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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

1961-62 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 1961-62 AND
THE AUDIT REPORTS THEREON**

I. Constitution of the Committee—

Chairman—

Mr. Zain Noorani, M.P.A.

Members—

- (1) Chaudhri Muhammad Sarwar Khan, M.P.A.
- (2) Chaudhri Muhammad Nawaz, M.P.A.
- (3) Qazi Muhammad Azam Abbasi, M.P.A.
- (4) Rai Mansab Ali Khan Kharal, M.P.A.
- (5) Mr. Malang Khan, M.P.A.
- (6) Rais Haji Darya Khan Jalbani, M.P.A.

II. Presentation of the Accounts to the Assembly—As required by Article 198 of the Constitution of the Islamic Republic of Pakistan, the Appropriation and Finance Accounts of the Government of West Pakistan for the year, 1961-62 and the reports of the Comptroller and Auditor-General thereon were laid before the Provincial Assembly on 21st December, 1964. The Commercial Accounts of the Government for the same year and the Audit Report thereon were laid before the Assembly on 30th June, 1965. The Appropriation Accounts consisted of two volumes, one pertaining to the Public Works Grants and the other embracing the remaining Grants.

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 Reports 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 Government;
- (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 20 meetings held on 22nd April, 1967, 7th, 8th, 9th, 11th, 12th, 13th, 14th, 15th, 16th, 18th, 19th December, 1967, 2nd, 4th, 5th, 6th, 7th, 8th March, 1968, 17th and 18th April, 1968.

(3) At its meeting held on 22nd April, 1967 the Committee conducted the preliminary examination of the Appropriation and Commercial Accounts of the Government of West Pakistan for the year, 1961-62 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 matters.

IV. Aggregate Grants and Appropriations with the aggregate disbursements—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	Original Schedule of Authorised Expenditure:—			
	(a) Original grants authorised by Governor.	..	1,69,83,51,000	1,69,83,51,000
	(b) Original Appropriation to meet expenditure charged on the revenues of the Province.	81,01,99,800	..	81,01,99,800
2	Net aggregate Grants or Appropriations	81,01,99,800	1,69,83,51,000	2,50,85,50,800
3	Surrenders or withdrawals within Grants or Appropriations.	54,010	3,03,21,880	3,03,75,890
4	Net Modified Grants or Appropriations	81,01,45,790	1,66,80,29,120	2,47,81,74,910
5	Aggregate disbursements—	86,51,96,408	1,69,65,51,416	2,56,17,47,826
6	Less (—) or more (+) than 2 above	+5,49,06,609	—3,17,89,584	+2,31,17,025
7	Percentage of 6 to 2	+6.77	—1.87	+9.2
8	Less (—) or more (+) than 4 above	+5,48,80,619	—14,67,704	+5,34,12,915
9	Percentage of 8 to 4	+6.78	—0.9	+2.16

Serial No.	Particulars	Charged	Authorised	Total
	PUBLIC WORKS GRANTS	Rs.	Rs.	Rs.
1	Original Schedule of Authorised Expenditure—			
	(a) Original Grants authorised by the Governor.	..	45,50,52,500	45,50,52,500
	(b) Original Appropriations to meet expenditure charged on the revenue of the Province.	8,93,85,500	..	8,93,85,500
2	Net aggregate Grants or Appropriations	8,93,85,500	45,50,52,500	54,44,38,000
3	Surrenders or withdrawals within Grant or Appropriations	39,200	1,41,20,410	1,41,59,610
4	Net modified Grants or Appropriations	8,93,47,300	44,09,32,090	53,02,79,390
5	Aggregate disbursements	9,04,82,393	47,69,18,938	56,74,01,331
6	Less (—) or More (+) than 2 above ..	+10,90,893	+2,18,68,488	+2,29,63,381
7	Percentage of 6 to 2 ..	+1.23	+4.81	+4.22
8	Less (—) or more (+) than 4 above ..	+11,35,093	+3,59,86,898	+3,71,21,991
9	Percentage of 8 to 4 ..	+1.27	+8.16	+7.00

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 budgeting necessitating surrenders and savings;
- (ii) excesses in expenditure over the budget provision; and
- (iii) major irregularities such as defalcations, embezzlements, misappropriations, etc.

(2) Full and detailed picture of the scrutiny and examination conducted by the Committee on these heads and specific recommendations made by the Committee in each case will be found in the proceedings of the Committee which form Annexure to this report. The Committee, however, considers 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.

(3) It is the painful duty of the Committee to take note of the attitude of the Communications and Works Department and the Agriculture Department towards submission of explanations to the Committee and appearance before it. The preliminary examination of the Accounts for the year in question was conducted by the Committee at its meeting held on 22nd April, 1967. The minutes of the said meeting were sent to the Departments on 28th April, 1967 and

they were asked to prepare Working Papers and submit the same to the Committee. When the Communications and Works Department were informed that the Committee would examine the explanations of the Department at its meetings to be held in November, 1967 the Department requested that they might be excused from preparing Working Papers and appearing before the Committee for a period of six months. The reason given was the bifurcation of the Buildings and Roads Department into two Departments, viz. Buildings Department and the Highway Department. The Department did not submit any Working Papers within that period and on 30th March, 1968 requested for the postponement of the consideration of their items from April to August, 1968. The reason for this request was not different from that which had been given on the previous occasion, i.e., the bifurcation of the Department. On the top of all this no Senior Officer of the Communications and Works Department attended the meeting of the Committee when their request was to be considered. The ultimate result is that the Committee could not examine their explanations before submission of this report. The Committee feels that this Department has failed to make any serious efforts to prepare their explanations and has relied upon bifurcation to get them indefinite postponements. In the opinion of the Committee the bifurcation of the Buildings and Roads Department had not effected them to such an extent that even months after, they are not in a position to explain the paras. relating to previous years. If bifurcation of a department paralyses it to such an extent, it is worth considering how much such bifurcation must have effected the day to day working of the Government. No efficiently administered system of Government can accept a situation where a department suspends all its work under a far fetched excuse of "re-organisation".

(4) The position of the Agriculture Department is not much different from that of the Communications and Works Department except that they don't have even the excuse of bifurcation. This Department has developed a tendency to find excuses for not appearing before the Committee. The Secretary of the Department could not, rather did not, attend the meeting on 2nd March, 1968 with the result that the Committee could not consider the explanations in that meeting. The Committee had to request the Finance Department to take up the matter with the Chief Secretary and ensure that the administrative Secretary is always present when the explanations of the Department are considered. The Committee has a strong feeling that no care is taken by the Agriculture Department while submitting explanations to the Committee. It has become the practice of this Department to give half baked explanations and try to satisfy the Committee by beating about the bush. The Committee feels that this is an unhealthy tendency and much time of the Committee is wasted in trying to dig out the correct explanations.

VI. Savings—As shown in paragraphs 5 and 6 of the Appropriation Accounts under report, saving occurred in 20 out of 33 voted Grants (other than Public Works), and in 4 out of 10 Charged Appropriations. Saving also occurred in 4 out of 10 voted Public Works Grants. During the preliminary examination held on 22nd April, 1967, 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.

There is no important case worth mentioning under this para.

VII. A—Excesses over Authorised Grants—(1) As shown in Paragraph 8 of the Report (other than P.W. Grants) the following excesses over Authorised Grants require regularisation:—

Serial No.	Number and title of the Grant	Excesses
		Rs.
1	3—Provincial Excise	3,20,458
2	4—Stamps	1,01,331
3	12—General Administration	3,90,234
4	13—Administration of Justice	3,44,109
5	14—Jails and Convict Settlements	3,56,007
6	15—Police	29,24,287
7	17—Miscellaneous Departments	1,05,427
8	22—Agriculture	34,80,530
9	24—Co-operation	12,875
10	25—Industries	1,95,001
11	31—Superannuation Allowances and Pensions	15,20,004
12	32—Stationery and Printing	44,25,732
13	34—Civil Defence	98,555
14	37—Capital Outlay on Schemes of Agricultural Improvement and Research.	1,72,44,039
15	Capital Outlay on Industrial Development	1,08,268

(2) No explanation was called for the excesses at serial Nos. 9 and 11. The Committee examined the explanations of the Departments for the excesses at serial Nos. 1, 2, 3, 4, 5, 6, 7, 8, 10, 12, 13,

14 and 15. The Committee recommends that necessary grants to regularise the excesses over Voted Grants at serial Nos. 1, 2, 4, 5, 8, 9, 10, 11, 12, 13, 14 and 15 may be made by the Governor under Article 235 of the Constitution. Examination of the explanations of the Departments for the excesses at serial Nos. 3, 6 and 7 could not be completed. Their examination will be completed when the Committee considers the accounts for 1962-63.

VII—B—(1) As shown in Paragraph 8 of the Report (containing Public Works Grants), the following excesses over Authorised Grants require regularisation.

Serial No.	Number and title of the Grant	Excesses
1	2	3
		Rs.
1	9—Irrigation Working Expenses	1,28,90,289
2	10—Other Irrigation Expenditure financed from Ordinary Revenue ..	43,21,906
3	28—Civil Works	49,04,137
4	29—Buildings and Roads Establishment	19,98,546
5	Charges on Electricity Establishment	2,277
6	35—Irrigation—Capital	4,20,08,774

(2) The Committee examined the explanations of the Departments for the excesses at serial Nos. 1, 2, 5 and 6. Subject to the observation of the Committee in para. (3) hereunder the Committee recommends that necessary grants to regularise the excesses over Voted Grants at serial Nos. 1, 2 and 6 may be made by the Governor under Article 235 of the Constitution. The Committee could not complete the examination of the explanation of the Department for the excess at serial No. 5. The Communications and Works Department could not furnish explanation for the excesses at serial No. 3 and 4 due to bifurcation of the Department. The Department wanted more time. These three excesses would be considered by the Committee alongwith the Accounts for the year 1962-63.

(3) Page 3, Para. 8 read with page 74—Grant No. 9—Irrigation Working Expenses—

	Rs.
Grant	= 5,13,81,900
Expenditure	= 6,42,72,189
Excess	= 1,28,90,289

According to Department original grant was Rs. 5,13,81,900; the Department had asked for more funds from Finance Department in the list of Excesses and Surrenders but the Finance Department instead of providing more funds imposed a cut of Rs. 4,52,990 reducing the grant to Rs. 5,09,28,910. The Department spent Rs. 1,33,43,279 in excess of the modified grant. The excess expenditure was due to the following reasons:—

- (1) The excess of Rs. 60,80,565 in Sukkur Region was due to the fact that the channels in Southern Region required extensive maintenance work especially in respect of Silt Clearance, groynes, raising and strengthening of banks, etc., because as a result of Grow More Food Campaign the demand of water for irrigation purposes had abnormally increased. The supply of water to meet the requirement of the cultivators from partly silted channels was not possible. Therefore, in order to meet the situation the demand under Sub-head "maintenance and repairs" was increased in the 2nd List on practical grounds but was not sanctioned by Government. By the time the Modified Grant was communicated to the Chief Engineer, Sukkur, the expenditure on M & R had already exceeded the allotment.
- (2) The excess expenditure of Rs. 16,33,070 is reported by the Chief Engineer, Remodelling on the most essential works in respect of (i) B.R.B.D. Link (ii) M.R. Link, and (iii) B.S. Link, which were absolutely necessary for safe running of the Links to its full authorized discharge. The demand for these works was made in the 2nd List of Excesses and Surrenders with full justification but no additional grant was allotted.
- (3) The Chief Engineer, Sargodha, has reported excess of Rs. 16,91,634 as under:—
 - (i) Rs. 4,78,372 in Rasul Tubewell Project, is due to the fact that against Original Grant of Rs. 10,00,000 a demand of Rs. 54,48,000 was made in the 2nd List. By the time the grant of Rs. 43,00,000 was received the expenditure of Rs. 47,78,372 had already been incurred in anticipation of acceptance of full demand. The incurrence of the expenditure was on running of Tubewells and as such was in the interest of Grow More Food Campaign. Had the authorities tried to exercise any further economy the Grow More Food Campaign would have received a serious set back.

(ii) The excess of Rs. 8,69,269 in Lower Chenab Canal West is due to the following reasons:—

(a) A huge quantity of stone was dumped at Khani Headworks to replanish the washed away aprons in weir bays and other river training works. The expenditure was unavoidable for the safety of Headworks which is feeding a large tract of fertile area. These works could not possibly be postponed.

(b) The excess was due to liquidation of certain liabilities on different works lying in Schedule of Misc. P.W. Advances on account of works done by Mughalpura Irrigation Workshop Division.

(c) The conditions of channels due to non-strengthening of banks, etc., had deteriorated to such an extent that they could not be run with full supply discharge unless repaired immediately. As such repairs were carried out being most essential and unavoidable.

(iii) The excess of Rs. 3,43,933 in respect of Upper Jhelum Canal was incurred because huge repair works had to be carried out during its closure. Closure works are an annual feature on all canals but Upper Jhelum Canal had a closure after 9 years and a large number of works needed repairs and attention.

(4) Against the grant of Rs. 63,27,470 the actuals reported by the Chief Engineer, Bahawalpur are Rs. 90,35,773, thus there had been an excess of Rs. 26,08,303. The reasons for the excess are as under:—

(a) The debit for the work of providing gates for Degi escape in Dallas Division were received late in Supplementary Accounts from the Mughalpura Irrigation Workshop Division. As the liability had already been incurred, it could not be avoided and the debit was accepted.

(b) The submergence of the bridges of various channels had resulted in abnormal rise in full levels. The heading up caused by such bridges resulted in upsetting the regime of channels. The work of raising Bridges, adjusting outlets and regrading of channels had to be taken up as an emergency measure.

(c) The river downstream Trimmu Headworks had come in dangerous proximity of Canal Colony and the Haveli Main Line at R.D. 20000. In order to arrest the dangerous tendency of the river an elaborate scheme of downstream protection costing Rs. 32,00,000 was approved by the Government later on. In the meantime temporary protection works were constructed to hold up the river to save Canal Colony and Haveli Main Link. These works were being efficiently maintained. The river action during summer 1962 became offensive against the works and if these works were not properly repaired and extended there was every possibility of washing away the works and Haveli Main Line, which is in fact the life line for the Irrigation in Haveli Circle. As the situation was becoming explosive the important works had to be executed in the Public interest and to save Government from huge loss in the shape of damages to works and consequent loss of Revenue.

(d) The work of raising and strengthening Channels was taken up according to the five years programme. The reaches so taken up were over due for repairs and required immediate attention in the smooth running of channels. Moreover the work of silt clearance was also done without which the channels could not run in Lohdhran Division as Mailsi Canal carried a big charge of silt, which in turn finds its way into the offtaking channels.

	Rs.
(5) Central Bari Doab Canal	2,80,016
Upper Chenab Canal	1,83,657
Lower Bari Doab Canal	1,35,280
Nilibar Circle	4,45,320
Mughalpura Irrigation Workshop	29,535
Total	10,71,808

(a) The expenditure was incurred on most important works of the above-mentioned canals which were of unavoidable and inescapable nature and were absolutely necessary for operational purposes.

(b) Pay of work-charge establishment had increased but the allotment remained unchanged.

(c) Electric charges for running pumps for lift Irrigation Schemes were increased from 6.5 paise per unit to 18 paise per unit.

- (6) The Chief Engineer, Irrigation, Quetta, has shown an excess of Rs. 1,97,903 stating that during July, 1961 there were heavy rains in Quetta Circle, due to which certain works were badly damaged while the others were in need of emergent and special repairs and could not be postponed to next year. Necessary repairs were therefore carried out to safeguard the public works structures/buildings, etc.
- (7) The Deputy Chief Engineer, Ghulam Muhammad Barrage has reported an excess of Rs. 59,906 which is due to the reason that some debits relating to previous years were received for clearance.

As regards the dumping of stones at Khanki Headworks, Audit pointed out that dumping of stones is an annual feature and the Department should have been able to anticipate the quantity of stone which was required to be dumped. Audit wanted to have the figures and the quantity of stone dumped so that they could see whether it was necessary.

The Department's explanation that they had been asking for more funds through the Statements of Excesses and Surrenders but Finance Department did not provide funds is not satisfactory. The Punjab Budget Manual clearly lays down that the Statement of Excesses and Surrenders is not the means of obtaining additional funds. Obviously the incurrence of this expenditure in excess of the budget allotment was irregular.

There is no getting away from the fact that instead of getting more funds allotted for works, the Department just went on spending.

The Public Works Department Code clearly lays down the procedure to be adopted in case of any necessity arising due to an emergency involving expenditure. Hence the Department should have approached the Finance Department and informed the Audit about the incurrence of expenditure to meet the emergency, but this was not done. Obviously this is a case of laxity of control over the incurrence of expenditure. The committee recommends that disciplinary action should be taken against those officers who spent money in excess of the allotted funds or in cases of emergent nature did not inform the Audit and follow the necessary procedure for obtaining funds for the works. The Committee can under no circumstances overlook laxity of control in financial matters.

VIII. A—Excesses over charged Appropriations—(1) The Committee examined the following excesses over charged Appropriations shown in paragraph 9 of the Report (other than Public Works Grants).

Serial No.	Number and title of the Appropriation	Excesses
1	2	3
		Rs.
1	8—Forest	40
2	12—General Administration	1,30,412
3	13—Administration of Justice	99,425
4	27—Development	1,03,545
5	Privy purses and subsidies	5,04,000
6	Public Debt	6,22,45,134

(2) No explanation was called for in respect of the excesses at serial Nos. 1 and 6. Explanations for the excesses at serial Nos. 2, 3, and 5 were examined by the Committee. The Committee recommends that the excesses at serial Nos. 1, 2, 3, 5 and 6 may be regularised by the Governor under Article 235 of the Constitution.

(3) The excess at serial No. 4 pertains to the Communications and Works Department, who could not furnish any explanation due to bifurcation of the Department and wanted more time. This will now be examined by the Committee along with the accounts for 1962-63.

VIII. B—(1) The following excesses over charged Appropriations were reported in paragraph 9 of the Report (Containing Public Works Grants).

Serial No.	Number and title of the Appropriation	Excess
1	2	3
		Rs.
1	Interest on Irrigation works for which Capital Accounts are kept	10,32,257
2	28—Civil Works	84,618

(2) No explanation was called for the excess at serial No. 1. The Committee recommends that the excess may be regularised by the Governor under Article 235 of the Constitution.

(3) The Communications and Works Department did not submit any explanation for the excess at serial No. 2 due to bifurcation of the Department. The Department asked for more time. The explanation of the Department for this excess would be considered by the Committee alongwith the Accounts for the year 1962-63.

IX. Financial Irregularities, Losses, etc.—The following are some of the cases of irregularities which the Committee wishes to bring to the notice of the Assembly—

(1) *Page 14, Para. 16-Misappropriation of Funds.*—In this case a clerk of the Government College for Women, Sahiwal, embezzled a sum of Rs. 5,845 out of the amount of tuition fees and private funds, realised from the students during 1960 by issuing faked receipts and by not accounting for the amounts received in the relevant cash books. As per Audit Report, a sum of Rs. 3,819 had been recovered from him and the balance of Rs. 2,026 was being refunded by him in monthly instalments of Rs. 50 each. As a result of departmental inquiry against the official his annual increment was stopped for one year. Action taken against the Drawing and Disbursing Officer was not intimated to the Audit.

The Department explained that out of the amount of Rs. 5,845, a sum of Rs. 4,619 has been recovered from the concerned Clerk. The then principal was transferred and posted in a subordinate position due to her negligence.

The Department was asked by the Committee to state whether the transfer order of the said Principal, from Sahiwal to her present appointment, had any mention of the action being taken due to her negligence or not and if not, how they could at this stage state in the explanation submitted to the Committee that it was for negligence. The Department admitted that no departmental action had been taken and her transfer had been a mere normal transfer. The Committee fails to understand why the necessary inquiry against the Principal was not held. Merely transferring her in haste and then trying to lead the Committee to believe that this was as a result of action taken against her is nothing but an eye-wash. The Committee further feels that in the absence of any departmental inquiry wherein either she would have been held guilty or exonerated, it was neither fair to her nor in the interest of the Department itself to have attributed negligence to her. Had the departmental inquiry been conducted and had she been found guilty of negligence, it would have been possible for the Department to have taken suitable action against her and perhaps recover even this balance amount of Rs. 1,226 from her. All this was not done with the result that it is very doubtful whether the outstanding amount can now be recovered.

The Committee, therefore, recommends that the Department should hold proper departmental inquiry against the said Principal and in case she is found to be guilty to take suitable action against her and see whether this amount can be recovered from her.

(2) *Page 15, Para. 17—Misappropriation of Receipts*—In this case a sum of Rs. 1,366 realized from the students of a Government School on account of fees and General funds, etc., was misappropriated by the Clerk of the School. The misappropriation was facilitated due to lack of proper supervision and non-observance of rules requiring immediate deposit of the amounts received. The amount was recovered from the official before verification of the accounts by the departmental authorities on 15th November, 1961. The case was, therefore, not reported to Police for investigation. As per Audit Report the increment of the clerk concerned was proposed to be stopped and the Headmaster concerned was warned to be more careful in future.

The Department explained that both the Clerk and the concerned Headmaster have been warned for this irregularity.

The Committee feels that it would not be out of place to make the following observations:—

- (i) that in its opinion the action taken against the Headmaster and the clerk concerned is too lenient. After all misappropriation of school fees or its attempted misappropriation is a very serious thing and a mere warning is not sufficient; and
- (ii) it is neither in the interest of the institution where they were working nor of the Department that they should continue to work together. If both of them are to continue in the service of the Department for some reason that is known only to the Department, they must in the opinion of the Committee be separated and transferred from the institute where they attempted embezzlement.

The Committee strongly expresses the hope that the Department will now take action in the matter as per the Committee's observation.

PUBLIC WORKS

(1) *Page 37, Para. 17(a) 130—Excess payment*—In this case an agreement to execute work was done by the contractor which included an item of work to be done at Rs. 33 per 1,000 cft. Subsequently the rate of this item of work was enhanced to Rs. 130 per 1,000 cft. through an extra item statement sanctioned by the Additional Chief Engineer. According to the terms of the agreement the extra items statement was to include only those items which were not specified in the agreement. By allowing the increased rate of Rs. 130 an excess payment of Rs. 8,191 was made to the contractor.

The Department explained that there has been some confusion due to the nomenclature of the work "clearing the tank of bottom Gup and Gill, including bailing out the residual water". The schedule of rates contains a rate of Rs. 33 per 1,000 cft. under this nomenclature. During execution of the work, however, it was found that the river sand and silt had settled in the bottom of the tank and had become so hard in thick layer that it required more labour and special T. & P. to take it and remove it. The contractor was not prepared to do the job on the rate provided in the schedule which was for ordinary soft settlement. The nature of work could not be anticipated before the contract was let out as the tank was covered and full of water. Based on the actual labour engaged on the work, a special rate of Rs. 130 per 1,000 cft. was sanctioned by the Additional Chief Engineer after thorough satisfaction. The Additional Chief Engineer was the final authority in respect of rates. Since the rate was allowed on the basis of actual observation and approved by the competent authority, the payment as allowed on its basis was considered in order.

Audit pointed out to the Committee that it is an admitted fact that sand and silt is always settled in the bottom and these facts must be in the knowledge of the Department at the time of execution of agreement. These are not new facts which changed the nature of the works. The fresh analysis prepared by the Department to justify the rate of Rs. 130 per 1,000 cft. contains the same items as the rate of Rs. 33 per 1,000 cft. The contention of the Department that the nature of the work was changed and required more labour is not correct. The Audit also pointed out that no special T. & P. was used in the work and 10% contractor's profit had been charged on all items including labour also.

The Committee considers the explanation of the Department to be most unsatisfactory. The Committee has asked the Department to hold a full-fledged joint enquiry by the Department, the Audit Department and the Finance Department. Reasons for which the tenders were not invited and the rate was arbitrarily raised should also be looked into in the joint enquiry.

(2) *Page 38, Para. 17 (a) 131—Shortage of Stores*—In this case material worth Rs. 20,815 was found short against an Overseer in October, 1961 at the time of handing over charge. Its cost was debited to the suspense head "Miscellaneous Public Works Advances" in July, 1962 pending recovery.

The Department explained that the Departmental enquiry shortage did not occur due to any misappropriation but due to

initial recording of wrong measurement for which the Enquiry officer fixed the responsibility of this shortage on the following persons:—

- (1) Mr. Inayat Ullah Qureshi, Sub-Divisional Officer.
- (2) Mr. Abdul Rashid, Overseer.
- (3) Mr. Arshad Hussain, Overseer.

Mr. Inayat Ullah Qureshi, Sub-Divisional Officer has since expired. Orders have, therefore, been issued for the recovery of this loss from M/s. Abdul Rashid and Irshad Hussain at a monthly instalment of Rs. 100 each. It was also decided to take disciplinary action against those officials and accordingly increments of both the Overseers have been stopped under Government Servants (Efficiency and Discipline) Rules, 1960.

The Committee hopes that the Department would recover the entire amount before the officials retire from service, and if any amount remains to be recovered it would be recovered from the pension after taking due action under the West Pakistan Civil Service Pension Rules.

(3) *Page 42, Para. 17 (a) 154—Unauthorised Payment*—In this case an unauthorized payment of Rs. 13,858 was made on account of extra allowance for wet earthwork without the sanction of the competent authority though according to the departmental orders, such extra allowance could be paid only with proper sanction of the Superintending Engineer specifying the depths and particular reaches in which such an allowance was to be paid.

The Department explained that these payments relate to the work done in connection with (1) construction of Inundation Links for Dipalpur Canal (2) Constructing Tulleqi Spur offtaking from Pakpattan Canal R.D. 33540 (S. Remittance Sulemanki Division) executed in 1950-51 and 1951-52. Sanction of the then Superintending Engineer is not forthcoming for wetness allowance. To regularise the payment of wetness, Superintending Engineer, Depalpur Canal Circle issued *ex post facto* sanction on 11th April, 1964 which was not entertained by Audit. Disciplinary action is called for against the officers concerned.

The Committee notes that *ex post facto* sanction was issued about twelve years later which was contrary to the rules and is not in order. The Committee has asked the Department to make efforts to recover the amount of Rs. 13,858 from the persons concerned who had originally made this payment and also to take suitable action against the person who issued the certificate for the wet earthwork allowance 12 years after the incident took place.

(4) *Page 44, Para. 17 (a) 164—Excess Payment*—The original para. stated that a contractor was paid for the carriage of 30,65,779 tiles as against 24,35,540. Further it was pointed out that the number of tiles required originally was 20,53,072. Hence payment had been made in excess for about ten lakh tiles amounting to Rs. 3,072.

The Department explained that this was not the correct situation as it was a miscalculation. Actually a quantity of 86,697 number of tiles were carried (Page 46 Measurement Book 215/L) whereas the Audit Party has taken it as 8,66,974 No. Thus accounting for excess number of tiles to $(8,66,974 - 86,697 = 7,80,277)$. Total number of tiles required for the work as per estimate should have been 20,53,072 against which 22,85,512 number of tiles were issued causing excess issue of 2,32,440 number of tiles for which Rs. 1,131 is now to be recovered.

The Department further stated that one Chaudhri Muhammad Rafi, Officiating Sub-Divisional Officer, Lahore Zone has been found responsible for this amount and that he has been asked to explain the matter.

The Committee would like to point out that this matter has remained unsettled and Government dues have remained unrecovered for over ten years. It cannot be denied that this has been within the knowledge of the Department for all this period and it is not necessary that attempts should be made to recover Government dues only after the paras. have been considered by the Public Accounts Committee. The Department is supposed to proceed in the matter and fix responsibility for losses to the Government immediately after it is informed of such things. Placing all subjects like this in cold storage awaiting the findings of the Public Accounts Committee is not a very healthy practice. However, the Committee feels "gratified" that at least after a lapse of ten years the Department has at least made up its mind to increase its efforts for the recovery of this amount and to report the progress.

(5) Page 45, Para. 17(a) 172—*Shortage of Stores*—In this case stores worth Rs. 6,144 were found short in July, 1957 and were placed under the suspense head "Miscellaneous—Public Works Advances" pending recovery from the Store-Keeper.

The Department explained that the shortage was against Mr. Muhammad Jamil, Store-Keeper whose services have been terminated. The Superintending Engineer, Tubewell Circle, Lahore, has informed that the Collector of the District is being requested to recover the amount in question from ex-store-keeper under West Pakistan Government Dues Recovery Ordinance, 1962.

The Department further explained orally that since the submission of the explanation in writing, the person accused had filed a case in the court on 6th March, 1968 which was yet to be decided. As such, pending final decision of the case by the court no progress could be made with regard to the recovery. During discussion of this para. the Committee found that cash security which a store-keeper was required to furnish was only Rs. 300. Similarly an Overseer was supposed to furnish cash security of Rs. 300 only. It appeared that the amount of cash security was fixed in the

Public Works Department Code more than fifty years back and although the Code had been modified from time to time the amount of securities to be required of the persons who handle either large sums of money in cash or are responsible for stocks and materials running into quite big sums remained the same and had not been enhanced. The Committee recommends that the Government should immediately look into the matter of substantially increasing the amount of cash securities required of these persons or, better still, to obtain fidelity bonds. In the opinion of the Committee stores should be entrusted to the charge of permanent incumbents and, as far as possible, attempts should be made to avoid handing over charge of stores to temporary hands.

(6) *Page 46, Para. 17 (a) 174-Loss to Government*—According to the Audit Note Government was put to a loss of Rs. 5,706 by allotting work to contractors other than those who tendered for the work and paying them at a rate higher than the lowest tendered one. Thirteen competitors tendered for the execution of the work of constructing a distributory at rates ranging from 149 per cent to 174.5 per cent above the schedule rates. The work was, however, given to contractors other than those who had tendered the rate of 149 per cent and against the provision of 150 per cent in the estimate. Alongwith other contractors who had not tendered, the work was also allotted to one of the tenderers and he was allowed premium at 175 per cent although he had tendered at 155 per cent. Payment of premium at higher rates resulted in an extra expenditure of Rs. 5,706 which was a loss to the Government.

The Department explained that the tenders received in connection with the requisite work were discussed with the then Chief Engineer and Secretary, West Punjab on 4-11-1951 by the then Superintending Engineer, Upper Jhelum Canal Circle when he inspected the alignment of 15-R Distributory. In view of the urgency of the work the Chief Engineer and Secretary, Irrigation verbally accepted a premium of 175% above the Basic Schedule of Rates. The petty contractors who had tendered rates ranging from 149.4% to 174.5% were not considered to be able to do this big work at the rates tendered by them. It was, therefore, decided by the then Superintending Engineer, Upper Jhelum Canal Circle with the concurrence of Chief Engineer and Secretary, Irrigation to allow premium of 175% above the Basic Schedule of Rates and distribute the work among as many contractors as could possibly be employed so that the work could be finished in time. This was within the competency of the Superintending Engineer as per para. 2-72, P.W.D. Code and article 6-1(7) of Irrigation Manual of Orders. It was by an oversight on the part of the then Superintending Engineer, Upper Jhelum Canal Circle (Khan Mohammad Aslam Khan) that one Contractor who had originally tendered at 155% premium was

also allotted the work at the general premium of 175%. The Superintending Engineer retired in December, 1954 and after a few years died.

