as fictitious. As such no further action seems to be called for.

The above explanation was examined in the office of Chief Engineer and it was found that the action taken by the Executive Engineer was not proper. The Superintending Engineer has been advised to take suitable action against the officers responsible for this adjustment so as to avoid repetition of such irregularities in future.

The Committee observed that the Working Paper as submitted by the Department contained the explanation as submitted by the then Executive Engineer which the Department itself did not consider to be satisfactory. The Department assured the Committee that proper action would be taken against the officials responsible for this irregularity.

The second objection, which the Audit pointed out was an excess of Rs. 27,885 representing the cost of 464 running feet of G. I. Pipes. No satisfactory explanation for the same was given.

The Committee asked the Department to report at its next series of meetings the action taken against the officer/officers concerned, and also submit a detailed explanation on the second part of the objection.

(4) Page 181, Para. 8—*Non-recovery of wharfage and demurrage charges from the 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 first 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 Adhoc Public Accounts Committee taken in February, 1962 which requires that the officer should be recalled through a telegram and proceeded against departmentally. Action be taken for the cancellation of his Passport, and Departmental action should also be taken against the officer who granted leave.

In November, 1966, the Department 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 referred 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 any 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 Adhoc Public Accounts Committee in February, 1962 does not arise. As regards calling of Mr. Muhammad Hassan from abroad for 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 Department 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 then 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 attempts to fix the responsibility. It was also revealed that the Passport of the S. D. O. was dated 1st September, 1960. It appeared to the Committee that being a Government servant employed as an Engineer, normally the passport could not have been issued to his favour unless 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 the clearance certificate without first effecting recovery of the amount. The para was therefore deferred to enable the Department to further enquire into the matter and furnish full detail of the case.

The Department now explained that the amount of wharfage and demurrage charges was placed in Miscellaneous P. W. Advances during May 1959 as recoverable from contractor Mr. Nawab Din. The matter remained under investigation as to whether the contractor was responsible for this demurrage and wharfage or the departmental staff. The contractor explained his position in writing and his explanation was not found satisfactory. The Superintending Engineer, has reported that, even then, several references were made by him to the Deputy Commissioner, Multan and Sargodha and other Executive Engineer for getting the recovery made from the contractor, but no assets of the said contractor were located from which recovery could be made from him departmentally or through the Revenue Department except Rs. 715 from the available credit of the contractor in October, 1960 through T. E. Order No. 19. The Executive Engineer, Multan also referred the case to Railway Authorities (in September, 1960) for waiving the demurrage and wharfage charges and continued to press it but the Railway Authorities finally repudiated the claim in November, 1961.

Ultimately the responsibility was fixed on Mr. Muhammad Hassan, Sub-Divisional Officer who failed to take delivery of the material in time and issued the credit note. The responsibility on Mr. Muhammad Hassan, Sub-Divisional Officer could be fixed after due examination of the case and making full efforts for recovery which needed considerable time. No action could therefore be taken against him before he left the country for advance training.

Regarding the issue of no objection certificate for the passport the Department stated that the Sub-Divisional Officer received the same from the S.W.F.



Organisation on 15th August, 1958. He kept it with him for about 2 years. As verified from the Passport Officer Sub-Divisional Officer had submitted his application for the issue of the Passport on 11th July, 1960 and he absconded without any notice or information to the Department on 4th October, 1960. The charge sheet against the officer was sent to the Secretary to Government of Pakistan, Ministry of Foreign Affairs on 12th February, 1964.

The Home Department has been requested on 23rd September, 1966 to take necessary action for cancellation of his Passport.

The Committee observed that from the explanation given by the Department it was evident that the Department itself was confused about this matter particularly as to whether study leave was sanctioned or not. In one part of the explanation it was said that the Assistant Engineer went on study leave while subsequently it was stated that study leave was not sanctioned. It was very difficult for the Committee to come to a conclusion as to what was the actual position. However, the Committee did observe that although the Department was aware as early as 28th June, 1960, as was evident from the Additional Chief Engineer's letter to the Chief Engineer, that the temporary Assistant Engineer concerned was keen to go abroad and had applied for leave for the same purpose and also that there was a case of excess payment pending against him, the Department took no adequate precautions to prevent it being possible for him to go abroad with or without leave of the Department. In this case the person concerned was a temporary employee and merely to say that leave would not be granted was not sufficient action to safeguard the interest of the Government.

It was stated by the Department that the person concerned obtained a 'No Objection Certificate' in the year 1958 and that he submitted the same and procured a passport on the basis of this certificate in the year 1960. According to the Department the Passport Office considered a 'No Objection Certificate' issued to a Government servant valid for 10 years. If this was correct, it would be in the interest of the Government to consider whether it would be appropriate to take up with the Passport Office the question of holding No Objection Certificates issued to Government servants, who proceed on study leave, as valid only for six months from the date of issue. The Committee requested the Finance Department to look into this matter.

With regard to the recovery of the amount the Department was asked to make efforts for it in consultation with the Home Department as well as the Foreign Office to get the amount recovered from the Sub-Divisional Officer who has proceeded abroad.

The Committee in this connection noted that as yet no case has been lodged locally against him. This should be done immediately in consultation with the Law Department. At the same time, the Law Department should also be consulted as to whether it would be proper and also possible to recover the balance amount from the contractor.

The para was deferred to come up again with the accounts for the year 1961-62.

III. The Committee then considered the explanations of the following items appearing in the Appropriation Accounts for the year 1960-61.

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

(1) Page 21, Para 25 (2)—*Expenditure in Excess of Deposit received*—In this case expenditure to the extent of Rs. 80,61,538 in excess of the deposit received from two Local Bodies was incurred upto June, 1961. This was done in clear disregard of codal rules which prohibit the incurrence of such expenditure by Public Works Department in excess of amount deposited by the parties concerned.

The matter was last considered by the Committee at its meeting held on 31st January, 1967 when the Department stated that the Communications and Works Department transferred this para to the Public Health Engineering Department saying that it related to them but in fact this para. related to the Communications and Works Department. The Committee directed that the Public Health Engineering Department and the Communications and Works Department with the help of Audit should decide to which of the two departments this para related. The Department now stated that the matter was still under consideration between the two Department. After hearing the Secretary, Communications and Works Department who was also present the Committee decided that it was the Basic Democracies, Social Welfare and Local Government Department which had to furnish the explanation to the Committee. The Committee directed that the para. should come up again for consideration when the accounts for the year 1961-62 are under consideration. In the mean time, the Department should collect all the record and the available papers pertaining to the matter.

(2) *Page 72, Para 94—Arrears in Accounts Documents and Returns*—As there remained no document outstanding against the Public Health Engineering Department the para. was dropped.

(3) (i) *Page 4, Para. 8, read with page 234—Excess over authorised grants (Rs. 23,48,864).* (ii) *Page, 7 Para 12 read with page 234—Surrender of Rs. 58,790*—The contention of the Basic Democracies Social Welfare and Local Government Department was that the Public Health Engineering Department came into being with effect from 1st August 1961 and it did not operate the grant which was the responsibility of the Buildings and Roads Department who should explain these paras.

It was pointed out to the Committee that on the transfer of "Public Health" from the Buildings and Roads Department that Department had transferred all the record pertaining to works relating to Public Health Engineering. The Committee decided that it was the Basic Democracies Social Welfare and Local Government Department which had to furnish the explanation for the excess expenditure. The para. was deferred to come up again along with the Accounts for the year 1961-62. In the mean time the Department was asked to collect all the record from the offices under its control and to submit the explanation to the Committee.

(4) *Page 3, paragraph 5, read with page 417—Grant No. 37—Capital Outlay on improvement of Public Health (Authorised).*

Saving of Rs. 13,81,392.

Surrender Rs. 13,18,870.

(i) *Hyderabad Water Supply Scheme—Saving Rs. 3,03,347.*

(ii) *Drip Irrigation Work at Hyderabad—Saving Rs. 2,00,000.*

(iii) *Tools and Plant prorata Transferred—Saving Rs. 32,098.*

As the explanation for the saving under these items did not contain full details the Committee deferred these items to be taken up along with the Accounts for 1961-62 when the Department should submit the explanation with full details.

(iv) *Basic Survey for Urban Water Supply Schemes—(a) Preliminary saving Rs. 99,210.*

(b) *Water Supply—Excess of Rs. 19,873.*

The Department explained that the actual expenditure upto close of the year in respect of (a) was Rs. 20,184 resulting in a saving of Rs. 79,026 instead of Rs. 99,210 as intimated by the Audit.

As regards (b) the Department's contention was that no such expenditure was incurred. The Committee directed the Department to get the figures verified by Audit. The item would come up again before the Committee along with the Accounts for 1961-62.

(v) *Tools and Plant prorata Transferred, Saving Rs. 3,370*—The saving of Rs. 3,370 against Tools and Plant Prorata was due to less expenditure.

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

(vi) *Lahore Drainage and Sewer Scheme, Saving Rs. 61,330*—The Department explained that no funds were provided in the budget. A sum of Rs. 61,330 was sanctioned by the Government in anticipation of provision of funds during the course of the year. Sanction of Government was received very late viz. on 19th June, 1961. Hence the payment could not be made to the M/s. Hunting Survey Limited during the course of the year.

The Committee directed the Department to furnish a detailed information for consideration at its next meeting along with the accounts for the year 1961-62.

(vii) *Basic Survey for Rural Water Supply Scheme—Saving Rs. 37,460*—The Department explained that against the grant of Rs. 37,460 the actual expenditure upto the year was Rs. 29,598 instead of Nil expenditure as intimated by the Audit office. The actual saving was Rs. 7,862 which was due to non-availability of materials by the Director Industries in West Pakistan during 1960-61.

The Committee directed the Department to get the figures reconciled with the Audit and submit a detailed explanation when the accounts for the year 1961-62 are under consideration.

(viii) *Water Supply Scheme in Kohat, Bannu, Dera Ismail Khan and Nowshera Buildings and Roads Division—(a) Water Supply excess Rs. 2,011.*

(b) *Drainage excess Rs. 31,919.*

As regards (a) the Department stated that funds of Rs. 58,630 were originally received after the acceptance of 2nd List of Excesses and Surrenders in May, 1961. Hence Expenditure of Rs. 47,628 only instead of Rs. 60,641 as reported by the Audit office was incurred. Thus there was a surrender of Rs. 11,002 instead of an excess of Rs. 2,011. Full funds could not be utilized due to late receipt of funds, i.e., in May.

As regards (b) the Department stated that no such expenditure was incurred in the Northern Region.

The Committee made the same Observation as in the case of item (vii) above.

(ix) *Tools and Plant Prorata Transferred—Saving Rs. 2,082*—The Department explained that the saving of Rs. 2,082 against Tools and Plant Prorata is due to less expenditure against the revised estimate fixed for 1960-61.

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

(x) (a) *Drinking Water Supply in Ghulam Muhammad Barrage Area—Saving Rs. 6,56,598.*

(b) *Tools and Plant Prorata—Saving Rs. 38,800.*

The Department asked for more time to obtain detailed information from the Agricultural Development Corporation. The Committee deferred consideration of the para with the instructions that it should come up again when the accounts for the year 1961-62 are under consideration.

(xi) *Total Surrender—Rs. 13,18,870*—The Department explained that the surrender in this case was mainly against the work "Drainage Scheme at Hyderabad" which amounts Rs. 13,00,500 with T & P amount of Rs. 17,400. The matter regarding Administrative Approval and technical sanction of this Project was under the consideration of the Government and late in 1959-60 after submission of the Budget

Estimate for 1960-61 it was decided by the Government to entrust the framing of this scheme to consultants. Hence an amount of Rs. 13,17,900 was surrendered during 1960-61.

The Committee deferred consideration of the para. The para should come up again before the Committee when accounts for the year 1961-62 are under consideration.

(5) Page 419, Grant No. 37. *Less recovery of Rs. 5,57,089*—The Department explained that the estimated recovery was Rs. 8,33,300 against which the actual recovery was Rs. 2,76,211 hence less recovery was Rs. 5,57,089.

Rs. 2,76,211 included a sum of Rs. 19,097 which pertained to number of Rural Water Supply Schemes in Buildings and Roads Divisions. Balance Recovery of Rs. 2,57,114 was made on the basis of 1/3rd actual expenditure Rs. (7,46,653) incurred on the Water Supply Scheme, Hyderabad. (Recovery was based on the 1/3rd of actual expenditure). Since the expenditure was less the recovery has also fallen short proportionately.

The Committee deferred consideration of this para. The para should come up again before the Committee when the Appropriation Accounts for the year 1961-62 are under consideration.

(6) Page 445, Para. 10—*Un-authorized Sale of Government Stores worth Rs. 1,29,267*—In this case, Audit pointed out that material worth Rs. 1,29,267 was sold on credit to Government/Private official in contravention of the Government orders.

The Department explained that the whole amount has since been recovered.

The Committee directed the Department to get the recovered amount verified by Audit. The Committee further directed that the Department should take necessary action against the official/officer concerned who made the sales on credit in contravention of Government orders and report the progress to the Committee when the accounts for the year 1961-62 are under consideration.

(7) Page 58, Para 86—*Drawal of money in anticipation of actual requirements*—In this case during the course of local Audit of the accounts of a Development Officer it was noticed that R.C.C. Pipes were purchased for Rs. 4,976 in June, Rs. 1960 for use of works to be executed departmentally.

On verification from the Stock Register in March, 1961 it was observed that the pipes in question were still lying unused. These were thus purchased towards the close of the financial year to avoid lapse of budget provision and in contravention of rules.

The Department explained that the pipes were purchased on 8th June, 1960 for utilization on development projects of local importance which were duly sanctioned and that these pipes had been issued to the Village Development Committees concerned on 1st August, 1960. These pipes were being retained in stores on behalf of those committees.

When asked whether the Village Development Committees had actually used them for the purpose for which these were issued, the Department stated that they would have to check the quantities used by the various Development Councils in the Pashawar Region and for this requested for some time to furnish details to the Committee. The para was deferred to be taken up again with the Account for the year 1961-62.

(8) Page 166—Grant No. 12-G.A-19(3)—*Local Government Inspectorate Saving Rs. 1,00,901*—The Department explained that saving of Rs. 14,882 in the N. A. Circle of accounts was due to the following reasons :—

- (i) valid sanction for the creation of posts of Secretaries, Town Committee, Tangi and Utamzai, for which the provision was made in the budget were accorded on 30th January, 1962.

(vi) Officers/Secretaries drawing less pay than that expected were appointed.

(iii) The excess salary paid to the Secretary, District Council, Dera Ismail Khan earlier was recovered from him.

The reasons for the remaining saving of Rs. 86,019 were said to be as under—

(a) Economy in expenditure under "Travelling Allowance" and "Contingencies".

(b) Certain posts of Chief Officers, Secretaries, and Engineering Staff, etc. remained vacant during the year 1960-61.

(c) Difference in the pay of Chief Officer, Municipal Committee, Shahdadkot.

(d) Chief Officer, Municipal Committee, Larkana did not draw the increment and the post of Executive Engineer, remained vacant during the year 1960-61.

The Committee observed that the Department had not given details of saving under each of the seven heads shown above.

The Committee was of the view that the saving stated at (c) above was due to the fact that the competent authority failed to create posts in time due to which the amount could not be spent. The Department should have taken action against the officer responsible for the default. The posts should have been created by the competent authority as soon as provision was made in the budget.

(9) Page 301—Grant No. 31—Miscellaneous—

(i) F-3—Consolidated and Development Grant to Local Bodies—Saving Rs. 89,656.

(ii) F-4—Other Charges—Excess Rs. 7,60,694.

The Committee could not proceed with the explanation concerning this item since the Department had not yet got the figures finally verified and reconciled with the Audit. The Committee directed the Department to get them finally verified within two months. The para was deferred to come up again before the Committee along with the accounts for the year 1961-62.

(10) Page 302—Grant No. 31—Miscellaneous—J—Local Government Inspectorate—Excess Rs. 37,328.

	Rs.
Final Grant	... 1,65,840
Expenditure	... 2,03,168
	<hr/>
Excess	... 37,328
	<hr/>

The Department explained that the final grant of Rs. 1,65,840 incorporated in the Appropriation Accounts for 1960-61 was incorrect. The final grant stood at

Rs. 2,24,560; the expenditure being Rs. 2,03,168, the saving was Rs. 21,392. The following reasons were given for this saving :—

- (i) Economy in expenditure under "Travelling Allowance" and "Contingencies".
- (ii) The post of Inspector, Local Bodies, Khairpur, remained vacant with effect from August, 1960 and consequent less touring by that officer.
- (iii) Full sanctioned strength of the staff was not appointed.

The explanation was accepted by the Committee and the item was dropped.

(11) *Page 3, Para. 5, read with pages 316-317—Grant No. 35—Development—D-Village Aid and Community Development—Saving of more than 10%.*—The Department requested for more time to consult record and collect further information. The para. was deferred to be taken up alongwith the accounts for the year 1961-62.

(12) *Page 3, Para 5, read with page 365—Grant No. 35—Development-S-2—Social Welfare—Saving Rs. 2,38,417—*

		Rs.
Modified grant	...	6,00,960
Expenditure	...	3,62,543
		<hr/>
Saving	...	2,38,417
		<hr/>

The Department explained that out of the modified grant of Rs. 6,00,960, shown in the the Appropriation Accounts, a further amount of Rs. 1,27,020 was transferred to "Surrenders and withdrawals Within the grant" reducing the total modified grant to Rs. 4,73,940.

The expenditure against this modified grant was Rs. 3,62,543 resulting in the net savings of Rs. 1,11,397, which was attributed to the following reasons :—

- (a) Provision of Rs. 14,000 kept for the staff of the Blinds Institute, Peshawar could not be utilised due to non-completion of its building during the year, which resulted in non-establishment of the Institute.
- (b) The reasons for the saving of Rs. 97,397 are that this was the first year of the 2nd Five Year Plan involving a new introduction of the Social Welfare Schemes in the Provincial Developmental Budget. The Urban Community Development Projects were initially launched after a lapse of 5-6 months. Even after the late appointments of Social Welfare Organisers, the posts of eight female Social Welfare Organisers remained vacant throughout the year. The staff, viz. Auxiliary Workers, Clerks and Peons could not be appointed in time as most of the time of the Social Welfare Organisers was spent in connection with conducting the preliminary survey and final selection of the Project Areas. As such most of the posts of Auxiliary Workers, Clerks and Peons were filled after the selection of the Project Areas, in April and May, 1961. The posts of 23 Auxiliary Workers, 4 Junior Clerks and 2 Peons, however, remained unfilled throughout the year. The saving on account of the vacant posts of officers and staff was Rs. 83,337, while Rs. 14,060 relate to contingencies.

The explanation was found to be satisfactory. Subject to verification by Audit, of the amount of Rs. 1,27,020, the para. was dropped.