The Committee noted that as far as the job was concerned, thirteen competitors tendered for the execution of the work of constructing a distributory at rates ranging from 149% to 174.5% above the scheduled rates. The work was, however, given out by the Department at 175% and that too to a number of contractors out of which only one was from amongst the original contractors who had tendered for the job. The Committee further noted that this one contractor, who was given part of the work, had originally quoted 155% but he was also given the rate fixed at 175%.

The Committee would once again stress upon the Government the evils of the "Work Order System" commented on at length by the Committee elsewhere. In the opinion of the Committee no organised Government should tolerate the existence of this system where a number of people were asked to quote for a particular job but after the quotations were received it was left to the discretion of the Department to fix a rate which might be higher than the rates quoted and to give contract to one or more persons who need not have quoted for the job. This, in other words, meant that the person/persons incharge for giving out contracts could very easily oblige their favourite contractors who need not even quote for a particular job. In this way, after other persons had taken the trouble of quoting for a particular job, the "blue-eyed" contractors could very easily and quietly creep in and carry out the jobs and derive the benefits. All this could happen under the protection and shadow of the rules governing the Work Order System. In the opinion of the Committee there was no earthly reason to believe that as long as jobs were executed under this system cases of misapplication of government money would not keep on arising. The Committee strongly recommends that earliest steps should be taken by Government to see that this system is immediately discontinued.

(7) Page 48, Para. 17(a) 186-Excess payment—In this case an excess payment of Rs. 40,974 was made to contractors by allowing them rates higher than the lowest tendered and accepted by the Department. Tenders were invited by the Executive Engineer in October, 1950. One contractor tendered at 175% above the scheduled rate and his tender being the lowest, was accepted by the Superintending Engineer in November, 1950. The Chief Engineer in the meantime sanctioned premium at 200% and the work was allotted to contractors other than the one who had tendered at 175% and they were paid premium at 200%. This led to an excess payment of Rs. 40,974 to contractors and consequent loss to Government.

The Department explained that damages during very high floods of 1950 were colossal resulting in untold miseries, loss of

crops etc., and it involved crores of cft. earthwork in restoring and repairing breaches. Besides services of resourceful contractors, one Division of the army was employed in this National calamity. The accepted tender of a contractor at 175% was not taken into consideration as he was not a resourceful one and it was not possible for him to cope with the emergent heavy work. Consequently under the sanction of the competent authority and with the concurrence of the Chief Engineer, the work was distributed among several contractors at 200% above. The rate of 200% above were paid throughout the flood affected area of the former Punjab.

The Committee is highly dissatisfied with the state of affairs. This is one more instance where the prevalent work order system had been used to manipulate the awarding of contracts to contractors other than the one who had quoted the lowest rates and whose tender had been accepted. The Committee has again and again stressed that the continuance of awarding of contracts under the work order system amounts to encouraging nepotism and jobbery. In the opinion of the Committee, not only are the officers concerned, who have been utilising their discretion given to them under the rules governing this system to give contracts to contractors of their choice irrespective of the fact whether they have quoted for the particular work or not and whether their rates are the same as the lowest rates quoted, responsible for serious monetary loss to the Government but all those persons and authorities who are not taking steps to immediately discontinue this system are equally responsible for loss of lacs of rupees of public money. The Committee feels that even the Government of a medieval country without any proper organised administration, would not feel very happy with this system nor would it ever try to justify the existence and continuance of it.

X. Commercial Accounts—(1) As reported in part I of the compilation, out of the 19 Organizations whose accounts were required to be maintained in commercial form, accounts of the following three organizations only were prepared, audited and incorporated in the compilation, "Government of West Pakistan, Commercial Accounts for 1961-62 and Audit Report thereon".

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

(2) Government Tannery, Shahdara (In Liquidation) (1st April, 1956).

(3) Provincial Stationery Office, Lahore (1st April, 1956).

The Accounts of the remaining 16 organizations were not incorporated in the Accounts due to various reasons mentioned in para. 18 of the Accounts.

(2) In part II of the compilation, it has been reported that out of the 10 organizations under the West Pakistan Road Transport Board whose accounts were required to be maintained in Commer-

cial form, the accounts of not even a single organization for the year 1961-62 was prepared, audited and incorporated in the compilation, "Government of West Pakistan, Commercial Accounts for 1961-62 and Audit Report thereon".

(3) The Committee examined the explanations of the Departments in respect of the financial irregularities pointed out in the compilation, as well as the irregularities mentioned in compilations for the years 1957-58, 1958-59, 1959-60 and 1960-61, the examination, of which could not be finalised before submission of Committee's report to the Assembly in respect of those years. No case pertaining to the year 1961-62 is worth mentioning in the report.

XI. Finance Accounts—The Committee examined the various sections of the Finance Accounts particularly the Revenue Accounts. The Revenue position of the Government during the year 1961-62 was satisfactory. The Actual Revenue Receipts amounted to Rs. 1,08,35,47 thousands against the Original Budget of Rs. 85,38,51 thousands. The Actual Revenue expenditure was Rs. 80,30,93 thousands against the Original Budget of Rs. 83,99,37 thousands. These figures reveal increase in Revenue of Rs. 22,96,96 thousands whereas the expenditure was less by Rs. 3,68,45 thousands with the result that the Revenue Surplus of Rs. 1,39,14 thousands, forecast in the Original Budget was raised to a surplus of Rs. 28,04,55 thousands.

DEBT POSITION

The debt position of the Government of West Pakistan as it stood at the beginning and the close of the year 1961-62 is summarised in the statement below:—

Name of Debt	AMOUNT OF DEBT		Difference Increase (+) Decrease (—)
	On 1-7-61	On 3-6-62	
	(In thousands of Rupees)		
(i) Permanent Debt	22,83,79	25,20,22	+ 2,33,43
(ii) Floating Debt	12,16,00	23,12,00	+10,91,00
(iii) Loans from the Central Government	2,07,39,11	2,24,64,89	+17,25,78
(iv) Unfunded Debt	10,49,21	12,13,23	+1,72,02
Gross Total Rupee Debt	2,52,82,21	2,85,10,34	+32,28,13
Debt—Outstanding Loans and advances made by Government.	62,72,07	83,24,73	+ 20,52,66
Net Debt	1,90,10,14	2,01,85,61	+11,75,47

(i) *Permanent Debt*—4% West Pakistan loan, 1968 and 4% Compensation Bonds were raised by the Provincial Government in the open market during the period under report and the total subscriptions received during the year amounted to Rs. 3,08,61 thousands and Rs. 79,10 thousands respectively. The total Debt discharged during the year amounted to Rs. 1,58,71 thousands.

(ii) *Floating Debt*—The balance of Rs. 23,12,00 thousands on 30th June, 1962 represents un-repaid Ways and Means Advances taken during the course of the year from the State Bank of Pakistan and Commercial Banks.

(iii) *Loans from the Central Government*—The balance on 30th June, 1962 represents outstanding loans of Rs. 2,43,86,43 thousands taken from the Pakistan Government reduced by Rs. 19,21,54 thousands, due to repayment till the end of the year 1961-62. The loans taken during the year from Pakistan Government amounted to Rs. 17,26,68 thousands and the repayments amounted to Rs. 90 thousands.

(iv) *Unfunded Debt*—The increase of Rs. 1,72,92 thousands represents the excess of deposits over the withdrawals during the year.

(v) *Loans and Advances*—The increase of Rs. 20,52,66 thousands is mainly due to grant of loans to Water and Power Development Authority and Advances to Cultivators etc.

XII. 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, 1959-60 and 1960-61 and Audit Reports thereon which could not be finalised before submission of the Reports on those accounts to Assembly. The Committee would like to bring the following cases to the notice of the legislature and the Government:—

APPROPRIATION ACCOUNTS—1958-59

Page 30, Para. 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.

According to the Department the facts of the case are as follows:—

The tractors were to complete guaranteed operation of 1000 hours but they started giving trouble from the very start. A Committee was appointed by the Chief Engineer, Irrigation, West Pakistan to investigate the causes for failure of these tractors which attributed the cause of the failure to their inherent defects and their being suited for use only in the cold countries. On receipt of the Committee's report the supplier agreed to undertake the repairs of

these tractors but according to the Audit, instead of using their own spare parts the supplier consumed spare parts worth Rs. 66,882 belonging to the Department. Thus Audit took two objections, one regarding the wastage of foreign exchange worth Rs. 63.2 lacs in purchasing the Vicker tractors which did not prove successful in Pakistan and secondly non-recovery of the cost of the spare parts worth Rs. 66,882 used by the supplier in subsequent repairs to the tractors. On receipt of the Audit objection the Department scrutinized the records again and found that the following priorities were laid down in the original indent placed by Chief Engineer, Irrigation, West Pakistan through Secretary to Government of West Pakistan, Development and Irrigation Department in December, 1956 on the Director-General, Supplies and Development, Government of Pakistan, Karachi:—

1. Cater-Pillar.
2. International.
3. Vickers.

The Vickers being of relatively smaller capacity, a note was inserted in the indent that if these were indented the number should be enhanced to 117 against 90 numbers for other tractors. At the same time another note appeared in the indent which read as under:—

“Type of machines to be purchased in the order of priority are (1) Cater-Pillar; (2) International Harvester; and (3) Vickers. Director-General Supply and Development cannot be allowed to enable purchase without indenters having been agreed to the type of machine to be used”.

In January, 1957 a revised indent was submitted by the Secretary to the Government of West Pakistan, Development and Irrigation Department after a telephonic conversation with the Director General, Supply and Development. Secretary to Government of West Pakistan, Development and Irrigation Department letter No. 4/21(N)FS/56, dated 19th January, 1957 makes a clear mention of the telephone conversation which took place between the Director-General, Supply and Development and him. As a result of this discussion the indent for machinery was revised but the notes similar to those mentioned in the original indent continued to appear in the revised indent and the priorities of various makes remained unchanged. In the Public Accounts Committee meeting held on 23rd January, 1967 the contention of the Audit was that No.1 priority was assigned to the Vickers tractors by the Department in the revised indent,—vide Secretary to Government of West Pakistan, Development and Irrigation Department's letter dated 19th January, 1957 referred to above. But the record did not support this view and even Director, Audit and Accounts (Works) in his letter No. PAC(P)/17(a)29/58-59/2105, dated 11th January,

1967 to the Department did not make a mention of the Priorities having been changed.

Some parts were supplied from the stores of the Department for maintenance and repairs cost of which was recoverable from the firm. This matter was taken up with the Central Government and finally the Central Government in the Department of Investment Promotion and Supplies wrote to the Chief Engineer, —vide letter No. BA-1/47071/57-K, dated 24th July, 1963 that the firm had already supplied free of cost spares costing Rs. 3,75,000 and therefore nothing was due from them against this item against the claim of the indenter.

The calculations of the Investment Promotion and Supplies Department were as follows:—

	Rs.
Total claim of the Department against the indenter	6,26,820
Deduct cost of spares for normal working during the period in question.	2,85,295
Balance	3,41,525
Value of spares supplied by the firm.	3,75,000

The Superintending Engineer, Mechanical who did not accept this position in his letter No. MC/G141/208/2932, dated 18th August, 1963, copy endorsed to the Director General, Investment Promotion and Supplies Department, Government of Pakistan, maintained that satisfactory working of the machinery for at least 1000 working hours was the responsibility of the firm and any part which they supplied to meet this requirement was not to be taken into account in defraying the cost of the parts utilised for the repairs of these tractors from Government Stores. According to the Superintending Engineer, Mechanical, an amount of Rs. 3,55,000 was recoverable from the firm. This position however was not accepted by the Central Government and in his letter addressed to the Chief Secretary the Vice-Chairman, Investment Promotion Bureau adhered to the original stand of his Department and informed that the matter had been considered at the highest level in the Central Government after which it had been decided to finally settle claim of the firm on the basis of his calculations. This was done despite protest from the Irrigation and Power Department not to finally settle the claim of the firm. In August, 1965 in letter No. V-A-1/47071/K/57, the Director General, Supply informed Secretary, Irrigation and Power Department that the case had been finalised. The last paragraph of this reference from the Central Government to the Provincial Secretary, Irrigation and Power runs as under:—

"It may be noted that the contract was between the Central Government and the firm and it was for the Central

Government to take the decision if any claim was to be met by the firm. The matter has been examined at the highest level and the release of firm's commission after so many years has been allowed after very keen consideration and examination. As no fresh ground for claim has been indicated by the Department of Irrigation and Power, West Pakistan Government, the case stands finalised".

The gist of the matter now is that 40 Vickers Tractors were purchased. The contract was signed with the firm by the Central Government. The purchase was made by the Central Government and their final claims were settled by the Central Government. No papers are available on record of the Department to show that prior concurrence of Provincial Government was obtained by Director-General, Supplies and Development before placing indent for an article which was placed at priority No. III by the indenter, although a provision in the indent existed that prior approval in such cases from the indenters would be necessary. Another point which the Audit took up during the course of their examination was that in April, 1957 a report of the then Superintending Engineer Mr. Keelan had brought to the notice of the Department that the Vicker Tractors had not been functioning properly and the Department had placed orders for these tractors despite the report of the Superintending Engineer. On verification of records it has come to light that the revised indent was placed in January, 1957 and by February, 1957 the Vickers were on their way to Pakistan. Therefore any report made by the Superintending Engineer in April, 1957 could not have become instrumental in withholding the despatch of tractors which had been shipped in full by the end of March, 1957. Under the circumstances the Department contended that no one Department and no one individual were involved in the whole affair. The Provincial Government, the Central Government, Chief Engineer, Irrigation, West Pakistan, Secretary, Development and Irrigation Department, Director-General, Supply and Development Department and the Vice-Chairman, Investment Promotion Bureau in the Central Government were at one or other time involved in this case. The responsibility of the Irrigation Department lies only inasmuch as the placing of the indent was concerned, and even this indent was revised after a telephonic conversation which took place between Director-General, Supply and Development and the Secretary, Development and Irrigation. The remaining part in this case was played mostly at Centre and if the Public Accounts Committee desired that a complete examination of the case which led to the purchase and finalization of this deed be brought to their notice, then the Department would suggest that the officers then concerned in this case might be summoned to

throw further light on the matter and the concerned Department of the Central Government might also be fully associated in the examination.

The Director, Audit and Accounts (Works), West Pakistan, Lahore pointed out that the explanation of the Department that the Director-General, Supply and Development placed the indent for Vicker Tractors without prior approval of the Irrigation Department was not based on facts. The indent was revised by the Department on 19th January, 1957 wherein a condition was stipulated that in case of Vicker Tractors the number is to be increased from 30 to 50. It implied that priority was given to Vicker Tractors. In case the number was increased due to Vicker Tractor being of Smaller size, even then it is clear that the Department had agreed to accept Vicker Tractors. Moreover the copy of the Indent placed by the Director-General, Supply and Development on 25-1-1957 was endorsed to the Irrigation Department. Had the Department any objection to the supply of Vicker Tractors, this should have been pointed out at the same time. These facts substantiate that the indent placed by Director-General, Supply and Development had received the approval of the Department. As regards report of Mr. Keelan, Superintending Engineer, who pointed out that the Vicker Tractors are not useful in this country, it was received in reply to reference made to him in April, 1957. The Department should have waited for his report before placing the indent. As regards payment for spare parts, the Inspection Note was signed by the Department on which basis the final payment had been released to the firm. Moreover the claim of the Department was rejected by the Director-General, Supply and Development as no fresh grounds were indicated by the Irrigation Department.

The Committee is of the opinion that though there is no doubt that this entire matter has been handled in an irregular manner and that someone somewhere was obliged by placing the orders for these Vickers Tractors despite the availability of better known and better reputed tractors, thus causing loss to Government and the nation both in terms of money and in hampering of developmental progress, at this stage no one Department and no one individual could be held responsible for the loss. The Chief Engineer, Irrigation Department, Secretary to Government of West Pakistan, Development and Irrigation Department, Director-General, Supply and Development and the Vice-Chairman, Investment Promotion Bureau in the Central Government were at one time or the other involved in this case and in the opinion of the committee not one of them can be absolved of the blame.

The Committee is further of the opinion that as the contract was between the Central Government and the firm and the Central Government had taken a decision in favour of the firm, further examination of the matter by the Provincial Public Accounts

Committee would not be desirable, although it appears to the Committee that some one has been responsible for serious bungling. The Committee recommends that the Provincial Finance Department should move the Central Finance Minister to get this case examined in that Ministry and refer it to the Central Public Accounts Committee if it is possible to do so.

APPROPRIATION ACCOUNTS 1960-61

(1) *Page 3, Para. 5 read With Page 360-Grant No. 35-Development-R-Industries-R-2-Additional Scholarships for the Industrial and Technical Schools-saving Rs. 23,974*—The Department explained that the saving was due to less payment of Stipends to the Students on account of their absence from the schools. In some cases the bills for the stipends were objected to by the Audit and as such were not paid during the year. The Committee noted that time and again the various departments have come up with savings in cases in which stipends and scholarships are not given to deserving students and the plea taken in all such cases is that sufficient number of suitable candidates was not available. The Committee feels that in most of these cases sufficient efforts are not made and due publicity is not given to get suitable candidates. It is difficult for the committee to believe that in Pakistan where the younger generation has clearly shown a keen desire for knowledge and is in dire need of opportunities to acquire knowledge, sufficient students are not available. The Committee recommends that efforts should be made in future to try to give benefit of amounts, provided by the Government, to the largest possible number of deserving students.

(2) *Page 10, Para. 17 (a) 18-Expenditure on works in anticipation of technical sanction to estimates*—The Department in the first instance explained to the Committee that the Chief Engineers of the 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 appropriation accounts of the previous years and at a meeting of the *ad hoc* Public Accounts Committee it was decided that the Department and Audit should prepare and reconcile a list of the outstanding estimates upto 30-6-1961 and its progress reports. The Director Audit and Accounts (Works), West Pakistan, Lahore had supplied a list of a number of unsanctioned works upto 30-9-1966 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 would be cleared within the shortest possible time. The explanation of the persons responsible for starting the works with-

out technical sanction to estimates had been called for by the respective Chief Engineers. These cases would be decided strictly in accordance with the Efficiency and Discipline Rules, 1960.

The Committee examined the explanation furnished by the Department and found it too vague and general to be satisfactory. The Department was unable to produce any record showing any action having been taken against any officer concerned in this matter. 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 para. comes up before the Committee, the Department should furnish full explanation including the total amount involved in each case.

The Department subsequently explained that they are making their best efforts to clear the outstanding estimates. The reports received from Lower formations indicate that a number of un-sanctioned estimates have been got sanctioned and cleared and some of the estimates are in their final stages. The Department placed before the Committee a statement showing full history of each item and its present stage and stated that the Chief Engineers are pursuing the cases where disciplinary action is required. Three Officer of Quetta Irrigation Zone have been warned. Disciplinary action against 10 Class I Officers who have been held responsible for incurring expenditure on works without technical sanctions to estimates and Budget allotments, has since been initiated and are being submitted to the Minister/Governor for final orders.

The Finance Department pointed out to the Committee that though the contention of the Department all along has been that these works were of an emergent nature and it was not possible to obtain the technical sanction in advance of the execution of the works, at least the following works executed by the Department without technical sanction were not and could not be of an emergent nature:—

Rs.

- | | |
|---|--------|
| (1) Constructing seven No. Senior Clerks
Quarters at Gujranwala. | 81,961 |
| (2) Constructing Sub-Divisional Officer
Residence at Kundian. | 18,972 |

(3) Constructing of twelve No. Junior Clerks Quarters at Sahiwal.	1,07,324
(4) Constructing of six No. Senior Clerks Quarters at Sahiwal.	1,06,261
(5) Constructing of S.A.S. Quarters and Dispensary at Qutabpur.	22,476
(6) Constructing of Gud Loop Bund in Larkana Sub-Division.	4,65,758

The Committee agreed with the Finance Department and desires that the Department should consider this as a serious matter and take proper and appropriate action against the officers concerned.

Similar situations keep on arising every year when the Department gives the lame excuse of carrying out works without appropriate sanction due to emergency. In these days of advanced and modern communication system available in Pakistan this cannot be accepted as a proper or valid reason for not obtaining the sanctions. It is in the interest of the Department, once and for all, to take stock of the situation and to lay down a policy whereby it becomes essential as far as possible that sanction even of works of an emergent nature should be obtained from the appropriate authority excepting in very rare cases where it is humanly impossible to obtain sanction. In the case of construction of Gud Loon Bund in Larkana, costing Rs. 4,65,758 the Department's contention was that the work was carried out under the orders of the Indus River Commission. The Indus River Commission being a high powered body there should have been no difficulty in getting technical sanction within six months. The committee also observed that there is a difference between the figures of Audit and the Department in respect of Sargodha Zone. This should be settled at once.

(3) *Page 34, Para. 17 (a) 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% 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 office in losing the tendered documents the Government had to incur an extra expenditure to the extent of Rs. 58,358.

The Department in the first instance 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.

The Committee then observed that from the explanation given by the Department 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 Canal 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 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. The Department was also asked to (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) the names of the contractors who ultimately executed the job, and (iii) furnish 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.

The Department subsequently explained the position as under:—

(1) Superintending Engineer, Lahore Drainage Circle, Lahore submitted the relevant record and statements pertaining to the payments received by the various contractors in connection with the work cited as subject. It has been found to be a decided fact that the original file of the office of the Chief Engineer, Irrigation, West Pakistan (Defunct) containing the first tenders and the comparative statement as submitted by Superintending Engineer, Drainage Circle, Lahore to the Chief Engineer, Irrigation, West Pakistan (Defunct),—*vide* his letter No. 1988/31-A/L/D/58, dated 5th November, 1959 is not traceable in the records. These tenders were called on 17th October, 1959 and seven Nos. tenders were received. The final sanction to these tendered rates was not accorded and Superintending Engineer, Lahore Drainage Circle was asked by Chief Engineer, Irrigation, West Pakistan (Defunct),—*vide* his letter No. 761/R&DII/59/1118, dated the 22nd December, 1959 to ascertain whether it was possible for the Department to carry out the work at 188 per cent above the Construction Schedule of Rates (This is incorrectly shown as Basic Schedule of Rates in Chief Engineer, Irrigation, West Pakistan (Defunct) letter, dated 22nd December, 1959 mentioned above through an oversight) which conforms to 245 per cent above Basic Schedule of Rates. Due to closing of the Drainage Circle, Lahore, this letter was marked as passed on to Superintending Engineer, Upper Chenab Canal Circle on 24th December, 1959 without any despatch number with the result that Superintending Engineer, Upper Chenab Canal Circle showed its receipt in his file on 22nd February, 1960 when it reached him and sent this letter to Executive Engineer, Lahore Drainage Division for comments on 23rd February, 1960 *i.e.*, after a period of two months from the date of its issue. Apparently this letter remained mixed up in the letters for disposal of the defunct Upper Chenab Canal Circle. During the period of two months Executive Engineer, Lahore Drainage Division had naturally no intimation as to the fact of the tenders submitted for sanction by Superintending Engineer, Drainage Circle, Lahore to Chief Engineer, Irrigation, West Pakistan (Defunct). The following action was taken by Executive Engineer, Lahore Drainage Division for not starting the work although its urgency existed:—

- (i) Letter No. 46/12/A, dated 19th January, 1960 requesting Superintending Engineer, Upper Chenab Canal Circle to arrange for the early sanction of tendered rates for tenders received on 17th October, 1959 so that the work could be taken in hand;
- (ii) Letter No. 45/12-A, dated 19th January, 1960 was issued to Superintending Engineer, Upper Chenab Canal Circle wherein he quoted references to Deputy Chief Engineer,

Irrigation, Lahore Region's order, dated 18th January 1960, desiring that the work should be started as soon as possible. He (Executive Engineer, Lahore Drainage Division) explained that the original tenders called for on "Construction Schedule of Rates" were lying in higher office and their approval was not received. As the Basic Schedule is applicable to works in Upper Chenab Canal Circle, approval may be accorded to invite fresh tenders on "Basic Schedule of Rates" so that the work may be started accordingly.

- (iii) In view of Superintending Engineer, Upper Chenab Canal Circle, Letter No. 682/31-A/D, dated 21st January 1960, to the address of Executive Engineer Lahore Drainage Division with copy to Deputy Chief Engineer, Irrigation, Lahore, the commencement of work was postponed till the calling of fresh tenders on "Basic Schedule of Rates" and their final acceptance by the competent authority. The work could not, therefore, be started by the Executive Engineer in January 1960 as well.
- (iv) All this correspondence clearly shows that Superintending Engineer, Upper Chenab Canal Circle and Deputy Chief Engineer, Irrigation, Lahore Region had no knowledge of the Chief Engineer, Irrigation, West Pakistan's letter No. 761/R&DII/59/1118, dated 22nd December 1959, issued to Superintending Engineer, Drainage Circle. The fresh tenders were also submitted by Superintending Engineer, Upper Chenab Canal Circle, to Deputy Chief Engineer, Irrigation, Lahore Region on 5th February 1960,—vide his No. 273/31-A, dated 5th February 1960, for sanction in anticipation of receipt of the observations contained in Chief Engineer, Irrigation, West Pakistan's letter No. 761/R&DII/59/1118, dated 22nd December 1959, in Circle office (Upper Chenab Canal Circle). The second tenders (8 Nos.) were submitted to Chief Engineer, Irrigation, West Pakistan by Deputy Chief Engineer, Irrigation, Lahore Region,—vide his letter No. 564/WII/LR/60/4841/25/1960, dated 11th February, 1960 wherein rate of 250% above "Basic Schedule of Rates" was recommended as against the rate of 260% above, keeping in view the general rate of 250% already sanctioned for flood works in Upper Chenab Canal Circle.
- (v) Executive Engineer, Lahore Drainage Division took prompt action on receipt of Chief Engineer, West Pakistan's observations on the first tenders contained in his letter No. 761/R&DII/59/1118, dated 22nd December

1959, copy of which was received by him under Superintending Engineer, Upper Chenab Canal Circle endorsement No. 2004/31-A/L/D, dated 23rd February, 1960. Executive Engineer, Lahore Drainage Division, Lahore,—vide his letter No. 171/12A, dated 24th February 1960, requested the Superintending Engineer, Upper Chenab Canal Circle that after the case of second tender rate of 260% above "Basic Schedule of Rates" having been submitted to Deputy Chief Engineer, Irrigation, Lahore Region by Superintending Engineer, Upper Chenab Canal Circle, the first tenders called for the work and submitted by Deputy Chief Engineer, Irrigation, Lahore Region in the first instance may be treated as cancelled and action on the fresh tenders only be taken. Accordingly Superintending Engineer, Upper Chenab Canal Circle also asked Chief Engineer, Irrigation, West Pakistan,—vide his letter No. 962, dated 18th April 1960, copy of which was also endorsed to Deputy Chief Engineer, Irrigation, Lahore Region, that no action was required to be taken on Chief Engineer, Irrigation, West Pakistan's observation on the first tenders contained in his letter No. 761/R&DII/59/1118, dated 22nd December 1959, in view of the fact that fresh tenders had been called for and submitted to Deputy Chief Engineer, Irrigation, Lahore Region for approval.

- (vi) Subsequently Executive Engineer, Lahore Drainage Division issued Canal Wire No. 884, dated 8th April 1960, to Superintending Engineer, Upper Chenab Canal Circle/Deputy Chief Engineer, Irrigation, Lahore Region/Superintending Engineer, Drainage that the contractors were not willing to accept any rate lower than the tendered rate of 260% above Basic Schedule of Rates. The Chief Engineer, Irrigation, West Pakistan accordingly agreed and returned 8 Nos. tenders to Deputy Chief Engineer, Irrigation, Lahore Region,—vide his letter No. 1562/D/60/513, dated 27th April 1960, for according the sanction to the rate locally as he considered Deputy Chief Engineer to be competent to accord such sanction. Deputy Chief Engineer, Irrigation Lahore Region, however, further requested Chief Engineer, West Pakistan, Lahore,—vide his letter No. 1718/WII/60/19117/Sub/305/57, dated 22nd June 1960 to issue formal orders for commencement of the work. Chief Engineer, Irrigation, West Pakistan further intimated,—vide his letter No. 8031/D/60/1120/852/55/60, dated 9th July 1960 that as explained in his letter No. 1562/D/60/513, dated 27th April 1960, it should be considered that sanction to

execute the work at the rate of 260% above Basic Schedule of Rates had been accorded on 27th April, 1960 and the work should be allowed to progress further and the estimate for the said work should be submitted soon.

- (vii) As regards the issue whether the work was put to tender after wide publicity and whether the existing system required some modification, the existing practice of calling tenders in Irrigation Department is that copies of N.I.T. are supplied to various sister Divisional Officers for publicity by pasting the N.I.T. on their notice board for the information of local contractors. Copies of blank tender forms are supplied to them on request by the Divisional Head Clerk. As the system of carrying out work on "work order basis" in Irrigation Department in former Punjab is working satisfactorily it needs no amendment. The N.I.T. in both the cases were issued by Executive Engineer, Lahore Drainage Division and these were duly brought to the notice of the then local contractors. The Committee also desired to know the names of the contractors who tendered for the work and who actually executed the work. In this connection a statement showing the desired information was furnished to the Committee which showed that the sanction of 260% actually represented ceiling rate and due to the urgency, the work was got done from the intending local contractors as the contractors whose rates were the lowest were not recommended both the times by Deputy Chief Engineer. The rate of 260% was, however, accepted long after the work was taken in hand in January, 1960 on the verbal orders of Chief Engineer, dated January, 1960 confirmed in his letter dated 9th July, 1960. The list of contractors who actually executed the work revealed that only petty contractors who could be available (other than tenderers) had been allotted work.

The Audit pointed out that the original tenders were invited on 9th October, 1959 on the basis of Construction Schedule of Rates, but the lowest rate of 245% above was quoted on the Basic Schedule of Rates.

The Executive Engineer, Drainage Division, Lahore while referring the case to Superintending Engineer, Upper Chenab Canal Circle,—vide his No. 45 of 19th January, 1960 did not disclose these facts whereupon Superintending Engineer,—vide his No. 682 of 21st January, 1960 agreed that fresh tenders be called. On the one hand the Divisional Officer misrepresented the facts and on the other hand instead of taking the action on the original tenders that were available in the Superintending Engineer's Office, orders for calling fresh tenders were issued.

N.I.T. for the second time was issued on 21st January 1960 and the date of receiving the tenders was fixed as 27th January, 1960. No tenders were received on 27th January, 1960 and the date of receipt of tenders was extended upto 2nd February, 1960. The time being short wide publicity was not given to the tenders.

The second rate of 260% above Basic Schedule of Rates was sanctioned on 9th July, 1960 and the original tenders of 245% Basic Schedule of Rates came to the notice of the Superintending Engineer on 23rd February, 1960 (If not earlier). Action should have therefore been taken on the original tenders instead of fresh tenders.