(13) *Page 506, Grant No. 42—Loans and Advances by the Provincial Government-B-I—Loans to Municipalities, Port Fund, etc.*—The Department requested for

more time to collect the necessary information regarding this item. The Committee deferred consideration of the item with the instructions that it should come up again along with the accounts for the year 1961-62.

(14) *Page 514, Para. 16(ii)—Misappropriation of Government money*—In this case an amount of Rs. 7,378 on account of Pay, Travelling Allowance, Contingency and Development Funds, etc., was misappropriated by the Head Clerk.

The Department explained that Mr. Asad Ali Former Head Clerk of the Development Area Chiniot misappropriated a sum of Rs. 1,190 out of undischarged amount of Pay/Travelling Allowance. There was also a discrepancy of Rs. 6,188 in cash relating to Development Funds.

The amount of Rs. 1,190 was realised from the Head Clerk and deposited in to the Government Treasury.

As regards the discrepancy of Rs. 6,188, the actual payee's receipt of Rs. 5,000 duly attested by the Drawing and Disbursing Officer was produced in Audit by the Office of Development Officer. In the meantime Mr. Asad Ali was arrested by the Police for investigation into the case. Because he was under Judicial Bar, no further progress to finalize this case departmentally could be made. The cash book was also taken by the Police. The accused later on absconded and has not so far been traced by the Police.

The Committee decided that subject to—

- (1) verification of the deposit of Rs. 1,190, by the Audit;
  - (2) verification of the payee's receipt of Rs. 5,000 by the Audit; and
  - (3) write off of the balance of Rs. 1,188;
- the para. should be dropped.

(15) *Page 514, Para. 17(i)—Misappropriation of Government Money—Rs. 53,643*—In this case a Clerk in the office of Development Officer resigned and later on took payment from the National Bank of Pakistan fraudulently.

The Department explained that in April, 1961 a case of fraudulent drawal of Government money amounting to Rs. 53,642.87 was detected. In compliance with the provisions of rule 2-34 of the P.F.R. Vol. I, the necessary report about this fraudulent embezzlement was promptly sent to the Accountant-General, West Pakistan, Lahore. It was discovered that the amount was embezzled by presenting at the treasury as many as 20 contingent bills for the varying amount ranging between 612 and 7,600. It was established that a Junior Clerk, namely Muhammad Rashid Akbar was mainly and directly involved in the case, who forged the signature of the Development Officer. A case was registered with the Police under section 409, 465 and 420 of the P. P. C. in May 1961. This case was split up into 7 Challans out of which the accused has been convicted by the Special Judge, Multan at Sahiwal in four Challans. In each of the convictions, the convict has been awarded 2½ years' rigorous imprisonment and also with fine which comes to Rs. 37,700. The amount recovered from certain persons has been ordered by the court to stand forfeited to Government after expiry of appeal/revision. As regards the recovery of the fine imposed on the accused, the information is still awaited from the Special Judge. The sanction to the write-off of the amount will be accorded on receipt of the information from the Special Judge, Multan.

The Committee directed that further progress should be reported to it along with the accounts for the year 1961-62.

(16) *Page 514, Para. 17(ii)—Misappropriation of Government Money—Rs. 3,544*—In this case misappropriation was suspected in the office of a Development Officer and on the request of the Department, special audit, was conducted and misappropriation fund. It was made possible by utilizing the Development Fund, in purchase of other articles and by fictitious payments and receipts.



The Department explained that in consequence of the detailed audit of accounts of the Development Officer, V-Aid, Alipur, carried out by the Accounts Officer, Village-Aid Organization, the Development Officer concerned namely, Mr. Gohar Ali was prosecuted for an embezzlement of Rs. 3,544. The Special Judge, Anti-Corruption, Multan had awarded him two years' rigorous imprisonment and a fine of Rs. 5,000 or in default to undergo further imprisonment for 9 months. The accused filed an appeal in the High Court against the said orders, which was rejected. He has now gone in appeal in the Supreme Court, which is yet to be taken up for hearing. In view of this position no further action is possible unless the case is finally decided by the Supreme Court of Pakistan.

The Committee directed that the para. should come up again along with the accounts for the year 1961-62.

(17) *Page 515, para. 17 (iii) Misappropriation of Government Money—Rs. 600*—In this case a development Officer absconded without making over charge and took with him a sum of Rs. 600.

The Department explained that the amount of Rs. 600 was embezzled by Mr. M.A. Burke, Development Officer, Jaranwala. A case under section 512, C.P.C. was registered against him with the Police. The accused could not be arrested and has been declared as absconding.

The Special Judge-cum-Enquiry Officer, Anti-Corruption, Lahore has informed that "as the accused M.A. Burke has been declared as absconding by the Police, the proceedings against him were taken under section 512 Cr. P. C. and file had been consigned to the judicial record room till the appearance of the accused".

The para. was dropped subject to write-off of the amount with the sanction of the competent authority and its verification by the Audit.

(18) *Page 530, Para. 69—Advance payment to a firm for the purchase of cement in anticipation of requirements*—In this case while checking the accounts of a Development Officer of the Village-Aid Organisation it was observed that a sum of Rs. 9,000 drawn in June, 1960 on account of cost of 1,500 bags of cement at Rs. 5 (plus) transportation charges at Rs. 1.00 per bag was paid to firm on 13th June, 1960, whereas the firms bill did not bear any No. and date against the actual payment of the cost of 1,500 bags. It was noticed that only 1,370 bags had been received in piecemeal and taken on stock. When pointed out by Audit, the Department recovered the cost of 130 bags. It was further noticed that the cement was purchased before its actual requirements with a view to avoid lapse of budget grant as a balance of 131 bags was still lying in stock in April, 1961. The Department had been asked by Audit to obtain sanction of the Provincial Government to the advance payment of Rs. 9,000 to the firm.

The Department explained that due to the scarcity of cement in those days, it was the set procedure of Pakistan Industrial Development Corporation to secure advance payment for the total allocated cement from the P.I.D.C. cement factory. The amount of Rs. 9,000 was made available to the P. I. D. C. on the demand notice. On receipt of the demand notice, the Director, Basic Democracies and Village Aid Peshawar had authorised the Development Officer concerned to make advance payment to the factory. The purchase was made in the best interest of the Government and the state exchequer suffered no loss by making advance payment of Rs. 9,000.

As regards cost of recovery of 130 bags of cement the Department stated that the same had since been recovered from the firm and credited into the Government accounts.

The explanation was accepted by the Committee and the para. was dropped.

(19) Page 530, Para. 70—*Recovery of arrears of rent—Rs. 5,000*—In this case a sum of Rs. 5,000 on account of house-rent was outstanding against various Government servants of Village-Aid Training Institute, who were provided residential accommodation. The Office concerned had been asked by Audit to expedite recovery.

The Department explained that under the Village-Aid programme, workers were trained for extension and Adult Literacy Campaign and for this purpose many training institutes were set up in West Pakistan. One of these training institutes was established at Peshawar which was a residential institute. The Instructors as well as the trainees were required to live within the premises of the institute. The arrears were due from the occupant for period from 1st July, 1959 to 31st August, 1960. The Director, Village-Aid, West Pakistan, Lahore had referred for providing rent free accommodation to Government Training Institute but the Government did not agree and turned down the proposal in August, 1960. This showed that the arrears of rent pertained to the period for which definite instructions from Government had not been issued and the Director, Village-Aid in the meantime had requested the Government for allowing rent free accommodation to employee of the Training Institute. A list of the defaulters alongwith the outstanding amount was sent to the Comptroller, Northern Area, Peshawar. The recoveries in respect of the officers and officials who were posted in the Training Institute at that time were effected from their pay bills. The remaining staff which comprised gazetted officers, who either left the services or were transferred to other department on the abolition of the V-Aid Organization, the recoveries of arrears amounting to Rs. 3,810-32 were still outstanding against them. Efforts to recover the amount from the officers had not been fruitful as such respective Audit Officers had been requested to recover the arrears of rent from the officers concerned.

The Committee directed that Progress should be reported to it alongwith the accounts for the year 1961-62.

(20) Page 531, Para 71—*Theft of Sewing Machine*—In this case a sewing machine worth Rs. 350 was stolen from the office of a Development Officer, Village-Aid Organization in District. The case was reportedly under investigation by Police.

The Department explained that in May, 1960 a Singer Sewing Machine was stolen from the office-cum-residence of the lady worker of the defunct Village-Aid Area, Bannu. The theft of the Sewing Machine was duly reported to the Police. After hectic efforts to trace out the culprit, the case has since been filed as untraced on 24th March, 1961 by the extra Assistant Commissioner, Bannu on the report of the Superintendent of Police, Bannu.

The para was dropped subject to write-off of the amount and its verification by the Audit.

(21) Page 531, Para 72—*Unauthorised expenditure—Rs. 495*—In this case Rs. 495 were spent by Village-Aid Officer on the repair of vehicles during the period from December, 1959 to June, 1960. According to the order of the Government, the expenditure on the repair of Government vehicles being of special nature, the head of the office was not empowered to incur it. The irregularity was brought to the notice of the head of the office by the Audit and he was requested to obtain the sanction of the competent authority. The requisite sanction, as per Audit Report, was still awaited.

The Department explained that the total expenditure of Rs. 495 was incurred by the Development Officer, Kohat during the period December, 1959 to June, 1960, i.e. 7 months and thus the average monthly expenditure on the maintenance of a vehicle did not exceed Rs. 70 per mensem which does not appear to be on excessive side especially in view of the fact that the jeep supplied to Development Officer was mainly used for touring the rural area and thus had to ply mostly on katcha roads.

The Village-Aid Organisation has since been wound up and the office of the Development Officer, Kohat has ceased to exist.

The explanation was accepted and the para. was dropped.

(22) Page 531, Para. 73—*Overpayment of Transportation Charges—Rs. 218—*  
In this case, during the course of Local Audit of the Accounts of a Development Fund of a Commissioner, it was noticed that a truck owner was overpaid Rs. 218-00. According to the accepted quotations he was entitled to charge Rs. 10-00 per trip for the transportation of manure from one station to another. This rate was changed with different ink to read as Rs. 13 and he was thus allowed transportation charges at Rs. 13 per trip instead of Rs. 10 originally quoted by him resulting in overpayment. The officer concerned had been asked by Audit to investigate and recover Rs. 218 paid in excess.

The Department explained that M. Ghulam Sarwar, who was appointed as contractor for transportation of Farm Yard Manure from Municipality dump to Nursery Farm (a distance of 2½ miles) had himself changed his quoted rate from Rs. 10 to Rs. 13 per trip before the quotation was finally approved and after he was told that loading and unloading charges would be included in this rate. The above change was not made by any official or after the rate was finally approved and that no other contractor was prepared to transport the manure at the rate of Rs. 13-00 per trip or above. The contractor actually agreed to transport the manure at the rate of Rs. 13 per trip only after he was told that it was a public fund which was being spent on a Fruit Plant Nursery in the interest of all the Zamindars of the District. A Written Statement duly attested by the Director, Basic Democracies, Dera Ismail Khan had been obtained on 29th March, 1967. In view of the position explained above, this was really not a case of financial irregularity and overpayment of charges to the contractor but was a case of adopting incorrect procedure of making necessary correction in the quotation.

The Committee directed that action taken against the official responsible for adopting incorrect procedure for getting the correction made in the quotation, should be reported to it along with the account for the year 1961-62.

(23) Page 531, Para. 74—*Empty Gunny Bags not recovered from the parties—Rs. 400—*  
In this case empty gunny bags of cement stated to have been used were not returned to the Development Officer and accounted for in the Stock Register. When pointed out by audit, the Department stated that in most of the cases the bags had been recovered.

The Department explained that the cement in this case was purchased by the Development Officer on behalf of the Village Development Committee out of a cash grant allocated for Development Schemes. The then Director, Village-Aid Administration, Peshawar had authorised the Development Officers of the areas concerned to arrange the procurement of cement collectively on behalf of various Village Development Committees and to distribute them accordingly. When the cement was purchased it became the property of the respective Village Development Committees. These empty bags, therefore, did not constitute Government property as the cement had not been purchased from Government accounts. In fact the procedure for recoveries had been started after the raising of the objection but the Chairman, Village Development Committee raised this very valid point that the empty bags were not Government property.

The explanation was accepted by the Committee and the para. was dropped.

(24) Page 531, Para. 75—*Stationery and Stores not accounted for Rs. 4,224—*  
In this case articles of stationery and stores costing Rs. 4,224 were not accounted for in the relevant registers. Consequently the receipt and issue thereof, could not be vouched for. The responsibility for failure to maintain the proper accounts and for the loss, if any, as per Audit Report, had yet to be fixed by the Department.

The Department explained that :—

The amount of Rs. 4,224 was spent on purchase of the following articles:—

(i) Coal.

(ii) Petrol.

(iii) Stationery, etc.

(i) *Coal*—It was a consumable article and was duly consumed in the office concerned. The account of the coal was made available to the audit, who were satisfied and objection has since been dropped by them.

(ii) *Petrol*—The Petrol purchased has duly been accounted for in the Log Books of the Vehicles in which the petrol was consumed. The Log Books are available for verification and have been checked by the audit party.

(iii) *Stationery*—The articles of stationery have duly been taken on stock, the accounts of which are available and have been checked by the audit party. As regards the printing of blocks, non-compliance certificate from the Government Printing Press, Karachi is being obtained in order to regularise the objection. The same will be produced to the audit on receipt.

The articles were purchased at the time, the defunct Village-Aid Organization existed. Because of the abolition of that Department in the year 1961, the officers who made the purchases are no longer in position. Either they have joined other departments or gone out of service. It has, therefore, not been possible to fix responsibility for non-production of the stock account at the time of audit inspection.

As the Audit Department had made certain further observations which had not been attended to by the Department, the Committee directed that the para. should come up again along with the accounts for the year 1961-62.

#### HOME DEPARTMENT

(1) *Page 7, Para 12(i) read with page 208—Supplementary grant proving partly or wholly unnecessary—Grant No. 15—Police Subhead EIP—Border Military Police—Supply Grant—Rs. 4,240—Saving—Rs. 2,901—*The Department explained that the saving of Rs. 2,901-00 was due to the following reasons :—

(i) *Mr. Anis-ud-Din Ahmad, C. S. P., the then Commandant P. N. M. P. was transferred. He made over the charge on 15th March, 1961. His pay for the period of ten days was not drawn. Hence Saving of Rs. 45 08.*

(ii) *The saving was due to the fact that Bajhi Khan Sowar was suspended for a long time and his pay was not drawn. Hence saving of Rs. 356-53.*

(iii) *As above—Rs. 597-29.*

(iv) *Calls for no remarks. The amount is too meagre—Rs. 7-96.*

(v) *The bills amounting to Rs. 1,650-00 were sent to the Departments concerned after necessary adjustment for onward transmission to the Accountant-General's Office. No intimation in this respect was sent by the Departments concerned to Accountant-General's Office with the result that the adjustment could not be made. Hence the saving.*

Serial No.	Name of Department	Detail of Bill		No and date of voucher with which adjustment was made.
			Rs.	
1	District Jail, Dera Ghazi Khan.	Cost of Ban and canning charges, etc.	360-00	1 and 2, dated 3rd May, 1961.
2	Telephone and Telegraph Office, Lahore.	Telephone charges for Phone No. 118 and 123.	675-00	3 and 4, dated 3rd May, 1961.
3	District Jail, Sialkot ..	Costs of 30 Reams of Jail made papers, etc.	615-00	Dated 29th May, 1961.
		Total ...	1,650-00	

(vi) A bill for Rs. 244-00 on account of transportation of under trial prisoners was received late from the G. T. S. and could not be drawn at the end of the year.

The item was dropped subject to verification by audit of the information furnished by the Department.

(2) Page 7, Para 12(i) read with Pages 207-209 Grant No. 15—Police—Supplementary Grant Proving partly unnecessary—

	Rs.
Supplementary Grant	... 21,26,680
Saving	... 20,14,538

The Department explained that the total saving for Police Department comes to Rs. 30,05,432. As a result of 2nd statement of excesses and surrenders, Police Department had put in a demand for Rs. 17,87,180 for the year 1960-61. The excess had been demanded for the following purposes:—

- (1) To meet excess under "Other Travelling Allowance", where the expenditure increased exorbitantly as a result of the revision of the Travelling Allowance Rules.
- (2) Sanctioning of compensatory allowances of Rs. 5 per mensem to Government servants drawing salaries up to Rs. 100 resulted in the excess expenditure under "Other Allowances and Honoraria".
- (3) Enhancement of the pay of Class IV Government Servants resulted in the excess expenditure under "Contingent Establishment".

The demand was met to the extent of Rs. 19,39,840 just a quarter and a half month before the close of the financial year. Efforts were made to communicate the allotment of funds to the controlling officers concerned and they were also directed to utilize the grant by the close of the financial year and that no amount should remain unspent. The directives were fully complied with by the controlling officers. On the other hand the saving of Rs. 30,05,432 occurred due to the following reasons:—

1. The posts of 19 Sub-Inspectors, 30 Assistant Sub-Inspectors, 158 Head Constables, and 4315 Foot Constables, remained vacant. This includes a large number of newly posts created in the district police to absorb the PAR disbanded in January, 1961. The process being very complicated, involving examination of the service record of about 8,000 persons, it was not possible to complete the transaction by June, 1961. These vacancies remained unfilled even after the submission of "2nd statement of Excesses and Surrenders" till the close of the financial year. Hence there was saving under "Pay of Establishment" and ultimately under "Other Allowances and Honoraria".

2. It apparently happens that the Indents for articles of clothing and equipment, ordnance stores, transport, etc., are expected to materialize any time during the year and funds are kept available to foot the bills. As a result of non-receipt of the bills, the amount so kept remained unutilized.

The explanation was considered satisfactory and the item was dropped.

(3) Page 55, Para 80—*Embezzlement of Government Money—Rs. 2,80,766*—In this case during special audit of accounts of an office of the Police Department for the period December, 1952 to March, 1958 an embezzlement of Rs. 2,80,766 was established. The amount was embezzled by certain employees of the Department from contingent bills, Travelling Allowance bills, Police Clothing Funds, etc. This was made possible due to non-observance of relevant rules and procedure. The defaulter was reported to have since been convicted while action against a few more officials responsible remained to be taken. The case for write-off of the amount involved was reported to be under consideration.

The Department stated that the Accountant Mr. Bunyad Hussain, embezzled the Government amount and also Police Funds to the tune of Rs. 3,12,751.16 and not Rs. 2,80,766 as pointed out by the Comptroller, S. A., Karachi. No other official was involved in embezzlement cases. On his arrest a sum of Rs. 10,164 was recovered from the person of Mr. Bunyad Hussain. As such the Provincial Exchequer suffered a loss of Rs. 3,02,587.16. Mr. Bunyad Hussain was challaned and awarded the following punishments. All sentences to run concurrently:—

- (a) In cases of 1956, 2 year's R. I. and a fine of Rs. 30,000 or in default to undergo 9 month's R. I.
- (b) In case of 1957, 2 year's R. I. and a fine of Rs. 60,000 or in default to undergo 12 months' R. I.
- (c) In case of 1958, 2 year's R. I. and a fine of Rs. 80,000 or in default to undergo 15 month's R. I.