The Committee examined the original files of the Chief Engineer's Office and feels that it cannot accept the explanation given by the Department. The Department has not been able to satisfy the Committee about the genuineness of the reasons as to why the first tenders were not accepted and the work carried out according to them. This would have saved the Government from subsequent loss. The Department could also not satisfy the Committee as to the reasons why ultimately when the second tenders were called, the lowest tenderers were eliminated and the job entrusted to certain other contractors who were specially brought in the field for this purpose. The contention of the Department that it had become necessary to re-invite tenders because the original tenders were lost or misplaced, seemed to be an 'after-thought'. Even if this were so, it was itself a serious matter of negligence on the part of the person or persons responsible for this. The Committee is of the view that the matter had been very badly looked after and feels that the strictest possible action under Government Servant Efficiency and Discipline Rules, should be taken against all the officials responsible for this. The Committee stressed that action should be taken not only against the junior staff found responsible but also against such officer or officers who are involved and are responsible for this.

The Committee observed that it would be in the interest of Government if the Department is to consider once for all, doing away with the "works order" system. This system, though it may have its own "so called" advantages, is a sure method by which manipulation, bribery and corruption are made easy. The advantage of this system can never be considered to out way its defects.

(4) Page 34, Para. 17(a) 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 contractor whose tendered rates had already been approved by the Department. The rates approved for the second time were too high although the same 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 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 tender was forwarded by the Executive Engineer to the Superintending Engineer and was 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 done 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 the second tenders.
- (e) Reasons for not accepting the lowest tender at the time of second tenders.
- (f) Who was awarded the work.

The Department explained as under:—

- (a) The Executive Engineer and Accountant claims to have received only two tenders. The third tender of Mr. Abdullah which was the lowest was found with the case in the Circle Office. It was neither entered in the Tender Register of Divisional Office nor mentioned in the forwarding memo of the Divisional Office. This was pointed out by the Superintending Engineer, and the case was referred back to the Executive Engineer for reconsideration. On this reference the Executive Engineer recommended the lowest tender without indicating the source of its receipt. The lowest tender recommended by the Executive Engineer was approved by the Superintending Engineer.
- (b) Neither the sanctioned estimate nor the permission to start the work in anticipation to the sanction of estimate existed. Grant amounting to Rs. 16,000 had, however, been received for this part work prior to the invitation of first tenders during the year 1958-59 for the first time. The work was not actually started during 1958-59, but only building material costing Rs. 13,162 was arranged and booked against this work.

- (c) The Superintending Engineer, issued orders to the Executive Engineer on 19th February, 1960 to start the work in anticipation of the sanctioned estimate. The Executive Engineer had joined the Division on 1st January, 1960. On receipt of these orders he invited the tenders. He being new to the Division did not know that any tenders for this work had previously been approved. This appeared not to have been brought to his notice by the Divisional Accountant.
- (d) The lowest tender was again from M.A. Abdullah, but the Executive Engineer, did not recommend these rates for the reasons recorded on page 16 of the Tender Register. The details of the said tender are reproduced as under:—

Serial No.	Name of Contractor	B Work	Masonry	Carriage
1	M. Abdullah	200%	91%	175% above BSRs
2	Allah Ditta	200%	100%	203% above BSRs
3	Chiragh Din	200%	120%	200% above BSRs

(f) The work was executed by M. Chiragh Din Contractor. The explanation of the Executive Engineer, the Divisional Accountant and the Accounts Clerk of the Circle Office who opened the first tenders and dealt with the case of sanction were asked for to throw light how the tender of M. Abdullah contractor found place in the circle office when no permission was reported from the Division. The three officials have not been able to explain the matter satisfactorily. They are therefore, being charge-sheeted and the matter will be decided on merits.

It appears to the Committee that a series of irregularities had been committed in this case. First, tenders were invited in February, 1959 without there being proper estimates or the permission to start the work although the funds were available. This was the first irregularity. The second irregularity which came to light is that two tenders were originally entered in the register and were sent to the Superintending Engineer and Executive Engineer. However, the Superintending Engineer claimed that he received three tenders although two had been entered in the register. The third 'mysterious' tender was supposed to be the lowest one. After some correspondence, this third tender was accepted as the lowest tender. The work was not carried out for over a year and in 1960, a new

Executive Engineer who had taken over in the meantime, was asked to go ahead with the work. He invited fresh tenders for the same job taking the plea that he was not aware that tenders were called for that job a year earlier. However, the same Executive Engineer who was not aware that the tenders had been called earlier for this job, was at that time well-versed with the reputation and the standing of the party that happened to be the one who had quoted the lowest rates both during the first tenders as well as in the second tenderers, and did not recommend him for the execution of the job which was given to the second lowest tenderer. It appears to the Committee that this mis-handling of the work had not only led to a chain of irregularities being committed by the Department but also had put the Government to a loss. The Committee also feels that there are sufficient grounds to suspect that a systematic attempt was also made to victimise one of the contractors who happened to be the lowest tenderer on both the tenders. The Committee recommends that the Department should call for the explanations of all those persons responsible for committing this chain of irregularities and take necessary action against them. The Committee would also like to stress that if action is not taken in this case it would amount to making a mockery of the entire system of administration. The action taken against these persons ultimately should be reported both to the Audit as well as the Finance Department.

(5) Page 48, Para. 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. Tomato Juice	2716 tins ...	3,225
2. Tinned Grapes	401 tins ...	102
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 stated that the total production of tomato juice and tinned grapes was 5,046 tins out of which 1,929 tins were sold leaving a balance of 3,117 tins.

The Director, Agricultural Research Institute, Tando Jam visited Quetta in July, 1965 and inspected the above mentioned products which were in the state of decomposition. The whole store room was smelling badly and juice were oozing out from the tins which had burst due to decomposition. The products stored

were unfit and not safe for human consumption, therefore, he wrote off the products after counting the number of tins. There is no fault of any staff member for the loss. After integration the administration went under many changes and due to lack of decision the products remained undisposed of.

The Department further explained that Food Technological Laboratory is meant for conducting experiments with the local fruits and vegetables to find out the feasibility of canning and preserving the local produce and the laboratory is also charged with evolving suitable methods for processing. The sale of the products is not the object of the laboratory. Some time the products have to be kept at different temperatures and climatic conditions to find out the preserving qualities. The products of the laboratory are exhibited at several shows and exhibitions which are held in the country to acquaint those who are interested in the industry.

Due to the above reasons the products remained undisposed of in the store. In 1960 Radio announcement was made about its disposal, but no body was ready to purchase the same; hence the write off.

From the explanation of the Department it appeared that in this experimental fruit canning unit, over a number of years 2716 tins of Tomato Juice and 401 tins of Grapes were lying in the stores and had deteriorated to such an extent that in some cases the juice was oozing out of the tins and it was the opinion of the Department that the juice had become unfit for human consumption. The Department contended that on coming to this conclusion they made efforts to dispose of this quantity of fruit juice by inviting tenders. At one stage it was also claimed that a radio-announcement was made for its disposal. However, on examining the records explanation submitted by the Department, it appeared that no one is clear in his mind as to whether the attempts to dispose of the tins containing fruit juice were made prior to their having been declared unfit for human consumption or after, as claimed in the Working Paper. If the latter contention was correct, then it was a very serious matter that a Government organization should make an attempt to dump on the people of the country a product which, in its own opinion, was unfit for human consumption. This amounted to playing with the lives of the people and the Department should take all precautionary measures in future that this practice, if at all in operation, as stated in the Working Paper, should immediately be discontinued. The only proper method of getting rid of such tinned product, which has spoiled and gone bad, would be to inform the relevant authorities, including the Finance Department, of their having become unfit for human consumption and have the same destroyed and the amount written off. Had

the Department succeeded in finding any one to tender for this lot, it is obvious that the rotten tinned fruit would have ultimately found its way into the common market resulting in, no one knows, how many deaths or serious illnesses. In the opinion of the Committee, loss of even one single human life would value far more than the total amount involved in this case.

The Committee once again stresses upon the Department that prior to submitting Working Papers to the Public Accounts Committee and prior to appearing before the Committee with their oral explanations, all efforts should be made to ascertain the true facts of the matter and to present a correct picture of the situation before the Committee. Fabricated explanations containing half truths do not help either the Department or the Committee.

(6) *Page 64, Para. 17(a)91—Expenditure on Deposit Works in Excess of Deposits received*—Audit had 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 cost of three works the amount involved in other works had been recovered/adjusted. The position of two important works in which the expenditure had been incurred without deposits were reported to be as follows.—

(i) *Water Supply to K.D.A. for Rs. 11,79,439*—The Department in the first instance explained that the matter regarding recovery of the amount for the work done by it on behalf of K.D.A. had been taken up with that Authority 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 finalised between K.D.A. and Irrigation Ghulam Muhammad Barrage Project. The delay in finalization of the said Draft Agreement was stated to be due to the hitches put forth by the K.D.A. from time to time which had resulted in non-payment of the dues.

The Departmental charges on the K.D.A. Deposit work done by the Department during the period 1947-48 were claimed at 30½%. 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 12½% plus 1% of Audit charges for works regarding constructing the Haleji Scheme. Accordingly, at the rate of 13½% as departmental charges for the said period the amount in this behalf worked out to Rs. 3,43,578-06. The total claim for the Deposit work upto the said period thus came to Rs. 28,88,206-06

out of which an amount of Rs. 23,54,500-00 had already been recovered. The outstanding balance for the said period and at the said rate of departmental charges (i.e., 13½%) was Rs. 5,34,103 and for the payment of this, the Karachi Development Authority had been 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. was Rs. 9,49,379.50, against which Rs. 7,84,861 had been recovered and an amount of Rs. 1,64,518.50 was recoverable for which the K.D.A. had been reminded constantly. Rs. 6,98,621 remained to be recovered from the K.D.A.

The Committee then asked the Department—

(i) to satisfy the Audit by production of the original letter from the Sind Government agreeing to the Departmental charges of 13½% to be recovered from the Karachi Joint Water Board (whose successor are the K.D.A.) in place of 30½%;

(ii) to explain to the Committee as to how and from where this figure of 30½% which was being charged, came, and who authorised it; and

(iii) to expedite signing of the agreement with the K.D.A.

In the subsequent meeting the Department explained as under:—

(i) The Ex-Sind Government's original letter No. 332(M)(i) dated 30th January, 1948 fixing the departmental charges at concessional rate of 13½% (12½% Departmental Charges plus 1% Audit Charges) was not forthcoming. It appeared that on the eve of formation of One Unit, the Ex-Sind P.W.D. Secretariat file containing the said letter did not come into the possession of the Department. But as there were repeated references to this concessional percentage on the sides of both the Department and K.D.A. over a number of years, it was reasonable to accept this percentage for Haleji Reservoir Scheme work executed by this Administration on behalf of K.D.A.

(ii) Actually there was nothing to substantiate the figures of 30½% which was erroneously given by the Department. The fact was that beside the position explained in reply to query No. (i) above there was another work of K.D.A. viz. "Pontoon Scheme" which was executed by the Department on behalf of K.D.A. at the concessional rate of 25% fixed by the P.W.D. Thus there were two works of the K.D.A. executed by the Department at the concessional percentage charges of 13½%

and 25% respectively. The statement showing the details about the amount recoverable and recovered so far, from the K.D.A., on account of both of them indicated that a total amount of Rs. 6,98,621-63 was recoverable for both of the said works.

- (iii) The Draft Agreement could not be finalized as the K.D.A. insisted that certain paras of the Agreement do not suit them and that the same should be modified.

The Committee then observed that as there was a basic dispute between the Department and the K. D. A. with regard to the rate at which departmental charges were to be recovered from the K. D. A. and the matter has been pending for a long time it would not be finally settled between the Department and the K. D. A. unless the Finance Department took interest in this and tried to sort it out. The Committee therefore asked the Finance Department to get this issue settled.

(ii) *Construction of Road inside Premier Sugar Mill*—The Department explained that the work of constructing and concreting road inside the Premier Sugar Mill was taken in hand in the month of July, 1960 in compliance with the verbal instructions of the then Chief Minister of N.W.F.P. as a deposit work to be paid for by Premier Sugar Mill, Mardan. The Sugar Mill agreed to pay as soon as funds became available with them after the commencement of the working season 1950-51. The work was completed at a cost of Rs. 4,50,351 (W.O. 3,67,037 and D.C. 83,314) out of which the Mill paid Rs. 2,71,126. Vigorous efforts were thereafter made at various levels, to effect the recovery of the balance of Rs. 1,79,225. The matter was also reported to the Government of West Pakistan, Industries Department, for effecting the recovery from the bill of the Mill Payable by Industries Department. The case remained under correspondence for three years but no recovery could be effected. The matter was thereupon taken up in March, 1966 with civil authorities to effect the recovery as arrear of land revenue under the West Pakistan Ordinance XXIII of 1962. Several reminders were issued to the D.C., Mardan but no recovery was effected. In the meantime the Mill authorities approached the Superintending Engineer for the waiving of Departmental charges of Rs. 83,314 and expressed their willingness to pay the balance of Rs. 95,911 if the departmental charges were waived. This matter is under consideration of the Department.

On further examination the Committee found that the work for the construction of the road was started as a deposit work without appropriate sanction. The Department maintained that this had been done under orders of the then Chief Minister of N.W.F.P. A total sum of Rs. 3,14,000 had been recovered. This left a balance

of Rs. 1,36,351 to be recovered. The Mill authorities have agreed to pay the balance of Rs. 53,037 which covers the work outlay, but have disputed the payment of Rs. 83,314 which covers the departmental charges. Their contention is that they should not be asked to pay this amount as the work was done in public interest. The Committee fails to understand how the construction of road within the area of a mill could be considered to have been done in public interest. Further more, from examination of the letter of the Mill authorities dated 4th March, 1968, produced by the Department, it appears that the Administration of the Mill have taken it upon themselves to decide that the work was done in public interest and arbitrarily refused to make this payment. The Committee feels that the Department should make all efforts at the earliest to take necessary action to recover not only the balance of Rs. 53,037 which covers the work outlay but also the amount of Rs. 83,314 being the departmental charges.

The Committee also feels it worthwhile to point out that in quite a few cases it has been observed that the Departments are placed in an embarrassing position when the administrators at various levels not empowered to give directives of this nature order the Engineers and others to execute jobs without proper sanction. This places them in a false position and many serious irregularities are committed on the plea that oral instructions of the administrator though unauthorised have been carried out.

(7) 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 the 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 a thorough scrutiny of the records during the course of the 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 month's 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 (DFC) who failed to exercise the checks prescribed in the Financial Rules was charge-sheeted and a departmental enquiry

was held under the West Pakistan Government Servants (Efficiency and Discipline) Rules, 1960, but the Enquiry Officer exonerated the Food Controller in view of the fact that the relevant documents, some of which had been originally filed in the Court when the case against the Officer Nazir had been filed, were no more available and some other documents had originally been alleged to have been destroyed by the said Officer Nazir.

The Committee feels that had the Department made an attempt to fix the responsibility for negligence on the District Food Controller at the time when the embezzlement had first come to the notice of the Department it would probably have been possible to have proceeded against him departmentally. However, at this late stage since he has been exonerated by the Enquiry Officer due mainly to non-availability of relevant records and documents, no further action can be taken. The Committee recommends to the Department in future to treat matters of this nature in a manner whereby not only is action taken at the earliest against any person involved in such embezzlement or misappropriation but also an attempt is always made to fix the responsibility of the supervisory staff.

COMMERCIAL ACCOUNTS—1959-60

(1) *Pages 9-10—Para. 18(vi)—Non-Compilation of Accounts of Mechanical Cultivation Scheme in Quetta for 1956-57 to 1959-60.*—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 recast. The accounts for the year 1957-58 to 1959-60 were also not compiled by the Department.

The Committee was informed that while accounts for the year 1956-57 and 1957-58 of the Mechanical Cultivation Scheme had been prepared, no progress was made with regard to the remaining accounts. The Department contended that till such time as they were allowed to employ the services of commercial accountants, for which they had put forward a scheme which was under the consideration of the Provincial Development Working Party, they would not be able to do it. The Audit pointed out that it was very doubtful for the Department, even if the proposal to employ commercial accountants was approved, to be able to get these accountants on the scale of pay permissible in Government service in view of the great demand of such accountants all over the country. It was, therefore, suggested that the department should try and have their own accountants trained in commercial accounts in the same way as was done by the Director, Commercial Audit, in their office.

The Committee feels that it was very bad for administrative affairs that accounts had been pending for such a long time. The Committee at the same time appreciates the difficulty faced by the Department and, therefore, request that the Finance Department, alongwith the Director, Commercial Audit, and the Secretary of the Department should try and explore the possibility of invoking a scheme whereby it would be possible for the Audit to give some of their accountants on deputation to the Department for finalizing the accounts. They may also consider any other alternate practical proposal which would help the Department.

(2) *Pages 9-10, Para. 18(vii), non-compilation of Accounts of the Agricultural Engineering Workshop, Tando Jam (1947-48 to date)*—In this case the Accounts of the Agricultural Engineering Workshop, Tandojam, had not been prepared by the Department since 1947-48.

The Department explained that Superintending Engineer, has informed that the Accounts for 1956-57 and 1957-58 have again been prepared on previous pattern and sent to the Director of Commercial Audit, Karachi for verification. But he (Superintending Engineer) is of the view that the provision of the posts of Commercial Accountants alone will ensure the correct compilation of accounts of Agricultural Engineering Workshop, Tandojam, which is intricated as it is the biggest Agricultural Workshop in the Southern Region. A scheme for provision of posts for maintenance of Accounts of Agricultural Workshop on Commercial Accounting System is under the active consideration of Finance Department and Provincial Development Working Party. As soon as the scheme is passed, the pace of compliance will be accelerated.

Audit pointed out that the accounts for 1956-57 and 1957-58 stated to have been forwarded to them had not been received by them. Since, however, the Department has not compiled the accounts for the year 1947-48, the authenticity or otherwise of the figures of the accounts for the years 1956-57 and 1957-58 could only be examined in local audit.

The Committee observed that while the Department has stated that the Accounts of the Agricultural Engineering Workshop, Tando Jam, for the years 1956-57 and 1957-58 have been forwarded to Audit, the latter has categorically stated that these have not been received by them. The Department was not in a position to satisfy the Committee as to the date on which these Accounts were submitted. The Committee directed that the Department should intimate the date on which these Accounts were submitted to Audit. This should be done at the earliest. At the same time if the contention of Audit is correct, severe action should be taken by the Department against the official who has submitted incorrect information to the Committee.

The Department informed the Committee that they were awaiting the appointment of Commercial Accountants for regularising the defects pointed out by the Audit in the Accounts for the year 1956-57 for the said workshop and as such no further progress has been made in the matter.

The Committee feels that this question of awaiting the appointment of Commercial Accountants is merely an attempt to send the Committee on a wild goose chase and under the plea of awaiting the appointments of these Accountants, no work is being carried out in the Department for removing the technical defects pointed out by the Audit in the various Accounts or in compiling further accounts. The Committee is of the opinion that if with the present staff of Accountants, the audit objections pointed out in the Accounts of Agricultural Engineering Workshop of Quetta for the year 1957-58 could be straightened out, there is no reason why the same could not be done with the accounts for 1957-58 of the Agricultural Engineering Workshop, Tandojam. The Committee would like the Secretary Agriculture to look into this matter personally and direct that it is not proper nor is it practicable that pending the approval of the Provincial Development Working Party of the final appointment, if at all, of Commercial Accountants, no work should be done with regard to the compiling of the Accounts.

Efforts must be continued not only to remove the defects pointed out by the Audit in the Accounts submitted to them but for compilation of other accounts also. After all, it cannot be claimed nor can it be accepted that in case this scheme of the appointment of Commercial Accountants is not approved by the Government, the pending accounts would remain uncompiled. It only requires proper supervision and efforts to clear up the arrears of work.

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

Thanks are also due to Mr. A. A. K. Babar, P.A. & 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. Tajammul Hussain, P.M.A.S., Secretary, Syed Imran Shah, C.S.P., Syed Akhlaque 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.

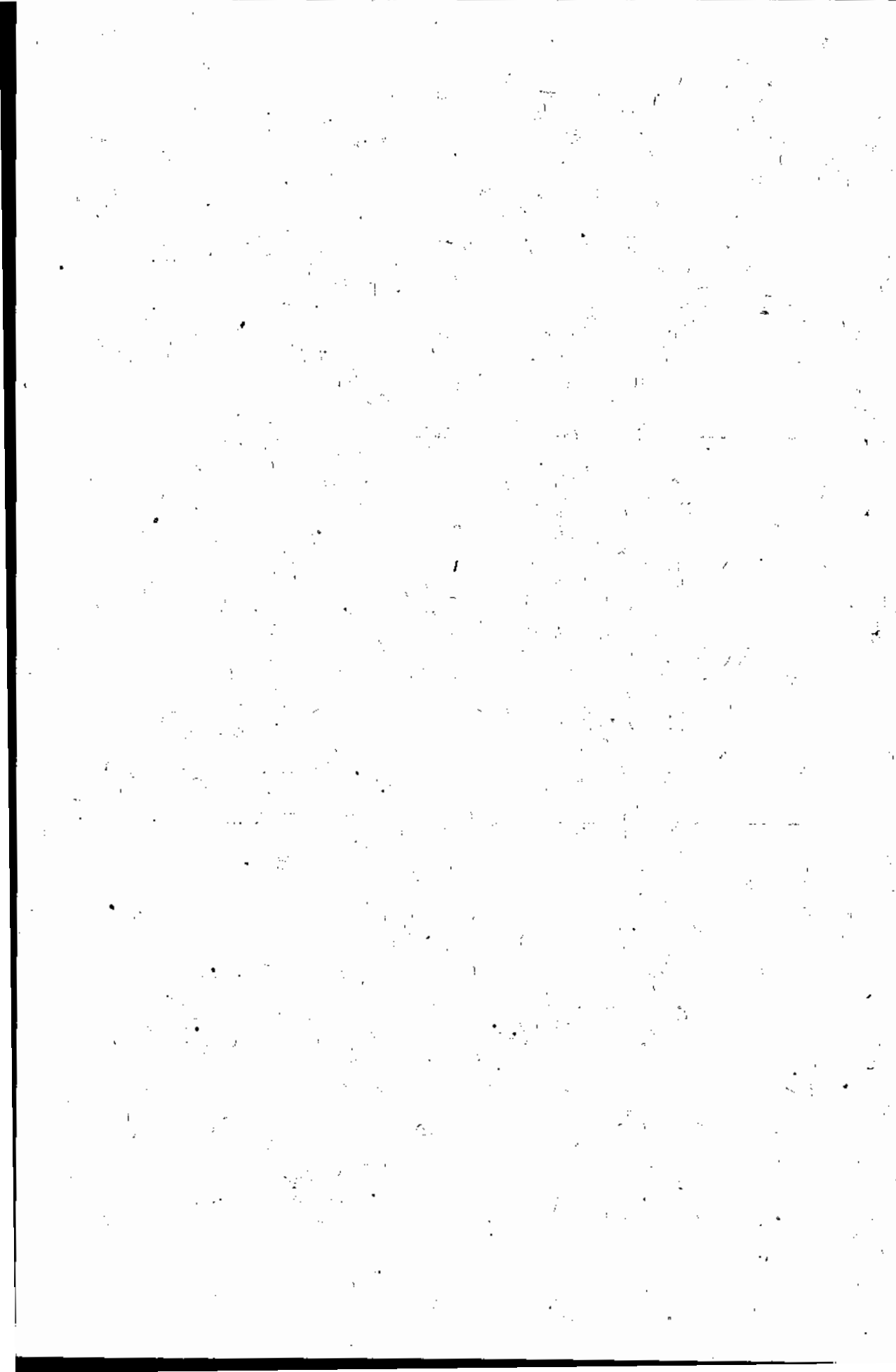
Last but not the least thanks are due to the Secretariat of the Committee and in particular to Chaudhri Muhammad Iqbal, S.K., and Syed Muhammad Athar, Secretary and Deputy Secretary, respectively of the Provincial Assembly, who served the Committee throughout its laborious proceedings with unfailing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

<p>LAHORE: The 21st June, 1968.</p>	}	<p>ZAIN NOORANI CHAIRMAN, <i>Standing Committee on Public Accounts.</i></p>
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<p>LAHORE: The 21st June, 1968.</p>	}	<p>MUHAMMAD IQBAL SECRETARY, <i>Provincial Assembly of West Pakistan.</i></p>
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ANNEXURE

PROCEEDINGS OF THE MEETINGS



PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 22ND APRIL, 1967 AT 1-P.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, C.S.P., Joint Secretary
to Government of West Pakistan,
Finance Department. | Expert
Adviser. |
| (7) Rana Muhammad Yasin, P. A. & A. S. ...
Accountant-General, West Pakistan. | By Invitation. |
| (8) Qazi Anwar-ul-Islam, P. A. & A. S. ...
Director, Audit and Accounts (Works),
West Pakistan, Lahore. | By Invitation. |
| (9) Mr. Riaz-ud-Din, P. A. & A. S., Joint ...
Director, Commercial Audit. | 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 in the first instance conducted the preliminary examination of the Appropriation Accounts (other than Public Works Grants) of the Government of West Pakistan for the year 1961-62 and the Audit Report thereon. The following decisions were taken:—

- | | |
|---|------------------------------|
| (1) (a) Page 3, Para. 5, read with pages 39 to 136— | } Savings
and
excesses |
| (b) Page 3, Para. 6, read with pages 39 to 136— | |
| (c) Page 4, Para. 8, read with pages 39 to 136— | |
| (d) Page 4, Para. 9, read with pages 39 to 136— | |

The Departments concerned should furnish explanations for the saving and the excesses under the heads where saving and the excess is more than ten and one per cent respectively. The explanations should be full and complete giving item-wise details.

No explanation need be furnished in respect of the savings and excesses under the following heads:—

- (1) Superannuation allowances and pensions.
- (2) Payment of commuted value of pensions.
- (3) Interest on Debt and other obligations.
- (4) Public Debt Discharged.

(2) *Page 6, Para. 12(i)—Surrenders made in excess of total savings in Authorised Grants or Charged Appropriations*—The Departments concerned should explain as to why surrenders were made in excess of the actual savings. The explanations should be full and complete giving details.

(3) *Page 6, Para. 12(ii)—Surrenders in absence of savings*—The Department concerned should explain as to why surrenders were made in the absence of saving. The explanations should be full and complete giving details.

(4) *Pages 10-25—Para. 17-I(b)—Items (1) to (45)—Irregularities*—The Departments concerned should furnish explanations for the irregularities pointed out in items (1) to (45). The explanations should be full and complete giving the details and should indicate the departmental action taken against the officials responsible for these irregularities and if no action has been taken, reasons therefor and the action contemplated. In case where recovery is still to be made, steps so far taken, to recover the amount should be indicated.

(5) *Page 25—Para. 17-I (b) (46)—Non fixation of cadre strength*—The Departments who have not yet fixed the cadre strength should explain the reasons of their failure to fix the cadre strength.

(6) *Page 26, Para. 17-II—Audit of Grants-in-Aid*—The officers concerned should furnish to the Audit, the certificates to the effect that the grants were spent on the same objects for which they were meant and in accordance with the prescribed conditions. Reasons for which the submission of the certificates to the Audit was delayed should be explained by the Departments. Action taken against the defaulters should also be stated.

(7) *Page 26, Para. 17-III—Secret Service Expenditure*—The officers concerned should furnish the required certificates to the Audit immediately. Reasons for which the submission of the certificate to the Audit was delayed should be explained by the Department. Action taken against the defaulters should also be stated.

(8) *Pages 27-30—Para. 17-V—Delay in disposal of Inspection Reports and Audit Notes*—The Accountant-General placed before the Committee a statement showing the position of outstanding Inspection Reports and Audit Notes (Appendix A). The Committee decided that:—

The Department concerned should answer to the inspection reports and audit notes to the Audit Office concerned and take action against the officers responsible for delay.

(9) *Pages 88-89, Note 3—Re-appropriation order issued after the close of the Financed year*—The Committee took a serious view of the fact that the officers of the Irrigation and Power Department had issued re-appropriation orders which were in contravention of the provisions of Rules and Orders issued by the Government.

(10) *Page 122—Store Account of paper binding material and Miscellaneous Stores of the West Pakistan Government Press, Lahore—Audit Note No. 3*—The Industries Department should report the full facts of each case and the progress made so far.

IV. The Committee then took up the preliminary examination of the Appropriation Accounts (containing Public Works Grants) of the Government of West Pakistan for the year 1961-62 and the Audit Report, 1963. The following decisions were taken:—

- | | |
|--|-------------------------------|
| (1) (a) <i>Page 2, Para. 5 read with pages 74 to 109—</i> | } <i>Savings and excesses</i> |
| (b) <i>Pages 3 to 4, Paras. 8 and 9 read with pages 74 to 109—</i> | |

The Department concerned should furnish explanations for the saving and the excess under the heads (except Interest on Irrigation Works for which capital accounts are kept) where saving and the excess is more than ten and one per cent respectively. The explanations should be full and complete giving item-wise details.

(2) *Page 5, Para. 12—Surrender in absence of Savings*—The Department should explain as to why they surrendered amounts when there was no saving. The explanation should be full and complete giving details.

(3) *Page 6 and 7, Para. 14—Financial Irregularities Losses, etc.*—The Departments concerned should furnish explanations in respect of the financial irregularities, losses etc., pointed out in para. 14 read with pages 79, 92, 96, 103-105 and 110-113 which have not so far been settled. The explanation should be full and complete in details and should indicate the action taken against the officers responsible therefor.

(4) *Page 8, Para. 17(a) 1—Expenditure on Works in anticipation of technical sanction to estimates*—The Department concerned should explain as to why the works enumerated at pages 8, 9, 10 and 11 of the report were undertaken in anticipation of technical sanction to estimates. A full and complete report giving details should be furnished by the Department who should also state the cases where since then sanctions have been obtained.

(5) *Pages 11-56, Paras. 17(a) (2) to (288)*—The Department concerned should furnish explanations for the irregularities pointed out in these paragraphs which have not been settled so far. The explanations should be full and complete with all the necessary details and should indicate the action taken to deal with officials or

persons responsible for these irregularities and if no action has been taken, reasons therefor and the action contemplated. In case where recoveries are involved steps taken towards realizations should be indicated.

(6) *Page 57, Para. 17 (III)—Expenditure on Deposit Works in excess of Deposits received by the Public Works Department*—The Department concerned should explain as to why the expenditure on deposit works was incurred in the absence of deposits or in excess of deposits. The source from which such expenditure was incurred in contravention of the financial rules should be clearly stated.

(7) *Page 59, Para. 17 (IV)—Delay in disposal of Inspection Reports and Audit Notes*—The Director, Audit and Accounts Works placed before the Committee a statement showing the position of outstanding Audit Notes and Inspection Reports upto the year 1961-62 (Appendix 'B'). The Committee decided that—

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

(ii) Action taken against the officials responsible for delay in non-compliance with the Audit Reports should be reported to the Committee.

(8) *Page 62, Para. 17(V) (a)—Delay in preparation of Accounts Returns and documents and balances under adjusting heads*—The Director, Audit and Accounts Works placed before the Committee a statement showing the position regarding Delay in preparation of Accounts Returns and documents and balances under adjusting heads upto the year 1961-62 (Appendix 'C'). The Committee decided that the Department concerned should explain the reasons for such heavy arrears in submitting the documents to Audit. The Department should verify the latest position with Audit and explain the detailed reasons for non-submission and adjustment thereof.

(9) *Page 65, Para. 17(V) (b)—Un-responded 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 Officers" as there was every likelihood of mis-appropriation of stores, etc. on account of which the debits remained un-responded and called for the explanations from the 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 the disciplinary action so far taken for not responding to these items.