As there was some confusion in reconciling the discrepancies of the embezzled amount, piecemeal sanctions for the writing-off of embezzled amount were accorded to the extent of Rs. 1,25,040.62. The balance of Rs. 1,77,546.51 is being written-off.

Responsibilities regarding non-observance of rules and lack of control over the accounts of S.P./Railway, Karachi were fixed and the following officials were found responsible for laxity of control and lack of supervision:—

- (1) S. Dilawar Hussain Shah, Superintendent of Police.
- (2) Sh. Ghulam Hussain, Superintendent of Police.
- (3) Mr. Allah Bakhsh, Office Superintendent.
- (4) Mr. J. D. Souza, Office Superintendent.

Departmental enquiries were held against both the Superintendents of Police since retired and consequently the Governor of West Pakistan was pleased to reduce their pension by 15 and 30 respectively.

Mr. J. D. Souza, Office Superintendent figuring at Serial No. 4 above has since been permitted to resign as a result of departmental enquiry against him.



He had about 24 years service at his credit and has been deprived of his pension and gratuity and this was the maximum punishment for him. Departmental enquiry against M. Allah Bakhsh is still under action.

The Committee directed that the enquiry in progress should be expedited and necessary action taken against the person concerned. Subject to this observation, the para. was dropped.

(4) *Page 66, Para 92—Delay in disposal of Inspection Reports and Audit Notes*—This item was last considered by the Committee at its meeting held on 14th April, 1967 when the Department had informed the Committee that all the outstanding Audit Notes had since been replied to. The Department had further stated that the Directors of Prisons of all the three Ranges had been directed to name the delinquent officers for disciplinary action against them. A list of these officials was also placed before the Committee.

The Committee wanted to know what action had been taken against persons responsible for the delay in replying to Audit Notes and against those who were responsible for not calling explanations in time. As this information was not available, consideration of the item was deferred.

The Department now stated that action had been taken against all the officials responsible.

The para. was dropped.

(5) *Page 77, Para 99*—In this case an amount of Rs. 41,909 was paid by the Police Department in 64 cases in which the Government Servants placed under suspension were, on acquittal by Courts, treated as on duty and paid full pay and allowances for the periods of suspension.

The Committee had asked the Department to report the total number of criminal cases filed in the Courts against the officials working in the Department out of which the officials mentioned above were acquitted by Courts.

The Department informed that the number of such cases was 167.

The para. was dropped.

(6) *Page 9, Para 14, read with pages 210—211, Notes 5—Loss of looted property in Malkhana—Rs. 12,037*—In this case a sum of Rs. 12,037 (Rs. 9,697 in cash and Rs. 2,340 on account of cost of gold weighing four chantaaks, three tolas, four mashes and six ratties), on account of looted property recovered by the C. I. A. Staff was found to have been less accounted for in Malkhana registers and mis-appropriated. The mis-appropriation came to notice in 1949-50 on scrutiny of the Malkhana Register. A Head Constable, the then Moharrir Incharge of Malkhana was held responsible. He was tried in the court of law but was acquitted as the prosecution failed to prove the charge against him. Subsequently a departmental enquiry was instituted against a Sub-Inspector for laxity of control over the said Head Constable but the enquiry officer did not hold the latter guilty of the charge and therefore the loss was written-off by Government.

The mis-appropriation, as per Audit Report, was facilitated due to negligence on the part of the Officer Incharge, C. I. A. who was required to verify the contents of the parcel containing the property with the recovery memoranda and to conduct the physical verification of the stock articles periodically.

The Department explained that in February 1950, it came to notice that C.I. A. Staff, Chuna Mandi, had recovered in 1947 and deposited in their own Malkhan Rs. 9,697 and gold weighing 23 tolas, 4 mashes and 6 ratties Head Constable Muhammad Siddique, the then Moharrir Malkhana, allegedly misappropriated the amount and the gold. He had retired from service in 1949, i.e., before the discovery of the criminal offence. He was challaned and the criminal case was decided



by the Special Judge on 16th May, 1956. He observed that no clear inference could be drawn against the accused, and that there was no sufficient evidence to warrant the sentence of conviction against the accused who was acquitted. Sub-Inspector Shah Muhammad was then Incharge of C. I. A. Staff. He was proceeded against departmentally for laxity of control but he too was exonerated. The embezzled cash and property was written-off.

The Department further stated that Sub-Inspector Shah Muhammad who was the immediate Officer Incharge of the Malkhan could not be found guilty of laxity of control. In these circumstances the Officer Incharge C. I. A., who had remote control could not be implicated.

The explanation of the Department was accepted and the para was dropped.

(7) Page 9, Para -14, read with page 211—Note 6—*Misappropriation by an accountant of Police Department,—Rs. 1,228*—In this case a Sub-Inspector working as an Accountant in the office of Superintendent of Police misappropriated Rs. 1,228 in June, 1954, by showing the amount in Cash Book as having been remitted to a firm. On his transfer his successor noticed the misappropriation in November, 1954 while checking the outstanding vouchers. The loss was made good by the accused in January, 1955. The case was investigated by the Police but was withdrawn by Government on compassionate grounds.

The Department stated that the officiating Sub-Inspector Sher Din was working as an Accountant in Rawalpindi District Police Office, since December 1949. He made over charge of his duties to Sub-Inspector Muhammad Aslam on 8th November, 1954. On 16th November, 1954, the (Sub-Inspector Muhammad Aslam), brought to the notice of the Deputy Superintendent of Police, Headquarters that while checking the outstanding vouchers of the Cash Book it was found that the amount of cash book vouchers No. 133, dated 29th June, 1954, for Rs. 1,227-9-0 which was due for payment to Valika Textile Mills, Karachi, was not actually remitted. The entry in the cash book and the disbursement Register, dated 29th June, 1954, made by officiating Sub-Inspector Sher Din, indicates that the amount (Rs. 1,227-9-0) was remitted by Government Draft to S. M. Valika Textile Mills, Karachi, on account of excise duty on a sum of Rs. 16,368-12-0 on 29th June, 1954. Head Constable Sher Din personally drew Rs. 14,116-12-0 from the Government Treasury through Police deposit Cheque No. 029318, Book No. 275184, dated 29th May, 1954. Out of this amount all the items were checked and it was found to have been remitted by the Accountant except Rs. 1,227-9-0 which were in fact not remitted as shown in the Disbursement Register. The voucher in question was shown outstanding to date in the cash book. A case under section 409, P. P. C., was registered at Police Station City Rawalpindi. It was later on found that no defalcation was established and the confusion was the result of careless working by the subordinates. Moreover, it was the Gazetted Officer who detected these irregularities. However, these could not be detected before due to rush of work. The case against the accused was withdrawn on compassionate grounds under the provision of section 498, Cr. P. C.

In these circumstances no defalcation had actually taken place.

Subject to verification of the recovery by the Audit, the para was dropped..

(8) Page 525, Para 58(i) *Misappropriation of Government Money—Rs. 4,166*—In this case the Accountant of an office defalcated a sum of Rs. 4,166 by receiving the amounts from other offices for disbursement, drawing twice pay and allowances and claims of different firms and by drawing amounts from Treasury for malpurposes.

The Department stated that the criminal case was put up in the Court and had resulted in the acquittal of the accused Mr. Abdur Rehman, Accountant of the office of Superintendent Police, Special Branch, Rawalpindi, on 20th October, 1956. A case for writing off the embezzled amount is being made out. The

delay is the result of non-reconciliation of the embezzled amount which is being verified by the D. I. G/S. B. from the office of S. P. /S. B. Rawalpindi.

The para was dropped subject to the amount being written-off.

(9) Page 525, Para 58(ii)—*Misappropriation of Government Money*—In this case the amount deducted from the staff on account of subscription towards staff welfare fund was misappropriated by not sending the amount to the Inspector-General for crediting into the Fund.

The Department explained that during the course of special audit of the accounts of Superintendent Police Telephone, North Zone, Lahore in 1956, it came to notice that a sum of Rs. 24,481.55.00 including some subscription of the Welfare Fund was embezzled by the Accountant of his office. A case was consequently registered against him. A sum of Rs. 1,690.82 was credited in the Government Treasury after deduction from the accused thus leaving a sum of Rs. 22,790.73 net amount embezzled. The accused had been tried in a court of law and was awarded 5 year's R. I. and a fine of Rs. 5,000 failing which to undergo a further R. I. for 6 months by the Special Judge, Anti-Corruption, West Pakistan, Lahore. The appeal was also rejected by the High Court. No recovery could be made out of the fine imposed on the accused. The action to write-off the loss is being taken. The action against Mr. J. L. Taylor the Drawing/Disbursing Officer could not be taken as he absconded from Pakistan.

Subject to write-off under the sanction of competent authority, the para was dropped.

(10) Page 525, Para 58 (iv)—*Misappropriation of Government Money*—Rs. 6,391.—In this case an accountant of an office of Superintendent of Police/C. I. D., had embezzled an amount of Rs. 6,391.00.

The Department stated that during the course of inspection of the office of the Superintendent of Police, Special Branch Southern Region, Hyderabad, the Deputy Inspector-General of Police, Special Branch, West Pakistan, Lahore, noticed that the accounts were not being correctly maintained and so he deputed an Accountant from his office to impart proper training and instructions to the Office Accountant concerned. The Accountant detected grave irregularities in the accounts which had not been audited since long at least not from 1953 onwards and at his suggestion Range Auditor was deputed to do the necessary checking. The Range Auditor Deputed to audit the accounts had reported the embezzlement of the following amounts :—

	Rs.
During 1956	202 6 0
During 1957	6,188 4 0
Grand Total	6,390 10 0

A case under section 409, P. P. C., and under section 5(2) of the Essential Service (Maintenance) Act, 1953, was registered against Mr. Muhammad Suleman, former Accountant of the office of the Superintendent of Police, Special Branch, Southern Region, Hyderabad by the Anti-Corruption Police, Hyderabad. During the investigation of the case it was found that no defalcation, embezzlement or criminal breach of trust was committed by the accused and, therefore, both the cases were disposed of as "C" Class by the Anti-Corruption Department.

The Committee noticed that no accounts had been audited from 1953 onwards. This was a very serious matter and the Department should make an enquiry as to who was responsible for not getting the accounts audited for such a long time, and take necessary action against the officer concerned. Report of the progress with regard to the action taken against the officer concerned and the

reasons for not having accounts audited for such a long time should be submitted to the Committee at its next meeting when the accounts for the year 1961-62 would be considered.

(11) *Page 526, Para 59—Expenditure incurred without sanction—Rs. 1,300—*In this case during the course of audit of District Police Office in April, 1961, it was noticed that an expenditure of Rs. 1,300 was incurred by them in November and December, 1960, on account of repairs and maintenance of Provincial Armed Reserve Quarters. According to the instructions contained in Police Rules, the Superintendent of Police, could incur an expenditure of Rs. 300 only. The expenditure actually incurred was thus in excess of the powers delegated to the Superintendent of Police of the District. The departmental authorities had been asked to regularize the excess expenditure. The sanction was awaited by the Audit, as per Report.

The Department stated that necessary sanction had been accorded.

The para was dropped.

(12) *Page 526, Para 60—unauthorised free issue of articles—Rs. 131—*In this case during the course of local audit of the accounts of an office of the Superintendent of Police it was noticed that certain articles worth Rs. 131 were issued to a gazetted officer free of cost whereas the issue of such articles free of cost was allowed only to Upper Sub-ordinates of Police Staff. No order or rule in support of above concession was produced to audit. The office concerned had been asked by Audit to furnish the relevant orders or make recovery from the officer concerned.

The Department stated that recovery was made from the Deputy Superintendent of Police concerned in 2 instalments of Rs. 30 and Rs. 100.56 in 1964.

The para was dropped.

(13) *Page 526, Para 61—Irregular issue of Mazri Cloth—*In this case during the course of local audit of the accounts of two Police Offices it was noticed that Mazri Cloth measuring 387 yards 24" and 2,049 yards 11" respectively was issued to the tailors during the period from June, 1959 to September, 1960 over and above the agreed scale. On enquiry it was stated that the cloth was provided to the tailor for the pockets of great coat whereas in Contract Agreement there was no stipulation that the tailors would be supplied cloth for this purpose.

The Department stated that though it was not stipulated in the Contract Agreement with the Tailor that he will be supplied Mazri Cloth for the preparation of great coats but in scale of sewing charges of articles of uniform forming enclosure to the Inspector-General of Police, West Pakistan, memo. No. 14542-78/C-3, dated 8th December, 1956, three yards Mazri Cloth for preparation of each great coat was laid down. This yardage was further explained in the Inspector-General of Police, West Pakistan's memo. No. 4389/C-3, dated 21st March, 1958, that after shrinkage Mazri Cloth measuring 2 yards and 18 inches should be supplied to the tailor for each great coat. The Superintendent of Police, Hazara, has informed the C. N. A., Peshawar, accordingly,—vide his No. 18940, dated 6th October, 1966. Thus no excess Mazri Cloth was issued to the Lines Tailor.

The explanation was accepted and the para was dropped.

IV. The Committee then adjourned to meet again at 3-00 p.m.

LAHORE

ZAIN NOORANI,  
CHAIRMAN,

The 12th September, 1967.

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 13TH SEPTEMBER, 1967 AT 9-00 A.M.  
IN "TEA ROOM" OF THE ASSEMBLY BUILDING, LAHORE**

**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. Qazi Muhammad Azam Abbasi, M.P.A.  | .. | Member.         |
| 5. Rai Mansab Ali Khan Kharal, M.P.A.   | .. | Member.         |
| 6. Mr. Malang Khan, M.P.A.  | .. | Member.         |
| 7. Rais Haji Darya Khan Jalbani, M.P.A.   | .. | Member.         |
| 8. Syed Akhlaq Hussain, T.Q.A., C.S.P., Additional Secretary to Government, of West Pakistan, Finance Department. |    | Expert Adviser. |
| 9. Rana Muhammad Yasin, P.A. and A.S., Accountant General, West Pakistan.   |    | By invitation.  |
| 10. Dr. Amir Muhammad Khan, Secretary to Government of West Pakistan, Health Department.                          |    | Ditto.          |

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

**II. The Committee in the first instance considered the explanations of the Health 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 150-152 Grant No. 21-Health Services saving Rs. 58,787,18—*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.

At the meeting held on 29th October, 1966 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 was wound up 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 or 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 and the Department was asked to furnish full details.

(ii) *Non-payment of grant-in-aid to the Local Bodies of the former Bahawalpur State, Rs. 97,970*—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 the 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.

(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.

(iv) *Store 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.

(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 directed that the Department should come up with a detailed explanation.

The Department now explained the saving under the above items as under:

(a) *Rs. 5,28,101*—The Department explained that another file has been traced out which shows that a sum of Rs. 5,80,295 was available with the Mayo

Hospital, Lahore for import of X-Ray and Laundry equipment. But as the expenditure on account of custom, insurance and freight charges had also to be paid, the total requirements came to about 7,61,000. As the Medical Superintendent, Mayo Hospital, Lahore had placed the indents on the Director General, Supplies and Development, Karachi for the entire amount, the former Director, Health Services, West Pakistan asked Government for releasing an additional Rs. 1,80,705. This scheme was being financed from the Central Government grant to the former province of Punjab amounting to Rs. 21,32,940. Finance Department, however, informed that since this grant had lapsed, no additional funds could be sanctioned on account of the lapsing of original amount of Rs. 21,32,940. The order perhaps did not materialise and an amount of Rs. 5,28,000 from Rs. 5,80,000 was saved.

The Committee noted that X-Ray and Laundry equipment for the Mayo Hospital could not be procured because the amount provided for it, based on the estimates prepared by the Department was Rs. 5,80,295 whereas the actual cost was Rs 7,61,000. This was the result of someone in the Department forgetting to include the Customs Duty, Insurance and Freight charges while preparing the estimates. Anyone responsible for preparing the estimates for the import of any commodity ought to have known that these were essential charges, which must be included in the estimates. The result of this omission was by the time the Department realized that the cost of the equipment would exceed their estimates by Rs. 1,80,705 and approached the Central Government for additional funds through the Finance Department, it was too late and the entire grant lapsed.

The Committee would like the Department to enquire into the matter and fix responsibility as to who was responsible for the wrong estimates leading to the lapse of this grant resulting in the non-procurement of an essential item like X-Ray equipment for the Mayo Hospital, Lahore.

Subject to these observations, the item was dropped.

(b) Rs. 97,070—The Department stated that a sum of Rs. 50,000 was provided in the Budget for grant-in-aid to District Boards of the former Bahawalpur State. As this amount was not sufficient to meet the demands of three District Boards, particularly because the Bahawalnagar District Board was then freshly created, a sum of Rs. 75,000 was reappropriated to meet the enhanced demand of District Board as under:—

Rs. 30,000 were withdrawn from Peshawar, Hyderabad and Rawalpindi Division under the sub-head "B-13-Other Hospitals-Dispensaries-VII—Grants to Hospitals-Dispensaries". Rs. 45,000 were reappropriated from the over all saving under the head "38-A—Health Services".

As the Finance Department did not agree to the enhancement of the scale of grant to the District Boards, the reappropriation was not honoured and hence the saving of Rs. 97,000 including Rs. 22,000 due to non-receipt of claims from subsidised dispensaries under the minor head.

The Committee observed that this was one of those cases which proved the contention of the Committee that if the Department were to make sufficient efforts all records or atleast most of them, which normally were reported to be untraceable, could be traced and explanation submitted to the Committee. At its last meeting, the Department had claimed that records were not available and the Committee had to insist on the production of the records. A little effort in this respect on the part of the Department proved that records could be traced. The Committee appreciated the efforts of the Department in tracing these records and hoped that in future still more interest would be taken with regard to maintaining, tracing and procuring of the records by the Department.



As regards the saving of Rs. 97,070 reappropriation of Rs. 45,000 which was a saving under "38-A—Health Services", for utilization as "grant-in-aid" to local bodies in Bahawalpur was technically wrong, in as much as sanction of the Finance Department for the re-appropriation had not been obtained prior to the amount being re-appropriated. The Financial Rules laid down by the Government and the formalities prescribed must at all times be adhered to.

Subject to these remarks, the item was dropped.

(c) Rs. 21,020—The Department explained that an amount of Rs. 2,288 was saved in Quetta Beg on due to non-availability of students for training as dispensers. Rs. 3,370 were saved in Nishtar Medical College because the students who remained away from classes were not paid the scholarships. In the King Edward Medical College, Rs. 2,768 were saved due to similar reasons. In Lady Aitchison Hospital Lahore, Rs. 872 were saved due to non-availability of nurse midwives for training. In Muzaffargarh District Rs. 2,679 were saved on training of dais due to non-opening of Rural Health Centres. In Dera Ismail Khan, Peshawar and Rawalpindi Divisions Rs. 1,764 were saved on account of late pay ment of scholarships to Medical College students and Rs. 7,279 on account of non-availability of suitable candidates for training as Dais.

The explanation of the Department was accepted by the Committee and the item was dropped.

(d) (i) Rs. 9,89,400, (ii) Rs. 1,34,815—The Department stated that the indents for the entire provision were placed on the High Commissioner in U. K. through the Director General, Supplies and Development Government of Pakistan, Karachi. As the Department had not received any intimation from the Director-General, Supplies and Development, Karachi that the High Commissioner would not be able to procure the stores within the financial year for the entire amount, the amount could not be surrendered.

The explanation of the Department was accepted by the Committee and the item was dropped.

(2) Page 150-152-saving of Rs. 5,28,101 due to non-purchase of articles for want of sanction—As explanation for this item had been given by the Department in item No. (1) above, the item was dropped.

(3) Page 3, para 5 read with 208-Grant No. 42-Loans and Advances by the Provincial Government—Sub-head A-3—Advances to students of Bahawalpur—Saving Rs. 63,940—The Department stated that they had incurred an expenditure of Rs. 60,834.50 (and not Rs. 6,530 as shown in the Accounts) against the budget provision of Rs. 70,470.

The Committee directed the Department to get the figures reconciled with the Audit and then explain the variation as well as the action taken against the officials responsible for not carrying out the reconciliation in time. The para. was deferred to be taken up along with the accounts for the year 1961-62.

III. The Committee then considered the explanations of the Health Department in respect of the following items appearing in the Appropriation Accounts for the year 1960-61:—

(1) Page 3, para 5 read with pages 225—231 Grant No. 19 Health Services—

	Rs.
Final Grant .. .. .	5,12,13,900
Expenditure .. .. .	4,48,94,581
Saving .. .. .	63,19,319

This item was last considered by the Committee at its meeting held on 15th April 1967 when the Department had stated that the audit figures of expenditure were different from the Departmental figures. The Committee had then



directed that the figures should be reconciled with the Audit and the matter reported back to the Committee.

The Department now furnished figure of actual expenditure which showed that against the modified grant of Rs. 5,12,13,930 there had been actual expenditure of Rs. 4,62,02,993. The figures of expenditure booked by the Comptroller, Southern Area and Northern Area and the Departmental figures had been reconciled while the figures booked in the office of the Accountant-General, West Pakistan could not be reconciled because the record of that office had been burnt in 1964. The Department had, however, accepted the figures of the Accountant-General's Office and as a result of that the expenditure had to be taken to have been Rs. 4,62,02,993 thus there being a net saving of Rs. 40,03,545 which worked out to a percentage of 7.8. The saving thus being less than 10% no explanation was necessary and the item was dropped.

(2) Page 3, Para. 5 read with Pages 350,352—Grant No. 35 Development-N Health Services—(i) N-1—Purchase of equipment and instruments for the Head Quarters Hospital, Muzaffargarh Saving Rs. 19,300—The Department stated that non-compliance certificates were received from the Medical Store Depot and Director General, Health Pakistan in May, 1961, therefore the amount against which these indents were placed could not be surrendered.

The explanation was accepted and the item was dropped.

(ii) N-2—Purchase of equipment for District Headquarters Hospital, Lyallpur—Saving Rs. 12,040—The Department stated that the whole of the amount allocated for the purpose had been utilized but the debit was not raised.

The explanation was accepted and the item was dropped.

(iii) N-3—Purchase of equipment and appliances for the District Headquarters Hospital, Montgomery—Saving Rs 24,560.

The Department stated that an expenditure of Rs. 24,617 was incurred against the grant of Rs. 24,560 resulting in a nominal excess of Rs. 57 but debits were not received within the year. Hence there was the saving. The item was dropped subject to verification by the Audit.

(iv) N-4—Purchase of equipment for the Lahore General Hospital—Saving Rs. 69,050—The Department stated that against the grant of Rs. 77,000 an expenditure of (Rs. 58,710+7,940) was incurred resulting in a saving of Rs. 10,350. Debit for the amount of Rs. 58,710 was not raised. The saving of Rs. 10,350 was due to non-supply of articles by the Medical Store Depot, Lahore.

Subject to verification by the Audit the item was dropped.

(v) N-5—Purchase of high pressure steam sterilizer for the Provincial Bloods Transfusion Officer, West Pakistan, Lahore—Saving Rs. 35,000—The Department stated that the amount could not be surrendered as the supplies indented for in August 1960 were expected to arrive at any time during the year but were actually received in November 1961.

The explanation was accepted and the item was dropped.

(vi) N-6—Grant of additional Scholarships to the Students of the Medical College, West Pakistan—Saving Rs. 19,459—The Department stated that the additional scholarships were sanctioned for grant to such students as became indigent during the course of studies due to the death of parents or otherwise being deprived of their financial support. The actual future expenditure on this account could not be anticipated at any stage. The scholarships were granted immediately when application was received. Because it depended upon the applications received even during the last stages of the financial year and such applications were not received during that year hence there was saving.

The item was dropped.

(vi) N-7—*Malaria Eradication Scheme in Sheikhupura and Sialkot Districts—Saving Rs. 12,15,328*—The Department stated that the scheme was introduced for the first time during the year 1960-61 that a full time officer with the staff to organize the scheme and establish various sub-sections could not be finalized for nearly 5 months. The expenditure in the start was very meagre as the work was picking up speed slowly.

The Committee observed that if the explanation given by the Department was correct the Department could have anticipated that there would be substantial amount left unspent and they should have surrendered the same. Subject to this observation, the item was dropped.

(vii) N-8—*Opening of new Health Centres—Saving Rs. 3,74,808*—The Department stated that the scheme was included in the Annual Development Programme without approval by the Development Working Party who approved it in the beginning of 1961 and administrative approval was issued on 3rd April 1961. Therefore the arrangements for opening the New Health Centres were all delayed. Hence there was saving.

The explanation was accepted and the item was dropped.

(ix) N-9—*Family Planning Scheme—Savings Rs. 6,45,455*—The Department stated that the scheme was for the first time introduced during the year 1960-61. As the scheme was new, special arrangements had to be made for introducing the scheme. Nearly 6 months were taken in the preliminary. Almost the entire expenditure was incurred during the second half of the year. Hence there was saving.

The explanation was accepted and the item was dropped.

(x) N-10—*Purchase of equipment for four T. B. Clinics in West Pakistan—Saving Rs. 89,930*—The Department stated that X-ray plants were not received during the financial year. The Directorate (Supply Wing) informed in April, 1961 that there could not be imported. As it was then too late the amount could not be surrendered.

The explanation was accepted and the item was dropped.

(xi) N-11—*Equipment for Mental Hospital, Lahore—Excess Rs. 30,494*—Department stated that an Electroencephalograph Machine was ordered from U. K. on 9th December, 1961. An L/C was also opened. The suppliers loaded the machine on 10/15th May 1961 which was received before October, 1961.

As it was first anticipated that the machine would not be received by the end of June 1961, the provision was surrendered. But the payment having been made in U. K. in May, 1961, the debit was raised by the Accountant-General without the knowledge of the Department.

The explanation was accepted and the item was dropped.

(xii) N-12—*Equipment for Zenana Hospital, Peshawar for Nurses Training—Saving Rs. 1,00,000*—The Department stated that priced copy of Medical Store Depot Vouchers was not received although full supplies were received in June, 1961. Hence there was saving.

The explanation was accepted and the item was dropped.

(xiii) N-13—*Purchase of equipment of new block of B. V. Hospital, Bahawalpur—Saving Rs. 95,600*—The Department stated that the saving was due to the reason that debit was not received during the year.

The explanation was accepted and the item was dropped.

(xiv) N-14—*Purchase of equipment for the Sandeman Civil Hospital, Quetta—Saving Rs. 1,00,000*—The Department explained that the scheme was included in A. D. P. without approval by the Development Working Party. It was cleared

early in 1961 and the administrative approval issued on 5th April, 1961. As there was no time left for indent for these supplies being placed on the supplying Department, the amount was regranted during the year 1962-63, 1963-64 and was fully utilised.

The explanation was accepted and the item was dropped.

(xv) N-15—*Purchase of equipment for the physiotherapy centres in teaching hospitals—Saving Rs. 1,93,500*—The Department stated that out of the grant of Rs. 2,00,000, Rs. 75,000 were allocated to Mayo Hospital, Lahore and Rs. 1,25,000 to Nishtar Hospital, Multan. The scheme was however not approved by the Development Working Party till January, 1961 and administrative approval with concurrence of Finance Department was finally given on 5th April, 1961. The indents could not be placed with the Supplying Department for want of foreign exchange, allotment of which had already been exhausted before this. Therefore the supplies were not received in time and little expenditure was incurred during the financial year. Hence the saving.

The explanation was accepted and the item was dropped.

(xvi) N-17—*Stipends and Scholarships—Saving Rs. 1,82,108*—The Department stated that the budget grant for stipends and scholarships was not exhibited under this head at the time of passing of the budget sanction and distribution of the amount under this head was made on advice of Finance Department during the last month of the financial year. Hence a saving of Rs. 87,343 was made. This was mainly because suitable candidates could not be made available during the short period at the disposal of sub offices. An amount of Rs. 94,764 incurred in the Southern Region has inadvertently not been shown under this sub-head but has been printed under 'No. 18'.

The explanation was accepted and the item was dropped.

(xvii) N-18—*Purchase of equipment to Radio Therapy Department of Mayo Hospital, Lahore—Saving Rs. 1,96,906*—The Department stated that an expenditure of Rs. 94,764 was actually incurred in the Southern Area under 'N-17—Stipends and Scholarships' but has been inadvertently given under this sub-head.

The scheme having been included in Annual Development Programme without approval of Development Working Party, no expenditure could be incurred. The scheme was approved early in 1961 and its Administrative Approval issued on 9th March, 1961. No expenditure could be incurred then as the entire amount of foreign exchange allotted to Health Department had already been utilized. Hence the saving.

The explanation was accepted and the item was dropped.

(3) Page 59, 87—*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 Health Department.

The Department furnished the prescribed certificate and at the same time stated that the certificates had to be obtained from the local bodies who did not care to send the same in time. General instructions have been issued to all the Regional Offices to submit such certificate to the Audit in time.

The Committee recommended to the Department that in future grants should not be given to the Local Bodies without first obtaining certificates from them of the actual utilization of the grants given to them previously. Subject to the above remarks and in view of the certificate now having been submitted by the Department, the item was dropped.

(4) Pages 66-69 Para 92—*Delay in disposal of Inspection Reports and Audit Notes*—In this case certain Audit Notes had not been replied to by the Department.

The Department informed the Committee that all the Audit Notes had been replied to.

The item was dropped.

(5) *Page 231, Note 5-Stores Accounts*—In this case stores accounts of Hospitals in Southern Area for the year 1953-54 onwards had not been sent to Audit.

The Department informed the Committee that the Stores accounts upto 1959-60 had been sent to Audit and undertook to submit the remaining account within two months.

Subject to this, the item was dropped.

(6) *Page 233-Audit Comments—Outstanding recoveries*—In this case recoveries amounting to Rs. 86,737 and Rs. 29,062 were outstanding against Government Department and Private Parties respectively.

The Department informed the Committee that they had made all efforts through D.Os. and letters addressed to the Heads of Departments and controlling officers of the defaulters for immediate clearance of Government dues. Doubtlessly the Department had met with partial success in getting the recoveries but even then most of the cases of recoveries were still pending. Lengthy correspondence was initiated to effect recoveries but in most cases nothing tangible came out.

Rs. 7,649.50 are outstanding at present as recoverable from local bodies.

The Committee directed that the amounts recovered so far should be got verified by Audit. An effort should be made to recover the balance of Rs. 7,649.50 from various local bodies, and as soon as the amounts are recovered, they should be got verified by the Audit.

Subject to these observations, the item was dropped.

(7) *Page 523—Para 46—Defalcation of Government Money and Stores—Rs. 2,62,851*—Accounts of the office of District Health Officer were audited departmentally and numerous cases of defalcations and mis-appropriations of money and stores came to light.

The Department explained that the cases of the office of District Health Officer, Muzaffargarh are under investigation by the Anti-corruption Department since long. Some cases have already been tried and decided by the Special Judge Multan. The remaining cases are also under trial.

The Committee decided that the progress should be reported to it along with the accounts for the year 1961-62.

(8) 523, *Para 47—(i) Misappropriation of Government money Rs. 1,055 (ii) Misappropriation of Government money Rs. 9,579. (iii) Misappropriation of Government money Rs. 7,500*—The Committee decided that the progress made in these three misappropriation cases and the recovery of write off be reported to the Committee when the accounts for 1961-62 are considered.

(9) *Page 505—Grant No. 42-Loans and Advances by the Provincial Government A-3—Advances to Students of Former Bahawalpur State Studying in various Institutions Director, Health Services Saving Rs. 30,370*—The Department stated that an expenditure of Rs. 21,747 was actually incurred, leaving a saving of Rs. 8,988 only.

As there was difference between the Departmental and audited figures, the Committee directed that the figures should be reconciled with audit. Subject to reconciliation, the item was dropped.

IV. The Committee then adjourned to meet again at 12.00 Noon.

LAHORE

ZAIN NOORANI

Chairman

The 13th September, 1967.

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE  
ON PUBLIC ACCOUNTS HELD ON 13th SEPTEMBER, 1967 AT 12-00 NOON  
IN TEA ROOM OF THE ASSEMBLY BUILDING, LAHORE**

**1. 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.  | ... | Do.             |
| (4) Qazi Muhammad Azam Abbasi, M.P.A.  | ... | Do.             |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.   | ... | Do.             |
| (6) Mr. Malang Khan, M.P.A.  | ... | Do.             |
| (7) Rais Haji Darya Khan Jalbani, M.P.A.   | ... | Do.             |
| (8) Syed Akhlaq Hussain, T.Q.A., C.S.P., Additional Secretary to Government of West Pakistan, Finance Department.  |     | Expert Adviser. |
| (9) Mr. Zaheer Ahmed, Assistant Accounts Officer, Accountant General's Office.   |     | By Invitation.  |
| (10) Captain Muhammad Ashfaq, Joint Secretary, Commander Abdul Latif and Syed Abbas Hussain Shah, C.S.P., Deputy Secretaries, Government of West Pakistan, Agriculture Department. |     | Ditto.          |

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

**II. The Committee considered the explanations of the Agriculture Department in respect of the following items appearing in the Appropriation Accounts for the year 1960-61.**

(1) *Page 49, para. 82 Records not produced*—In this case sums of Rs. 3,000 and Rs. 51 were advanced by the D. A. H. in June and July 1959 respectively to an officer subordinate to him. According to the audit note detailed accounts, actual payee receipts etc. towards the adjustment of these advances were not produced to Audit upto the end of December, 1963, inspite of the fact that the non-production of record was reported by the Audit to the Departmental authorities as far as back as June, 1960.

The Department explained that a detailed account of Rs. 3,000 was forwarded to the Audit on 20th October, 1962. The actual payee receipt for Rs. 51 was also forwarded to the Audit on 27th January, 1963.

The Committee accepted the explanation and the para. was dropped.

(2) *Page 49, para. 83—Maintenance of Private animals at the farm*—In this case 15 buffaloes belonging to a divisional council were maintained at a Government Dairy Farm during the period from July, 1959 to 12 February, 1962. The total expenditure on their feeding comes to Rs. 6,282 including the cost of labour etc. The cost of feeding and labour charges had not been recovered from the party concerned. The permission of the competent authority for the maintenance of private buffaloes had also not been obtained.

The Department stated that Divisional Board, Khairpur had spent over Rs. 30,000 on the building of the dairy farm as well as some dairy equipment e.g. Butter Churn, Fat testing equipment, Water Filling Machine and the Refrigerator. Green fodder of the farm was fed to the buffaloes of the divisional board free of cost and no bill was issued. Khairpur Divisional Board was to put to loss due to closure of the farm by the Government as their capital investment was wasted.

The amount of Rs. 6,282 had been written off.

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

(3) *Pages 66-69—Delay in disposal of Inspection Reports and Audit Notes—(Animal Husbandry Wing)*—The Department stated that the replies to all audit notes had been sent by the Department. The Audit pointed out that though replies to audit notes in annotated form, for 1957-58 and 1959-60 had been forwarded to the Audit, the matter had not yet been settled between the Department and the Audit. This position was accepted by the Department. The Committee observed that this matter had been hanging fire for about seven years and should have been completed a long time ago.

The Committee noted with regret that the direction of the Committee that action should be taken against the person or persons concerned responsible for the delay had not been followed and the Department still maintained that, after an inquiry, they were satisfied that no action was called for. The Committee failed to understand as to how action was not called for, when, on the face of it, the delay in settling the audit notes as admitted by the Department, was of over seven years. The Committee were of the view that every Department must ensure that the financial rules, as laid down by Government, were strictly adhered to and failure on the part of any person or persons concerned must necessarily lead to disciplinary action.

Subject to these observations and final verification and reconciliation by Audit, the para. was dropped.

(4) *Page 242, Note 5—Consolidated Financial Review of Government Livestock Farms*—In this case the consolidated Financial Review of Government Livestock Farms in West Pakistan for the year 1959-60 and 1960-61 had not been compiled by the Department. The same having been incorporated in the account for the year 1962-63, the para. was dropped.

(5) *Page, 3, para. 5 read with Page 363-364 Grant No. 35—Development R-Industries (Fisheries)—(i) R-23—Additional Staff for Directorate of Fisheries Saving Rs. 14,316*—The Department explained that Rs. 1,33,229 were provided in the Budget Estimate for the appointment of 20 Assistant Wardens of Fisheries and 100 Fisheries Watchers to control the fisheries in divisions of Peshawar, Dera Ismail Khan, Bahawalpur, Khairpur, Quetta and Hyderabad. Due to paucity of Science Graduates in Northern as well as in the Southern Zones, the staff could not be appointed. Hence Rs. 84,940 were surrendered. Rs. 14,000 were kept for the remaining 3 months on the hope that the incumbents might be available but the Assistant Wardens of Fisheries were not available and hence the Watchers could not be appointed as there was none to control and supervise the work of the Fisheries Watchers which resulted in the saving. In all 6 Assistant Wardens of Fisheries and their staff were appointed which resulted in the expenditure of Rs. 33,964.

The Committee was not satisfied that Science Graduates were not available in Southern and Northern Zones during the period in question. The Department was given an opportunity to substantiate from their records, as to whether sufficient efforts were made to procure and recruit Science Graduates, but the Department failed to satisfy the Committee on this aspect of the case. Hence the explanation of the Department was considered to be unsatisfactory.