(10) *Page 65, Para. 17(V) (c)—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.

(11) *Page 66, Para. 17(V) (d)—Outstanding Adjustment Memos*—The Department 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.

(12) *Page 66, Para. 17(V) (e)—Awaited Contract Agreements*—The Department should explain the reasons for which contract agreements were not supplied to Audit. The explanation should be complete and full of details. The latest position should be verified with Audit.

(13) *Page 66, Para. 17(V) (f)—Non-maintenance of Accounts by Departments Heads*—The Department should explain the reasons for non-maintenance of Accounts by Departmental Heads. The explanation should be complete and full of details.

V. The Committee then conducted the preliminary examination of the commercial accounts for the year 1961-62 and Audit Report, 1963. The following decisions were taken:—

(1) *Pages 10-11, Para. 18—Non-compliance/preparation of Accounts*—The Department concerned should explain the reasons for which the following accounts were not prepared in time or were prepared incorrectly:—

- (i) The Accounts of the Sales and Display Depot (now Traditional Crafts), Lahore for the years 1958-59 to 1961-62 have not been compiled correctly by the Department.
- (ii) The Accounts of the Punjab Government Cotton Mills, Lahore (In-Liquidation) for 1961-62 have not been compiled by the Department.
- (iii) The Accounts of Virginia Tobacco Redrying Factory, Khairpur (In-Liquidation) for 1961-62 have not been compiled by the Department.
- (iv) The Accounts of the Shisham Exploitation Scheme in Mardan District for the year 1958-59 have not been compiled correctly by the Department.
- (v) The Accounts of Jallo Rosin and Turpentine Factory for 1961-62 have not been compiled by the Department.
- (vi) The Accounts of the Scheme for exploitation of Ephedra Plant in Quetta Region, for 1961-62 have not been compiled by the Department.

- (vii) 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 have not so far been recast. The Accounts for the year 1957-58 to 1961-62 have not been compiled by the Department.
- (viii) The Accounts of the Agricultural Engineering Workshop, Tando Jam have not been prepared by the Department since 1947-48. The omission has been brought to the notice of the Government.
- (ix) The Accounts of the Cold Storage at Baghbanpura (Lahore and Sialkot) have not been prepared by the Department since 1951-52. The omission has been brought to the notice of the Government.
- (x) The Accounts of the Electricity Scheme in Peshawar and Dera Ismail Khan Divisions have not been prepared by the Department. The omission has been brought to the notice of the Government.
- (xi) The Accounts of the Mughalpura Irrigation Workshops Division, Mughalpura (Lahore) for the years 1957-58 to 1961-62 have not been prepared by the Department.
- (xii) The Accounts of the General and Steel Mills, Mughalpura (Lahore) have not been recast correctly by the Department.
- (xiii) The Accounts of the Excise and Salt Department, Lahore for the year 1959-60 have not yet been compiled by the Department.
- (xiv) The Accounts of the Government owned Salt Stores at Saran have not yet been prepared by the Department.
- (xv) The *pro forma* Accounts of the Opium and Alkaloids Factory, Lahore for the years 1958-59 to 1961-62 could not be included in the present compilation as these accounts have not yet been compiled by the Department.
- (xvi) The Accounts of the Government Transport, Khairpur which were required to be revised due to the revision of previous years Accounts have not yet been revised by the Department who are being pressed to do the needful.

The Department concerned should expedite the preparation of Accounts and submit them to the Audit within three months for scrutiny.

This direction should not apply to clause (ix) above as the item has already been disposed of by the Committee in the Accounts for 1959-60.

(2) *Page 23, Para. 30—Government Weaving Factory Shahdara—Decrease in Profit*—The Department should explain the reasons for the decrease in profit during the year and the detailed explanation for the transfer of expenditure of Rs. 4,83,462 from commercial side to the education.

(3) *Page 23, Para. 31—Excesses and Shortages*—The Department should explain why the shortages were written off without proper investigation and sanctions of the competent authorities.

(4) *Page 23, Para. 32—Sundry Debtors*—The Department should furnish the year-wise break up of Rs. 1,73,374 and the reasons for non-recovery of outstanding dues should be explained.

(5) *Page 35, Para. 40—Pro forma Accounts*—The Department should explain the latest position of the case.

(6) *Page 43, Para. 48—Working results*—The Department should explain the reasons for the abnormal decrease in gross and net profits as well as percentage of gross and net profit over the turn-over as compared to the previous year. The explanation should be complete giving details.

(7) *Page 64, Para. 59—Fixation of depreciation at percentage rate*—The Department should explain the latest position regarding the fixation of depreciation at percentage rate.

(8) *Page 64, Para. 60—Reconciliation of figures*—The Department should explain the steps taken to reconcile the figures.

(9) *Page 87, Para. 77—Shortage of Stores*—The Department should explain the steps taken to write off the loss under the orders of competent authority.

ROAD TRANSPORT CORPORATION

(10) *Page 92, Para. 79—Non-compilation/préparation of Accounts*—The Department should explain the reasons for which the accounts of the 11 organizations were not prepared. The Department concerned should expedite the preparation of accounts which are still pending and submit them to the audit within three months.

(11) *Page 98, Para. 88—Reconciliation of figures*—The Department should explain the steps taken to reconcile the abnormal difference of Rs. 1,54,74,577 between the two figures.

(12) *Page 98, Para. 89—Physical verification of Stores*—The Department should explain why the physical verification of Stores was not conducted at the end of the year.

(13) *Page 98, Para. 90—Sundry Creditors*—The Department should explain the steps taken to liquidate the heavy balances under sundry creditors.

(14) *Page 98, Para. 91—Clearance of Bills*—The Department should explain the steps taken to adjust and clear the bills of the central stores. The reason for non-adjustment should be explained.

(15) *Page 98, Para. 92—Excesses and Shortages*—The Department should explain the steps taken to investigate the circumstances leading to the shortages and excesses of Stores and the latest position of recoveries be explained.

LAHORE:

MUHAMMAD NAWAZ

ACTING CHAIRMAN,

The 22nd April, 1967. } Standing Committee on Public Accounts.

APPENDIX 'A'

STATEMENT SHOWING THE POSITION OF OUTSTANDING AUDIT NOTES AND INSPECTION REPORTS

Serial No.	Name of the Department	1964-56	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Total
1	Agriculture Department	1				3	4	7	9	24
2	Basic Democracies, Social Welfare and Local Government Department							3	9	12
3	Board of Revenue				6	11	3	4	8	32
4	Excise and Taxation							1		1
5	Education Department								5	5
6	Home Department								1	1
7	Industries, Commerce and Mineral Resources Department						1	1	2	4
	Total	1			6	14	7	15	34	77

APPENDIX 'B'

[Page 39(c)]

(A) INSPECTION REPORTS

General Abstract of Inspection Reports (Position of Outstanding) Inspect on Report 5570 and including the year 1951-52 as it stood on 31st December, 1966

Serial No.	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	1961-62	Total
1	Irrigation								3	12	55	70	84	106	89	95	616
2	Irrigation Division transferred to WAPDA										4	1	5	4			13
3	Irrigation Division transferred to Agricultural Development Corporation									1	6	7	7	7	9	8	45
4	Buildings and Roads								1	12	23	37	45	46	53	60	266
5	Buildings and Roads Division, transferred to Agricultural Development Corporation																
6	Public Health Engineering Electricity WAPDA													2	6	5	13
	Total								8	26	88	116	189	165	136	108	852

Transferred to WAPDA Audit.

APPENDIX B

Page 80

(4) AUDIT NOTES

Serial No.	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	1961-62	Total
	Buildings and Roads Department						1	5	4	6	7	4	7	24	38	24	190
	Irrigation and Power Department										1	13	13	19	29	19	64
	Public Health Engineering Department																
	WAPDA																
	Agricultural Development Corporation																
	Electricity																
	Total						1	5	4	6	7	4	13	43	62	84	204

Transferred to WAPDA Audit

APPENDIX B

Page 60

(44) TEST AUDIT NOTES

Serial No.	Name of Branch of Public Works Department and Sub-Branch	Irrigation and Power Department	Buildings and Roads Department	Total
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		1	1	2
1960-61		.	1	1
1961-62		2	.	2
Total		17	2	19

APPENDIX A

Page 31(6)

(44) INSPECTION REPORTS TO WHICH EVEN FIRST REPLY IS STILL AWAITED AS AT STOOD ON 30TH JUNE, 1966

Serial No.	Name of the 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	1961-62	Total
	Irrigation	.	.	.	.	.	.	.	.	.	2	1	5	10	7	14	59
	Buildings and Roads	.	.	.	.	.	.	.	.	.	.	.	1	1	2	6	10
	Public Works Engineering	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
	Total	.	.	.	.	.	.	.	.	.	2	1	6	11	9	20	49

APPENDIX C

Page 62 Item (I)

STOCK RETURNS

Serial No.	Name of the 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	1961-62	Total
1	Irrigation and Power Department.	..	..	..	..	2	4	5	5	5	5	5	10	24	28	28	119
	Buildings and Road Department.	..	..	..	..	..	1	2	2	2	2	7	15	27	27	24	157
	Public Health Engineering	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
	WAPDA (Irrigation Division transferred to WAPDA)	..	..	..	..	..	1	1	1	2	2	2	..	..	..	..	15
	Agricultural Development Corporation.	..	..	..	..	..	..	..	..	..	..	..	..	..	5	..	7
	Total	..	..	..	..	2	6	9	11	11	13	15	30	61	70	60	276

Page 42, para (3)

[illegible]

APPENDIX C

(Page 63 Item 3)

Name of documents	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	1961-62	Total
Capital and Revenue Accounts	Irrigation and Power Department	12	12	12	12	12	12	10	10	10	10	10	10	10	10	10	100
	Buildings and Roads Department	4	4	5	5	6	7	6	6	9	12	12	10	9	10	9	116
	WAPDA	..	..	..	1	1	1	2	2	4	4	4	5	..	..	..	24
	Public Health Engineering	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	ND
	Agricultural Development Corporation	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	ND
	Total	16	16	17	18	19	21	23	18	29	36	32	31	26	26	19	346

APPENDIX 'C'

(Page 43 item 4)

Serial No.	Name of Documents/ Returns	Name of Department	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Total
	Form 26/51	Irrigation Buildings and Roads Department Public Health Engineering WAPDA (Divisions transferred to WAPDA), A.D.C. (Divisions transferred to A.D.C.)	2												1	11	1	16
		Total	2												1	96	16	49

APPENDIX 'C'

(Page 63 Item (5))

FORM 75 SCHEDULE OF RENT OF BUILDINGS

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	1961-62	Total
	Irrigation and Power Department.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	0
	Buildings and Roads Department.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	13
	Public Health Engineering Department.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	N/A
	WAPDA	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	N/A
	A. D. C.	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	N/A
	Divisions direct under Secretary	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	N/A
	Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	14

APPENDIX 'C'

(Page 64 Item No. (6))

MAJOR AND MINOR RETURN

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	1961-62	Total
	Irrigation and Power Department.																
	Buildings and Roads Department.																
	Public Health Engineering Department.																
	Electricity																
	Total																

APPENDIX C

(Page 04 item 7)

Serial No.	Name of Document(s) Returns	Name of Department	1947-48	1948-49	1949-50	1950-51	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61	1961-62	Total
	Surprise Schedule	Irrigation																
		Buildings & Roads Department											1					
		Public Health Engineering											1					
		WAPDA																
		Agricultural Development Corporation																
		Total											1					2

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PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 7TH DECEMBER, 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) Rai Mansab Ali Khan Kharal, M.P.A. ... | Member. |
| (5) Syed Imran Shah, C.S.P., Additional Secretary to Government, of West Pakistan, Finance Department. | Expert Adviser. |
| (6) Rana Muhammad Yasin, P. A. & A. S., Accountant-General, West Pakistan. | By Invitation. |
| (7) S. Manzoor Elahi, C. S. P., Member, Board of Revenue, Rehabilitation and Excise and Taxation. | By Invitation. |
| (8) Mr. Hussain Haider, C. S. P., Secretary to Government of West Pakistan, Transport Department. | By Invitation. |
| (9) Mr. Aslam Awais, C. S. P., Member (Finance), West Pakistan Agricultural Development Corporation. | By Invitation. |
| (10) Mr. S. A. Gardezi, P.C.S., Secretary (Revenue), Board of Revenue, West Pakistan. | By Invitation. |

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

II. The Committee took up consideration of the explanations of the following Departments in respect of the items appearing in the Appropriation Accounts for the year 1961-62.

TRANSPORT DEPARTMENT

(1) Page 48—Grant No. 7—Charges on account of Motor Vehicles Act—B—Inspection of Motor Vehicles—Excess Rs. 19,211—

(2) Page 6, Para. 12(i)—Surrender in excess of Saving—Grant No. 7—Charges on account of Motor Vehicles Act—B—Inspection of Motor Vehicles—

		Rs.
Amount of Saving	=	45,169
Surrender	=	75,530

The Department explained that in fact this is not a case in which surrenders were made in excess of savings. The excess of Rs. 19,211 was due to the payment of publication charges in respect of applications received from the applicants in excess of those anticipated by this Department. Under the Motor Vehicles Rules the publication of applications for certain classes of permits is to be made at the cost of the applicants concerned. Accordingly the cost is duly recovered in advance from the applicants and deposited into the treasuries. This procedure was followed in this case and the excess amount on the cost of publication was recovered in advance. Thus the cost to Government was nil and there was no surrender in excess of actual savings in so far as sub-head "B-Inspection of Motor Vehicles" was concerned.

The explanation was considered satisfactory and the item was dropped.

REHABILITATION DEPARTMENT

Page 127—Grant No. 33—Miscellaneous-J-10—Expenditure in connection with the Rehabilitation of Refugees—

		Rs.
Final Grant	=	30,91,260
Expenditure	=	35,61,691
Excess	=	4,70,431

- (i) The Department explained that out of the final grant a sum of Rs. 26,43,310 pertains to them and the rest of the amount pertains to the Urban Rehabilitation Department and Land Utilization Department, Refugee Branch at Karachi;
- (ii) Out of actual expenditure of Rs. 35,61,691 a sum of Rs. 27,68,744 pertains to them and the balance of Rs. 7,92,947 is in respect of Urban Rehabilitation Department and Land Utilization Department;
- (iii) The actual excess relating to the Rehabilitation Department works out to Rs. 1,25,534 and the rest pertains to Urban Rehabilitation Department and Land Utilization Department. The excess was mainly due to excessive touring in connection with the finalization of Rehabilitation work.

As regards (i) and (ii), the Audit pointed out that against the grant of Rs. 26,43,310, the expenditure pertaining to the Settlement and Rehabilitation Department was Rs. 30,99,800 and not Rs. 27,68,744. The Committee directed that the figures should be reconciled by the Department with the Audit.

As regards (iii), the Audit pointed out that expenditure incurred in excess of budget provisions for the purpose of touring was irregular being in contravention of the Finance Department circular letter No. 107-BO-I/57, dated 10th September, 1967 which reads as follows:—

“Expenditure on travelling allowance and contingencies calls for greater vigilance by the Drawing and Disbursing Officers as well as by the countersigning authorities. It should particularly be seen that the Budget provision made under the respective sub-heads in the relevant Demand for Grant is not exceeded and the progressive account of expenditure incurred is indicated without fail on the Memorandum printed on Travelling Allowance and Contingency Bill form. Any travelling allowance or contingent bill, which does not conform to these instructions, will run the risk of not being admitted in the Audit Offices.”

The Department contended that the excess had been necessary and could not be avoided in the interest of efficiency, in the interest of the finalisation of rehabilitation work.

The Committee appreciated the contention of the Department and believed that the excess had been incurred for genuine reasons. However, from the budgetary point of view it could not be overlooked. If this practice were to spread to other departments and each one of them were to consider themselves competent to spend moneys on travelling and tours in excess of the budgetary provisions, the purpose of the entire budgetary system, as prevalent in Pakistan, would collapse.

Subject to these observations the Committee decided to drop the para.

EXCISE AND TAXATION DEPARTMENT

*Page 4, Para. 8, read with page 48—Grant No. 3—Provincial Excise—Excess Rs. 3,20,458—*The Department explained that an expenditure of Rs. 15,14,032 had been incurred against the final grant of Rs. 13,27,700 under the minor head “E—Cost of Opium supplied to Provincial Excise Department” subordinate to the major head “8—Provincial Excise”. The net excess comes to Rs. 3,86,332. After deducting the savings of Rs. 65,874 under the various other minor heads, the net excess under this major head comes to Rs. 3,20,458.

The Department further stated that the exact circumstances of the excess could not be ascertained as the relevant files of the defunct Directorate have been misplaced on account of re-organization of the Excise and Taxation Department in 1962. The reconciliation of figures of expenditure could not, therefore, be

carried out with the audit department at the appropriate time. The Accountant-General, West Pakistan was requested to furnish the details of expenditure of Rs. 17,14,032 along with the copies of invoices. He replied that the relevant record of his office pertaining to the year 1961-62 was destroyed by fire.

The Department further explained that for accounting purposes the opium is purchased from the Government Opium Factory by the Excise and Taxation Department at Rs. 165 per seer and supplied to the treasuries from where it is sold to the opium licencees at Rs. 190 per seer i.e. at a profit of Rs. 25 per seer. The Excise Department purchased opium worth Rs. 17,14,032 from the opium factory in 1961-62 against sanctioned grant of Rs. 13,27,700. The accounts for the year 1961-62 under this minor head were Rs. 13,29,500. The budget estimates of Rs. 13,29,300 for 1961-62 were repeated as accounts for 1961-62 in the printed Receipt Budget of 1963-64. The accounts for 1961-62 were obviously incorrect. The revised estimates for 1961-62 as shown in the printed Receipt Budget for 1962-63 were Rs. 19,77,032. It is thus obvious that the expenditure of Rs. 17,14,032 was not only recouped but substantial profit of Rs. 2,62,968 was also earned. Therefore the public exchequer did not suffer in any way.

The Audit pointed out that on a request from the Board of Revenue they had supplied the figures of expenditure to the department and the same were confirmed by them in February, 1964. The Audit contended that having confirmed the figures, how could the Department dispute the same now.

The Department stated that in the absence of the records with them they had not been in a position to dispute the figures supplied by the Audit and, as such, they had accepted these figures in good faith. The papers, on which the figures supplied by the Audit were based, had also subsequently been burnt in a fire in the Accountant-General's Office. The Audit was, however, of the view that in the absence of records, both in the Department as well as in the office of the Accountant-General, it was not possible at this stage to get a detailed explanation with regard to excess although the fact remained that the excess did occur and has now to be regularized. The Committee felt that the Department would not normally have accepted the figures supplied by Audit unless their records had been in existence at that time. However in view of the fact that the relevant records were not available with both, the Department as well as the Audit, there was no basis on which the Committee could proceed and, therefore, decided to drop the para. hoping that for the future at least responsible people in responsible position in the Government would realise their responsibilities and try to preserve important records.

The Committee further decided to recommend regularization of the excess expenditure.

LAND UTILIZATION DEPARTMENT

(1) *Page 3, Para. 5 read with page 315 of Appropriation Accounts for 1960-61, Grant No. 35—Development—Saving under C-Colonization—*

(2) *Page 3, Para. 5 read with page 96 of the Appropriation Accounts for 1961-62 Grant No. 27-Development—C-Colonization—Saving Rs. 4,33,436—*

Neither the Secretary of the Department was present in the meeting nor any working papers for the above two items had been furnished by the Department.

The Secretary of the Department had asked the Chairman of the Agricultural Development Corporation to attend the meeting. Member (Finance), Agricultural Development Corporation attended the meeting but he had no working papers for the items.

The Committee had, therefore, to defer the items to be taken up on 14th December, 1967.

REVENUE DEPARTMENT

As the working papers had not been supplied by the Department to the Accountant-General's Office and the Finance Department in time, they could not go through them. The working papers supplied to the Committee were also incomplete. The Committee, therefore, decided to defer consideration of the items pertaining to Revenue Department and to consider them on 18th December, 1967. The Department was asked to make their working papers complete.

III. The Committee then adjourned to meet again on 8th December, 1967 at 9-00 a.m.

LAHORE:

ZAIN NOORANI

CHAIRMAN

The 7th December, 1967. } Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING
COMMITTEE ON PUBLIC ACCOUNTS HELD ON 8TH
DECEMBER, 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 Nawaz, M.P.A. | ... | Member. |
| (3) Rai Mansab Ali Khan Kharal,
M.P.A. | ... | Member. |
| (4) Chaudhri Muhammad Sarwar Khan,
M.P.A. | ... | Member. |
| (5) Khan Malang Khan, M.P.A. | ... | Member. |
| (6) Syed Akhlaq Hussain, T. Q. A., C. S. P.,
and Syed Imran Shah, C.S.P., Additional
Finance Secretaries, Government of
West Pakistan. | | Expert
Advisers. |
| (7) Rana Muhammad Yasin, P. A. & A. S.,
Accountant-General, West Pakistan. | | By Invitation. |
| (8) Mr. Muhammad Yousaf, C. S. P., Addi-
tional Secretary, Planning and Develop-
ment, Government of West Pakistan. | | By Invitation. |
| (9) Mr. M. Masood, C. S. P., Secretary to
Government of West Pakistan, Auqaf
Department. | | By Invitation. |
| (10) Mr. Shafi-ur-Rehman, C. S. P., Secretary
to Government of West Pakistan, Law
Department alongwith Mr. Munir
Farooqi, Solicitor to Government of
West Pakistan. | | By Invitation. |
| (11) Mr. Masood-ur-Rauf, C. S. P., Secretary
to Government of West Pakistan, Infor-
mation Department. | | By Invitation. |
| (12) Mr. Muhammad Aslam Bajwa, C. S. P.,
Secretary to Government of West
Pakistan, Labour Department. | | By Invitation. |
| (13) Raja Ahmed Khan, P.C.S., Registrar,
Co-operative Societies. | | By Invitation. |
| (14) Mr. Asif Ali Shah, C. S. P., Deputy
Secretary, Industries, alongwith Direc-
tor of Industries and Controller, Printing
and Stationery, West Pakistan. | | By Invitation. |

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 Departments in respect of the following items appearing in the Appropriation Accounts for the years 1960-61 and 1961-62:—

PLANNING AND DEVELOPMENT DEPARTMENT

(1) Page 4, Para. 8, read with page 162 of the Appropriation Accounts for 1960-61,—Grant No. 12 General Administration-C-Secretariat and Head Quarters Establishment-12(I)(e)—

	Rs.
Final Grant	5,16,500
Actual Expenditure	5,41,004
Excess	24,504

The Department explained that—

(a) the Modified grant was Rs. 5,16,500 and actual expenditure was Rs. 5,34,352.98. The expenditure therefore exceeds the revised provision by Rs. 17,851.02 and not Rs. 24,504 as intimated by the Audit Office. The difference i.e., Rs. 6,652.98 is actually the expenditure which has not been booked by the Accountant-General correctly. This amount pertains to Lahore, Multan and Sargodha Divisions with which the Planning and Development Department is not concerned at all. Therefore, the Department is not in a position to render an account of this expenditure.

(b) the excess expenditure is within 5% of the final grant of Rs. 5,16,500 for 1960-61 and is mostly ascribable to the creation of the following posts in the Planning and Development Department. This amount is normal and it is admissible from Audit point of view:—

(1) One post of Assistant General Economist with effect from 15th December, 1960.	3,668
(2) One post of Research Officer with effect from 15th December, 1960.	2,018
(3) One post of Librarian with effect from 15th December, 1960.	865
(4) One post of Economic Investigator.	1,596
(5) One post of Computing Clerk.	642
(6) One post of Steno Gr. II.	842
(7) One post of Peon.	364

9,995

Contingent Estt. 7,858

17,853

The above expenditure could not be foreseen because the proposals for creating the posts were initiated much after the passing of the annual budget. The necessity of these posts arose for the work resulting from the implementation of the Five Year Plan which could not be visualised earlier.

The Committee observed that the Accountant-General's figures show that there was an excess of Rs. 24,504 while the Departmental figures show that the actual excess was Rs. 17,851-02. The Department states that the amount of Rs. 6,652.98 relates to Lahore, Multan and Sargodha Divisions with which the Planning and Development Department is not concerned at all. Obviously this is because of misclassification but it is not possible to locate the misclassification, because the Accountant-General's records have been destroyed. Therefore, what the Public Accounts Committee can do at this stage is to admit the explanation of the Planning and Development Department what the Public Accounts Committee can do at this stage is to admit the explanation of the Planning and Development Department with regard to the excess, drop the para. and recommend the regularisation of the excess of Rs. 17,851-02. The expenditure of the remaining amount will have to remain uncovered until the Audit are able to locate and find where the excess has occurred.

(2) Page 4, Para. 8 read with page 54 of the Appropriation Accounts for 1961-62—Grant No. 12—General Administration—12(P)(e)—Planning and Development Department—

Excess	Rs. 2,30,930
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The Department had not submitted any working papers in respect of this para. Additional Secretary of the department assured the Committee that the Working Papers would be submitted within a week. The Committee decided to consider this item too on 18th December, 1967.

LAW DEPARTMENT

(3) Page 4, Para. 8, read with Page 59 of the Appropriation Accounts for 1961-62—Grant No. 13—Administration of Justice-B-3-Mufassil Establishment—

	Rs.
Grant	8,77,720
Excess	1,07,560

The Department explained that the excess was mainly under the primary units of "Contingencies" and "Other Allowances and Honoraria" under the head "27—Administration of Justice-B-Law Officers, B-3-Mufassil Establishment". The contingencies covered the payment of fees paid to the counsels engaged in the Supreme Court, private counsel engaged to defend on behalf of Government in the Subordinate Courts and the fee paid to Temporary Public Prosecutors engaged on fee-basis to defend pauper accused. The

primary unit "Other Allowances and Honoraria" covered the payment of fees paid to Advocate-General, Additional Advocate-General in Supreme Court cases and the fee paid to Government Pleaders and Assistant Government Pleaders in defending the Government litigation in Subordinate Courts. The expenditure under each unit is of a fluctuating nature dependent upon the state of Crimes and Civil litigation for and against the Government in whole province of West Pakistan and could not be estimated accurately.

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

AUQAF DEPARTMENT

(4) Page 514 of the Appropriation Accounts for 1960-61—Item No. 16 (i) *Mis-appropriation 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 mis-appropriated by the Accountant of the Department.

In the meeting of the Public Accounts Committee held on 31st January, 1967 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 R. I. 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 third instalment of Rs. 2,000 on 16th December, 1966.

The Committee then 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.

The Department now stated that the Accountant filed an appeal in the High Court of West Pakistan against his conviction and was acquitted by the High Court on 16th May, 1967. In view of this, the Commissioner, Bahawalpur Division intimated that the money could not be recovered. Under the circumstances the Finance Department has been requested to accord sanction to write off the money.

The Committee felt that had proper vigilance been shown by the Department it could have been possible to prevent the Government from this loss. The records as presented to the Committee, did not even show whether a proper departmental inquiry was conducted against the supervisory staff or not. The Department wished to stress that this matter related to the now defunct Idara

Amoor-e-Millia which was then directly under the control of the Commissioner and not under the administrative control of the Auqaf Department who subsequently inherited, it. The Committee was of the view that having "inherited this legacy" it was up to the Department, on taking over the supervision of this Idara Amoor-e-Millia, to have inquired as to who was responsible.

Subject to these observations and subject to the write off by the Finance Department, the para was dropped.

Page 4, Para. 8, read with page 84 of the Appropriation Accounts for 1961-62, Grant No. 17-Misc. Departments-O-Ecclesiastical—

	Rs.
Final Grant	1,35,730
Actual expenditure	1,37,490
Excess	1,760

The Department explained that according to the figures intimated by the Commissioners the net excess worked out to Rs. 11,492. 54. The difference between the Audit and Departmental figures was due to the reasons that the figures of actual expenditure were not reconciled with the Audit offices by various Commissioners who have been directed to issue warning letters to the officials concerned who could not complete the reconciliation work at proper time.

The Committee directed that the Department should first reconcile the figures with the Audit and thereafter furnish explanation in respect of the reconciled figures. The Department should also take action against the officials who failed to complete the reconciliation work.

The para. was deferred to be taken up alongwith the accounts for 1962-63.

INFORMATION DEPARTMENT

APPROPRIATION ACCOUNTS FOR 1961-62.

(1) Page 4, Para. 8 read with page 55—Grant No. 12-General Administration-12 (1) (r)-Information Department—

	Rs.
Grant	2,41,700
Expenditure	2,45,538
Excess	3,838

The Department explained that the figures of the final modified grant and actual expenditure for the year 1961-62 have been verified. The excess amount of Rs. 3,838 though trifling, was due to drawal of pay of officers from 24th April, 1962 to May 31, 1962 (Rs. 1,258), funds for which could not be arranged as the decision to convert one of the five posts of Section Officers into that of officers Incharge Press in Senior Class I was taken towards the close of the year. The remaining excess resulted from the adjustment of telephone bills at the close of the year when it was not possible to ask for extra funds.

The explanation of the Department was accepted and the para. was dropped.

(2) Page 4, Para. 8, read with page 85—Grant No. 17-Misc. Departments—P—Public Relations—

	Rs.
Grant	18,64,360
Expenditure	20,74,913
Excess	2,10,553

The Department explained that the net excess of Rs. 2,10,553 consisted of excess of Rs. 2,28,908 in Accountant-General, West Pakistan Circle, Rs. 15,936 in Northern Area Circle, partly counter balanced by a saving of Rs. 34,289 in Southern Area Circle. In the Accountant-General, West Pakistan Circle, the excess of Rs. 2,28,906 was due to posting of certain Officer drawing higher pay (Rs. 2,470), provision of insufficient funds for pay of non-gazetted establishment (Rs. 5,713), excessive touring by Officers of the Public Relations Department (Rs. 1,500), non-provision of funds for Other Allowances and Honoraria for non-gazetted staff (Rs. 3,100) and Rs. 2,16,123 under Contingencies. The details of excess under contingencies and reasons therefor were reported to be as under:—

(i) Cost of Chevrolet Chassis and Custom Duty thereon.	69,615
(ii) Cost of dry battery radio sets.	6,226
(iii) Purchase of photographic goods.	14,644
(iv) Payment of printing charges of 'General Affairs of Lahore' to Government Press.	21,110
(v) Payment of outstanding bills of entertainment charges.	4,851
(vi) Celebration of Pakistan and Quid-e-Azam's Birth Days.	20,000
(vii) Wrong booking by Accountant-General's Office to D.P.R.'s accounts.	79,677

The cost of Chevrolet Chassis, Dry battery radio sets and photographic goods was provided for in the budget of 1960-61, but the debit was actually raised at the end of the financial year 1961-62 when there was no time to ask for provision of funds. The printing bills and entertainment charges bills also related to previous years but paid during 1961-62. The Military Secretary to the Governor and Deputy Commissioner, Lahore incurred expenditure of Rs. 12,000 on celebration of Pakistan Day and Rs. 8,000 on Quid-i-Azam's Birth Day, respectively but debited the expenditure to the accounts of the Public Relations without making equivalent provision in the

budget. In regard to amount of Rs. 79,677, this was erroneously shown by Accountant General, West Pakistan in the Accounts of the former P. R. Department under the caption "other book adjustments" but this amount does not pertain to Public Relations Department as Audit Office could not produce any vouchers. The excess amount of Rs. 15,936 under contingencies pertaining to Comptroller, Northern Area, Peshawar Circle consisted of Rs. 3,224 and Rs. 12,712. The former amount which pertained to staff for Copulatory film Screening was not recovered from the Central Government. The remaining amount of Rs. 12,712 was drawn in excess to make a payment to parties whose bills could not be passed on account of embezzlement of Rs. 13,009 by Mufti Mushtaq Ahmed, Cashier of Peshawar Office who is still absconding and a criminal case against him is pending in the court. The Government has already ordered the recovery of the outstanding amount against Mufti Mushtaq Ahmed by auctioning his share in a house in Peshawar. The auction has not been effected so far as nobody is prepared to bid for that house according to the Tehsildar Peshawar.