(ii) *R-24—Development of Fisheries in Warsak Dam—Saving Rs. 46,922*—The Department explained that Rs. 1,67,900 were provided in the Budget Estimate for the year 1960-61 against the scheme entitled, "Development of Fisheries Warsak". Under the second Excess and Surrender statement, Rs. 1,00,610 were surrendered for the reasons that the posts of the Fisheries Development Assistant, two Head Watchers, two Drivers and two Cleaners remained vacant due to non-availability of Science Graduate from that Zone. Further Rs. 84,370 were that the Aquarium, Laboratory Articles, Machinery and Installation could not be purchased



during that year. The reasons for non installation of Aquarium and purchase of Laboratory Articles were that no suitable accommodation could be provided by the Authorities Incharge of Warsak Project. Machinery (Cans) and Aquarium Installation articles could not be purchased for want of foreign exchange sanction. Thus the Department kept Rs. 67,280 for expenditure during the year, and not Rs. 1,12,340 as entered at page 364 of the Appropriation Accounts for 1960-61. Out of Rs. 67,288 a sum of Rs. 65,418 were spent and thus the saving.

The Committee not being satisfied with the manner in which the item had been explained asked the Department to explain the matter orally. The Agriculture Department had intimated to the Committee on 2nd September, 1967, that as Secretary Agriculture was proceeding abroad on some important work he could not attend the meeting of the Public Accounts Committee but the following three officers would represent him :

1. Captain Muhammad Ashfaq, Joint Secretary ;
2. Commander Abdul Latif, Deputy Secretary; and
3. Syed Abbas Hussain Shah, Deputy Secretary ;

The Deputy Secretary concerned who had been authorised by the Secretary to represent him with regard to Fisheries Department, and who had been permitted by the Committee to do so, explained that since he had recently been associated with the Fisheries, he was not in a position to add further to the explanation submitted already. He also stated that since the Director of Fisheries, who had been asked by the Agriculture Department to be present in the meeting, had also chosen to remain absent, he was helpless in the matter.

No satisfactory explanation for the saving was given by the Department.

(iii) R-25—*Research Facilities at Chanawan Fish Farm—Saving Rs. 5,521—* The Department stated that out of the grant of Rs. 55,000 Rs. 41,000 were surrendered as the Reservoir was not constructed for want of transfer of ownership of land from the Irrigation Department to the Fisheries Department. A saving of Rs. 5,521 out of the final appropriation of Rs. 14,000 was due to the fact that the Tube-well which was originally provided for Rs. 12,000 was not installed in the interest of economy and instead a pumping Set worth Rs. 6,500 was installed which could meet the requirements of the farm, hence saving.

The explanation was accepted and the item was dropped.

(iv) R-26—*Development of Fisheries in Dera Ismail Khan—Excess Rs. 2,087—* The Department explained that out of the grant of Rs. 27,000 Rs. 12,460 were surrendered due to the reason that the post of Fisheries Development Assistant could not be filled in for want of Science Graduates from the area. Against final appropriation of Rs. 14,540, the expenditure was Rs. 16,627. The excess in expenditure of Rs. 2,087 was due to the fact that an Officer who came from America after receiving training in Fisheries Development, was put there. He did not receive his pay on training abroad which he received at the end of the year, hence excess.

The Committee was not satisfied with the efforts made to procure the services of Science Graduates.

Subject to this observation, the item was dropped.

(v) R-27—*Exploitation of Fish in Canals especially during closures—Saving Rs. 2,940—* The Department explained that Rs. 60,760 were provided for the pay of 6 Assistant Wardens of Fisheries and 24 Fisheries Watchers, cost of Furniture, Service Stamps, Office rent and netting charges, etc. The canals remained under the Administrative control of the Irrigation Department in the absence of West Pakistan Fisheries Ordinance which was promulgated under the West Pakistan Government orders later on. It was, therefore, not possible to control the canals, especially during closure. However, Rs. 2,940 were kept for the purpose as the Fisheries Ordinance was in its final stage at the time of submission of 2nd Excess



and Surrender Statement. This amount too could not be spent as the control of the canals was never transferred by the Irrigation Department to the Fisheries Department in the absence of the West Pakistan Fisheries Ordinance, which was promulgated late in 1961.

The explanation of the Department was considered to be satisfactory.

(vi) R-28—*Storage and Transport Facilities for Fish—Saving Rs. 3,94,434—*

The Department explained that Rs. 8,85,540 were provided in the budget during the year. Out of this Rs. 4,00,000 were provided for the import of 5 fry transport vans and 4 insulated vans in the first shipping period. The fry vans could not be purchased as the foreign exchange allocation during the first shipping period could not be utilized due to finalization of the case late. Hence, Rs. 4,85,540 were surrendered. Out of the remaining, only Rs. 5,566.00 were spent resulting in the saving of Rs. 3,94,334 which was also due to the fact that the indent placed with the Directorate of Industries was finalized on 15th April, 1961. The machinery was supplied by the firm in May, 1962, i.e., after the year was out.

The explanation was considered to be satisfactory.

(vii) R-29—*Scheme for the grant of Scholarship for technical education—Saving*

*Rs. 5,969—*The Department explained that Rs. 19,800 were provided for the training of 66 persons in Fisheries, directly related in the Production of Fish. Some of the students selected for training did not join or left which resulted in the saving.

The explanation was considered to be satisfactory.

(viii) R-30—*Establishment of fish seed supply centre in Southern Zone—*

The Department explained that an amount of Rs. 26,890 was provided for the Establishment of Fish Seed Supply Centre, Southern Zone in Ghulam Muhammad Barrage Area. In the absence of the *West Pakistan Fisheries Ordinance* the control was not handed over by the Irrigation Department to the Fisheries Department, thus the amount could not be spent and it was surrendered.

The explanation was considered to be satisfactory.

(6) Page 3, para. 5, read with pages 318-320 Grant No. 35. *Development—E—*

*Forests—*Working Paper for this item had not been prepared in accordance with the prescribed requirements of the Public Accounts Committee. As such, it was very difficult to follow. At the same time Audit's comments on final explanation were not available with the Committee. The Committee, therefore, directed the Department to have fresh Working Paper prepared in a proper form and to get the Audit comments at the earliest and submit the same within one month. The Committee decided to consider this item alongwith the accounts for the year 1961-62.

III. The Committee then adjourned to meet again at 1.00 p.m.

LAHORE

The 13th September, 1967.

ZAIN NOORANI

CHAIRMAN

Standing Committee on Public Accounts.

**PROCEEDING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS  
HELD ON 13TH SEPTEMBER 1967 AT 1-00 P. M. IN THE TEA ROOM  
OF THE ASSEMBLY BUILDING, LAHORE**

**I. The following were present :—**

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|---|-----------------|
| (1) Mr. Zain Noorani, M.P.A.  | ... Chairman.   |
| (2) Rai Mansab Ali Khan Kharal, M.P.A.  | ... Member.     |
| (3) Qazi Muhammad Azam Abbasi, M.P.A.   | ... Do.         |
| (4) Mr. Malang Khan, M.P.A.   | ... Do.         |
| (5) Chaudhri Muhammad Nawaz, M.P.A.   | ... Do.         |
| (6) Chaudhri Muhammad Sarwar, M.P.A.  | ... Do.         |
| (7) Rais Haji Darya Khan Jalbani, M.P.A.  | ... Do.         |
| (8) Mr. G. D. Memon, Joint Secretary to Government of West Pakistan, Finance Department.                            | Expert Advisor. |
| (9) Mr. Nuzhat Hussain, P.A. and A. S., Director, Audit and Accounts (Works), West Pakistan.                        | By invitation.  |
| (10) Mr. Sarfraz Malik, P.S.E., I Deputy Secretary to Government of West Pakistan, Irrigation and Power Department. | Ditto.          |

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

**II. The Committee resumed consideration of paragraph No. 44 (2) appearing on page 38 of the Appropriation Accounts for the year, 1960-61 which was deferred on 9th September 1967, when the Committee asked the Department to produce the records to show :—**

- (1) that the workshop at Bhalwal was constructed as a separate unit ;
- (2) that the question of shifting of Moghalpura Irrigation Workshop and the workshop at Lyallpur to Bhalwal was taken up subsequently ;
- (3) that no grant was obtained or taken from Finance Department for shifting of Moghalpura Irrigation Workshop and the workshop at Lyallpur to Bhalwal.

The Department now stated that the old records have been searched out which were now available for perusal of the Committee, from these records the position emerged as follows :—

- (1) (i) A Committee was formed by the Chief Engineer and Secretary to Government of the Punjab on 14th May 1953 to go into the question of manufacturing gates and gearings for Taunsa Barrage ;
- (ii) the said Committee recommended that the whole work be done at site by constructing a new workshop ;
- (iii) the site of constructing the workshop was fixed at Bhalwal with the approval of the then Government as it refers to the Chief Minister's approval for the design of the buildings to be constructed at Bhalwal ;
- (iv) an estimate for constructing a workshop at Bhalwal was approved by the Secretary to Government of the Punjab for an amount of Rs. 22,90'91 and in the estimate report it was stated that a new workshop would be built at Bhalwal to form a permanent asset for the Irrigation Department and was intended to replace the Central Workshop at Amritsar ;

- (v) the correspondence shows that the workshop at Bhalwal was constructed as a separate unit for the manufacture of gates and gearings and other connected equipment;
- (2) (i) The Director, Civil Defence, approached the Chief Secretary to Government of West Pakistan to consider the possibility of shifting the Moghalpura Irrigation Workshop to some suitable place in the interior of the country from security point of view;
- (ii) the proposal of shifting M. I. W. to Bhalwal as a security measure was dropped for the time being after due consideration by Government.
- (iii) After the formation of WAPDA in 1959 the Lyallpur Workshop was taken over by the M. P. O. of WAPDA and the question of reorganization of the remaining two workshops left with the Irrigation Department one at Moghalpura and one at Bhalwal, was taken up again and two alternatives were considered by the Chief Engineer, Irrigation, West Pakistan;
- (iv) in September 1958, the Government accepted the proposal in principle to amalgamate the two workshops and locate the same at Bhalwal and directed that the project estimate giving full implications may be worked out for obtaining Finance Department's approval;
- (v) The Project Estimate was prepared and referred to the Finance Department. The Finance Department in April 1961, advised that the case might be got cleared from the Development Working Party. Thereafter due to reorganization of Government Departments the case does not appear to have been approved by the competent authority.
- (3) the expenditure on construction of Bhalwal Workshop which was opened for fabrication of gates and gearings for Taunsa Barrage was charged to the allocations of Taunsa Project upto 30th June 1959, and for the year, 1959-60 the expenditure was sanctioned by the Finance Department in connection with the Bhalwal Workshop under Major Head C. C. 68—Capital—A—(i) Productive/Open Canals, with effect from 1st July 1959. The Finance Department conveyed its sanction to charge the expenditure of Bhalwal Workshop against the major head of Revenue viz. XVI—Working Expenses rather than the Capital Head. Thereafter the expenditure had been charged under the Revenue Head of Accounts for the Workshops at Bhalwal which are still functioning under the Executive Engineer.

The Director of Audit and Accounts Works pointed out that the Department had previously contended that shifting had been ordered immediately after 1951 after the emergency and that it was for strategic and defence reasons that these two workshops were required to be shifted from Lahore and Lyallpur to Bhalwal. It now appeared that this contention of the Department was not based on facts. It was originally decided to construct the workshop at Bhalwal for the purpose of fabricating gates of the Taunsa Barrage and defence considerations were considered in 1954-55. It was only in 1959 that this question was again brought up. The Audit had tried to say that in 1959-60 the Department obtained grants for the purpose of shifting these workshops to Bhalwal and although the workshop had already been established thereof for yet another purpose, the amount has been spent. The workshop had been functioning there for the purpose of fabricating gates for the Taunsa Barrage. The Committee might examine the issue as to why funds were obtained for a purpose, which was not, according to the explanation submitted by the

Department, the legitimate purpose because the Bhalwal Workshop had been functioning there.

The Committee decided that the Department should submit fresh Working Papers containing the explanation now given so that the Audit could verify the facts after perusal of relevant records and submit its comments for the examination of the Committee. The item was deferred to be taken up again at 1.00 p.m. on 14th September 1967.

III. The Committee then adjourned to meet again on 14th September 1967.

LAHORE :

*The 13th September, 1967*

ZAIN NOORANI

CHAIRMAN,

*Standing Committee on Public Accounts.*

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 14TH SEPTEMBER 1967 AT 9-00 A. M. IN  
'TEA ROOM' OF THE ASSEMBLY BUILDING, LAHORE

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.  | ... | Do.             |
| (4) Qazi Muhammad Azam Abbasi, M.P.A.  | ... | Do.             |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.   | ... | Do.             |
| (6) Mr. Malang Khan, M.P.A.  | ... | Do.             |
| (7) Rais Haji Darya Khan Jalbani, M.P.A.   | ... | Do.             |
| (8) Syed Akhlaq Hussain, T.Q.A., C.S.P., Additional<br>Secretary to Government of West Pakistan,<br>Finance Department.  |     | Expert Advisor. |
| (9) Rana Muhammad Yasin, P.A. and A.S., Account-<br>tant-General, West Pakistan.   |     | By invitation.  |
| (10) Captain Muhammad Ashfaq, Joint Secretary,<br>Commander Abdul Latif and Syed Abbas Hus-<br>sain Shah, C.S.P., Deputy Secretaries, Govern-<br>ment of West Pakistan, Agriculture Depart-<br>ment. |     | Ditto.          |

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

II. The Committee considered the explanations of the Agriculture Department in respect of the following items appearing in the Appropriation Accounts for the year, 1960-61 :—

- (1) Page 3, paragraph 5 read with pages 239—242—Grant No. 22—Veterinary.  
Saving Rs. 18,79,849.

- (2) Page 7, paragraph 12 (ii)—read with pages 239—242 Surrender made  
in excess of total saving—Grant No. 22—Veterinary—  
Rs.

Amount of saving	...	18,79,849
Amount surrendered	...	26,58,300

The Department explained that the saving was not Rs. 18,79,849. There was a difference of Rs. 13,42,727. The Department stated that while the figures for the Lahore Region had been reconciled with the Accountant-General's Office, the figures for the Quetta, Kalat and Hyderabad Divisions had not been reconciled. The official concerned was dismissed from service on account of his failure to complete the reconciliation work. According to the Department, the departmental figure of saving was to the extent of Rs. 5,37,128. This saving was less than 10 per cent of the total grant, for which no explanation was to be given.

The Committee noted that the official concerned was dismissed from Government service on account of his failure to complete the reconciliation work. The Committee was further informed by the Department that the official concerned was the reconciliation clerk. The Committee were at a loss to understand that if the fault of the reconciliation clerk was so serious that he was dismissed from service then why similar action was not taken against the Superintendent and officer-in-charge and why all of them were not dismissed from service?

The fact however remained that the reconciliation of figures relating to the Hyderabad, Quetta and Kalat Divisions had not taken place and unless the figures were reconciled, the real amount of saving could not be worked out.

The Committee directed the Department to have the figures reconciled with the Audit Offices and asked the Accountant-General to ask the Audit Offices to afford necessary facilities to the Department. If the saving after reconciliation worked out to be more than 10% the item regarding saving may come up again with the accounts for the year, 1961-62. If the saving is less than 10%, no explanation would be necessary.

Subject to the above observation both the items were deferred to be taken up alongwith the account for the year, 1961-62.

(3) Page 3, paragraph 5 read with pages 352-357—Grant No. 35—Development—O—Agriculture.

(i) O-1—Staff for Planning Section in the Office of the Director, Agriculture Saving Rs. 3,941—The Department stated that the saving was due to the fact that certain posts of gazetted as well as subordinate staff remained vacant for want of suitable candidates.

The explanation was accepted and the item was dropped.

(ii) O-2—Establishment of Government Seed Farm, Sahiwal—Saving Rs. 34—The saving being nominal, the item was dropped.

(iii) O-3—Establishment of new Government Seed Farm at Khanewal—Saving Rs. 3,689—The Department stated that the saving was due to vacant posts of subordinate staff which could not be filled in for want of suitable candidates.

The explanation was accepted and the item was dropped.

(iv) O-4—Establishment of Seed Farm at Rahimyar Khan—Surrender Rs. 2,48,850.—As the entire amount had been surrendered due to retransfer of the Farm to the owner, the item was dropped.

(v) O-5—Establishment of Seed Farm in Lahore Division—Saving Rs. 21,650.—The Department stated that the provision for two months only on account of staff and contingent expenditure was retained as the location of the seed farm was not decided in time. The site was selected where the seed farm was to be established. Later on it was decided that Government should not establish a new seed farm in Lahore Division due to the formation of A.D.C. Hence there was a saving.

The explanation was accepted and the item was dropped.

(vi) O-6—Establishment of Seed Farm at Rakh Zindani, D. I. Khan—Saving Rs. 20,177.—The Department explained that the saving was due to the non-filling of vacant posts on account of late taking over of the farm and debits of the book adjustment bills which were accepted by the Maize Botanist Agriculture, Peshawar and could not be adjusted in Audit during 1960-61.

The explanation was accepted and the item was dropped.

(vii) O-7—Establishment of five fruit nurseries—Saving Rs. 39,740.—The Department explained that an expenditure of Rs. 16,256 incurred by the Deputy Director, Agriculture, Kalat had not been accounted for by the Comptroller, Southern Area, Karachi. There was thus a saving of Rs. 21,484 and not Rs. 39,740. This saving was due to the fact that the Deputy Director, Agriculture, Kalat's office was established in the end of 1960.

Subject to reconciliation and verification by Audit, the paragraph was dropped.

(viii) O-8—Converting of Seed Farm into Hybrid Maize Farm—Saving Rs. 1,603.—The Department explained that the saving of Rs. 1,603 was due to non-adjustment of 50 per cent pay of officers who proceeded on training abroad during 1960-61 and less supply of Petrol Oil and Lubricant by the firms.

The explanation was accepted and the item was dropped.

(ix) O-9—Conversion of Seed Farm Yusafwala into Hybrid Maize seed Farm—Excess Rs. 1,568—The Department explained that the excess was due to transfer of staff getting higher pay.

(x) O-10—Establishment of Seed Farm at Fort Sandeman—Saving Rs. 1,23,900—The Department explained that the saving was due to non-availability of suitable land for the implementation of the scheme.

The explanation was accepted and the item was dropped.

(xi) O-11—Scheme for the Extension Organisation in G. M. Barrage—Saving Rs. 2,10,246—The Department explained that the final grant under this sub-head was Rs. 3,33,040 and not Rs. 5,68,040 as shown in the Appropriation Accounts. There was an excess of Rs. 24,754.

The item was dropped subject to reconciliation and verification by Audit.

(xii) O-12—Plant protection scheme in West Pakistan—Excess Rs. 9,47,578—The Department explained that there was a saving of Rs. 46,813 due to less expenditure on P.O.L., etc., Semi-Skilled Labourers, etc., and a saving of Rs. 2,31,980 was on account of vacant posts. A debit of Rs. 12,26,371 was received from the Supply Department on account of machinery purchased during 1959-60. This debit converted the saving into an excess of Rs. 9,47,578.

The explanation was accepted and the item was dropped.

(xiii) O-13—Soil Conservation Project in West Pakistan—Saving Rs. 1,12,243—The Department explained that the actual expenditure incurred during the year 1960-61 was Rs. 92,000 and not Rs. 66,057 as shown in the Appropriation Accounts. The Audit circle-wise details of Rs. 92,000 were given as under :—

Audit Circle	Modified Grant	Actual Expenditure	Saving
	Rs.	Rs.	Rs.
Karachi	30,320	26,133	4,187
Peshawar	13,425	9,683	3,742
Lahore	1,34,555	56,184	78,371
Total	1,78,300	92,000	86,300

The difference between the two sum of Rs. 92,000 and Rs. 66,057 was due to the fact that the expenditure of Rs. 26,133 was wrongly booked by the Audit Office, Karachi, under Sub-head "O-17" instead of "O-13" for which the Comptroller, Southern Area, Karachi, had been requested to transfer this amount to the proper expenditure account.

Out of Rs. 4,187 saved in Karachi audit circle, a sum of Rs. 1,391 was due to the reason that the sanctioned staff could not be appointed for want of suitable qualified candidates. The balance of the saving viz., Rs. 2,796 was due to the fact that provision for the purchase of laboratory equipments was made at the rates supplied by the various firms but the actual purchase was affected after inviting quotations from them. The material was then available in the market at cheaper rates than the actual estimated costs.

With regard to the saving of Rs 3,742 in Peshawar audit circle, it was stated that some gazetted and non-gazetted posts remained vacant for want of suitable candidates. Moreover the year under review was the beginning of the Development portion of the projects and zamindars did not come forward to co-operate due to their poor financial conditions.



Regarding the remaining saving of Rs. 78,371, the Department stated that a sum of Rs. 71,295 could not be utilized due to non-receipt of debit for store articles imported through the Supply Department. The remaining saving of Rs. 7,078 was due to the fact that some Gazetted and non-Gazetted posts remained vacant for want of suitable qualified candidates.

The item was dropped subject to reconciliation and verification by Audit.

(xiv) O-14—*Crash Programme—Saving Rs. 4,78,165*—The Department stated that out of the saving of Rs. 4,78,165, a saving of Rs. 4,11,023 was due to non-receipt of debit of machinery purchased through the Supply Department. The remaining saving of Rs. 67,142 was due to the reason that the sanction of the scheme for a period of six months from 1st January, 1961 was communicated on 12th December, 1960. The scheme being in the first phase, full expenditure could not be incurred.

The explanation was accepted and the item was dropped.

(xv) O-15—*Extension of Rice Sub-Station, Shikarpur—Saving Rs. 4,610*—The Department explained that the area required for the establishment of the Farm was not surrendered by the Commissioner, Khairpur; as such, the scheme could not be implemented.

The explanation was accepted and the item was dropped.

(xvi) O-16—*Sugar Beet Seed Production in Peshawar—Saving Rs. 3,457*—The Department explained that the saving was partly due to non-availability of B.Sc. Agricultural Assistant and partly due to the reason that the desired area could not be obtained on lease.

The item was dropped.

(xvii) O-17—*Establishment of vegetable Seed Production Scheme (research) in Quetta Division—Excess Rs. 1,64,201*—The Department explained that according to their figures there was a saving of Rs. 30,969 instead of the excess. The saving was due to the fact that the scheme was dropped.

Subject to reconciliation and verification, the item was dropped.

(xviii) O-18—*Dates, Canning and packing Centre at Makran*—The Department explained that the scheme was transferred to the Industries Department and as such the amount was surrendered.

The explanation was accepted and the item was dropped.

(xix) O-19—*Scheme for investigation leading to large scale production of Mango Nursery in West Pakistan—Excess Rs. 47,491*—The Department explained that according to their figures, there was a nominal excess of Rs. 38 only.

Subject to reconciliation and verification, the item was dropped.

(xx) O-20—*Improvement of vegetable and vegetable Seeds production at Government Fruit Farm Mirpurkhas—Excess Rs. 4,191*—The Department explained that no expenditure was incurred under this head and as such there was no excess.

Subject to reconciliation and verification, the item was dropped.

(xxi) O-21—*Extension of Potato Cultivation in West Pakistan—Saving Rs. 76,593*—The Department explained that the ultimus potato imported from Holland was distributed among the Zamindars on the condition that they would sell at least half of their produce to the Department but some of them did not fulfil their undertaking on one pretext or the other. As such less seed was purchased, which resulted in saving.

The explanation was accepted and the item was dropped.

(xxii) O-22—*Production of Maize in Hyderabad—Saving Rs. 2,026*—The Department explained that the saving was due to non-appointment of Assistant Botanist and Research Assistant for want of suitable hands.

The explanation was accepted and the item was dropped.

(xxiii) O—23-Scheme for studies in reduning Rauni Irrigation for wheat in Hyderabad Region—The Department explained that the scheme was dropped by the Provincial Development Working party; as such the entire provision was surrendered.

The explanation was accepted and the item was dropped.

(xxiv) O—24-Statistical Organisation Scheme—Saving Rs.1,04,824—The Department explained that a saving of Rs. 80,739 was due to the fact that the indents for the purchase of calculating machines and typewriters were placed with the Director of Industries (Supply Wing) during February, 1961. Unfortunately the Director of Industries returned the indents with the remarks that the Foreign Exchange for the purpose was not available with him and the Department should arrange the foreign exchange. The foreign exchange could not be arranged due to short notice from the Supply Department, as such the provision could not be utilized in the general audit circle. A saving of Rs. 16,998 in the Southern Area was due to non-filling of the vacant posts for want of qualified hands. The remaining saving of Rs. 7,097 in Northern circle was due to vacant posts and non-adjustment of cost of typewriters purchased through Supply Department.

The explanation was accepted and the item was dropped.

(xxv) O—25-Establishment of Seed Testing Laboratories—Saving Rs. 4,806—The Department explained that the saving was due to certain posts having remained vacant and non-supply of furniture and equipment by the firm in time.

The explanation was accepted and the item was dropped.

(xxvi) O—26-Award of Additional Scholarships to the Agricultural Students prosecuting their Studies in Pakistan Institutions—Excess Rs. 4,754—The Department explained that the Principal of the defunct Agriculture College, Lyallpur was responsible for incurring this excess expenditure and that efforts were being made to find out the reasons for the excess.

The Committee considered the explanation of the Department as submitted in the working paper as well as given orally and directed that the Department should make further inquiries in this matter to ascertain the fact that whether it was actually a case of excess expenditure or whether the amount was spent without some valid authority and the same had not been placed on record. In case it was a matter of excess expenditure, immediate steps should be taken to take action against the person/persons responsible who from the explanation as submitted by the Department, appeared to be the Principal of the defunct Agriculture College. The Committee directed that this matter should be personally handled by the Secretary, Agriculture Department. Subject to this observation, the item was dropped.

(xxvii) O—27-Establishment of Library Branches in Agricultural Colleges,—Saving Rs. 8,920—The Department explained that the saving was due to non-procurement of typewriter by the Director, Supply Wing, Lahore.

The explanation was accepted and the item was dropped.

(xxviii) O—28-Reorganisation of Agriculture Engineering Workshops in West Pakistan—Saving Rs. 3,48,314—The Department explained that out of the saving of Rs. 3,48,314 a saving of Rs. 10,000 was due to non-adjustment of debit for the spare purchased. The remaining saving of Rs. 3,38,314 was due to non-receipt of debit from the Supply Department.

The explanation was accepted and the item was dropped.

(xxix) O—29-Purchase of additional heavy earth moving machinery Rs.5,43,000—The Department explained that the saving was due to non-receipt of debit from the Supply Department on account of machinery purchased through that Department.

The explanation was accepted and the item was dropped.

(xxv) O—32—*Development of Zoological Gardens Savings Rs.11,497*—The Department explained that the Finance Department sanctioned a sum of Rs. 81,000 and Rs. 69,503 during the year 1960-61 in anticipation of the provisions of funds under the head "63—B—Dev. O—Agri.—Installation of Tube-wells at Government Farms, and "Development of Zoological Gardens" respectively. But in the Appropriation Accounts, the allocation of Rs. 69,503 sanctioned for the "Development of Zoological Gardens" has been omitted and instead the allocation sanctioned for the "Installation of tube-wells at Government farms" shown against this sub-head. Similarly the expenditure incurred against the allocation of Rs. 81,000 had not been exhibited by the Audit in the Appropriation Accounts for 1960-61 and shown the expenditure incurred under the "Zoological Gardens".

The correct position was stated to be as under :—

<i>Name of the Scheme</i>	<i>F. G.</i>	<i>A. E.</i>	<i>Saving/ Excess</i>
(a) Installation of Tube-wells ..	81,000	47,332	33,668
(b) Development of Zoological Gardens ..	69,503	69,503	..

The reasons for the non-utilization of the full grant under item (a) above were given as under :—

- (i) Funds for the installation of tube-wells were sanctioned in the month of April, 1961 when nearly 3/4th of the financial year was over. Moreover the question of re-appropriation with the Finance Department could not be taken earlier as the Revised Estimates were submitted before the receipt of the sanction of the scheme.
- (ii) There were so many formalities to be observed in this respect. Purchases of equipments for the installation of tube-wells were to be effected through the Industries Department (Supply Wing), after placing the indents in almost all cases. The contracts for the indents placed on the Industries Department are issued after four to five months as it takes long time for the processing agencies to complete the required formalities.

The explanation was accepted and the item was dropped.

(4) Page 5, Paragraph 8 read with pages 235—238—*Grant No. 21—Agriculture—Excess Rs. 1,07,39,444.*

(5) Page 8, Paragraph 12 (iii) *Surrenders in absence of saving Grant No. 21—Agriculture Excess—Rs. 1,07,39,444 Surrenders Rs. 10,93,000*—The Department explained the excess of Rs. 1,07,39,444 as under :—

Rs. 7,52,312—The Audit office had wrongly booked this amount against the accounts of the Department. Actually this amount related to some other Department.

Rs. 99,87,132—The excess was due to the debit raised by the Supply Department under various Sub-heads on account of machinery, etc. purchased during previous year.

The reasons for the surrender of Rs. 10,93,010 were given as under :—

Rs. 3,05,170—The Pakistan Food and Agriculture Council dropped certain schemes which were financed jointly by the Provincial Government and F. A. C. P. on 50-50 basis during the course of the year and as such the provision made in the provincial budget to implement those schemes was surrendered.

**Rs. 7,87,840**—Certain posts of Gazetted Officers, Agriculture Assistants and Field Assistants remained vacant for want of suitable candidates. Subject to verification by the Audit of timely intimation by the Department of wrong booking of Rs. 7,52,312, the items were dropped.

(6) *page 7, paragraph 12 (i), read with pages 100-102—Supplementary Grant proving partly or wholly unnecessary, Grant No. 5,—Forest*—As the departmental figures did not agree with the audited figures, the Committee directed that the figures should be got adjusted and verified by the Audit. The matter was deferred to come up again before the Committee along with the accounts for the year 1961-62.

(7) *page 7, Paragraph 12, (ii), read with pages 421-423 Surrenders made in excess of total Saving—Grant No. 38—Capital Outlay on Agricultural Improvement and Research*—In this case the Audit had pointed out that the Department had surrendered an amount of Rs. 44,02,490 whereas their saving was Rs. 10,31,109. The surrender had thus been made in excess of total saving.

The Department explained that the surrender of Rs. 44,02,490 was due to the following reasons :—

(i) **Rs. 21,36,290**—*Scheme for land development in Ghulam Muhammad Barrage Area*—Ghulam Muhammad Barrage has since been transferred to the Agricultural Development Corporation and as such information is being collected from them.

(ii) **Rs. 90,000**—*Purchase of land for the establishment of Seed Farm, Fort Sandeman*—Due to non-availability of land, the amount had to be surrendered.

(iii) **Rs. 5,01,550**—*Minor Irrigation Scheme*—A part of the scheme relating to Soil Conservation Project was dropped. Consequently this amount had to be surrendered.

(iv) **Rs. 16,49,650**—*Purchase of Cotton Seed*—For want of sound seed, the amount had to be surrendered.

(v) **Rs. 25,000**—*Scheme for the purchase of land for the Establishment of a sub-station for Maize Hybrid at lower hills of Peshawar*—The land could not be made available as no one was willing to sell his land at lower hills of Peshawar. The amount was therefore surrendered.

The Department further stated that the saving of Rs. 10,31,109 had mainly occurred due to non-availability of sound seed in the Province.

Explanations for the surrender were accepted by the Committee. It was, however, pointed out to the Department that after the surrender of Rs. 44,02,490, there had been excess expenditure to the tune of Rs. 33,71,381 whereas the Department has explained the saving of Rs. 10,31,109. The Department again contended that there was a further saving of Rs. 10,31,109 after the surrender of Rs. 44,02,490. The Department did not accept that they had incurred any excess expenditure after surrendering Rs. 44,02,490.

The Committee directed that the Department should reconcile this matter with the Audit and report the result to the Committee when the accounts for the year 1961-62 are considered.

(8) *Page 47, paragraph 58—Outstanding Government Dues*—In this case Rs. 15,096 relating to the year 1952-53 were reported to be outstanding against two contractors.

The Department explained that the outstanding amount was Rs. 13,096. It was due from—

	Rs.
(1) Malik Bahadar Khan	7,995-00
(2) Syed Fazal Hussain Shah	5101-00
Total	13,096-00

Malik Bahadar Khan was a contractor but neither the contractor nor his surety had any movable and immovable property in their names. Under such circumstances, the outstanding amount could not be recovered. Syed Fazal Hussain had died few years back. The Commissioner, Bahawalpur Division fixed 6 equal instalments payable in the month of August of every year. The said instalments are being paid by his son (Syed Faiz Hussain). He has so far paid Rs. 2,000.

The Committee considered the explanation submitted by the Department and wished to place on record that this was a case in which the Department had not bothered even to read the proceedings of the Public Accounts Committee which, incidentally, had been incorporated in their own Working Paper. Neither had the background nor the nature of the case been fully stated in the explanation nor had any indication been given as to whether an inquiry was being made to ascertain as to who was responsible for this irregularity and what action had been taken or was being taken against the officer or persons concerned.

The only thing that had been explained was with regard to the part pertaining to recoveries where also it appeared that out of Rs. 13,096, the sum of Rs. 5,101 which fell to the lot of Syed Fazal Hussain, and was said to have been accepted by his son to pay in instalments, was being recovered while a sum of Rs. 7,995 had been shown outstanding against the contractor, Malik Bahadur Khan. The Department had not explained satisfactorily as to what happened to the sum of Rs. 7,995.

The paragraph was deferred to come up again with a full and detailed explanation on all these points and any further information which the Department could produce for consideration along with the accounts for the year 1961-62.

(9) *Page 48, paragraph 59—Embezzlement of Government Revenue*—In this case the Audit had reported that in a certain Fruit Farm a sum of Rs. 5,200 being the amount of Government Revenue was embezzled by a clerk who was required to deposit the same in the Government Treasury. The clerk also encashed certain T. A. Bills of the establishment amounting to Rs. 46 from Government Treasury and misappropriated the same. The clerk was tried in the court of law and sentenced to six months rigorous imprisonment. Under the departmental rules the clerk was required furnish two sureties of Rs. 200 each and accordingly a sum of Rs 400 was recovered from the sureties.

Although the case was decided by the court in the year 1952, the balance of Rs. 4,846 had neither been recovered nor written off with the sanction of the competent authority. Considering the amount embezzled, the security obtained from the clerk would seem to be inadequate. The orders fixing the amount of surety needed revision.

The Department explained that the balance amount of Rs. 4,846 had been written off.

The Committee considered the explanation submitted by the Department and came to the conclusion that the Department was not able to produce documents to substantiate that the writing off of Rs. 4,846 had been done in consultation with the Finance Department. The Department was, therefore, directed to examine the records and produce the relevant documents.

The Committee noted that the clerk responsible for this misappropriation was tried and sentenced by the proper court but it was beyond the understanding of the Committee as to how a mere clerk could have misappropriated the sum of Rs. 5,200 over a period of time if proper supervision had been exercised in the office by the person who was responsible for the same. No mention was made by the Department as to whether any action against the persons responsible for the supervision was taken or not. It therefore appeared to the Committee that the person concerned had deliberately been protected. The Committee directed the Department to examine the entire matter afresh, fix the responsibility as to who besides the clerk was responsible for this negligence, wilful or otherwise, and to take necessary adequate action against him.

The Committee further directed the Department to report the action taken against the officer or person responsible for negligence and lack of proper supervision alongwith the documents to substantiate that the amount had been written off with the concurrence of the Finance Department at its next meeting when the accounts for the year 1961-62 would be under consideration.

(10) *Page 48, paragraph 60—Non-disposal of Tinned Fruit*—In this case the undermentioned stock of tinned fruit had become unfit for human consumption as these were manufactured during the year 1953 to 1958 and were retained for years together.—

	Rs.
(1) Tomatto Juice 2,716 tins	3,225
(2) Tinned grapes 401 tins	702
Total	3,927

The Department informed the Audit in November, 1961, that efforts were made to dispose of the old stock by announcement through Radio Pakistan but there was no response and subsequently the loss was referred for write off. As per Audit Report neither the responsibility for delay in disposal had been fixed by the Department nor the loss had been written off.

The Department informed the Committee that the stock could not be disposed, of even though publicity was done through Radio Pakistan. The loss was, therefore written off.

The explanation submitted by the Department was not considered by the Committee to be a complete explanation. The Department was directed to procure full details as to what was the total production of tomato juice and tinned grapes and what was the total stock in hand of the tins at that time. The Department should also substantiate that publicity was done over Radio Pakistan and that it was done prior to the tins having been declared unfit for human consumption. The Department should also state whether thorough inquiry was made, before sanction of the write off, to ascertain whether the write off became necessary due to negligence on the part of someone or not.

The paragraph was deferred to be considered again alongwith the accounts of 1961-62.

(11) *Page 49, Paragraph 61 Opening of Personal account in a Private Bank with Government cash*—In this case a sum of Rs. 11,00,000 sanctioned by Government for the purchase of wheat seed was drawn from the treasury and deposited in a private bank in the name of an official who had followed this mode right from 1955 onward and used to keep very heavy amounts in the bank in his own name. The balance in bank on 31st December, 1955 was Rs. 12,840 and from March, 1956 onward it ranged between one to three lacs. It rose to Rs. 12,61,694 on 30th June, 1960. The irregularity was brought to the notice of the Department by Audit in September, 1960 and the balance of Rs. 58,189 outstanding on 24th February, 1961 was deposited into the Treasury.