The Department requested for more time to enable them to trace certain records particularly records regarding item (iv) above. The Committee decided to defer the consideration of the para to be taken up alongwith the accounts for 1962-63. The Committee desired that the wrong booking in the Accountant-General's Office should also be verified.

(3) *Page 25, Para. 45-Un-necessary retention of money*—In this case the Audit noted that a sum of Rs. 4,736 was drawn on 22nd June, 1960 out of which, amount to the tune of Rs. 3,073 was disbursed and the remaining balance of Rs. 1,663 payable to a hotel on account of office rent was unnecessarily retained in hand and paid in August, 1961, i.e. after a period of more than one year. This unnecessary drawal and retention of money out of Government exchequer was brought to the notice of the Departmental authorities who promised to avoid recurrence of such irregularity in future.

The Department explained that a sum of Rs. 4,736 was drawn on 22nd June, 1960 by the Office of the Director Tourist Bureau, Peshawar (later on abolished with effect from 24th April, 1962) to make payment to the Dean's Hotel, Peshawar on account of the Office rent and to meet other charges. Out of this amount a sum of Rs. 3,073 was paid to the parties concerned leaving a balance of Rs. 1,663 payable to the Dean's Hotel on account of office rent. Out of this balance, expenditure of Rs. 917 was incurred on the package tour under instructions from the Director, Public Relations, Lahore. There remained a balance of Rs. 746 which could not be paid to the Hotel because of the fact that major portion of the amount was recoverable from the Headquarters (D.P.R. Office). This was retained by the

said office for a long time in good faith and under the impression that the amount recoverable from the Headquarters would be received in a short time and on receipt thereof the entire money would be disbursed to the Hotel. These facts led to the delay in disbursement of government money.

The explanation of the Department was found satisfactory and the item was dropped.

(4) Page 128, Grant No. 33-Misc.-J-17-B.N.R.—

	Rs.
Final Grant	11,31,170
Expenditure	11,44,799
Excess	13,629

The Department explained that the excess expenditure of Rs. 13,629 during the year 1961-62 was due to the fact that the book debit vouchers in respect of repairs which were carried out to the Main BNR Centre in Dinanath Mansion, Lahore, during the financial year 1960-61 were accepted by the BNR at the end of June, 1961 and were returned to P.W.D. for onward transmission to Accountant-General. The Audit Office books, however, showed that the amount was booked in the accounts of the financial year 1961-62. This fact came to the notice of the Department when a BNR official went to Accountant-General's office for reconciliation of final figures of expenditure for the year 1961-62. By this time the financial year had closed and no additional funds could be demanded.

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

LABOUR DEPARTMENT

APPROPRIATION ACCOUNT FOR 1961-62.

(1) Page 4, Para. 8, read with page 83—Grant No. 17-Misc. Departments—M-Resettlement and employment Organization—

	Rs.
Grant	2,15,660
Expenditure	1,81,515
Saving	34,145

The Department explained that saving of Rs. 34,145 was due to the fact that less expenditure was incurred on account of less leave salary, late appointments to the posts of certain Officers and ministerial staff, and non-payment of rent of building due to non receipt of demands from the concerned landlords. As such the said amount was offered for surrender through the Second statement of Excesses & Surrenders but the same was not taken into account by the Government.

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

(2) *Page 4, Para. 8, read with page 83-Grant No. 17-Misc. Departments—(2) G-(ii) Industrial Courts—*

	Rs.
Grant	1,90,340
Expenditure	1,80,786
Saving	9,554

The Department explained that the saving was due to the following reasons:—

- (i) The Chairman was a retired Judge of High court who drew salary at the rate of Rs. 4,000 P.M. less pension;
- (ii) The Special Pay attached with the post of Registrar was not drawn as incumbent of the post of Registrar was not entitled to it, being a non-PCS (Judicial) Officer, who alone could draw such allowance;
- (iii) The post of Superintendent remained unfilled for 10 months of the year.

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

(3) *Page 4, Para. 8, read with page 83-Grant No. 17-Misc. Departments—G-(iii) Minimum Wages—*

	Rs.
Grant	35,260
Expenditure	25,382
Saving	9,878

The Department explained that the saving was due to the following reasons:—

- (i) The post of Accountant, Senior Clerk, Stenotypist and a peon remained vacant for certain period due to ban on direct recruitment;
- (ii) Less touring were conducted as anticipated. As the Board was newly constituted, it confined its activities to headquarters only;
- (iii) (i) non-appointment of independent member during the whole year;
- (ii) Allocation of funds on account of allowances could not be availed of due to the non-appointment of staff;

- (iv) Non-receipt of debit on account of (a) cost of typewriter (Rs. 2,426) and telephone charges (Rs. 505). Provision of Rs. 2,334 for taxes, rent and electricity charges were not utilized.

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

- (4) Page 4, Para. 8, read with page 83-Grant No. 17-Misc. Departments—F-Inspector of Factories—

	Rs.
Grant	Nil
Expenditure	1,07,705
Exces (+)	1,07,705

The Department explained that the excess was due to non-adjustment of the accounts against the allocation of the Revised Budget Grant for 1961-62 under the head "47-Misc: Departments-G(i)-Labour".

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

- (5) Page 4, Para. 8, read with page 83-Grant No. 17-Misc. Departments-G-i-Labour—

	Rs.
Grant	11,74,110
Expenditure	10,14,185
Saving	1,59,825

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

CO-OPERATION DEPARTMENT

- (1) Page 3, Para. 5, read with page 243 of the Appropriation Accounts for 1960-61—Grant No. 23 Co-operation.

	Rs.
Final Grant	59,05,800
Expenditure	47,06,146
Saving	11,99,654

The item was last considered by the committee on 1-2-67 when the Committee asked for more details of the savings and the Department requested for time to furnish the details.

The Department now explained that out of the allotment of Rs. 59,05,800 a sum of Rs. 1,63,120 was deducted by the Finance

Department,—*vide* memo. No. 1779-BO-II-60, dated 5-11-1960 as this amount was placed at the disposal of the Chairman, Ghulam Muhammad Barrage Project Committee. A saving of Rs. 10,36,534 is thus left after the amount of Rs. 1,63,120 is deducted from the saving of Rs. 11,99,654 reported in the Appropriation Accounts. The Saving occurred for the following reasons:—

A-Direction—

Pay of Officers .. 7,100

T. A. .. 6,760

The Post of Joint Registrar remained vacant during the year.

Economy was exercised.

B.Superintendence—

Pay of Officers .. 38,880

(i) 16 posts of Co-operative Marketing Officers remained vacant (11,110).

(ii) Officers did not avail of leave for which provision existed (27,770).

Pay of Establishment .. 6,41,780

(i) 347 Sub-Inspectors were sanctioned under the scheme of Reconstruction of Rural Credit. The Sub-Inspectors were required to undergo 10 months training before appointment as incharge of circles. In this case qualified Sub-Inspectors were not available and posts remained vacant. Further 30 posts of Senior Clerks provided in the Schedule of New Expenditure were not sanctioned. Hence there was a saving of Rs. 2,63,770.

(ii) The following WPCU staff was taken over on 1-2-61, whereas provision of funds existed from 1-6-60. Thus saving worked out at Rs. 3,88,010:—

Sub-Inspectors	..	356
Head Assistants	..	2
Assistants	..	2
Senior Clerk	..	3
Senior Auditor	..	1
Typist	..	1
Audit Assistants	..	7
Peon	..	1

T. A. .. 1,23,880

C. A. and H. .. 1,29,134

Contingencies .. 89,000

Total .. 3,42,014

The same reasons given under pay of Officers and Pay of Establishment.

With the exception of the saving of Rs. 1,63,120 the explanation of the Department was accepted by the Committee. As regards the saving of Rs. 1,63,120 the Committee directed that the A.D.C. should explain it at the next meeting of the Public Accounts Committee.

(2) *Page 3, Para. 5, read with page 97 of the Appropriation Accounts for 1961-62-Grant No. 27-Development—Q-Co-operation.*
Rs.

Grant	...	3,70,000
Expenditure	...	3,61,146
Saving	...	8,854

As the saving was less than 3 per cent, the para. was dropped.

(3) *Page 138 of the Appropriation Accounts for 1961-62—Grant No. 42 Loans and advances by the Provincial Government-Sub-heads-B-4(10), B-4(11), B-4(14)—*

		Rs.
Final Grant	...	13,00,000
Expenditure	...	18,55,005
Saving	...	5,55,005

The Department explained that it had drawn Rs. 13,00,000 only and that the excess appeared to be an error. As the Audit had not examined the contention of the Department, the consideration of this item was deferred to 18th December, 1967.

(4) *Page 4, Para. 8, read with page 54 of the Appropriation Accounts for 1961-62-Grant No. 12-General Administration-12 (1) (n)—*

		Rs.
Grant	...	28,920
Expenditure	...	12,077
Saving	...	16,843

As the Audit had not verified the explanation of the Department the consideration of this para. was also deferred to 18th December, 1967 at 9-00 A.M.

INDUSTRIES, COMMERCE AND MINERAL RESOURCES DEPARTMENT

APPROPRIATION ACCOUNT FOR 1961-62.

(1) *Page 3, Para. 5, read with page 97, Grant No. 27-Development-R-Industries.*

		Rs.
Grant	...	35,01,066
Expenditure	...	29,94,453
Saving	...	5,06,607

The Department explained that the position of final grant, actual expenditure and excess/saving under grant No. 27-Development (excluding the figures pertaining to the sub-heads R-23 to R-29 and

R-35 which are not under the control of the Directorate of Industries) was as under according to the final figures booked and intimated by Accountant-General, West Pakistan vide his No. APP.III/36/61-62/667, dated 21st September, 1964:—

<i>Final Grant</i>	<i>Actual Expenditure</i>	<i>Excesses.</i>
<i>Rs</i>	<i>Rs.</i>	<i>Rs.</i>
5,86,430	7,43,651	1,57,221

The reasons for the excess of Rs.1,57,221 were that the debits for the cost of machinery indented for the Government Industrial Schools for the Boys during the year 1960-61 were adjusted by the Audit Office during the year 1961-62 resulting in the saving of the amount during the year 1960-61 and excess during the year 1961-62.

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

(2) *Page 4, Para. 8, read with page 94—Grant No. 25-Industries (43)-Industries—*

	<i>Rs.</i>
Grant	79,76,790
Expenditure	81,25,944
Excess	1,49,154

The Department explained that the actual expenditure against the final grants of Rs. 79,76,790 was Rs. 79,78,667 and not Rs. 81,25,944 as shown in the Appropriation Accounts. The difference between the expenditure booked by the Audit Office and that recorded by Directorate was that an amount of Rs. 1,47,277 had been booked by the Comptroller, Southern Area, against the Directorate in the Accounts for the month of June, 1962 final. The particulars of this expenditure have not been made available by the Comptroller's office. A representative was deputed to find-out the particulars of this expenditure but unfortunately no record was available in the office of the Comptroller to verify the expenditure. According to the books of the Directorate no such expenditure was incurred and it appears that the amount was inadvertently booked against the Directorate by the Comptroller's office. This needed to be corrected in the books of Audit office.

Subject to verification by the Audit the para. was dropped.

(3) *Page 27, Para. 17(V)—Inspection Reports & Audit notes—*

Audit had pointed out that there were 4 Inspection Reports whose replies were awaited.

The Department explained that all the Inspection Reports and Audit notes have since been disposed of.

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

(4) *Page 24, Para. 42-Unnecessary purchases of stores*—In this case the Audit had pointed out that the purchases of stores were made unnecessarily as was evident from the table given below:—

<i>Years.</i>	<i>Balance</i>	<i>Receipt</i>	<i>Total</i>	<i>Issues.</i>	<i>Balance</i>
1957-58	93,400	74,715	1,68,115	57,195	1,10,920
1958-59	1,10,920	1,38,075	2,48,977	48,053	2,00,924
1959-60	2,00,924	32,712	2,33,636	31,373	2,02,263
1960-61	2,02,263	88,255	2,90,518	30,439	2,60,079

These unnecessary purchases resulted in blocking up of Government capital and the heavy accumulation of stock would also result in a loss to Government due to long storage and weather conditions. The reasons for making unnecessary purchases and the conditions of old stocks if deteriorated and become unfit for future consumption needed investigation.

The Department explained that the stores related to the Dyeing and Calico Printing Centre Shahdara. The main items of stores shown in balance were the dyes and chemicals. The import of dyes and chemicals was allowed by Government on import licence and the Controller of Imports and Exports issued licences worth Rs. 50,000 to the centre for each shipping period. The dyes and chemicals were, therefore, imported against the licence issued by the Controller, Imports and Exports. These items were placed on Open General Licence from the year 1961-62. The accumulated stock of dyes and chemicals was utilized during subsequent years and very little stores were purchased during those years. The stocks of dyes and chemicals have been reduced to nearly Rs. 1 lakh against Rs. 2,60,000 during the year 1960-61. The centre being a training institute had to keep all sorts of dyes and stores for training purpose. The centre, has, however, been directed not to purchase the stores which are not required for immediate consumption.

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

(5) *Page 26, Para. 17-1(b)(46)—Non-Fixation of cadre strength*—According to the audit note the cadre strength of the various Departments of the Provincial Government was not fixed by the Government since the Integration of West Pakistan with the result that audit could not exercise proper checks to ensure that appointments are not made in any grade or class of Government servants in excess of the sanctioned scale and that no post is abolished or held in abeyance except to the extent authorised, without the orders of the competent authority.

The Department explained that the cadre strength of this Department was sanctioned by Government during the year 1957-58.

The para. was dropped.

(6) Page 4, Para. 8, read with page 104—Grant No. 32—Stationery and Printing—

	Rs.
Grant	1,92,18,400
Expenditure	2,36,44,131
Excess	44,25,732

The Department gave the following reasons for the excess expenditure:—

1. Debits for the supply of Stationery Paper/Machinery which were actually indented during the previous years amounting to Rs. 45,87,047 were raised during 1961-62;

2. Residual value of unserviceable article of dead stock amounting to Rs. 62,203 was charged to depreciation which could not be estimated at the time of preparation of budget estimates;

3. A sum of Rs. 26,527 was on account of arrears due to unification of pay scales.

Total excess of Rs. 46,75,777 was partly counterbalanced by saving under other item.

The explanation regarding the excesses of Rs. 45,87,047 and Rs. 62,203 was accepted by the Committee. As regards the excess of Rs. 26,527 the Department assured the Committee that suitable action would be taken against those who failed to take steps to make provision in the Supplementary estimates. The Committee desired that the Audit should watch the progress of the action being taken by the Department. The Department will keep the Audit informed about the progress. Subject to this observation, the para. was dropped.

(7) Page 6, Para. 12 (ii)—Surrender in absence of Saving—Grant No. 32—Stationery and Printing—

	Rs.
Excess	44,25,732
Surrender	84,510

The Department explained that in May, 1962 the Finance Department decided that the original grants for 1961-62 be superseded by the revised grants. As the Department did not surrender any amount after the approval of the revised grants the surrender of Rs. 84,510 shown in the Appropriation Accounts was not correct. No such amount was shown in the draft paras. prepared by the Accountant-General for insertion in the Appropriation Accounts booklet for 1961-62 and forwarded to the Department. The contention of the Department was accepted by the Audit.

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

(8) *Page 25, Item No. 43—loss of Rs. 52,100 on account of Advance Purchases of Articles of Stationery*—According to audit note in certain Provincial Stationery Offices huge quantities of various stationery articles were purchased well in advance and supplied to the local office for issue to the indentors inspite of the fact that demand from the local office for these stationery articles was either nil or normal. The result was that bulk of the store could not be consumed during the year and a considerably large quantity of the stationery articles valuing Rs. 1,67,506 remained un-utilized at the end of the year. In the subsequent year the market rate of the stationery stocked went down according to which values of the surplus stores was reduced to Rs. 1,15,406 with the result that Government had to incur a loss of Rs. 52,100. The loss was attributed to the fact that the purchases were made by authorities concerned without determining the actual requirements of the stores for consumption during the year. The prospects of the disposal of stock and the responsibility fixed for unnecessary purchase resulting in loss to the Government needed investigation. The latest requirement of Audit in this connection was whether any maximum stock level in respect of the items in question was fixed, if so, whether the same was adhered to. The point at issue was that if the purchase had been restricted to near future requirements and had the requirements for subsequent years been purchased in the next year, a total sum of Rs. 52,100.00 could have been saved.

The Department explained that Stationery Office had been assigned the function of procuring of Stock of Stationery Stores comprising of about 800 items for supply to about 4,000 indentors in West Pakistan on receipt of their demand. The stores are procured through the Director of Industries, West Pakistan, which generally takes about 9 to 10 months and even more to get supplies. It is, therefore, inevitable to maintain, as far as possible, sufficient stock of Stationery articles at the various stationery Offices to avoid break down in the running of the Government Presses/Departments in view of the long time taken by the Director of Industries in arranging the supplies. As the indents with Director of Industries are placed 9 to 10 months before the supplies to various offices start, their actual demands for the various articles cannot possibly be worked out. As such, assessed demands (and not actual demands) are placed by the Department on the Director of Industries, for procurement in the beginning of every year, upto the Budget grant fixed by Government, in terms of para. 11.5 of the West Pakistan Government Printing and Stationery Manual, 1st Edition. The actual demands of the indentors are received subsequently, which vary from time to time,

and it happens to be more in respect of certain articles while less in respect of others. This was the case with Government Press, Peshawar, where owing to the decrease in the demands, certain articles of stationery remained in the stock unutilized, and which was beyond the control of the Department. As a matter of fact there is no loss to Government. According to the prevailing procedure, the existing stock is valued at the price at which the fresh consignment is received. Resultantly there is an increase in the value of certain articles and decrease in the value of certain others due to fluctuation in the market rates. There was, therefore, a decrease in the value of only 6 articles to the extent of Rs. 52,100 while there was a considerable increase in the value of many other articles. To illustrate, the value of 8 items alone increased by Rs. 8,59,760. All the unutilized articles having been issued subsequently at the revised price list, the Department has on the whole, earned a huge profit, which position has not been brought out in the Audit objection. There will, however, remain no anomaly after introduction of the Commercial System of Accounting which scheme is at present under the consideration of Government. As the demand for procurement of the stationery is placed on the Director of Industries on the basis of assessed requirements of the Indentors and subject to the Budget Grant fixed by the Government, the maximum or the minimum limit for the maintenance and stocking of each item, cannot be observed as suggested by the Audit.

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

(9) *Page 25, Para. 44—Outstanding Government Dues*—In this case, in certain Presses the following old dues were outstanding against the various Departments for the printing of the jobs and supply of stationery:—

	Rs.
1954-55	75
1955-56	94
1957-58	6,766
1958-59	14,919
1959-60	1,11,731
1960-61	1,12,949
1961-62	88,807
Total	<u>3,35,341</u>

The Department explained that out of the total amount of Rs. 3,35,341 a sum of Rs. 18,152 was realized up to March, 1964, and the local audit verified this recovery. The net balance outstanding stood at Rs. 3,17,188. Subsequently a further sum of

Rs. 80,782 has also been recovered by strenuous efforts. Out of the remaining amount of Rs. 2,36,407, a sum of Rs. 1,68,019 is outstanding with the Settlement Department, a sum of Rs. 42,722 with the Irrigation Department, a sum of Rs. 12,012 with the Services and General Administration Department, Government of West Pakistan and a sum of Rs. 13,654 due from other miscellaneous Departments. Constant efforts through correspondence, D.O. letters as well as by personal contacts by deputing officers of the Department are being made to realize the outstanding dues. It has, however, been learnt from personal contacts that the Departments concerned are facing difficulty of budget allotment for which they are making arrangements. However, all out efforts are being made by the Department to recover the amount from the defaulting Departments concerned.

The Committee directed the Department to report the progress of recovery when the Accounts for 1962-63 are considered by the Committee.

(10) *Page 27—30, Para. 17-V—Inspection Reports*—Audit pointed out that the delay on the part of the Departmental officers in replying to the observations conveyed in the inspection reports and Audit Notes not only retards the settlement or regularization of various financial irregularities but also delays adoption of correct procedure for future.

The Department explained, that replies to the Audit Notes, Inspection Reports of the Government Press, Lahore for the year 1959-60, 1960-61 and 1961-62 have since been sent to the Audit. Replies to the Audit Inspection Reports for the year, 1965-66, in which the details of outstanding paras were given, have also been furnished to the Audit. Defaulters have also been given severe warning for the delay caused in the disposal of Audit Reports.

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

(11) *Page 122, Audit Comment No. 3—Theft of Rs. 4,351*—The Department explained that the case with regard to the theft of stores amounting to Rs. 4,351 was in the Court of Law.

The Committee directed the Department to submit a detailed report about this case to the Committee and deferred the item to be taken up alongwith the Accounts for 1962-63.

APPROPRIATION ACCOUNTS FOR 1960-61

(1) *Page 4-5, Para. 8 read with pages 280-81—Grant No. 30—Stationery & Printing—*

	Rs.
Final Grant	1,29,05,210
Expenditure	1,32,16,499
Excess	3,11,289

As the Department had not sent the working paper to the Audit for audit comments, the consideration of the para. was deferred to be taken up again alongwith the accounts for 1962-63.

(2) *Page 57, Para. 82—Outstanding dues*—According to original Audit Note, 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	16,283
1958-59	66,914
1959-60	2,04,774
1960-61	2,20,687

The item was last considered by the Committee on 14.4.1967 when the Department had stated that Rs. 2,00,782 had been recovered. For the sum of Rs. 41,071 pertaining to defunct offices, action was being taken to refer the case to the Department in which defunct offices had been merged. For the remaining amount the defaulters were being reminded. The Committee then directed the Department to make persistent efforts to recover the balance amount.

The Department now explained that a further sum of Rs. 82,338 has been recovered from the date of last meeting of the Public Accounts Committee. The total recovery had now come to Rs. 2,83,120 out of the total amount of Rs. 5,27,842. Efforts are, however, being made to recover the remaining amount from defaulting Offices.

The Committee desired that the Finance Department should help the Department in making recoveries from the various Provincial Government Departments and also intervene on behalf of this Department for the recovery of the sum of Rs. 1,37,477 from the Settlement Department for which the Central Government would have to be approached. Since the outstanding amount would form part of the outstanding amount against the Controller, Printing and Stationery Department in the accounts of the year 1961-62 and an explanation would be submitted by the Department when the accounts for the year 1961-62 are considered, the para. was dropped from here.

(3) *Page 3, Para. 5 read with pages 360 to 363—Grant No. 35-Development-R-Industries*—The Department explained the saving item-wise as follows:—

(i) *Re-organization of the Government Schools at Lyallpur, Montgomery, Jhang, Dera Ghazi Khan and Sargodha—Saving Rs. 1,71,760*—The Department explained that the indents for machinery for Government Industrial Schools were placed with the Supply Wing on 24-12-60 and 26-1-1961 and the supply was made on 23-6-1961 and 30-6-1961. As the year 1960-61 had already elapsed, no arrangements could be made for the payment of the amount and, as such, the saving took place.

(ii) *R-2-Additional Scholarships for the Industrial and Technical Schools—Saving Rs. 23,974*—The saving was due to less payment of stipends to the students on account of their absence from the schools. In some cases the bills for the stipend were objected to by the Audit and as such were not paid during the year.

(iii) *R-3-Conversion of Government Industrial Schools for Women to Government Vocational Schools for Women in West Pakistan—Saving Rs. 18,673*—The saving was due to (i) certain posts having remained vacant for want of suitable candidates (ii) less drawal of stipends on account of absence of stipend holders and (iii) less purchase of raw material due to less number of teachers.

(iv) *R-4-Opening of Government Vocational School for Women at Kalat—Saving Rs. 19,570*—Against the final grant of Rs. 19,570 an expenditure of Rs. 16,703 was incurred leaving a balance of Rs. 2,867. This saving was due to certain posts having remained vacant for want of qualified staff. The expenditure figures were intimated to the Comptroller, Southern Area,—vide memo. No. A.B./6-20/60-61/62, dated the 16th October, 1962 which have not been carried out.

(v) *R-5-Purchase of Press for the Government Model Tanning and Footwear Centre, Gujranwala—Saving Rs. 59,200*—The saving was due to non-payment of the cost of machinery as the machinery was not inspected by the Director, Inspection before the close of the year.

(vi) *R-6- Government Leather Centre, Hyderabad—Saving Rs. 13,066*—The Actual expenditure against the modified grant was intimated to the Comptroller, as Rs. 9,292 resulting in saving of Rs. 11,384. This is due to the fact that no suitable building was available at Hyderabad for Opening the Centre. The Centre was however, opened in the later part of the year viz., May, 1961 resulting in the saving.

(vii) *R-7-Government Hydes and Skins Development Centre—Saving Rs. 7,960*—The saving was due to the posts having remained vacant on account of ban on recruitment.

(viii) *R-8- Development of Sericulture in West Pakistan—Saving Rs. 7,960*—Against the final grant of Rs. 7,960 an expenditure of Rs. 7,957 was incurred leaving a balance Rs. 3 only. The saving of Rs. 3 being minor called for no remarks. The expenditure figures were intimated to the Comptroller, Southern Area, Karachi—*vide* memo. No. A-B/6-20/60-61/62, dated 16th October, 1962 which have not been carried out.

(ix) *R-11-Peripatetic party for imparting training in Wool Weaving in Kalat Division—Saving Rs. 340*—Against the final grant of Rs. 340, an expenditure of Rs. 340 was incurred leaving nil balance. The expenditure figures were intimated to the Comptroller, Southern Area, Karachi,—*vide* memo. No. A-B/6-20/60-61/62, dated 16th October, 1962.

(x) *R-14-Development-cum-Training Centre for Carpet Industry—Saving Rs. 4,349*—The Comptroller, Southern Area, Karachi was informed that an expenditure of Rs. 4,810 was incurred as against the expenditure of Rs. 751 shown by him. The Comptroller informed—*vide* his memo. No. A-A/4-6/63-B/R/60-61/666 dated 9th January, 1963 that the figures of expenditure were under scrutiny and reconciled figures would be communicated shortly. The Accountant-General, West Pakistan, however, intimated in November, 1963 that no change of figures was possible. According to Departmental Figures there was a saving of Rs. 290 which being nominal called for no explanation.

(xi) *R-15-Peripatetic Party for carpet making in Chagal District in Kalat Division—Saving Rs. 800*—Against the final modified grant of Rs. 800 an expenditure of Rs. 800 was incurred leaving no balance. The Comptroller, Southern Area, Karachi was informed accordingly,—*vide* memo. No. A-B/6-20/60-61/62, dated 16th October, 1962.

(xii) *R-16-Peripatetic Party for weaving in Gohalawan Sub-Division in Kalat Division—Saving Rs. 1,960*—The Comptroller, Southern Area, Karachi was informed—*vide* Memo. No. A-B/6-20/60-61/62, dated 16th October, 1962 that the modified grant was Rs. 960 against which an expenditure of Rs. 962 was incurred resulting in excess expenditure of Rs. 2 only.

(xiii) *R-17-Cottage Industries Development Centre at Kalat—Saving Rs. 42,369*—The Comptroller, Southern Area, Karachi was informed—*vide* memo. No. A-B/6-20/60-61/62, dated 16th October, 1962 that against the modified grant Rs. 5,270 an expenditure of Rs. 5,270-15-0 was incurred resulting in excess of Rs. 0-15-0 only. The figures of expenditure shown by the Comptroller have not been corrected by him.

(xiv) *R-19-Cottage Industries Development Centre, Loralai—Saving Rs. 9,920*—The Comptroller, Southern Area, Karachi, was informed,—*vide memo.* No. A-B/6-20/60-61/62 dated 16th October, 1962 that against the modified grant of Rs. 9,920, an expenditure of Rs. 9,915-4-0 was actually incurred resulting in a saving of Rs. 4-12-0.

As regards the savings under head "R-2-Scholarships for the Industrial and Technical Schools", the Committee noted that time and again the various departments have come up with savings in cases in which stipends and scholarships are not given to deserving students and the plea taken in all such cases is that sufficient number of suitable candidates was not available. The Committee felt that in most of these cases sufficient efforts are not made and due publicity is not given to get suitable candidate. Efforts should be made in future to try to give benefit of these amounts, provided by the Government, to the largest possible number of deserving students.

Subject to these observations and verification by Audit of the contention of the Department in respect of items Nos. (iv), (vi), and (viii) to (xiv) above, the para. was dropped.

(4) *Page 523, Para. 51—Embezzlement of Government money*—In this case, on physical verification of the Cash balance by Audit, a sum of Rs. 8,368-00 was found short in the cash box.

The Department explained that Rs. 8,368.00 were embezzled by Mr. Muhammad Ali, Cashier in the office of the Assistant Registrar, Joint Stock Companies, Lahore Region, Lahore. He was convicted by the Special Judge, Lahore and was awarded 3 year's R.I. with Rs. 6,000.00 fine or two years R.I. in case of default. He filed an appeal in the High Court against the order of the Special Judge, Lahore, which is pending.

As far as the safeguard for the future is concerned, the Department informed the Committee that the system has been changed and now instead of receiving the cash, treasury challans are accepted by the Department. This system ensures that there are no defalcations in future.

The Committee enquired from the Department as to how the Cashier was able to embezzle the amount of Rs. 8,368.00 had his immediate superior been vigilant, and whether the Department had taken any action against that person. The Department informed the Committee that the Assistant Registrar, Joint Stock Companies, under whom the said Cashier worked, has since retired, and as such it was too late to take any action against him.

In view of the above explanation the para. was dropped.

(5) *Page 524, Para. 52-Theft of Stores*—Government Store relating to the Commercial Section of an Industrial School valued at Rs. 659.00 was stolen during the night between 2nd and 3rd January, 1962. The case was reported to Police by the Department in January, 1962.

The Department explained that the stores valuing Rs. 659.00 pertaining to Commercial Section of the Government Industrial School, Jhelum, were stolen from the premises of the School during the night between 2nd January, 1962 and 3rd January, 1962. A report of the theft was lodged with the Police. The case was filed by the Police as untraced. The Headmaster of the School was charged in 1963. The enquiry officer has absolved the Headmaster of the responsibility of the theft.