As a rule no money should have been withdrawn and kept outside the Government account, but this serious irregularity continued inspite of a warning having been administered by the Finance Department in October, 1958.

The Department explained that the former Baluchistan Administration considering the variation in harvesting period in different parts of area had provided revolving non-lapseable funds for the purchase of wheat at harvest time starting in April and May in some areas and June-July in uplands. For this, as obvious, the opening of bank accounts being necessary, the former management under Central Government had opened a bank account in the name of Director of Agriculture in Baluchistan, Quetta. In 1959-60 on receipt of sanction of funds as late as 24th June, 1960, under the previous procedure, the amount was withdrawn and deposited for purchase of wheat seed during harvesting period for distribution among the Zamindars of Quetta/Kalat Divisions.

The Committee considered the explanation submitted by the Department as 'highly unsatisfactory'. The withdrawal of large sums of money towards the close of the financial year and depositing the same in a private bank by the official in his own name could not be condoned. This required further investigation. The Department should make full inquiry afresh in this matter and get their findings verified by the Audit and report back to the Committee when it considers the Accounts for the year 1961-62.

(12) Page 53, Para. 73—*Infructuous Expenditure*—According to audit note, 3,580 bags of cement costing Rs. 20,186 were purchased during March, May and June 1960 without the sanction of competent authority. Out of the above quantity 2,928 bags of cement were found to be lying unused in the stock in April, 1961. This indicated that the stock was indented for in excess of the immediate requirements resulting in un-necessary blocking of Government capital which could be invested elsewhere in a more profitable channel. Similarly an expenditure of Rs. 18,355 was incurred in the same Division on the purchase of 311,000 burnt bricks and their carriage in March, 1959, without obtaining sanction from the competent authority or inviting competitive tenders from the suppliers. In January, 1961 the Divisional Forest Officer informed the higher authorities that about 3 lacs of burnt bricks were surplus to the requirements. This showed that the bricks were purchased unnecessarily and the expenditure involved could be avoided.

The Agriculture Department explained that the cement was supplied in one lot during 1960 against the indents placed during the years 1956-57, 1957-58, 1958-59 and 1959-60 for the construction of spillways on subsidiary basis, construction of boundary pillars, sinking of wells on G.T. Road, making of channels and water storage tanks for irrigation of plantation on G.T. Road. Due to change of policy in respect of execution of Soil Conservation works and Anti-erosion works by the Agriculture Department and transfer of G.T. Road to P.W.D., the cement could not be consumed. Consequently the Divisional Forest Officer referred the case to the Conservator of Forests, Lahore Circle for disposal of surplus cement. As the cement usually loses its utility within a period of 6-12 months, it could not fetch better rates in an open auction and the Conservator of Forests, therefore, did not agree to sell it. However, most of the quantity was used in different works carried out in the Forest areas leaving a balance of 674 cement bags.

As the cement in question was reported to be un-serviceable due to its storage for considerably long period, it could not be utilized. It might not be possible at this stage to fix the responsibility for the loss. However, the Divisional Forest Officer had been directed to explore possibilities of fixing responsibility for the loss of cement and recover value from the official at fault.

As regards the bricks, the Department explained that the bricks were required for the construction of spill-ways, boundary pillars and sinking of wells on G.T. Road. Later on the Soil Conservation works were transferred to Agriculture Department and G.T. Road was transferred to P.W.D. Therefore these bricks could



not be utilized by the Department. The Divisional Forest Officer intimated that 300,000 burnt bricks were surplus and requested for their transfer elsewhere in the Circle. The former Conservator of Forests, Lahore Circle requested the former Chief Conservator of Forests, West Pakistan to dispose them of by public open auction as their carriage and use elsewhere than Kharian would not be economical. The former Chief Conservator of Forests, West Pakistan advised to examine the possibility of the use of these bricks within the Department. 100,000 burnt bricks were transferred to Road Forest Division and the remaining burnt bricks were put to auction after proper advertisement in the news paper and approval of the reserve rates by the Chief Conservator of Forest, Lahore Region. The bricks were sold at Rs. 36 per %0. The Divisional Forest Officer has been directed to re-examine the possibilities of fixing the responsibility for the loss accrued to Government in this case. As regards the expenditure on carriage of burnt bricks, the Department stated that the bricks were lying on G.T. Road at Julliani. Due to transfer of charge of G.T. Road to P.W.D., there was no alternative but to store the bricks at Kharian for safe custody. The expenditure was, therefore, justified.

As regards the question of the purchase of bricks and cement with or without the sanction of the competent authority, the Department maintained that the Divisional Forest Officer was competent to authorise the sanction. The Department relied on Delegation of Power Rules, 1962, page 315, item 6 which reads as under:—

<i>Nature of powers</i>	<i>To whom delegated</i>	<i>Extent</i>
"6. To sanction all usual payments on sowing, planting, etc., under major heads "10—Forests, 63-B—Development (E—Forests) and 65— Capital Outlay".	Chief Conservator of Forests, Conservator of Forests, Divisional Forest Officer.	Full Powers.

The Audit maintained that the purchase of cement and bricks was not covered by this rule and could not be considered to be included by the mere presence of the word 'etc.', in the rule. Examination of the Delegation Order of 1953, revealed that it related to the sanction of usual payments under revenue expenditure in the Forest Department. In the opinion of the Committee, the present delegation of power rules were not very happily worded. The Committee asked the Finance Department to look into this matter.

As regards determining whether the Divisional Forest Officer could be considered to be within his power and could be treated as the competent authority for the purchase of cement and bricks under the authority of this rule, it was suggested that the Accountant-General and the Finance Department should sort this out and end the ambiguity. The Department concerned should also be kept informed by the Finance Department of the final interpretation of this rule so that they were in a position to come up again before the Committee with further explanation, if any, at the next meeting of the Public Accounts Committee, when the accounts for the year 1961-62 are considered.

(13) Page 53, Para. 74—*Excess payment to Contractors*—In this case an excess payment of Rs. 32,409 was made to the contractors from time to time during 1959-60 in disregard of the agreement executed by them for the collection of Ephedra. The contractors collected quantities in excess of those agreed upon whereas in terms of the agreement the excess collection over and above the agreed quantity was to be surrendered to Government. As per Audit Report, the recovery of the amount from the contractors was still awaited. No remedial measures also appeared to have been taken by the Department to guard against similar excess payment in future.

The Department explained that according to the agreement executed by the contractors, the excess quantity of ephedra, if any collected, was liable to be confiscated. In this case a departure from the agreement was made in good faith and the excess quantity of ephedra collected by the contractor was accepted on payment of collection charges firstly, for the reason that there was a great demand for the herb by M/S Marker Alkaloids who had increased the production capacity of the factory installed by them at Quetta for the manufacture of Ephedrine, and secondly the contractors concerned were poor tribesmen and if the excess quantity was confiscated they would have been financially doomed and this confiscation might have produced political repercussions in that area. This was stated to have been done under the verbal orders of the then Conservator of Forests, Quetta. This fact seems to be correct as the Conservator of Forests did not raise any objection with regard to the acceptance of the excess quantity of ephedra. The Conservator of Forests concerned (Rana Muhammad Said) had since expired. Under the circumstances Government had not suffered any loss in accepting the excess quantity of ephedra. It had on the other hand earned excess revenue and foreign exchange as a result of sale of the herb to M/S Marker Alkaloids for local consumption as well as to outside firms for export to foreign countries.

As regards the question of adopting the remedial measures, the Department stated that the agreement which was now being executed by the contractors had been suitably amended and a clause to the effect that it was on the discretion of the Chief Conservator of Forests, either to confiscate the additional quantity of Ephedra or to accept it on payment had been added therein. A further clause regarding 5% variation between the contracted quantity and that supplied by the contractors had also been provided in the agreement.

The Department further stated that the Finance Department had been requested to regularise the matter.

Subject to regularisation by the Finance Department, the paragraph was dropped.

(14) *Page 53, Para. 75—Non-recovery of penalty from contractors*—In this case penalty at Rs. 4 per maund was chargeable from the contractors for not supplying ephedra within the stipulated time. A sum of Rs. 6,906 recoverable on this account was outstanding against the contractors.

The Department explained that tenders are invited for the collection and supply of dry and cleaned ephedra. The date for fulfilling the contract used to be given as 31st March previously. The contractors were not allowed to cut and supply ephedra after the target date. They used to collect and store the ephedra in "Ephedra Maidan" at the prescribed date. Since the ephedra is yet green and uncleaned, it is allowed to dry up and clean. This process is completed by the end of May and thereafter it is weighed and transported to Ephedra Godown at the contractors expenses as per terms of the Agreement. In this case the ephedra was collected and stored in 'Maidan' by the prescribed date. It was weighed and removed to ephedra stores by the end of June, 1960, after it had dried up and cleaned as usual and accordingly taken in the books at that time. As is obvious, the contractor collected and delivered contracted quantity of ephedra by the prescribed date and no irregularity in this regard had thus taken place and therefore no penalty was leviable.

The explanation was accepted by the Committee and the paragraph was dropped.

(15) *Pages 66—69—Delay in disposal of Inspection Reports and Audit Notes (Forest Wing and Agriculture)*—The Committee was informed that out of 29 Inspection Reports outstanding, the Department had cleared 21 and only 8 remained outstanding. The Committee directed that efforts should be made to clear them at the earliest. The Committee, however, noted that no action had been taken against the

person/persons responsible for non-compliance with the Audit Reports and directed that the Department should take immediate steps to see that action is taken.

Subject to these observations, the item was dropped.

(16) Page 238—Note 5—*Non-submission of list of remissions and abandonment of claims to Revenue*—The Department stated that the list may be treated as nil.

The item was dropped.

(17) Page 424—Note 3—*proforma Accounts*—In this case *Pro forma* accounts of seed had not been furnished to Audit.

The Department explained that the *Pro Forma* Accounts of Seed Depot of Lahore Region have been prepared and sent to audit except the Rawalpindi Division. The preparation of accounts in respect of this Division was held up due to the fact that certain record of the seed depots accounts is with the Anti-corruption Department and the courts, etc. Any how, the officers concerned have been instructed in urgent terms to get the accounts prepared after consulting the records with Anti-Corruption Department/courts if they allow access. Similar is the case with the Southern Region and the concerned officers are prevailed upon to expedite disposal.

No report in respect of action taken against the officials responsible for the delay was placed before the Committee.

The item was deferred to be taken up along with the accounts for the year 1961-62.

(18) Page 424,—Note 4—*Consolidated Stores Accounts*—In this case Consolidated Stores Accounts had not been compiled by the Department.

The Department explained that the accounts have since been compiled and checked by Audit.

The item was dropped.

(19) Page 505, Grant No. 42—*Loans and Advances by the Provincial Government—A 3—Advances to students of former Bahawalpur State—Saving Rs. 1,200*—The Department explained that they had incurred the expenditure of Rs. 1,200 against the modified grant of Rs. 1,200. Hence there was no saving.

The explanation was accepted and the item was dropped.

(20) Page 513, paragraph 12—*Misappropriation of saleproceed of fertilize (Rs. 31,583)*—In this case an Agricultural Assistant received the amount from the Commission Agent but did not deposit into Government Treasury.

The Department stated that a case against Mr. Abdur Rahim, Agricultural Assistant, was registered on 12th January, 1962. He is still absconding. The Commission Agent concerned, Mr. Abdul Majid was also served with a notice for the payment of outstanding Government dues of Rs. 31,583. He filed a civil suit in the court of Senior Civil Judge, Lyallpur, against the orders of the Department. His suit was dismissed by the Court with cost on 20th July, 1966. The Commission Agent obtained the stay orders and filed an appeal in the court of Additional Sessions Judge, Lyallpur against the orders for recovery. The Additional District and Sessions Judge, Lyallpur dismissed the case on 27th July, 1967. The Tehsildar (Recoveries) has been directed to effect recoveries from the Commission Agent immediately.

The Committee directed that efforts should be made to recover the amount at the earliest. Subject to this observation, the paragraph was dropped.

(21) Page 513, paragraph 13—*Misappropriation of Government money—Rs. 4,698*—In this case the Agricultural Assistant received the amount of the pay of the staff from the office Cashier and absconded.

The Department explained that Mr. Muhammad Tufail, the then Plant Protection Assistant, Chishtian, District Bahawalnagar, who committed embezzlement of an amount of Rs. 4,562.62, meant for the payment of salaries and Travelling Allowance Bills, etc. of certain field staff, was tried by the Special Judge, Anti-Corruption, Multan and sentenced to one year's rigorous imprisonment and to pay a fine of Rs. 4,500 or in default of payment of fine to undergo for a further period of six months. Although Mr. Tufail was the main culprit, yet the case was enquired into departmentally and consequently the following officer/official have been directed to deposit the amount into Government treasury proportionately as noted against each:

	Rs.
(1) E. A. D. A., Bahawalpur ..	2,536.50
(2) Mr. Muhammad Hussain (Junior Clerk) (Cashier) ..	2,026.12
Total ..	4,562.62

The E.A.D.A., Bahawalpur had submitted an appeal against the order of recovery. The appeal having been decided, the Deputy Director, Agriculture, Bahawalpur has been asked to take immediate action in the light of above decision. The Committee was not satisfied that proper attempts had been made by the Department to effect recoveries. The Department was directed to ask the Deputy Director, Agriculture, Bahawalpur to take more interest in the matter and to try to effect recoveries at the earliest.

Subject to these observations, the paragraph was dropped.

(22) Page 514, paragraph 14—*Misappropriation by a Muqaddam—Rs. 5,888*—In this case a Muqaddam made direct sale of fertilizer on cash payment but did not deposit the money into Government accounts.

The Department explained that the correct amount was Rs. 5,921.50 and not Rs. 5,888. This amount was misappropriated by Mr. Ghulam Hussain, Field Assistant. The Special Judge, Anti-Corruption, Multan sentenced him to pay a fine of Rs. 4,000 and Rs. 3,000 or in default of payment of fine to undergo rigorous imprisonment for 18 months and one year in two cases.

Subject to recovery or the write off of the amount involved, the paragraph was dropped.

(23) Page 514, Paragraph 15—*Outstanding Government dues—Rs. 8,000*—In this case an amount of Rs. 8,000 was misappropriated by an official of the Department.

The Department explained that the Challan was submitted by the Special Police against Sheikh Taqdis Hassan, Naib-Tehsildar who misappropriated the amount. He was tried in the Court of the Special Judge, Anti-Corruption. Case was subsequently consigned to the record room due to the death of the accused person as intimated by the Court.

The Committee felt that there was no option but to write off the amount and directed that necessary steps should be taken to do the same.

Subject to these observations, the paragraph was dropped.

(24) Page 522, paragraph 43—*Fraudulent withdrawal of security deposits—Rs. 1,511*—In this case a Forest Ranger withdrew, on fictitious authority letter, from the post office four security deposits of temporary cultivation leases amounting to Rs. 1,550.50 deposited by the lessees.

The Department explained that lots were leased for temporary cultivation in West Range of Chichawatni Plantation in an open auction held on 5th May, 1953 for a period of three years commencing from Kharif, 1953. The security amounts required to be deposited by the lessees were deposited by them. The Divisional

record showed that the Range Officer sent the agreements to Divisional Office without the security pass books and no action to procure the security pass books was taken by the Divisional Office, but the agreements were signed by the then Divisional Forest Officer. After expiry of the lease period, the lessees applied for the release of their securities. A search was made in Divisional Office as well as Range Office, but the pass books could not be traced out. On enquiry, it was revealed, that the securities were actually deposited on 25th May, 1953 in Post Office, Chichawatni and the pass books were delivered in Range Office by the lessees, from where these were removed clandestinely and the amount was withdrawn from the Montgomery Post Office on 17th August, 1954. The signature of the then Divisional Forest Officer (Mr. Muhammad Rafi) and Forest Ranger, Mr. Asghar Khan were forged and did not tally with the signature on record in Post Office and on other official documents. Mr. Najeef Ashraf, Forest Guard was held responsible for the fraudulent withdrawal of the amount and a criminal case against him was sent to the court of Special Judge, Anti-corruption, Multan for trial. The accused filed a petition in the High Court. The case is lying pending in the court of the Special Judge, Anti-corruption, Multan for want of instructions from High Court.

The Department further stated that Chaudhri Abdul Rehman, Forest Ranger (Now W. P. F. S. at Rawalpindi) and Mr. Nazir Ahmad Rashid (Now Assistant) were responsible for not sending/obtaining the pass books in time and for not keeping them in safe custody which led to the fraud. In case of any loss that the Government might undergo, as a result of acquittal of the accused, it would be made good from them.

The explanation was accepted and subject to Department's taking action as proposed, the paragraph was dropped.

(25) *Page 522, paragraph 44—Misappropriation of Government Money Rs. 2,395* In this case a sum of Rs. 2,395 due to a contractor was not actually disbursed to him by the clerk concerned but was shown in Cash Book as having been paid.

The Department explained that in the Cash Book of Daphar Range for March 1955, a sum of Rs. 2,395 on account of thinning, felling and conversion charges was shown as paid to the contractor. No bill for sanction was said to have been sent by Sh. Muhammad Rafi, the then Range Officer and payment was made in cash which was supported by a forged acknowledgment receipt of a person other than the original claimant. The matter was subjected to departmental enquiry and Mr. Muhammad Rafi, Forest Ranger was charge-sheeted and the case was also registered by the police on the complaint of contractor. The court acquitted the accused.

As a result of departmental proceedings, the Forest Ranger was found guilty of the charge and consequently awarded the following punishments :—

- (1) his increment was stopped for one year without future effect ;
- (2) his promotion was stopped for two years ; and
- (3) he was awarded a Character Roll warning.

The explanation was accepted and the paragraph was dropped.

(26) *Page 522, paragraph 45—Misappropriation of Government Money Rs.70,911*—In this case an amount of Rs. 70,911 had been mis-appropriated.

The Department explained that while checking the accounts of Land Reclamation Range, Rawalpindi in March, 1955, it was noticed that a sum of Rs. 94,832 on account of hiring charges of bulldozers lent to 197 persons (Zamindars, etc.) for reclamation of their lands was being shown as outstanding in the books of land Reclamation Range. Notices were issued to the concerned persons for payment of Government dues. Most of them stated that they had paid the rent charges of bulldozers to the Range Officer, Land Reclamation Range and in support of payment,

they produced printed receipts. The case was, therefore, handed over to the Pakistan Special Police Establishment, which registered the case against Khan Abdul Karim Khan, *Ex-Range Officer*, Land Reclamation. The Pakistan Special Police Establishment, Rawalpindi started conducting investigation in October, 1955. Out of 197 persons against whom the Government dues were outstanding, the Police recovered 20 printed receipts worth Rs. 11,898. These receipts were also not accounted for in the accounts. The Police prepared four Challans against Khan Abdul Karim Khan, *Ex-Range Officer*, but all the proceedings were quashed by the High Court. The cases of recoveries of the outstanding amounts as arrears of land revenue had been taken up with the Collectors of Rawalpindi and Campbellpur Districts and were being followed vigorously.