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

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

LAHORE:

The 8th December, 1967

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 9TH DECEMBER, 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 Nawaz, M. P. A. ... | Member. |
| (3) Chaudhri Muhammad Sarwar Khan, ... | Member. |
| M.P.A. | |
| (4) Rai Mansab Ali Khan Kharal, M.P.A. ... | Member. |
| (5) Mr. Malang Khan, M.P.A. ... | Member. |
| (6) Syed Akhlaque Hussain, T.Q.A., C.S.P., | Expert |
| Additional Secretary to Government of | Adviser. |
| West Pakistan, Finance Department. | |
| (7) Rana Muhammad Yasin, P. A. & A. S., | By Invitation. |
| Accountant-General, West Pakistan. | |
| (8) Mr. Masud Nabi Noor, C. S. P., Secretary | By Invitation. |
| to Government of West Pakistan, Home | |
| Department. | |
| (9) Mr. S. M. A. Kazmi, C. S. P., Secretary | By Invitation. |
| to Government of West Pakistan, Food | |
| Department. | |

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

HOME DEPARTMENT

II. As the Working Papers in respect of the items relating to the Home Department were circulated by the Department in the meeting itself, the Committee decided to defer consideration of the items relating to this Department to the 18th December, 1967, at 11-30 a.m.

FOOD DEPARTMENT

III. The Committee then took up consideration of the explanations of the Food Department in respect of the items appearing in the Appropriation Accounts for the years 1957-58, 1960-61 and 1961-62.

APPROPRIATION ACCOUNTS—1957-58.

(1) *Page 39, Para. 22(i)*—Excess payment—In this case the register of deposit in an office of the Food Department showed excess refund to the various suppliers of Food Grains to the extent of Rs. 3,64,814. At the meeting held on 28th October, 1966, the Department had contended that there was no excess refund but misposting or misclassification. The details of misposting/misclassifications to

the tune of Rs. 2,78,168 had already been traced out and verified by Audit. The transactions aggregating to a further sum of Rs. 16,243 had been worked out but the reasons thereof were yet to be ascertained. Vigorous efforts were being made to trace out the old record pertaining to the year, 1952-53 onward and to locate the transactions for the remaining amount of Rs. 70,403. The Committee 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 until now failed to trace out.

At the meeting held on 2nd February, 1967, the Department 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 could be rectified could not be ascertained due to non-availability of the relevant cash vouchers. Strenuous efforts were being made by the Deputy Director Food to dig out the old record from various places.

The Department now stated that vigorous attempts were made by the Deputy Director Food, Hyderabad to trace out the entries for the balance amount in the register of deposits. He has reported that the record for Rs. 25,470 has since been located and the remaining untraced entries now amount to Rs. 44,933. Strenuous efforts were made by the Deputy Director Food, to trace out the record relating to the item for Rs. 44,933 but no material progress could be made.

The Department further stated that the record for the bulk of the amount which was allegedly paid in excess has been traced out and produced to Audit which proved beyond doubt that no excess payment was made by the former S. F. N. Board but actually it related to improper maintenance of the accounts books involving misposting/misclassification in the register of deposits.

An attempt was also made to fix responsibility on the Officers/Officials concerned but due to the passage of time and non-availability of the relevant record, no progress could be made in that behalf.

The Committee directed the Department to make further efforts for making the recovery and also to fix the responsibility for the loss of record. The para. was deferred to be taken up along with the accounts for 1962-63.

(2) *Page 40, Para. 26(iv)—Outstanding Recoveries*—In this case a Zamindar to whom an agency for procurement of wheat had been given and 90% advance payment was made, made a short supply of 600 bags of wheat and at the same time failed to return 6,400 empty bags. The remaining 10% payable to him, plus the security deposits, and also the commission as well as 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 Judgment 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 incorrect information and he was sorry for that. The Committee accepted his regrets and directed that when the para 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 an incorrect information.

The Department at the meeting held on 2nd February, 1967, stated that the enquiry revealed that Mr. Fateh 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 Gohar 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 and the amount of recovery due was reduced from Rs. 29,000 to Rs. 21,239-25. The Department further stated that this particular case was also included in para. 26(i) 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 para. was dropped.

The Committee then directed that recovery part should be got verified by the Audit and further progress be reported to the Committee at its next series of meeting.

The Department now stated that the Audit has since verified that the amount of Rs. 21,329.25 involved in this case which was included in the total amount of Rs. 7,65,659. The official with whose negligence incorrect information in the last meeting was supplied, has been severely reprimanded. With regard to the appeal filed by the Government in the court of District Judge, Karachi, the Deputy Director, Food, Hyderabad Region has informed that the appeal was dismissed on 17th August, 1967. The Government Advocate has applied for the supply of copies of judgment passed by the Court. Further action would be taken on receipt of the same in consultation with the Law Department.

The Committee observed that it would like the Department to follow the advice of the Law Department in the matter and take necessary action in accordance with that advice.

Subject to above observations the para. was dropped.

APPROPRIATION ACCOUNTS—1960-61.

(1) *Page 3, Para. 6 read with pages 310—312—Grant No. 34—Capital Outlay on Provincial Schemes of State Trading—Saving Rs. 7,19,950*—The explanation of the Department was that the formula for working out the interest was approved by the Government in 1962. The amount provided for could not be surrendered.

The explanation was found satisfactory and the item was dropped.

(2) *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 the records during the course of the 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.

At the meeting held on 2nd February, 1967, the Department had stated that the Drawing and Disbursing Officer, District Food Controller 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 & 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 then decided that the action taken by the Department on the recommendations of the Enquiry Officer should be reported to the Committee.

The Department now informed the Committee that the Enquiry Officer had exonerated the District Food Controller in view of the fact that the relevant documents, some of which had been originally filed in the Court when the case against the Office. Nazir had been filed were no more available and some other documents had originally been alleged to have been destroyed by the said Office Nazir.

The Committee felt that had the Department made an attempt to fix the responsibility for negligence on the District Food Controller at the time when the embezzlement had first come to the notice of the Department it would probably have been possible to have proceeded against him departmentally. However, at this late stage since he has been exonerated by the Enquiry Officer due mainly to non-availability of relevant records and documents no further action can be taken. The Committee recommends to the Department in future to treat matters of this nature in a manner whereby not only is action taken at the earliest against any person involved in such embezzlement or misappropriation but that an attempt is also made to fix the responsibility of the supervisory staff also.

Subject to these observations the para. was dropped.

(3) Page 51, Para. 68-Transit Losses—In this case Foodgrains 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
	Mds.	Rs.	Year
(i) Imported wheat ..	19,045	2,33,300	1957-58
(ii) Imported wheat ..	2,889	45,804	1959-60
(iii) Indigenous wheat ..	960	15,360	Do.
(iv) Wheat Atta ..	62	1,015	Do.
(v) Rice Basmati ..	2	56	1959-60
(vi) Rice Hansraj ..	5	115	Do.
Total ..	22,943	2,95,750	

The Audit Department had not been informed whether the loss had been made good or written off.

At the meetings held on 2nd February, 1967, the Department stated that the enroute shortages in transportation of stocks of food-grains are unavoidable. 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. Explanation for items Nos. (ii), (v) and (vi) were accepted. The position of shortages in respect of remaining items was explained as under :

(i) IMPORTED WHEAT—19,045 MAUNDS

The quantity despatched *ex-Kemari* 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 compared with 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) 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 the remaining 173 maunds are under investigation and results would be intimated to the Committee at the next series of the meetings.

(iii) 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.

In the Present meeting the position of outstanding cases was stated to be as under :—

(i) Imported Wheat—19,045 Maunds

The claim of the Provincial Government on account of enroute shortages of Imported Wheat was considered in the meetings held between the representatives of the Central and Provincial Governments at Islamabad on 20th April, 1967, and 27th September, 1967. In the last meeting, it was decided to set up a committee with the following terms of reference :—

- (i) To determine the extent of dryage in transit due to loss of moisture;

- (ii) to find out the extent of shortage on account of pilferage in transit;
- (iii) to ascertain as to how far faulty weighment is responsible for the shortage; and
- (iv) to recommend measures necessary to be adopted to minimise the losses.

The abovementioned Committee has been directed to submit its report by 30th November, 1967. The claims of the Provincial Government would be examined in the light of findings of the Committee.

(ii) *Indigenous Wheat—960 Maunds*

Out of the remaining quantity of 173 maunds recovery of 33—15 maunds of Indigenous Wheat has been made and got verified by the Audit. Cases for the remaining quantity of 139—25 maunds of wheat are under examination at different stages.

(iii) *Wheat Atta—62 Maunds*

Out of the remaining 32 maunds a further quantity of 6—25 maunds has been recovered in kind. A shortage of 19 maunds has since been written off and verified by the Audit. Cases aggregating to 6—15 maunds are yet to be decided.

The para was deferred to be taken up at the next Committee meeting, when the Committee would like to have details of the Joint Committee report set up by the Central and Provincial Governments. The Committee would also like to have details regarding the total amount of foodgrains which were moved into as well as outside the district in question and also the percentage of the loss in transit.

The Committee would also like to have details of the over-all percentage of loss of foodgrains in the Province during this year.

The item would come up when the accounts for 1962-63 are taken up.

(4) *Page 51, Para. 69—Infructuous Expenditure*—In this case during September, October and November, 1958, 1,78,888 maunds of imported wheat was booked from Kemari 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. Centre where it was required or where accommodation was available. The Department at the meeting held on 2nd February, 1967, stated that the objection appeared 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.

Audit pointed out that the Department had admitted that the wheat products and not the wheat itself were despatched from Rawalpindi to Multan Division to meet the demand for local consumption. The Committee asked the circumstances in which the wheat was not despatched to the nearest station of Multan Division for milling purposes so as to meet the local demand.

The Department stated that the Multan Roller Flour Mills having a 24 hours 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 in addition to milling atta for Lahore Division itself. The extra expenditure was incurred in Public Interest.

The Committee asked the Department to furnish the details and capacity of the Okara Flour Mills, the capacity of the two Flour Mills of Rawalpindi which were used, and the capacity of the four flour mills in Lahore Division.

The Committee now examined the statement relating to the milling capacity of various mills during 1958-59 at Okara, Rawalpindi and Lahore Division as well as the storage capacity of Lahore Division during 1958-59. The Committee was not convinced that wheat meant for Multan during this particular year could not be milled either at Multan itself or at Okara or at other places nearer to Multan than Rawalpindi. The Committee, therefore, directed the Department, in future, to take particular care, as far as possible, to see that wheat was not sent for milling to places far away when it could very well be milled in areas which were nearer to its ultimate destination.

Subject to these observations the para was dropped.

(5) *Page 52, Para. 70—Over payment*—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. 41,809 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 at the meeting held on 2nd February, 1967, had 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. The analysis results received from the Central Government were meant for comparison only and never communicated to the suppliers. As such, no over-payment was made on this account.

Audit then 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 practices followed in the past. The Central Government neither objected nor lodged any claim on this account.

The para had been deferred for re-examination by the Audit and for making a joint attempt at reconciliation.

The Department now stated that a meeting was held with the representatives of the A. G's. Office but no agreement could be reached. The Department, however, added that the recommendation of the Audit has been incorporated in the Rice Scheme for the year 1967-68. Specific provision has been made in the agreement to be executed with the dealers. Relevant clause of the agreement is reproduced below:—

"The Supplies tendered by the dealers shall be subject to super inspection by any officer of the West Pakistan Food Department or of Ministry of Agriculture and Works, (Food Wing) Government of Pakistan, at an any time and stage. The adjudication made by Director Food, West Pakistan in all cases including appeals and super inspections etc. shall be final and binding on the dealers". The Committee noted that the write off of this amount, if at all, would have to be done by the Central Government. The para. was, therefore, dropped.

(6) Page 52, Para. 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 over payments, cost of shortages etc. Out of the total 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.

At the meeting held on 2nd February, 1967, the position of outstanding recovery was stated to be as under:—

	Rs.
(i) Amount recovered ..	17,543
(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
Total	53,53,716

Items at Serial No. (i) and (ii) were dropped. Regarding remaining three items, the Department was directed to report the progress at the next series of meetings of the Committee.

The Department now stated that the present position of the cases for the remaining amount of Rs. 53,35,031 was as under:—

	Rs.
(1) Cases under litigation	52,30,701
(2) Amount recovered	6,368
(3) Amount written off as; (bad debts)	5,732
(4) Cases under scrutiny and action	92,230
Total	53,35,031

The Committee directed that the progress should be reported alongwith the accounts for the year 1962-63.

(7) *Page 52, Para. 72—Shortage of Foodstuff*—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	
		Mds.	Amounts Rs.
(i) Wheat 58-59	June, 1960	20,140	2,51,750
(ii) Sugar 59-60	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 un-standardized 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 1,602 maunds of wheat and 97 maunds of Sugar occurred and action for making good or write off of this shortage had not been intimated to Audit.

The Department at the meeting held on 2nd February, 1967, had stated that these were complicated cases and the Department was making efforts but it would take some time before the whole matter was straightened out. The explanation of the Department was not considered satisfactory. The Committee directed that strenuous efforts should be made to increase the speed of recoveries.

The Department now regretted that these complicated cases could not be finalized due to certain technical difficulties such as fixation of responsibility on the officers/officials concerned and recovery of the amount of loss from them which is a major penalty under the West Pakistan Government Servants (Efficiency and Discipline) Rules, 1960. The Deputy Director Food, Quetta Region has reported that out of the total shortage of 97 maunds of sugar, quantity of 8-34-14 maunds has been written off. The responsibility has been fixed on the delinquents in respect of the remaining quantity of 88-5-2 maunds. The Deputy Commissioners concerned have been requested to effect recoveries from them. Effort are being made to finalize the cases. The Department requested that this item may kindly be deferred for consideration in the next series of meetings.

The para. was accordingly deferred to be taken up again in the next series of meetings when the accounts for 1962-63 are considered by the Committee.

(8) Page 312, Notes 3 and 4—In this case Running Accounts of Foodgrains 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 at the meeting held on 2nd February, 1967 had 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 food-grains 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 on 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 account 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.

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 Department informed the Committee that necessary concurrence had been accorded by the Audit. The Department also placed before the Committee a statement showing the progress achieved in the preparation of the accounts which were in arrears.

The Committee noted the progress made and directed that the Department should expedite the compilation.

As the para. is also included in the Appropriation Accounts for 1962-63, the para. was dropped here.

(9) Page 517. Para. 28 (i)—*Theft of Gunny Bags*—In this case 400 Gunny bags had been stolen from a Provincial Reserve Centre.

At the meeting held on 2nd February, 1967, the Department had 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 the same 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 had then observed that no satisfactory progress had been made by the Department in the matter in so far as departmental proceedings to fix responsibility had not been taken in hand and directed that progress should be reported at the next series of meetings.

The Department now stated that the departmental proceedings have been initiated against the officials concerned to fix responsibility for the loss and that further action would be taken when the case is finalized.

The para. was deferred to be taken up alongwith the accounts for the year 1962-63.

(10) *Page 517, Para. 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 at the meetings held on 2nd February, 1967, had stated that the matter is pending in a court of law. The Committee had then directed that the Department should clearly report whether any loss was sustained by Government.

The Department now stated that the case is still under trial in the Court of A.D.M., Bahawalnagar. The case came up for hearing on 16th October, 1967, but was adjourned to 2nd January, 1968. Further progress will be intimated in due course.

The Committee directed that the Department should follow the case up and try to get it settled earlier. Subject to these observations, the para. was dropped.

(11) *Page 517, Para. 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 chattaks 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 matter was last considered by the Committee at its meeting held on 2nd February, 1967, when the Department had stated that the payment of the 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 had then directed that progress should be reported at the next series of meetings.

The Department now stated that the matter is still under consideration of Government in Finance Department.

The Committee directed that further progress should be reported in the next meeting when the accounts for 1962-63 are considered by the Committee.

(12) *Page 518, Para. 34 (i)—Shortage of Wheat in transit*—In this case shortage of 4,332 maunds 32 seers and 8 chattaks 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.

At the meeting held on 2nd February, 1967, 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.

As no progress was reported in the present meeting, the consideration of the para. was deferred to be taken up alongwith the accounts for the year 1962-63.

(13) *Page 518, Para. 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 Railway Station while taking delivery of wheat by a representative of a Political Agent.

At the meeting held on 2nd February, 1967, 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 Department now stated that the Deputy Director, Food, Peshawar Region, conducted necessary enquiries into the individual cases in accordance with the rules and procedure prescribed in this behalf. No official of the Food Department was found responsible for the shortages. Moreover, the deliveries of the consignments were taken under the supervision of a Gazetted Officer after necessary check-weighment. Copies of the orders sanctioning write off have again been supplied to the Comptroller, Northern Area, Peshawar.

The para. was dropped.

(14) *Page 518, Para. 34 (iii)—Shortage of wheat in transit*—In this case a quantity of 105 maunds 36 seers 9 chittaks 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.

At the meeting held on 2nd February, 1967, the Department stated that the actual quantity of enroute 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.

The Department now stated that the Departmental enquiry is still in progress.

The para. was deferred for consideration in the next meeting along with account for 1962-63 when the Department will report the finalization of the matter to the Committee.

(15) *Page 518, Para. 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 at the meeting held on 2nd February, 1967 stated that the enroute 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 511-35-15 maunds 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 unstandardized bags for which a claim had already been lodged with the Central Government as explained against para. 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 consigner.

The Committee directed that the non-accrual of shortage of 16-11-4 maunds should be got verified by Audit. The Committee also directed that 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.

The Department now stated that the cases with regards to 511-38-14 maunds of wheat are still under examination of the D. D. F. Peshawar.

The non-accrual of the shortages of 16-11-4 maunds has not yet been verified by Audit as the party has not yet visited the D.F.C's Office. It would be got done as and when the audit party visits the office concerned. The claim for compensation against the Railway Authorities was lodged in time and was repudiated as the consignment was booked on "said to contents" basis.

The Department further stated that the claim was lodged with the Railway Department but they did not accept it. The Committee felt that the Department should make further attempts to fix the responsibility for the shortage and recover the amount. In case this is not possible, the Department then should move the Finance Department for according sanction for the write-off.

Subject to either the recovery being made or the finalization of the write-off, the para. was dropped.

(16) *Page 519, Para. 35—Overpayment of Octroi*—In this case octroi charges on wheat were paid at Re. 1/4 per maund as against Re. -/7/- 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.

At the meeting held on 2nd February, 1967 the Department stated that the octroi was incorrectly and illegally charged by the Parachinar Bazar Fund at the rate of Re. 1.25 instead of Re. 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.

The matter is still under consideration of the Commissioner, Peshawar Division who has already been reminded demi-officially to expedite the matter.

The Department now stated that the matter has since been settled and the amount will be recovered.

Subject to verification by Audit of the recovery being made, the para. was dropped.

(17) *Page 520, Para. 36 (i)—Shortage in wheat*—In this case as a result of check weighment a shortage of 1,298 maunds 14 seers 4 chittanks 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.

At the meeting held on 2nd February, 1967, 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 consigner. With regard to balance quantity of 1,203 maunds the cases were reported to be under investigation and consideration at different stages.

The Department now stated that the cases for the balance quantity of 1,230 maunds are still under investigation in Peshawar Region. The D.D.F., has been reminded to finalize the outstanding cases immediately.

The Department requested that the para. may be deferred for the present as they were expected to make considerable progress in the near future. The para. was accordingly deferred and will come up again alongwith the accounts for the year 1962-63 when the Department will report the progress.

(18) *Page 520, Para. 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. -/1/- to Re. -/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. -/1/- 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. -/1/6 per ration card amounted to Rs. 1,204. The Department had been asked to regularise the loss.

At the meeting held on 2nd February, 1967, 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 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 should be got verified by Audit, the remaining amount recovered and progress reported.

The Department now stated that the recovery of Rs. 522-49 will be got verified at the time of next visit of the Audit Party to the D.F.C.'s Office.

The Government have directed the D.D.F. to institute a proper Departmental enquiry to fix responsibility for the loss. The result of proceeding would be reported.

The Committee desired that the Department should recover full amount and if it is not possible then suitable disciplinary action against the person responsible for not communicating the increase in the price of Ration Cards, be initiated and after that action taken and necessary formalities for the write-off carried out. Subject to these observation, the para. was dropped.

(19) *Page 520, Para. 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 Re. 1/4/- 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. -/8/-, Re. -/10/- and Re. -/4/-. Accordingly the Municipalities claimed the arrears from 13th October, 1958 and charged the octroi at the increased rate of Re. 1/4/- 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 from 13th October, 1958 to 31st December, 1958.

At the meeting held on 2nd February, 1967, 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 recovery of overpayment from the Municipal Committees. The amount is now likely to be recovered shortly.

The Committee then directed that the Department should report progress at the next meetings of the Committee.

The Department now stated that the amount of Rs. 5,762/- involved had been recovered from the Municipal Committee. Subject to verification of the recovery by the Audit the para was dropped.

(20) *Page 521, Para. 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 chittanks 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.

At the meeting held on 2nd February, 1967, the Department stated that on verification of the departmental record, it has been found that the total shortages were 11-18-2 maunds and not 65-4-10 maunds of wheat as pointed out by the Audit Department. The Comptroller, Northern Area, Peshawar had 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 5-37-0 maunds 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 5-37-0 maunds of wheat and also to report progress made on the remaining shortage.

The Department now stated that the storage shortages of 5-37-0 maunds were written off by the D.D.F. Peshawar Region after proper examination and scrutiny of the cases. It has been reported that the stock as stored in hot climate for more than one year is effected by insects. With regard to the other case of 11-18-2 maunds the departmental proceedings are in progress. The enquiry Officer has been reminded to expedite his report.

The para. was deferred to be taken up alongwith the accounts for the year 1962-63.

(21) *Page 521, Para. 40—Shortage in imported wheat*—In this case shortage of 101 maunds 31 seers and 8 chittanks 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.

At the meeting held on 2nd February, 1967, 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 consigners.

The Committee then directed that progress should be reported at the next meeting of the Committee.

The Department now reported that the amount had been written off. The para. was dropped.

(22) *Page 522, Para. 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.

At the meeting held on 2nd February, 1967, the Department stated that as a result of scrutiny of the accounts of Pesni 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 misappropriated/ 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 judgement from the Court.

The Committee then directed that progress should be reported at its next meeting.

The Department now informed that the person concerned has been charge-sheeted and an Enquiry Officer appointed. The Committee desired that the enquiry should be completed and the findings submitted to the Government within a period of not more than two months.

The para. would come up again at the next meeting of the Committee alongwith the account for 1962-63.

APPROPRIATION ACCOUNTS 1961-62

(1) *Page 20, Para. 32—Defalcation of Government money and stock in a food grain Depot*—In this case a Deputy Commissioner reported in February 1953 a defalcation of Rs. 12,222 by a Store Keeper of Government Food Grain Depot. The defalcation consisted of Government money amounting to Rs. 5,992 and of wheat and empty bags valuing Rs. 6,230. Out of this, amounts aggregating Rs. 5,444 were recovered and credited to Government in February and March, 1963. A further amount of Rs. 4 credited in excess in the account of sugar was also adjusted against the amount of defalcation.

The Store-Keeper was tried in a court of law and sentenced to rigorous imprisonment of four months with a fine of Rs. 300 or in default to undergo a further rigorous imprisonment of three months. It was also ordered by the court that 53 bags of Gur, belonging to the store-keeper and seized by the Police should be confiscated. Sale proceeds of this Gur amounting to Rs. 1,882 were credited to Government. This amount of Rs. 1,882 was, however, paid back to the Store-Keeper during the year 1962-63 as a result

of the decision of a Civil Court. The amount of Rs. 7,429 as detailed below was written off under orders of Government:—

	Rs.
1. Cost of wheat and empty bags	6,230
2. Cash defalcated	5,992
Total	12,222
3. Cost of suit decreed against the Store-keeper	655
Grand Total	12,877
4. Recovery of cash made by the Police during investigation	5,445
5. Credited in excess in the amount of sugar	3
Total	5,448
Net loss written off	7,429

The loss to Government occurred due to disregard of the rules and orders of Government regarding obtaining of security from the store-keeper who remained employed from September, 1952 to February, 1963 but the requisite security was not obtained from him. No departmental action was taken against the officials concerned for negligence to obtain security for the reasons that the District Supply Officer concerned was retired and other officials reverted or degraded.

In order to guard against the recurrence of such losses in future it was ordered that fresh security amounting to Rs. 300 should be obtained from the store-keeper while no amount of securities have been prescribed in the case of weighmen and chowkidars.

The Department explained that the Deputy Commissioner, Kohat conducted an enquiry to apportion responsibility upon other staff but no other official was reported to be responsible for the loss. The loss was written off by Government keeping in view the various aspects of the case. No security is obtained from the chowkidars as the responsibility for the safe custody of the stocks kept under double lock rests with executive staff of the Department from whom adequate securities are obtained to safe-guard the public interest.

The explanation was accepted and the para. was dropped.

(2) Page 3, Para. 6 read with Page 134—Grant No. 41—Capital outlay on Provincial Schemes of state trading-saving—

(3) Page 6, Para. 12 (i)—Read with page 134—Grant No. 211 capital outlay on Provincial Schemes of state trading—surrenders made in excess of saving—

	Rs.
Amount of Saving	80,60,642
Amount Surrendered	2,66,98,790

The explanation of the Department was that:—

- (a) The saving of Rs. 46,43,361 which works out to 78.51% of the final appropriation in the charged section, was due to the fact that the procedure for the calculation of the amount of interest on capital investment in state trading was approved in consultation with the Audit and Finance Department as late as July, 1962. As such the requirements could not be accurately determined while preparing the revised budget estimate for the year 1961-62;
- (b) In the authorised section a sum of Rs. 2,66,93,790 was surrendered because it was anticipated that it would not be possible to arrange imports upto the estimated quantity provided for in the budget estimates. Due to the persistent requests of Provincial Government the Supply position was improved at the fag-end of the year which resulted in an excess expenditure of Rs. 1,86,33,168 which works out to 2.88% of the final appropriation.

The items were dropped.

IV. The Committee then adjourned to meet again at 9-00 a.m. on 11th December, 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

LAHORE:

The 9th December, 1967.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 11TH DECEMBER, 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 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) Syed Akhlaque Hussain, T.Q.A., C.S.P.,
Additional Secretary to Government of
West Pakistan, Finance Department. | Expert
Adviser. |
| (7) Chaudhri Bashir Ahmed, Assistant
Accounts Officer Office of the Account-
ant-General, West Pakistan. | By Invitation. |
| (8) Mian Namdar Khan, Joint Secretary to
Government of West Pakistan, Educa-
tion Department. | By Invitation. |
| (9) Mr. S. M. Wasim, C. S. P., Secretary to
Government of West Pakistan, Basic
Democracies, Social Welfare and Local
Government 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 examined the explanations of the following Departments in respect of the items appearing in the Appropriation Accounts for the year 1959-60, 1960-61 and 1961-62 :—

EDUCATION DEPARTMENT

APPROPRIATION ACCOUNTS—1959-60

(1) *Page 3, Para. 5 read with Page 158—Grant No. 27-Industries-A-Industries-Other than A—3(e)—Saving Rs. 2,82,562—*The Department explained that there was a saving of Rs. 2,12,387 and not Rs. 2,82,562 during 1959-60 in respect of Government Technical Institutions/Schools transferred to the Education Department. The remaining amount of Rs. 70,175 relates to the Carpet Centre, Hyderabad and Cottage Industries' Development Centre, Khairpur, transferred from Industries Department to Small Industries Corporation.

The reasons for the saving of Rs. 2,12,387 were given as under:—

- (i) Certain posts remaining vacant for some months on account of transfers, leave and non-availability of qualified persons in Sind and Khairpur;
- (ii) adjustment on account of rent could not be made within the year;
- (iii) adjustment of some staff carrying lower scale against higher vacant posts;
- (iv) some material were not purchased as the Vocational Schools did not work in full strength;
- (v) some T.A. bills remained pending due to audit objection;
- (vi) non-drawal of Stipends on account of absence of students and late admission.

The explanation of the Department for the saving of Rs. 2,12,387 was considered by the Committee to be satisfactory.

The contention of the Department that the explanation for the saving of Rs. 70,175 had to be furnished by the Industries and Commerce Department (i.e. Small Industries Corporation) was accepted. The Committee directed that the Industries Department should explain the saving of Rs. 70,175 as accepted by them,—*vide* their letter No. DI/Audit/1-56/67/399, dated the 11th April, 1967 to the Education Department, at the next series of meetings of the Public Accounts Committee. This item should, therefore, be included in the working paper for the Industries Department and they should be specifically told that when the Committee next meets, they should furnish full explanation for the saving.

(2) *Page 48, Para. II—Audit of Grants-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 Instruction to the Audit. At the meeting held on 24-11-1965, the Department had stated that the requisite certificate had been furnished to the Audit. The Committee, had, however, desired that the Education Department should supply a list of the institutions which had not utilized the grants according to the conditions laid down or had failed to utilize the grants allocated to them.

At the meeting held on 18-4-1966, amounts of unspent grants for Peshawar, Sargodha, Multan and Lahore regions were intimated but the figures for Quetta and Karachi Regions were not supplied

as the same had not been received by the Department. The Committee then directed that efforts should be made to make these figures available at the next meeting.

On 28-10-1966 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:—

S. No.	Name of Local Body	Unspent Balance, Rs.
1.	District Council, Gujrat ...	67,328
2.	District Council, Rawalpindi ...	53,380
3.	District Council, Jhelum ...	85,187
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, D.G. Khan ...	6,374
11.	Municipal Committee, Sadiqabad ...	12,713
12.	Municipal Committee, Khanpur ...	1,668
13.	Municipal Committee, Bahawalpur ...	810
14.	Municipal Committee, Chishtian ...	1,292
	Total ...	5,02,954

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 Grant-in-Aid and 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 at the meeting held on 1-2-1967 supplied the information as under:—

Serial No.	Name of Local Body	The year during which the unspent grant was adjusted	Reasons for not spending the grant during 1969-80
1	District Council, Gujrat (Rs. 67,328)	1960-61	No cogent reasons have been given by the Local Bodies for non-utilization of the Grants-in-aid during 1969-80.
2	District Council, Rawalpindi (Rs. 53,380)	Ditto	

Serial No.	Name of Local Body	The year during which the unspent grant was adjusted	Reasons for not spending the grant during 1959-60
3	District Council, Jhelum (Rs. 85,187).	Ditto	Ditto
4	District Council, Campbellpur (Rs. 1,65,062).	Ditto	The grants were received towards the close of financial year and as such utilisation during 1959-60 was not possible.
5	Town Committee, Miani (Rs. 1,781).	1960-67	Due to non-appointment of a teacher.
6	Municipal Committee, Khushab (Rs. 166).	1960-61	It was small amount which could not be utilized during 1959-60.
7	Municipal Committee, Bhara (Rs. 685).	1960-67	Due to non-appointment of a teacher.
8	District Council, Multan (Rs. 66,508).	1960-61 1964-65	(Rs. 31,432 + 45,076). The amount 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 Public Works Department authorities who did not start the construction of the hostel during 1959-60. The hostel was started by Public Works Department during the following year and amount utilized.
10	Municipal Committee, D.G. Khan (Rs. 6,374).	1960-61	This grant could not be drawn by the Committee for want of payment authority in the Treasury Office, D.G. Khan during 1959-60 and as such the amount lapsed to Government.
11	Municipal Committee, Sadiqabad (Rs. 12,713).		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 supplying 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. 1,292).		

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 Departments the advisability of releasing funds by these Departments as early as possible to enable the Local Bodies to spend the amount.

Regarding serial No. 5 and 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 No. 10-14 the Department could not state whether the funds were utilized in subsequent years.

The explanation now submitted by the Department was as under:—

No. 4. District Council, Campbellpur—The funds are collected by the Department as early as possible but the amount remain unutilized in certain cases due to the following factor:—

Second List of Excesses and Surrenders is due with the Finance Department on the 15th April every year and approval of the Finance Department is received in about third week of May. Sometimes, back-reference is required to be made to the Finance Department for the increase of funds which takes some time. Re-appropriation and Region-wise distribution of the funds received from the Finance Department through revised estimates is made by the Administrative Department after observing all the formalities and working out complete details. On receipt of the additional funds from the Education Secretary, the Regional Directors of Education sanction grants to various local bodies after thorough scrutiny. These Local Bodies are required to call for quotations and observe other formalities before utilizing the funds allocated to them. All these formalities require time and at every stage the Department takes necessary steps for the full utilization of the funds but due to time limit funds remain

un-utilized in certain cases. To overcome this difficulty this Department suggests that the date of submission of Second Statement of Excesses and Surrenders to the Finance Department be fixed a few weeks earlier. In case this proposal is accepted, this will give more time for the utilization of the grants before the close of the Financial Year.

No. 5-7. Town Committee, Miani, and Municipal Committee, Bhera—The concerned Divisional Inspector of Schools while recommending grant for the next year (1960-61) did not mention these unspent balance with the result that the following grants could not be adjusted during the following year:

Town Committee, Miani Rs. 1,781—Municipal Committee, Bhera Rs. 685—The adjustments in respect of these unspent balance were made as soon as these came to the notice of the Department. The Director of Education, Rawalpindi, has been asked to convey the displeasure of the Government to the Inspector of Schools who did not point out the unspent grant balance lying with these Local Bodies, in time. In order to avoid such irregularities the Director of Education, Rawalpindi, is being asked that before sanctioning the grants the Divisional Inspector/Inspectoresses of Schools should be directed to furnish certificates for total utilization of grants and in case of unspent grants necessary adjustment should be made in the subsequent years.

Technicalities of adjustment and the procedure for releasing of grant—The procedure for the release of grant provided through regular budget is that first instalment of grant is released in advance to the extent of 50% of the total grant sanctioned in favour of a local body during the preceeding year. The second instalment is released after the accounts of the Local Bodies are checked on the spot by the Senior Accountant of Regional Directorate or a representative of the said office and after adjustment of the unspent balances at the disposal of the local bodies. The unspent balances in respect of grants for previous years, if any, are adjusted against the current year's grant. In the event of a saving out of the sanctioned Budget allotment (after releasing normal maintenance grant) special equipment grants are also sanctioned for certain financially weak local bodies. This is usually done towards the close of the financial year. Such grants are drawn by the Local Bodies to avoid lapse of funds but due to the lengthy procedure involved in the purchase of equipment/stores articles, etc., Local Bodies usually utilize such grants during the next financial year with the approval of the Director of Education concerned. The procedure for the adjustment of unspent portions of grants sanctioned in respect of new schemes is also the same as explained above in regard to the normal maintenance grants.

No. 8 District Council, Multan—Some persons referred the case to the Pakistan Special Police due to party friction. The matter was investigated by the Pakistan Special Police but nothing could be proved against the concerned officials. The matter remained under investigation for more than 2 years. It was in 1961 that concerned officials were acquitted honourably. The record was received back from the Police in March, 1962 and necessary steps were taken to utilize the grant soon after that. Accounts of the District Council were also checked by the Local Audit Fund Department but no embezzlement was found.

No. 10-Municipal Committee, D.G. Khan—The grant of Rs. 6,374 sanctioned during the year 1959-60 was not paid to the Municipal Committee, D. G. Khan, by the Treasury Officer for want of authority from the Accountant-General, West Pakistan. This fact has been confirmed by the Director, Local Fund Accounts. The question of remaining the above amount unspent and its subsequent utilization, therefore, does not arise.

- (1) Municipal Committee, Sadiqabad.
- (2) Municipal Committee, Khanpur.
- (3) Municipal Committee, Bahawalpur.
- (4) Municipal Committee, Khairpur.

All the grants paid to these Local Bodies during the year 1959-60 were utilized in full and no amount remained unspent. This has been confirmed by the Director, Local Fund Audit, Multan Region, Multan.

The explanation was accepted and the para. was dropped.

APPROPRIATION ACCOUNTS—1960-61.

(1) *Page 345—Grant No. 35-Development-K-5(6)—Additional Scholarships for Lawrence College, Ghora Gali—Excess Rs. 27,000—*The Department at the meeting held on 1-2-1967 had 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. 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 Directors 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 person 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; and how many students were selected.

The explanation submitted by the Department was as under:—

- (a) The Directorate of Education, Lahore Region which is the parent office of the defunct office of the Director of Public Instructions, West Pakistan, has been asked to locate the officer at fault and convey him displeasure of Government for the Lapse and also direct him to be more careful in future.
- (b) The Scholarships were extensively advertised through 8 newspapers of West Pakistan. In all 52 applications for award of scholarships were received by the Principal, Lawrence College, Ghora Gali. Out of these 49 applications were for full scholarships of Rs. 125 per mensem and 3 applications were for half scholarships of Rs. 62.50 per mensem, each. Out of 52 applications, 9 candidates were found eligible on the basis of written test, interview, age, and income, etc.

Subject to the action being taken by the Department against the officer at fault referred to in (a) above, the para. was dropped.

(2) Page 346—Grant No. 35-Development-K-5-(13)—Purchase of equipment for Girls High School Quetta and Boys School Quetta Excess Rs. 4,23,445—The item was last considered by the Committee at its meeting held on 1st February, 1967 when the Department had stated that the original Budget Provisions of Rs. 50,0000 was re-appropriated by the former Director of Public Instructions, West Pakistan, for meeting the expenditure sanctioned by the 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. The office had to book the entire expenditure under "63-B-Development" in three categories, i.e., "Contingencies", "Grants-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 reconciled monthly with the Audit. The Department maintained that this had been done. The Committee observed that if the explanation of the Department were to be accepted than the Committee failed to see how booking under wrong head could have been made. The Committee had then 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 was further asked to intimate full particulars of the expenditure and to get the same reconciled with the Audit and to report progress to the Committee.

The Department now explained that the expenditure was reconciled by the Director of Education, Quetta, as booked by the Audit Office. The Audit Office booked the expenditure under 63-B-Development K-Education in three categories viz. (i) Contingencies (ii) Grants-in-Aid and (3) Scholarships instead of Sub-head wise schemes-wise and there was no alternative but to reconcile the total expenditure under the Minor Head (K-Education) with that as reported by the concerned Drawing and Disbursing Officers in Quetta Region. The Director of Education, Quetta, has been asked to convey the displeasure of Government to the persons who failed to get the expenditure classified properly at the time of reconciliation with Audit Office. The total expenditure as worked out by the Department tallies with that booked by the Audit Office. It cannot be bifurcated at this stage as the accounts for the year, 1960-61, had been closed since long.

Full particulars of the expenditure were given as below:—

		Rs.
Contingencies	... K.2	58,340
Contingencies	... K.5	1,35,768
Grant-in-Aid	... K.5	31,000
Contingencies	... K.6	1,39,055
Grant-in-Aid	... K.6	1,39,055
Contingencies	... K.7	24,003
Scholarships	... K.8	4,91,205
Total	...	9,23,121

The Committee was further informed that the official who had supplied incorrect information earlier has been warned.

The explanation furnished by the Department was accepted and the item was dropped.

(3) *Page 347—Grant No. 35-Development K.5 (14)—Purchase of Science Equipment for Middle and High School—Excess Rs. 3,90,000*—The item was last considered by the Committee at its meeting held on 1st February, 1967 when 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 or to be spent during the year 1960-61. It was a case of misposting in the Audit Office and discrepancy could not be reconciled as the record of that office was destroyed by fire a few years ago.

The Committee then 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 record at their end.

The Education Department now produced letter No. 5-33/61/12672-B, dated 25th April, 1961 from the Director Public Instruction, West Pakistan, Lahore to the Accountant-General, West Pakistan, which showed that a sum of Rs. 4,99,960 including Rs. 3,87,960 provided for the purchase of Science equipment for Middle and High Science Schools was re-appropriated for certain other schemes. This meant that so far as the sum of Rs. 3,87,960 provided for the purchase of Science equipment was concerned the amount was not utilised for this purpose. It was not clear how the Accountant General's figures (which later on were accepted by the Education Department themselves) showed that there has been an expenditure of Rs. 3 lakhs and ninety thousand on this very Head i.e. purchase of Science equipment for Middle and High Schools and thus there has been an 'excess' to this extent. The Committee decided that the Budget wing of the Finance Department should convene a meeting of the officers of the Education Department and the Accountant-General to resolve the difficulty. The Education Department should submit to Committee an explanation in the light of what transpires at the meeting between the Finance Department, The Education Department and the Audit.

The item was deferred to be taken up alongwith the accounts for 1962-63.

(4) *Page 50, Paragraph 65 (ii)*—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 at the meeting held on 18th February 1967 stated that the motor vehicle in question was insured with the Pakistan General Insurance Corporation Ltd. As per instruction

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 and asked the Department to report whether the irregularity had been regularised.

The Department now informed the Committee that the amount of Rs. 590 which was paid as insurance charges of a Government vehicle out of the Government account which as a result of the audit objection and advice of the Finance is to be recovered from the Headmistress concerned, would be recovered from the Headmistress in the near future. The said Headmistress has retired and the Department had informed the authorities concerned that her pension should not be paid pending the finalisation of the case. At this stage the representative of the Finance Department pointed out that no pension can be stopped after the lapse of one year and if any amount was to be recovered from her it would have to be within this period. The Committee asked the Department to proceed in the matter keeping this in mind and to ensure that this amount is recovered at the earliest.

Subject to these observations the para. was dropped.

(5) *Page 59, Paragraph 87—Audit of Grants-in-Aid*—In this case certificate to the effect that the grants are 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.

As the meeting held on 14th April, 1967, the Industries Department had stated that the certificate in question had been submitted to the Accountant-General, West Pakistan by the Directorate Technical Education. When asked as what action had been taken against the officials responsible for delay, the Industries Department has 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, the action taken against officials responsible for the delay.

The Education Department now stated that the action against the officer responsible for not furnishing the certificate concerning proper utilization of grants-in-aid to the Audit within the time limit has since been taken and the displeasure of Government has been conveyed to the officer responsible for the delay.

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

(6) *Page 7, Para. 12(i) read with Pages 221-223—Supplementary Grant Proving partly or wholly unnecessary grant No. 18 Education—*

	Rs.
Supplementary Grant	... 22,53,470
Saving	... 11,59,273

The Department explained that the saving of Rs. 11,59,273 was not out of the Supplementary grant of Rs. 22,53,470, but it was out of the Final Grant of Rs. 12,37,18,170 of the Education Department for the year 1960-61 under the head "37-Education". The saving was less than 10 per cent for which no explanation was required.

The Committee accepted the explanation furnished by the Department and dropped the item.

(7) *Page 3, Para. 5 read with pages 343-349—Grant No. 35—Development—Saving under K-Education—*The para. was deferred to be considered alongwith the accounts for the year 1962-63, when the Department shall furnish detailed explanation of the expenditure sub-head wise (as printed in the Appropriation Accounts).

(8) *Page 3, Para. 5 read with Pages 245—Grant No. 24—Industries—A 3(b)—Government Vocational Schools for Women—Saving Rs. 14,138—*The Department explained that the saving worked out to Rs. 31,705 which was counter-balanced by an excess of Rs. 17,667 in the Government Vocational School, Khairpur, due to embezzlement of the amount by the Clerk of the School. The matter was reported to the Police on 27th September, 1961. The clerk, however, absconded. The matter remained under investigation with the Police/Anti-Corruption Department, when the control of Government Vocational School was transferred to the Directorate of Technical Education with effect from October 1960. Sanction for prosecution of the Clerk of the school was issued by the Director of Technical Education, Karachi on 31st July, 1965. Further progress of the case was not known to the Directorate of Technical Education.

The Committee directed that the Education Department should pursue the case pending in the Court of law and take appropriate action after the decision of the court. Subject to these observation, the para. was dropped.

APPROPRIATION ACCOUNTS 1961-62

(1) *Page 26, Para. 17-II—Audit of Grants-in-Aid—*In this case certificate to the effect that the Grants-in-Aid are spent on the objects for which they were meant and in accordance with the prescribed conditions had not been furnished to Audit.

The Department explained that the certificates regarding proper utilization of the Grants-in-Aid in respect of the Educational Institutions in the Lahore Region have since been furnished to the Audit Office. These certificates could not be furnished to the Audit Office in time due to the following reasons:—

- (i) requisite information was not received in time by Director of Education, Lahore from certain subordinate office;
- (ii) The Lahore Region was split up into two Regions namely, Lahore and Rawalpindi, during June 1962 and the staff and record of this Region was bifurcated among these two now Offices. As a result of this change some of the files get mixed up. In view of the abnormal conditions prevailing at that time the question of furnishing the certificate to the Audit Office escaped the notice of the office.

The explanation of the Department was accepted and the item was dropped.

(2) *Pages 27-30-Para. 17-V—Delay in disposal of Inspection Reports and Audit Notes*—In this case certain Inspection Reports and Audit Notes had not been replied by the Department.

The Department explained that the following Inspection Reports were received from the Accountant-General, West Pakistan:—

<i>Serial No.</i>	<i>Institution</i>
(1)	Vocational Schools for boys, Gujrat.
(2)	College for Home and Social Science, Lahore.
(3)	Government Normal School Chiniot, District Jhang.
(4)	District Inspector of Arabic School, Bahawalpur.
(5)	Jamia Abbasia, Bahawalpur.

Annotated replies in respect of Inspection Reports/Audit Notes at Serial No. 1-4 have since been sent to the Audit. The Inspection Report at Serial No. 5 did not relate to the Education Department. It concerned Auqaf Department and as such Accountant-General, West Pakistan, was informed of the position. The displeasure of Government has since been conveyed to the officers responsible for not replying to the Inspection Reports/Audit Notes within time limit concerning items No. 2 and 4. As regards Inspection Report concerning item No. 3 Director of Education, Rawalpindi, has been asked to convey the displeasure of Government to officer at fault. The annotated reply to the Inspection Report at Serial No. 1 was sent by the concerned Headmaster to the Director of Industries in time but it was not disposed

of by him within the time and as such the Director of Industries has been asked to take necessary action against the person at fault in the light of the decision of the Committee.

Subject to the action proposed by the Department being taken, the para. was dropped.

(3) *Page 25, Para. 46—Non-Fixation of Cadre Strength*—The Department informed the Committee that the work was in progress for compiling the records and finally fixing the cadre strength and this work was expected to be completed within the next three months time. The Committee considered this at length and sought the advice of the Finance Department as well as the Accountant-General's Office and directed the Department that while it continued its efforts to finalise the fixing of the cadre strength, in the meantime they should supply to the Audit, the audit circle-wise and scale-wise number of posts. This should be done at the earliest.

Subject to this observation, the para. was dropped.

(4) *Page 13, Para. 14—Infructuous expenditure*—In this case a Laboratory Attendant in a Government College for Women was promoted as a Gasman with effect from 1st November, 1959, against a post sanctioned by the Government in November, 1959, although no gas-plant had been installed in that college in November 1959, or existed thereafter. In the absence of gas-plant, the promotion of the official to a post carrying higher scale of pay was not justified. As a result of this promotion and the appointment of a Laboratory Attendant in the resultant vacancy with effect from 1st January, 1960, the Department incurred infructuous expenditure aggregating Rs. 2,517 upto 30th April, 1962.

As the sanction of expenditure in respect of the amount involved had been received and admitted by Audit, the para. was dropped.

(5) *Page 13-14, Para. 15—Splitting up of Purchase order*—In this case the Audit had observed during local audit of the accounts of Technical School that Purchase order were frequently split up with a view to avoid the sanction of the higher authority by keeping the amount of each purchase under Rs. 500, the maximum limit upto which the Principal of the school was empowered to incur contingent expenditure. The splitting up of purchase order was irregular and contrary to the Financial Rules.

The Department explained that the Finance Department has been requested to condone the irregularity. The displeasure of Government is also being conveyed to the Headmaster concerned.

The explanation was accepted and the para. was dropped subject to the condonation of the irregularity.

(6) *Page 14, Para. 16—Misappropriation of Funds*—In this case a clerk of a Government College embezzled a sum of Rs. 5,845 out

of the amount of tuition fees and private funds, realised by him from the students during 1960 by issuing faked receipts and by not accounting for the amounts received in the relevant cash books. A sum of Rs. 3,819 had been recovered from him and the balance of Rs. 2,026 was being refunded by him in monthly instalments of Rs. 50 each. As a result of departmental inquiry against the official, his annual increment was stopped for one year. Action taken against the Drawing and Disbursing Officer was not intimated to the Audit.

The Department explained that out of the amount of Rs. 5,845, a sum of Rs. 4,619 has been recovered from the concerned Clerk. Miss Majida Mehtab, the then Principal, Government Women College, Sahiwal, was transferred and posted in a subordinate position due to her negligence.

The Committee asked the Department to explain whether the transfer order of the said Principal, from Sahiwal to her present appointment, had any mention of the action being taken due to her negligence or not. If not, how they could at this stage state in the explanation submitted to the Committee that it has been for negligence. The Department then admitted that no departmental action had been taken and her transfer had been a mere normal transfer. The Committee felt that in the absence of any departmental inquiry wherein either she would have been held guilty or exonerated, it was neither fair to her nor was that in the interest of the Department itself to have attributed negligence to her. Had the Departmental inquiry been conducted and had she been found guilty of negligence, it would have been possible for the Department to have taken suitable action against her and perhaps recover even this balance amount of Rs. 1,226 from her. All this was not done, with the result that it is very doubtful whether the outstanding amount can be recovered.

The Committee therefore, directed the Department to have a proper departmental inquiry conducted against the said Principal and in case she is found to be guilty to take suitable action against her and to see whether this amount can be recovered from her.

Subject to the said action the item was dropped.

(7) *Page 15, Para. 17—Misappropriation of Receipts*—In this case a sum of Rs. 1,366 realized from the students of Government School on account of fees and general funds, etc. was misappropriated by the Clerk of the School. The misappropriation was facilitated due to lack of proper supervision and non-observance of rules requiring immediate deposit of the amounts received. The amount was recovered from the official before verification of the accounts by the departmental authorities on 15th November, 1961. The case was, therefore, not reported to Police for investigation. As per Audit Report the increment of the clerk concerned was

proposed to be stopped and the Headmaster concerned was warned to be more careful in future.

The Department explained that both the Clerk and the concerned Headmaster have been warned for this irregularity.

The Committee feels it is not out of place to make the following observations:—

- (i) That in its opinion the action taken against the Headmaster and the clerk concerned is too lenient. After all mis-appropriation of school fees or its attempted mis-appropriation is a very serious thing and a mere warning is not sufficient;
- (ii) It is not in the interest of the institution where they were working nor of the Department that they should continue to work together. If both of them are to continue in the service of the Department for some reason that is known only to the Department, they must in the opinion of the Committee be split up and transferred from the institute where they attempted embezzlement.

Subject to the above observations and the pious hope that the Department will now act in the matter as per Committee's observations, the para. was dropped.

(8) *Page 15, Para. 18—Unauthorised expenditure*—In this case a new typewriter was purchased for a sum of Rs. 1,430 by the Headmaster of a Government School in an out-lying district in June, 1960, without obtaining sanction of the competent authority. Similarly furniture costing Rs. 1,032 was purchased for the same institution during 1959 without prior sanction of the competent authority. As per Audit Report, the above unauthorised purchases had not been regularised.

The Department explained that the expenditure in respect of these items had been regularised with the sanction of the Competent authority. The displeasure of the Government has been conveyed to the concerned Headmaster who was responsible for these irregularities.

Subject to verification by Audit, the para. was dropped.

(9) *Page 15, Para. 19—Irregular Purchase*—In this case the expenditure of Rs. 3,985 on account of furniture and Rs. 680 on account of scientific apparatus was split up by a principal to avoid the sanction of higher authorities. In the latter case neither tenders nor quotations were called for and there was no allotment of funds for the purchase.

The Department explained that the matter has been recommended to Industries, Commerce and Mineral Resources Department for regularization of this financial irregularity. The Director of Education, Quetta is being asked to convey the displeasure of the Government to the officer at fault in this case.

The explanation was accepted and the para. was dropped subject to regularization of the irregularity.

(10) *Page 15, Para. 20—Outstanding Government Dues*—In this case fees to the extent of Rs. 3,000 were outstanding. No proper record was maintained from 1958-59 to 1960-61 to watch the recoveries as and when fell due.

The Department explained that the amount recoverable from the students residing in the Hostel is Rs. 208 and not Rs. 3,000 as shown in the Appropriation Accounts. Finance Department has been approached to write off the amount of Rs. 208 as it is not possible to effect recoveries from the students at this stage. The Director Education, Quetta is being asked to convey the displeasure of Government to the officer responsible for this loss.

Subject to write off of the amount, the para. was dropped.

(11) *Page 15, Para. 21—Withdrawal to avoid lapse of Grant*—In this case an amount of Rs. 29,630 drawn by the head of an office in June, 1962, for purchase of furniture remained undisbursed up to 30th June, 1962 as furniture was actually purchased and paid for in July, 1962. The amount appeared to have been drawn to avoid lapse of budget grant which is against the rules.

The Department explained that a sum of Rs. 29,630 was placed at the disposal of Inspector of Schools, Quetta by the Director Education, Quetta, for the purchase of furniture for the Girls Schools, on 28th June, 1962 and as such it was not possible for the concerned Inspector to effect purchase within such a short time after observing necessary codal formalities. As the furniture for the Girl High Schools was absolutely necessary, the funds in question were drawn for utilization in the interest of Education Institutions. Finance Department has been approached for the regularization of this expenditure and the Director Education, Quetta has been asked to fix responsibility for late release of funds and take disciplinary action against the person at fault.

Subject to regularisation by the Finance Department and verification by the Audit, the para. was dropped.

(12) *Page 15, Para. 22 (i)—Splitting up of Purchase Orders*—In this case furniture costing Rs. 8,392 and Rs. 1,270 was purchased in 1959-60 by the head of two institutions. This was not within their competence and so the purchases were split up to avoid sanction of the higher authority.

The Department explained that the amounts involved are Rs. 8,632 and 1,140 respectively. The matter has been referred to the Finance Department for regularization of the purchase worth Rs. 8,632. As regards the purchase of articles worth Rs. 1,140, sanction has already been accorded by Director Education, Quetta. The Director Education, Quetta is being asked to convey the displeasure of Government to the concerned officer.

Subject to regularisation by Finance Department and verification by Audit, the para. was dropped.

(13) *Page 15, Para. 22 (ii)—Splitting up of Purchase Orders—*In this case furniture costing Rs. 4,446, teaching materials worth Rs. 3,040 and jute matting worth Rs. 820 were purchased by the Head of an office in June, 1960. The purchase orders were split up into 12 items, 3 items and 2 items respectively to avoid sanction of higher authority. Even if the different items of furniture, etc. were purchased for different schools as claimed, the benefit of bulk purchase against purchases in small lots was lost.

The Department explained that the position was explained to the Comptroller, Southern Area, Karachi by the Director Education, Quetta and in view of his explanation the audit office has dropped this objection.

The para. was dropped.

(14) *Page 16, Para. 23 (i)—Irregular Expenditure—*In this case rent of school building was paid by the Head of an institution at Rs. 196 per month from March, 1959 without the sanction of the competent authority. The expenditure up to June, 1962 worked out to Rs. 7,644 and was awaiting sanction.

The Department explained that the expenditure has since been regularised by issuing *ex post facto* sanction. The Director Education, Quetta is being asked to convey the displeasure of the Government to the officer at fault.

Subject to verification by Audit of the regularisation of the expenditure, the item was dropped.

(15) *Page 16, Para. 23(ii)—Irregular Expenditure—*In this case non-official publications worth Rs. 732 were purchased by the Headmaster of a high school in 1961-62 without sanction of competent authority. The expenditure had not been regularised.

The Department explained that the case has been referred to the Finance Department for regularization and the Director Education, Quetta is being addressed for conveying the displeasure of Government to the persons responsible for this irregularity.

Subject to regularisation by the Finance and verification by the Audit, the para. was dropped.

(16) *Page 16, Para. 23 (iii)—Irregular Expenditure—*In this case expenditure for the purchase of a shamiana to exhibit school products at cost of Rs. 1,003 was incurred without the sanction of competent authority.

The Department explained that the matter has been referred to the Finance Department for regularization and the Director Education is being asked for conveying the displeasure of Government to the person responsible for this irregularity.

Subject to regularization by the Finance Department and verification by the Audit, the para. was dropped.

(17) Page 3, Para. 5 read with page 96—Grant No. 27—Development—16—Education—Saving Rs. 69,52,019—The Department explained that the details of expenditure booked by the Drawing and Disbursing Officers as supplied by the Regional Directors of Education show that there was saving of Rs. 17,25,815. As this saving is less than 10% it is not to be explained to the Public Accounts Committee as per decision of the Committee.

Subject to verification and reconciliation of the figures with the Audit, the para. was dropped.

BASIC DEMOCRACIES, SOCIAL WELFARE AND LOCAL GOVERNMENT DEPARTMENT

APPROPRIATION ACCOUNTS—1959-60

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 the 1st April, 1959 to the 4th July, 1959, it was stated, was also burnt. The exact amount of embezzlement has not so far been determined. The records for the period from the 1st November, 1958 to 4th July, 1959 could not be made available and the audit of that period, therefore, could not be conducted.

At its meeting held on 24th November, 1965, the Committee was informed that departmental inquiry was being held. The Committee had then directed that the result of the Departmental enquiry 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 Enquiry is finalized. The Committee then directed that the Enquiry 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.

At the meeting held on 12th September, 1967, the explanation given in the Working Papers was that:

"The Enquiry 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 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 of Development Fund.

Further action in the light of the report of the Enquiry 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 action 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 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, West Pakistan Peshawar. 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. The Committee was of the view that this matter deserved looking into afresh which could only be done if the entire case was handed over to the Anti-Corruption Establishment. The Committee asked the Accountant-General also 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.

The Department now explained that the case had been referred to the Anti-Corruption Establishment and the result was awaited.

The para. was deferred to be taken up alongwith the accounts for 1962-63.

APPROPRIATION ACCOUNTS 1960-61

(1) *Page 57, Para. 84—Loss of Stores by fire*—In this case in an office stores worth Rs. 3,005 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 as required under rules.

At the meeting held on 1st February, 1967, the Department explained that a 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 built garrage, 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 near 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 same passer by throw 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 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-servicable.

In view of the findings of the police and Commissioner, Quetta Division's report sanction to write off was accorded by the Department.

The Committee then observed that although the amount in question had been written off yet the Committee felt that the Department had not, under the rules, reported the loss either to the Audit or to the Government immediately on its occurring. The loss, however, was reported after a period of 11 months. The Committee directed that the Department should take disciplinary action against the person or persons responsible for not reporting the matter to the Audit and Government in time.

The Department now informed the Committee that the Officer responsible in the matter has since retired. The para. was dropped.

(2) *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 the said 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. 15,800 and the cash in hand amounted to Rs. 5,109. Instead of depositing the total of Rs. 20,975 into treasury the whole amount was taken away by the head of the defunct Institution on the plea of setting 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 officer concerned had promised to avoid recurrence thereof but the irregular procedure went on upto the close of the office.

At the meeting held on 1st February, 1967, 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 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 arise the matching community contributions or to comply other formalities before the 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 person/Agencies against their outstanding claims. The payment vouchers are on record and could be verified by audit.

The Committee then 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 Department now explained that a reference was made to the Services and General Administration Department for taking disciplinary action against Agha Nasir Ali, P.C.S., along with a charge-sheet containing the allegation for service upon the said officer. The Services and General Administration Department instead of charge-sheeting the officer concerned merely called for a formal explanation alleging that the objections were purely of technical nature and no embezzlement or misappropriation was involved. The explanation of the officer received through the Services and General Administration Department reads as under:—

The alleged objection of withdrawing huge amounts from the Treasury in anticipation of demands does not seem to be correct as the amounts, if drawn so were always drawn against the schemes approved and sanctioned by the Village Aid Advisory Committee and were paid out to the Village Councils concerned for execution of the projects sanctioned. This was a general practice all over the Region. Full detail of amount so drawn, utilized and balance kept for execution of schemes etc., were always reported to the Village Aid Administration. The accounts were so maintained by us as a matter of policy of this Region with the intention of giving full advantage and for deriving benefit of this financial aid to the most deserving people of this most backward and underdeveloped area. It is, therefore, mentioned here that I was not at fault in this, because it was being done according to the policy prevalent in this Region. Secondly, I had to keep the amount in safe hands as my office was situated in the remote corner of the city

and it was not a safe place to keep the money, hence the deposits in the National Bank which is a Government controlled bank and equal in working to the State Bank Treasury as it operates all Government funds in places where Treasuries do not exist. Even now keeping of the B. D.'s Funds, who have stopped in the shoes of the Village Aid is not considered to be an irregularity. I may, therefore, venture to add that the same principle and formula was applied by me in keeping the funds in Government controlled bank, and my action may kindly be reviewed in the light of the present practice and the objections be waived and this action may kindly be regularised as all that was done was in good faith and public interest, especially when there is no objection of mis-use etc., as the funds were rather kept in safer hands. More so, as the amounts were kept in the bank in my official capacity as "Development Officer" and not in my private personal account.

The Audit informed the Committee that the report of the Comptroller regarding loss was still awaited.

The Committee decided that the para. may be kept pending and will be taken up alongwith the accounts for the year 1962-63.

(3) *Page 58, Para. 86—Drawal of money in anticipation of actual requirement*—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, 1960, for use on 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.

At the meeting held on 12th September, 1967, 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 these pipes had been issued to the Village Aid Development Committee concerned on 1st August, 1960. These pipes were being retained in store on behalf of these Committees. When asked whether the Village Development Committee 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 Peshawar Region, and for this requested for some time to furnish detail to the Committee.

The Department now explained that the Director, B. D's Peshawar has reported that 30 R. C. C. pipes were purchased by the

Development Officer, Village Aid Organization, Peshawar, for use in the areas of seven Development Committees. These pipes were actually used on various small bridges of the areas of Development Committees concerned. Proper receipts in this respect are also available on record of office. He has further confirmed that these pipes were actually used for the purpose for which these were purchased and issued.

Subject to verification by Audit the para. was dropped.

(4) *Page 66-68, Para. 92—Delay in disposal of Inspection Report and Audit Notes*—In this case certain Audit Notes had not been replied to by the Department. At the meeting held on 1st February, 1967, 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 Village Aid Department were sent to Comptroller, Southern Area, West Pakistan, 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 Village Aid Organizations were 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 had pointed out that replies to three audit notes pertaining to the Labour office, Lyallpur, Development office, Village Aid Gujranwala and Deputy Director, Basic Democracies, Village 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.