The Committee directed that the progress should be reported along with the accounts for the year 1961-62.

(27) *Page 3, paragraph 5, read with pages 357-360—Grant No. 35—Development—P—Veterinary—(a)* As regards the saving of Rs. 2,967 under "P-2—Scholarship" for the students in the College of Animal Husbandry Lahore" the Department in its written explanation stated that the saving was due to posts of Veterinary Assistant Surgeons having remained vacant. When pointed out by Audit that the amount was meant for scholarships to students, the Department stated that the saving was due to the vacancies in the number of scholarships which could not be awarded to some students due to their unsatisfactory results.

The item was dropped subject to action being taken against the officer who had included incorrect explanation in the Working Paper.

(b) The reasons given by the Department for the savings under other sub-heads were as under—

(i) *P-1—Scheme for Pilot Animal Food Milk and Testing Station—Saving Rs. 9,050*—The Scheme was not implemented and the staff was not required and the land was not purchased.

(ii) *P-3—Scheme for Post graduate Education at College of Animal Husbandry, Lahore—Saving Rs. 800*—The post of Veterinary Assistant Surgeon under this Scheme remained vacant. Hence the saving.

(iii) *P-4—Scheme regarding increase in the number of Animal Husbandry graduates—(Saving Rs. 51,568)*—The post of Sale man, Plant Foreman, Mechanic and peon remained vacant.

A case for the purchase of typewriter was referred to the Director, Industries, but due to the non-availability of foreign exchange, the purchase could not be effected.

Galvanized pipe, Black pipe, Copper tubing, special electric switches, etc. for which the provision was made in the 2nd Statement could not be purchased because these were not available as per desired specification.

The sum of Rs. 20,000 was placed at the disposal of Superintending Engineer, Lahore Public Health Circle, Lahore, for addition and alteration in Laboratories. The debit of this amount does not seem to have been raised.

(iv) *P-5—Scheme of New Veterinary Hospital in G. M. Barrage—Excess Rs. 27,256*—According to the Departmental figures the expenditure comes to Rs. 14,525 against the final grant of Rs. 16,510 whereas the Comptroller has shown an expenditure of Rs. 43,766 against the same allotment. The variation is due to the non-adoption of the departmental figures by the Audit.

(v) *P-6—Scheme regarding Animal Protection Service through Mobile Dispensaries—Saving Rs. 23,510*—An expenditure of Rs. 15,500 was incurred under the scheme against the final grant of Rs. 23,720 but the Comptroller had shown Rs. 210 only as expenditure against the scheme allocation. The variation is due to the fact that the audit did not adopt the departmental figures.



(vi) P-7—Scheme for opening of Civil Dispensary at Kahagani, District Mardan—Saving Rs. 1,249—Due to non-supply of (i) instruments by the Superintendent, Government Metal Works, Lahore; (ii) furniture by the Superintendent, Central Jail, Haripur; and (iii) English medicines by the Officer Incharge, Veterinary Medical Stores, Lahore.

(vii) P-8—Continuation of scheme for the opening of a Veterinary Hospital in Quetta Division—Excess Rs. 7,035—The Director, Animal Husbandry, Quetta has shown an expenditure of Rs. 8,400 against the final grant of Rs. 22,820 instead of Rs. 29,855 against the same budget provision. The position was also conveyed to the audit office. It appears that the audit office did not agree to it. According to the figures, the saving of Rs. 14,420 was due to non-availability of certain articles and posting of technical staff.

(viii) P-9—Scheme for the opening of Veterinary Dispensary at Tarbela (Hazara)—Saving Rs. 705—Due to (i) non-appointment of contingent paid staff; (ii) less supply of stores and (iii) furniture already indented for.

(ix) P-10—Scheme regarding opening of Veterinary Hospital, Lasbela (Kalat Division)—Saving Rs. 3,010—According to the departmental figures the expenditure under the scheme is Rs. 3,000 against the allocation of Rs. 3,010 whereas the Audit Department has shown a nil expenditure against the same allotment. According to the departmental figures there is a saving of Rs. 10 only which is too nominal.

(x) P-11—Scheme for opening of Veterinary Dispensary at Village Aid Training Institute, Peshawar—Saving Rs. 1,670—Due to non-functioning of dispensary for want of buildings during the year.

(xi) P-12—Scheme for the prevention, control and eradication of infectious diseases in livestock—Saving Rs. 6,903—Due to certain posts of technical nature having remained vacant.

(xii) P-13—Scheme for Sheep Shearing Centre in West Pakistan—Saving Rs. 1,79,271—Due to non-availability of machinery and non-recruitment of staff.

(xiii) P-14—Scheme regarding Sheep Farm for fine wool production at Latrar in Rawalpindi—Saving Rs. 8,092—Due to disbandment of the original scheme.

(xiv) P-15—Scheme for the Development of livestock and veterinary activities in the excluded area of D. G. Khan—Saving Rs. 1,989—Due to non-availability of certain articles and non-recruitment of the staff.

(xv) P-16—Scheme for the opening of a Poultry Farm in G. M. Barrage—Saving Rs. 9,832—Due to the non-functioning of Poultry Farm in G. M. Barrage earlier for want of buildings.

(xvi) P-17—Scheme regarding Sheep Development Officer and his staff—Saving Rs. 32,200—The Director, Animal Husbandry, Quetta has shown expenditure of Rs. 16,656 out of the final budget grant of Rs. 32,300 whereas nil expenditure has been shown in the Appropriation Accounts. The saving of Rs. 15,545 according to the departmental figures is due to non-purchase of mobile shearing machine and other laboratory equipment required under this scheme.

(xvii) P-18—Scheme for the establishment of Bhagnari Cattle-cum-Balochi Sheep Farm in Quetta Region—Excess Rs. 36,328—Due to the adjustment of cost of electric generator relating to the Farm by the Comptroller, Southern Area, Karachi, direct.

(xviii) P-19—Scheme for Donkey Breeding Farm at Mirpur Khas—Saving Rs. 17,689—Due to the post of Officer Incharge having remained vacant, the other staff was not recruited and the amount of contingency could not be utilized as suitable donkey stallions could not be purchased.



(xix) P-20—Scheme for Dhanni Cattle-cum-Balochi Sheep Farm, D. I. Khan—Excess Rs. 124—Due to engagement of a waterman to look after the building which was un-avoidable in the public interest.

(xx) P-21—Scheme regarding increase in the production of nucleus stud stock at Government Farms—Saving Rs. 22,143—Due to non-purchase of up to the mark cows from the market and other Farm. This also resulted in the saving of the amount provided for the purchase of concentrates for these animals.

(xxi) P-27—Dairy Development Scheme—Excess Rs. 80—The excess is quite nominal. The record is not available as the office of the Dairy Development Officer was abolished at the time of reorganisation.

The explanations were considered to be satisfactory and the items dropped subject to reconciliation and verification wherever necessary.

III. The Accountant-General placed before the Committee a statement showing particulars of cases reported in the Audit Reports on which directions issued by the Public Accounts Committee were still awaiting compliance. The Committee decided that a copy of the statement be forwarded to the Finance Department who should take up the matter with the departments concerned.

IV. The Committee then adjourned to meet again at 1.00 p.m.

LAHORE :

The 14th September, 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON  
PUBLIC ACCOUNTS HELD ON 14TH SEPTEMBER, 1967 AT 1-00 P.M.  
IN THE 'TEA ROOM' 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) Qazi Muhammad Azam Abbasi, M.P.A.  | .. | Member.         |
| (5) Rai Mansab Ali Khan Kharal, M.P.A.   | .. | Member.         |
| (6) Rais Haji Darya Khan Jalbani, M.P.A.   | .. | Member.         |
| (7) Mr. Malang Khan, M.P.A.  | .. | Member.         |
| (8) Mr. G. D. Memon, T.K., Joint Secretary to Government of West Pakistan, Finance Department. |    | Expert Adviser. |
| (9) Mr. Nuzhat Hussain, P.A. and A.S., Director. Audit and Accounts (Works), West Pakistan     |    | By invitation.  |

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

**II.** The Committee met to resume consideration of the explanation of the Irrigation and Power Department in respect of the audit objection appearing in paragraph 44(2), page 38 of the Appropriation Accounts for 1960-61 which was deferred in the meeting held on 13th September, 1967.

As neither any representative of the Irrigation and Power Department was present nor the working papers asked for by the Committee were furnished by the Department, the Committee was forced to defer the consideration of the items to be taken up alongwith the Appropriation Accounts for 1961-62.

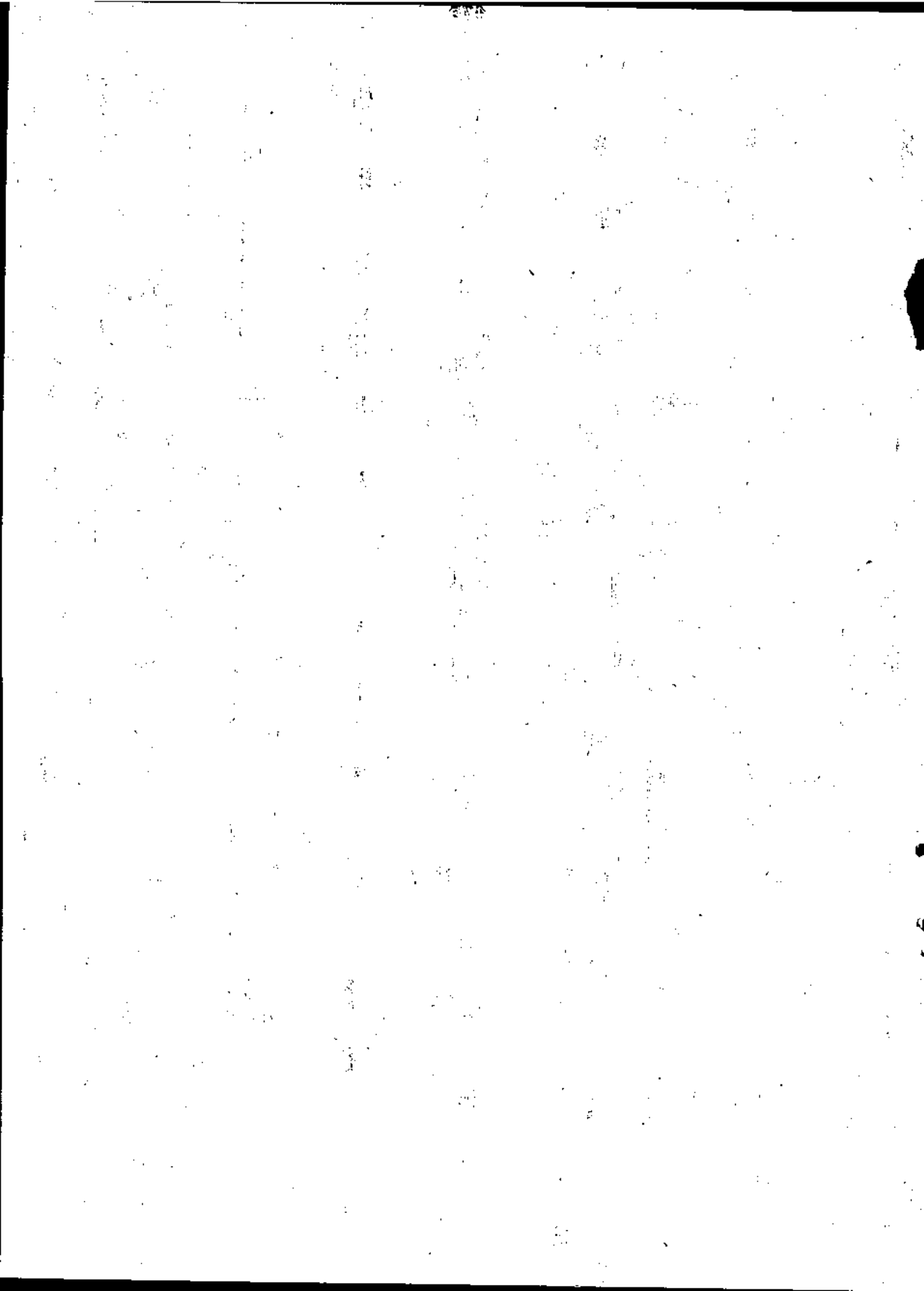
**LAHORE:**

*The 14th September, 1967.*

**ZAIN NOORANI**

**CHAIRMAN,**

*Standing Committee on Public Accounts.*



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**ANNEXURE B**  
**STATEMENT SHOWING ACTION TAKEN**  
**BY**  
**THE FINANCE DEPARTMENT**  
**ON THE**  
**REPORT FOR 1959-60**

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STATEMENT SHOWING ACTION TAKEN BY THE F.D. ON THE RECOMMENDATIONS OF THE PAC. ON THE APPROPRIATION ACCOUNTS FOR THE YEAR 1969-80.

Serial No.	APPROPRIATION ACCOUNTS		Audit observations	PAC REPORT		Recommendations of the PAC	Action taken by the Department	Remarks
	Page No.	Para. No.		Page No.	Para. No.			
1	2	3	4	5	6	7	8	9
1	3	5	Savings occurred in 24 out of 48 Authorized grants. Audit has given a list of important cases.	208	II (1)	<p>FINANCE DEPARTMENT</p> <p>(a) While considering the explanation of the B.D., S. W. &amp; L. G. Department, the Committee remarked that the system followed for the transference of records when Department 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 organization can be traced when required. The Committee suggested that the O. &amp; M. Wing of the S. &amp; G. A. D. 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 kept of files and papers transferred to each organization so that whenever these papers are required they can be traced. The Committee desired that the F. D. should take up this matter with O. &amp; M. Wing of the S. &amp; G. A. D.</p>	(a) F.D. approached the O. & M. Wing of the S. & G. A. D. which issued necessary instructions regarding transfer of record of a defunct Department. - vide Circular Memo. No. OSD (O/M)-111-15/66, dated the 21st February, 1967. (Appendix 'A').	

(b) The Department stated that they had not been able to find papers regarding the variation Rs. 1,00,919 between their figures and the Audit Department. The F. D. 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.

(b) The B. D., S. & W. & L. G. Department was requested to communicate to F. D. the particular items to which figure related so as to enable F. D. to compare the modified grant with original Budget estimate for verification. In reply to it, the B. D. Department have stated that the figures of modified grant and actual expenditure adopted by that Department were those which were accepted and confirmed by the Audit Office and concerned and that it was tried by them to trace out the variance of saving of Rs. 1,00,919 from the record of that office but no clue was available. A similar attempt was also made by them to locate the break up of those amounts from the record of the A. G., West Pakistan, but it was also not available in that Office. They have further, stated that as the figure of actual expenditure, tally with those of the Audit Office, there is a variance in the modified grant only. According to them the variance of Rs. 1,00,919 do not pertain to a particular item but relate to the figures of modified grant under all the sub-heads as shown in the statement (Appendix B).

0001  
0002  
0003



## APPENDIX "A"

*Government of West Pakistan Services and General Administration Department*  
 (1) All Administrative Secretaries to Government of West Pakistan (2) All Heads of attached Departments, (3) All Commissioners of Divisions, (4) All Heads of Regional Offices, (5) All Deputy Commissioners and Political Agents, (6) All District and Sessions Judges, (7) The Registrar (including Additional Registrars), High Court of West Pakistan, (8) The Secretary, West Pakistan Public Service Commission.

*Memorandum No. OSD (O./M)-III-15/66, dated Lahore, the 21st February, 1967.*

**Subject—RECORD MANAGEMENT.**

It has been observed by the Standing Committee on Public Accounts. in the course of the examination of appropriation accounts, that a department, when required to explain discrepancies in an appropriation item, stated that due to the winding up of the organization concerned, records had been transferred to a number of offices and those records were not available and it was, therefore, not possible to explain the discrepancies.

2. The Committee has further observed that the system followed for the transference of the records when a department or office is wound up is not satisfactory and no attempt seems to have been made to evolve a method whereby the records of a defunct department or organization can be traced when required.

3. The main reason why files pertaining to an abolished or re-organised department/office are misplaced or lost is because they are not properly listed and acknowledged by the new department/office to which they are transferred, and there is nothing on record to show who is in possession of them.

4. The important pre-requisite for a systematic transfer of record from one department/office to another is, therefore, its proper and orderly maintenance, in the first instance. If this is done in each Section/Branch of a department/office, all that is required to be done at the time of transfer is to prepare lists (in duplicate) of files etc., Section/Branchwise and transfer them according to those lists to the new department/office taking over the work of the abolished or re-organised office. Acknowledgement of the record by the new department/office should be obtained on the duplicate copies of the lists which should be deposited in the department/office which controlled the abolished or re-organized office so that department/office is able to trace the record later.

5. It is important that the orders abolishing or re-organizing a department/office should also specify the departments/offices which will take over the functions of the abolished or re-organized department/office so that it is known in advance how the record is to be distributed. It is also important that some senior officer in the abolished or re-organized department/office should be made responsible for the proper transfer of the entire record and he should not be permitted to move till the transfer has been completed, duplicate copies of the lists of the transferred record are deposited in the next higher department/office concerned and a completion certificate is furnished to the head of that department/office.

6. An utmost care and vigilance should be exercised in the completion of the work of sorting, listing and distribution/transfer of the records of a re-organized department/office to the successor department(s)/office(s) so that location and tracing of the relevant records at any subsequent stage is rendered feasible.

S. A. M. KHAN

*Additional Chief Secretary,  
Government of West Pakistan.*

No. OSD (O&M)-III-15/66, dated Lahore, the 21st February, 1967.

COPY TO—

- (1) all Deputy Secretaries, Section Officers, Keeper of Records, Estate Officer, Officer on Special Duty (Partition), in Services and General Administration Department;
- (2) the Director, Central Record Office, Peshawar;
- (3) Private Secretaries to Ministers;
- (4) Private Secretary to Chief Secretary; and
- (5) Private Secretary to Additional Chief Secretary.

(Copy forwarded to Finance Department, Government of West Pakistan, with reference to the correspondence resting with that department's letter No. S. O. X.(VI)-6 (2) 66/1328, dated 30th December, 1966).

RASHID AHMAD

*Joint Secretary (O & M).*

## APPENDIX "B"

## STATEMENT

Account Circle	Modified Grant according to Department figures	Modified grant as per statement furnished by Audit	Variation
	Rs.	Rs.	Rs.
Southern Account (Circle Main) ..	28,78,120	31,71,740	—2,93,620
Southern Account Circle (O. & M.) ..	6,75,570	7,48,200	—72,630
Northern Account Circle ..	39,32,000	39,32,000	..
Central Account Circle ..	1,17,04,700	1,14,66,200	+2,38,500
Total ..	1,91,90,390	1,93,18,140	—1,27,750