The Department now stated that the explanation of the defaulting officer was called. The Assistant Director, Basic Democracies, Gujranwala, has stated that the audit note in question had been disposed of by him,—*vide* his letter dated 18th September, 1962 and Development officer, Wazirabad's letter dated 19th September, 1962. Replies to Audit Note in respect of the office of the Deputy Director, B. D., Village Aid, Lahore has also been furnished to Audit,—*vide* letter dated 10th June, 1967.

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

(5) Page 301—Grant No. 31 Misc—

(i) F-3-Consolidated and Development Grants to Local Bodies-Saving Rs. 89,656—

(ii) F-4-Other Charges-Excess Rs. 7, 60,694—

At the meeting held on 12th September, 1967, the Committee could not proceed with the explanation concerning this item since the Department had not received the figures finally verified and reconciled with the Audit. The Committee then directed the Department to get them finally verified within two months.

The Department now informed the Committee that the discrepancies have not yet been reconciled by the Accountant General, West Pakistan, and requested that the para. be deferred for the present.

The Committee directed that it should come up again along with the accounts for 1962-63 and in the meantime the figures should be verified and reconciled.

(6) Page 3, Para. 5 read with pages 316-317-Grant No. 35-Development-D-V-Aid and Community Development-Saving of more than 10%—The para. came before the Committee at its meeting held on 12th September, 1967, when the Department asked for more time to collect the information. The Department once again asked for more time as the records could not be traced by this time. The para. was deferred to come up again along with the accounts for the year 1962-63.

(7) Page 506-Grant No. 42-Loans and Advances by the Provincial Government-B-I-Loans to Municipalities Port Funds, etc., Saving of Rs. 9,87,675/1,17,000—The Department gave the explanations as under:—

(i) B-I-(I) Loans to Municipalities—

Grant	8,33,300
Actual Expenditure	(—) 1,54,375
Saving	(—) 9,87,675

This Budget provision under the head "Loans to Municipalities" is linked with the Budget provision under head "70-Capital Outlay." Since there was saving under the head "70-Capital Outlay" there was a corresponding saving under the head "Loans and Advances" which is 1/3rd of the actual expenditure under the head "70-Capital Outlay." The explanation under the head "70-Capital Outlay" has already been given by the Public Health Engineering Department.

The position of actual expenditure of Rs. 1,54,375 is that out of the total amount a sum of Rs. (—) 80,000 is booked in the Accountant General, West, Pakistan Circle of account and Rs. (—) 74,375 is booked in the Southern Area Circle, West Pakistan, Karachi.

The expenditure of Rs. (—) 80,000 was wrongly booked by the Central Audit Circle and was accordingly withdrawn from the minor head "B-I" and adjusted under the minor head "B-I (2)." The expenditure of Rs. (—) 74,375 comprises of two amounts viz Rs. (—) 3,000 and Rs. (—) 71,375. The figure of Rs. 71,375 was also wrongly booked under this head and was withdrawn from this head and transferred to the head "Advances to Cultivators." Similarly Rs. (—) 3,000 was also withdrawn from this head and transferred to the minor head "B-I (2) Loans to District and other Local Fund Committees-Loans to Sanitary Board Moré."

(ii) *B-I-(2) Loans to District and Other Local Fund Committees—*

Grant	...	Nil
Expenditure	...	(—) 1,17,000
Saving	...	(—) 1,17,000

The position of saving of Rs. 1,17,000 and its detail is as under:—

1. Accountant-General West Pakistan Circle, Lahore.	...	+80,000
2. Comptroller, Northern Area Circle Peshawar.	...	—2,00,000
3. Comptroller, Southern Area, Karachi	...	+3,000
Total	...	—1,17,000

The position in respect of item No. 1 and 3 has been explained under head "B-I(I)". So far as the amount of Rs. 2,00,000 is concerned the Comptroller, Northern Area, West Pakistan, Peshawar has stated that this amount was booked by his office under the head "B-I-(2)-Loans to District and Other Local Fund Committees" for the District Board Mianwali. In 1959-60 the Mianwali District was amalgamated with the Rawalpindi Division. The sum of Rs. 2,00,000 was therefore, written back and transferred to Central Audit Circle. This explains the saving of Rs. 17,000 shown in the Appropriation Accounts 1960-61.

The explanation of the Department was accepted and the item was dropped.

(8) *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.

At the meeting held on 12-9-1967 the Department explained that in April, 1961 the case of fraudulent drawal of Government

money amounting to Rs. 55,642/87 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 amounts ranging between Rs. 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 sections 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 4 Challans. In each of the conviction the convict has been awarded 2 1/2 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 then directed that further progress should be reported to it.

The Department now explained that the Director, Basic Democracies, Multan, has reported that a fine of Rs. 37,700 imposed on the accused namely Muhammad Rashid Akbar has not been paid by him and he is undergoing imprisonment. He has also not preferred any appeal against the judgment of Special Judge, Anti-Corruption, Multan dated the 10-7-1963. An amount of Rs. 4,100 recovered from the dancers and at present lying in the double lock of Treasury, Sahiwal has also not been deposited into Government account, as ordered by the court and the correspondence with the Police Sahiwal is in progress.

The explanation of the Department was accepted and the para. was dropped.

(9) Page 514, Para. 17-(ii)-Misappropriation of Government Money-Rs. 3,544—

In this case mis-appropriation was suspected in the office of a Development Officer and on the request of the Department special audit was conducted and mis-appropriation found. It was made possible by utilizing the Development Fund in purchase of other articles and by fictitious payment and receipts.

At the meeting held on 12-9-1967, the Department explained that in consequence of the detailed audit of accounts of Development Officer, Village 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 had gone in appeal in the Supreme Court.

The Department now explained that the appeal of Mr. Gohar Ali was partly allowed by the Supreme Court to the extent of reducing the sentence on each count to imprisonment for the period already undergone by him running concurrently while maintaining his conviction.

Subject to write off of the amount embezzled, the para. was dropped.

(10) *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.

At the meeting held on 12-9-1967 the Department explained that under the Village-Aid Programme, workers were trained for extension and Adult Literacy campaign and for the purpose institutes were set up in West Pakistan. One of these training Institute which was established at Peshawar 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 occupants for period from 1st July, 1959 to 31st August, 1960. The Director, Village-Aid West Pakistan, Lahore had proposed for providing them rent free accommodation in 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 employees of the Training Institute. A list of the defaulters alongwith the outstanding amounts 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 the pay bills. The remaining staff which comprised gazetted officers, had either left the services or were transferred to other departments on the abolition of the Village-Aid Organization and the recoveries of arrears amounting to Rs. 3,610-32 were still outstanding against them. Since efforts to recover the amount from the officers proved futile, respective Audit Officers had been requested to recover the arrears of rent from

the officers concerned. The Committee then directed that progress should be reported to it.

The Department now explained that out of the outstanding amount of Rs. 3,610.32 a sum of Rs. 2,201.32 has been recovered leaving a balance of Rs. 1,409 outstanding against the following officers:—

(1) Mr. Hassan Ali, P.&E.O. B.D. S.W. & L.G. Department.	Rs. 264.00
(2) Mr. Muhammad Shafi.	Rs. 396.00
(3) Major Mir Hafeezullah.	Rs. 560.00
(4) Mr. Badi-uz-Zaman.	Rs. 189.00
Total :—	Rs. 1,409.00

Mr. Hassan Ali has further paid 4 instalments each of Rs. 22 and thus he has to pay a balance of Rs. 176 which will be paid by the officer in due course. Major Mir Hafeezullah has since retired from Government service. The Accountant General, West Pakistan was requested to effect recovery of Rs. 560 from that officer but he showed inability to do so as the officer has already retired. Hence the Principal, Basic Democracies, Training Institute, Lalamusa has been issued instruction not to issue No Demand Certificate of Government dues to this officer until and unless he clears the dues. The Director, Pakistan Development Academy, Peshawar under whom Mr. Muhammad Shafi is working has been directed to effect recovery. The amount of Rs. 189 shown as outstanding against Mr. Badi-ud-Zaman has been written off by the Commissioner, Peshawar,—vide his memo. No. 4553-55/A-4/9DDD, dated 24-4-1967.

Subject to verification by Audit, the para. was dropped.

(11) Page 531, Para. 73—*Overpayment of Transportation Charges Rs. 218*—In this case, during the course of local audit of the account of a Development Fund of a Commissioner, it was noticed that a truck owner was overpaid Rs. 218. According to the accepted quotations he was entitled to charge Rs. 10 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 over-payment. The officer concerned had been asked by Audit to investigate and recover Rs. 218 paid in excess.

At the meeting held on 12-9-1967 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 un-loading charges

should 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 per trip 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 then 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.

The Department now explained that the Contractor had quoted Rs. 10 but had changed figures to Rs. 13 afterwards. Afterwards did not mean hours and days later, but at the moment while submitting quotations after it was brought to his notice that loading and unloading of manure will also be his responsibility. The E.A.D.A. had full powers for the purchase of manure at the time of taking and accepting quotations. The charges of Rs. 10 per truck load without unloading were of course reasonable but the charges of Rs. 13 with loading and unloading were considered more reasonable as load of truck of manure from Municipality Dump was a much difficult job than its transportation by a truck for three miles. The E.A.D.A. took the rate of Rs. 13 as most reasonable and beneficial to Government and therefore accepted. In view of the plantation work the re-invitation of tenders/quotations would also have taken more days which could not be afforded. Besides it was known that nobody else was prepared to do the job of supplying and transporting manure. As such the re-invitation of tenders/quotation was not done. It is also stated that even quotations/tenders are not compulsory where the competent authority thinks and certifies that the rates are reasonable. *Rate*
In this case the rates were considered most reasonable, rather beneficial to the Government. The reasonability of rates stand good today even and can be verified.

The explanation of the Department was accepted and the para was dropped.

(12) 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 to be fixed by the Department.

At the meeting held on 12th September, 1967 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.

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.

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.

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 had deferred the para.

The Department now explained that the observation of the audit have since been complied with by the Director, Basic Democracies, Quetta. The Comptroller, Southern Area, West Pakistan, was requested to depute auditors to verify the compliance. The Comptroller, Southern Area, West Pakistan, has informed that no audit party is at present at Quetta and the compliance so made by the Director will be verified at the time of next visit of station by the audit party. The non-compliance certificate received from Superintendent, Government Press, Karachi has also been forwarded to the Comptroller, Southern Area, West Pakistan, Karachi.

Subject to verification by Audit, the para. was dropped.

APPROPRIATION ACCOUNTS— 1961-62

(1) *Page 13, Para. 12-Misappropriation of Government Money-Rs. 3,990*—In an office which had to be wound up at the close of June, 1961, medicines worth Rs. 3,990 were purchased in the last week of May, 1961. No record of the receipt and consumption of medicines was available. The Department failed to explain to Audit how and why medicines worth about Rupees four thousands were consumed in about 5 weeks and why no record was maintained to show their receipt and disposal.

The Department explained that the preliminary enquiry into this case as required by Rule 6 (1) of the West Pakistan Government Servants (Efficiency and Discipline) Rules, 1960 was entrusted by the Commissioner, Quetta to the Assistant Director, Basic Democracies, Loralai. The Commissioner, Quetta Division forwarded the report of Enquiry Officer and his comments to Government. The comments of the Commissioner are as under:—

No record pertaining to the transaction of the insecticides in question worth Rs. 3,990 was deposited either in the office of Assistant Director, Basic Democracies, Loralai or E. A. C. Loralai on the closure of Village-Aid Organization. There existed no entry of the insecticides either in the record of Supervisor or Village Worker Village-Aid. However, the Supervisor/Village Worker during the course of Departmental enquiry stated that as the Department was about to close, no entries were made in their record, and what ever material could usually be utilized was used by them in their respective areas.

Under the circumstances, the Commissioner Quetta Division observed as under:—

- (1) The maintenance of proper record in respect of Government store was essential from both the accounts and audit view points;
- (2) It was incumbent upon the administration of Village-Aid to have the accounts audited by the respective Audit Circle;
- (3) In the absence of (2) above coupled with lapse of considerable time and the statement of the Ex-Village-Aid Workers/Supervisors as given above it is difficult to arrive at a fair conclusion to be able to offer any useful comments.

It is evident from the enquiry report and comments of the Commissioner that no proper record of the entry for the transaction

of the medicines was maintained by the former Development Officer and the field staff. It has, therefore, been decided that entire amount of Rs. 4,000 which has actually drawn from Development fund and mis-appropriated through Faked purchase, should be recovered from all the officer/officials who are still in service portionately and credited into Government account. The Commissioner Quetta Division has been requested to report compliance to Government. His reply was awaited.

The Department assured that they would take departmental action against the officer/officers apart from the recovery of the amount involved. The Committee directed that the para. should come up again before the Committee with the accounts for the year 1962-63.

(2) *Page 13, Para. 13-Drawal of amount over and above the Budget*—In an office a sum of Rs. 1,04,028 was spent on development schemes against the sanctioned budget of Rs. 1,00,000 during the year 1960-61. According to the minutes of the District Council the estimates for the construction work had to be prepared by a competent overseer and get approved from the Chairman of the District Council. The Accounts of the above expenditure had to be maintained as prescribed by the department. It was, however, observed by Audit that no estimates were prepared, no approval was obtained from the Chairman, no accounts were maintained and no completion certificate or completion reports obtained to indicate that the work had been completed. In the absence of the relevant records it could not be verified, whether the entire amount had been spent on the schemes and whether the same had actually been completed. The drawal of excess amount over and above the budget grant was also against the rules of withdrawal of money from public funds. As per Audit Report no steps appeared to have been taken to regularise the excess expenditure of Rs. 4,028.

The Department stated that the Comptroller, Southern Area, West Pakistan, Karachi, had already agreed in 1965 to drop this para. and as such the Public Accounts Committee might drop this item.

The Committee in this case observed that the Department had stated in their explanation that the Comptroller, Southern Area had agreed to the dropping of this, para but, obviously, it meant that the Comptroller might have decided to drop the objection. That too was done in 1965 while the Committee had asked for the explanation, from the Department on 22nd April, 1967. What the Committee would like to know is on what grounds the Comptroller, Southern Area, has dropped the objection and whether the estimates prepared, approval obtained, accounts

maintained and the completion certificate have been produced before the Audit Department. The Committee deferred consideration of the para. and directed that it should come up again with the accounts for the year 1962-63.

(3) *Pages 27-30, Para. 17-V Delay in disposal of Inspection Reports and Audit Notes*—In this case certain Audit Notes had not been replied to by the Department. From the explanations submitted to it, the Committee noted that the Department had replied to three Inspection Reports only. With regard to the balance, the Department undertook to reply at an early date and to supply copies to the Audit.

The para was dropped.

(4) *Page 3, Para. 5 read with page 96-Grant No. 27 Development-D-Village Aid and Community Development—Excess Rs. 12,76,292*—The Department explained that information from the various offices was awaited. Hence this para. may be deferred for the time being.

The Committee noted that this explanation had been called for by the Committee eight months back and as yet no progress had been made. The Committee felt that in case the Regional Officers were not supplying the required information in spite of repeated requests from the Department it was a proper case where some action was called for against the persons responsible for the unnecessary delay.

Subject to these observations the para. was deferred for consideration for the next series of meetings of the Committee.

(5) *Page 3, Para. 5 read with page 97—Grant No. 27 Development-S-Miscellaneous Departments—Saving Rs. 1,12,995*—The Department explained that the reasons for the saving of Rs. 1,12,995 are as under:—

- (a) The provision of Rs. 15,000 kept for the staff of the Blind Institute, Peshawar could not be utilised due to non completion of its Building during the year 1961-62 which resulted in non-establishment of the institute.
- (b) The saving of Rs. 91,986 is due to vacancies in the Urban Community Development Projects. This was the 2nd year of the 2nd Five Year Plan for the introduction of the Social Welfare Schemes in the Provincial Developmental budget. Eight new projects sanctioned for the year 1961-62, were established very late. Due to the administrative difficulties and non-availability of the Social Welfare Officers most of the posts could not be filled-in. The posts of Auxiliary Workers, Clerks and Peons,

could not be filled in due to the non-availability of suitable hands and also due to the ban imposed by the Services and General Administration Department. It was for this reasons that the ten posts of Social Welfare Officers, 29 Auxiliary Workers, 7 Junior Clerks and 6 Peons remained vacant throughout the year. The Urban Community Development Projects could not as such be started right from the beginning of the financial year.

- (c) The saving of Rs. 6,009 relates to the Remand Home at Lahore. Due to legal obstacles the Home could not be established from the anticipated date and as such the savings under reference resulted on account of pay and contingencies.

The explanation was accepted and the para. was dropped.

(6) Pages 126-127—Grant No. 33 Miscellaneous—(i) F-3-Consolidated and Development Grants to Local Bodies—Saving Rs. 1,16,565—(ii) F-4-Other Charges—Excess Rs. 1,15,774—The Department explained that information from the various Commissioners was still awaited and requested the Committee to give more time to furnish the explanation.

The Committee made the same observations as in the case of item No. (4) above.

(7) Page 127—Grant No. 33 Miscellaneous—J-4-Local Government Inspectorate—Saving Rs. 55,655—The Department explained that—

- (i) The Offices of five Inspectors of Local Bodies alongwith staff were disbanded with effect from 31-5-1962;
- (ii) The post of Inspectors of Local Bodies of Khairpur remained vacant with effect from August, 1960. Hence the pay and T.A. of this officer was saved;
- (iii) The expenditure on T.A. and contingencies which would have been incurred in one month by the five officers and the subordinate staff was saved;
- (iv) Economy in expenditure under "T.A." and "Contingencies" was observed according to the standing instructions of the Government;
- (v) Full sanctioned strength of the staff was not appointed; and
- (vi) The posts of Inspectors of Local Bodies, Lahore and Sargodha remained vacant from July, 1961 to October, 1961.

The explanation of the Department was accepted and the item was dropped.

(8) *Page 127—Grant No. 33 Miscellaneous-J-13-Social Welfare—Saving Rs. 49,754*—As the Working Paper for this item did not contain audit comments, the consideration of the item was deferred to be taken up alongwith the accounts for 1962-63.

(9) *Page 137—Grant No. 42—Loans and Advances by the Provincial Government-A-12—Saving Rs. 3,00,000*—The Department explained that the Accountant-General, West Pakistan in his letter dated 24-11-1962 had reported the actual expenditure as under:—

“Grant No. 42-Loans and Advances by the Provincial Government for 1961-62”

“Misc. Loans and Advances”.

“A-12-Advance for construction of Pakistan Day Memorial at Lahore Rs. 5,00,000”.

“B(3)—Advances under “Special Loans “B-3(7) Loans to Lahore Improvement Trust Rs. 2,00,000”.

This loan was given to the Rawalpindi and Hazara (Hill Tracts) Improvement Trust Murree and not to Lahore Improvement Trust as reported by the Accountants-General, West Pakistan in his letter dated 23-1-1965. Thus it would appear that the expenditure of Rs. 7,00,000 had been incurred against the final grant of Rs. 7,00,000 and thus there was no saving.

The explanation was accepted and the para. was dropped.

III. The Committee then adjourned to meet again on Tuesday, the 12th December, 1967 at 9.00 A.M.

LAHORE:

The 11th December, 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 12TH DECEMBER, 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 Nawaz M.P.A. ... Member,
- (3) Chaudhri Muhammad Sarwar Khan, ... Member.
M.P.A.
- (4) Rai Mansab Ali Khan Kharal, M.P.A. ... Member.
- (5) Mr. Malang Khan, M.P.A. ... Member.
- (6) Mr. J. F. Ellahi, P.C.S., Deputy Secretary, Expert
Government of West Pakistan, Finance Adviser.
Department.
- (7) Rana Muhammad Yasin, P. A. & A. S., By Invitation.
Accountant-General, West Pakistan.
- (8) Mr. Iqbal Moeen, C.S.P. and Nawabzada By Invitation.
Muhammad Yaqub, P. C. S., Deputy
Secretaries, Services and General Admin-
istration Department alongwith Direc-
tor, Anti-Corruption.
- (9) Mr. Amir Ahmad Khan, Secretary to By Invitation.
Government of West Pakistan, Agri-
culture Department.

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

II. The Committee took up consideration of the explanations of the following Departments in respect of the items appearing in the Appropriation Accounts for the year 1959-60, 1960-61 and 1961-62:—

SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

APPROPRIATION ACCOUNTS 1960-61

(1) *Page 511, item 1 of annexure, theft of Government Money—Rs. 2,866—*At the meeting held on 31st January, 1967 the Department stated that 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 the then Circle Officer (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 Judge-cum-Enquiry Officer, 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 then 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 case were being prosecuted. The Committee desired to know as to what happened actually to those 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 was required to furnish detailed information including the result of the departmental inquiry.

The Department now explained that none of the cases was adversely affected because of the theft of the case property. Mr. Nazir Ahmad, Officiating Deputy Superintendent of Police former Inspector, (Circle Officer, Sukkur) was the complainant in the case relating to theft of Government property. The complaint was filed in May, 1962 and was investigated first by the Local Police, then by the Crime Branch and lastly by the Special Police Establishment. The investigation was finalized by Special Police Establishment and the final report sent to the Directorate of Anti-Corruption Establishment on 28th April, 1963. The report was sent to the Anti-Corruption Officer, Southern Region, Hyderabad for comments on 1st July, 1963. The Anti-Corruption Officer had expressed the view that the report of Special Police Establishment revealed that no investigation was carried out into the matter and the report of the Special Police Establishment was based on surmises only. The report of the Anti-Corruption Officer, Southern Region, Hyderabad was examined in detail in the Directorate. Thereafter the relevant record was obtained from the Special Police Establishment. The matter was further examined in the Directorate and it was at that time i.e. on 16th April, 1965 that the misconduct of Mr. Nazir Ahmad came to light. 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 Judge-cum-Enquiry Officer, Anti-Corruption Establishment, Lahore. The accused officer was charge-sheeted and the enquiry was entrusted to the Special Judge-cum-Enquiry Officer, Anti-Corruption Establishment, Lahore which has not so far been finalised. In the meantime Mr. Nazir Ahmed made a representation on technical ground for the withdrawal of the case. This matter is pending with the Law Department.

The question of promotion of Mr. Nazir Ahmad to D.S.P's rank was taken up with the Public Service Commission in December, 1963 as he was never described as an accused at that time. Consequently he was promoted to D.S.P. rank with the approval of Public Service Commission on 14th March, 1964 i.e. one year before his misconduct came to light.

The Committee decided to defer this para. to be considered along with the accounts for 1962-63 when it would like to know the outcome of the reference made to the Law Department and in case it is decided to proceed against Mr. Nazir Ahmed, the result of the proceedings.

(2) *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.

At the meeting held on 15th April, 1967 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, U/S. 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 U/S. 409 and 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 U/S. 409 P.P.C. or in default 6 months R.I. and Rs. 4,000 U/S. 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.

The Department now explained that the case is still pending before the High Court.

The item was deferred to be taken up along with the accounts for the year 1962-63.

(3) *Page 4, Para. 8 read with page 165—Grant No. 12—General Administration—17(1)-(1)—Pay of Officers—Excess Rs. 3,48,419*—At the meeting held on 31st January, 1967 the Department did not

accept the figures of the total expenditure as appearing in the Appropriation Accounts and stated that the Local Officers 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 figures intimated by the Audit were correct. The Committee then observed that there was much confusion in the Department which first gave a blanket acceptance to the Accountant-General and then wrote to the Commissioners for the supply of actual figures. It seemed to the Committee that the Department never took any interest in the monthly reconciliation. The Committee desired that 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 asked the Department to approach the Finance Department to assist them in solving this difficulty. If necessary the Finance Department might approach the Auditor-General to have the "Accounts" re-opened so that if there was any mis-posting, it should be regularised.

The Department now stated that reference was made to the Accountant-General and the Finance Department. After due consideration, the Accountant-General informed the Provincial Government in May, 1967 that since the figures of actual expenditure amounting to Rs. 29,33,569, as shown in the Appropriation Accounts had been confirmed by the Services and General Administration Department, the question of approaching the Comptroller and Auditor-General to have the "Accounts" for 1960-61 re-opened, did not arise. The Finance Department also agreed with the view expressed by the Accountant-General. Despite the fact that both the Accountant-General and the Finance Department have not approved the proposal for the re-opening of these old "Accounts", all the Commissioners of Divisions were asked to carry out reconciliation of the figures of expenditure for the year 1960-61 and also of the subsequent financial years so that the mis-postings and mis-classifications could be detected. As a result of further reconciliation carried by the Commissioners of Divisions the following position has materialized:—

ACCOUNTANT-GENERAL WEST PAKISTAN, (CENTRAL) CIRCLE OF ACCOUNTS

In the Central Circle of Account there was a saving of Rs. 65,983 which is due to the following reasons:—

- (i) 18 P.C.S., Officers could not be appointed with the result that a saving of Rs. 33,000 took place.

- (ii) The Sargodha Division was inaugurated with effect from 9th December, 1960, Mianwali District which was formerly in Dera Ismail Khan Division, was transferred to the Sargodha Division but the expenditure thereof amounting to Rs. 26,497 was booked in the Northern Area against Dera Ismail Khan instead of Sargodha Division resulting in the saving of Rs. 26,497.
- (iii) In the concluding months of the financial year 1960-61, certain C.S.P., Officers in the Junior Scale were promoted to the Senior Scale and they were actually drawing less pay than old P.C.S., Officers who were drawing higher salaries, resulting in the saving of Rs. 6,486.

SOUTHERN AREA, WEST PAKISTAN, KARACHI

The book of Appropriation Accounts for 1960-61 shows that the excess expenditure in the southern area Circle of Accounts was Rs. 2,54,465. The Commissioners, Hyderabad and Khairpur Divisions have now reported that the excess was Rs. 67,717 and Rs. 84,833 respectively, i.e. total Rs. 1,52,550. The variation of Rs. 1,01,915 between the two sets of figures has, however, remained un-reconciled. The Commissioners have stated that the causes of excess were as under:—

(i) HYDERABAD DIVISION

The excess is due to the fact that two officers were confirmed with retrospective effect and they were authorised to draw difference of their pay from the dates of their confirmation. Assistant Commissioner (under training) was attached to Deputy Commissioner, Hyderabad, he drew his pay during the year under review.

(ii) KHAIRPUR DIVISION

The excess is due to the fact that Deputy Collectors and Deputy Commissioners had been confirmed in their appointment as Mukhtiarkars from the year 1947-48. The result was that several officers who were either in service or had retired, drew difference of pay in the end of financial year 1960-61. The office of the Deputy Commissioners who get their provisions regularized in the second statement of excesses and surrenders, had no knowledge of the differences to be drawn by the Deputy Commissioners, Daftardars and Deputy Collectors, as their pay was revised by the Comptroller, Southern Area, very late in the financial year i.e. in May and June, 1961.

NORTHERN AREA WEST PAKISTAN, PESHAWAR

The excess of Rs. 55,983 in Peshawar Division is due to the following reasons:—

- (i) post of Assistant Commissioners (under training) and payment of arrears on account of fixation of pay in the Army Scale.

- (ii) mis-posting.
- (iii) failure of the official to take certain amount in the account through oversight, action for which is being taken.
- (iv) payments of leave salary arrears of pay.

DERA ISMAIL KHAN DIVISION

The excess of Rs. 55,831 was due to the fact that the expenditure incurred by the Deputy Commissioners, Kohat and Mianwali for the period from 1st July, 1960 to 31st December, 1960 had also been booked against the "Accounts" of this Division.

QUETTA AND KALAT DIVISIONS

The Commissioners, Quetta and Kalat Divisions have reported that figures of expenditure as since reconciled with the Comptroller, Southern Area, West Pakistan, Karachi, are Rs. 1,82,164 and Rs. 1,05,912 respectively. The total excess in respect of the divisions, therefore, works out to Rs. 16,208 as against Rs. 48,168 shown in the Book of Appropriation Accounts. The causes of variations between the two sets of figures remain un-reconciled to this date. The Commissioner, Quetta Division, has reported that there was an excess of Rs. 3,436 on account of payment of leave salary of Captain Sultan Ali, Assistant to Political Agent, Zhob drawn on 15th June, 1961, as authorised by the Comptroller, Southern Area, West Pakistan, Karachi. The excess of Rs. 12,772 in respect of Kalat Division was due to the fact that although the Districts of Chaghai and Lasbella had been transferred to the charge of Quetta and Karachi Divisions respectively, from 1st December, 1960 and 28th February, 1961, yet the expenditure thereof continued to be booked in the "Accounts" of Kalat Division right up to the end of the financial year 1960-61. Further, in the second statement of excesses of and surrenders finalized in the middle of April, 1961, the office of the Commissioner Kalat Division, due to an omission on its part, neither accounted for the budget allocation for these two districts nor took into account any expenditure even for the period these remained attached with his office. The result was that the expenditure remained unprovided for in the revised estimates. The Expenditure for Chaghai and Kalat Districts for the period mentioned above comes to Rs. 22,430. However, the expenditure after the period mentioned above which should have been booked in the "Accounts" of Quetta and Karachi Divisions, is not known to the Department as no separate figures were maintained by the Kalat Division.

The Committee observed that in view of the fact that it has not been possible to re-open the accounts as printed in the Appropriation Accounts after their having been accepted by the

Department, the Committee will have to proceed on the basis of the figures submitted by the Accountant-General. The Committee, however, wished to observe that the Department should have taken very severe action against the person concerned who accepted the figures submitted by the Accountant-General without having them verified. The Committee, therefore, directed the Department to pin-point the responsibility of the person concerned and to take severe action against him. The same should be conveyed to the Accountant-General's Office. The Committee, however, in view of the position mentioned above decided to recommend the regularization of the excess expenditure of Rs. 3,48,419.

(4) *Page 4, Para. 8 read with Page 164—Grant No. 12—General Administration-12-I(O)—Excess Rs. 10,553*—The Department explained that the excess was due to transfer to the Basic Democracies Wing of the Home Department to the strength of the Services and General Administration Department and consequent drawal of the pay of Officers and staff from the service head of the Services and General Administration Department. If the saving of Rs. 21,416 shown at page 162 of the Appropriation Account for "Services and General Administration Department" is adjusted against this excess of Rs. 10,553, the net saving is reduced to Rs. 10,863 for which no explanation is necessary.

The explanation of the Department was accepted and the item was dropped.

(5) *Page 168—Grant No. 12—General Administration-G-Miscellaneous-22-Miscellaneous-(5)—Cost of Maintenance of Government Aircraft—Excess Rs. 7,06,378*—The Department explained that the Accountant-General, West Pakistan, has pointed out that an order of Rs. 7,06,378 had been incurred in excess of the budget allotment of Rs. 3,73,000 were as the facts show an entirely different picture. The record of Government shows that an amount of Rs. 7 lacs was sanctioned by Government for the import of an Aero Commander aircraft for use by the Governor, West Pakistan during 1960-61,—vide sanction No. T-13/13/59-II, dated the 9th November, 1959. The contract entered between the Director of Industries, West Pakistan, (Supply Wing) and the Supplier M/S. Nabi Bakhsh and Sons McLeod Road, Lahore for the import of Aero Commander Aircraft had however, been for Rs. 6,96,173. In view of this the original sanction which was for Rs. 7 lacs approximately had, therefore, been reduced to Rs. 6,96,173 as per price of the aircraft quoted in the contract,—vide revised sanction No. T-13/13-59-II, dated the 30th November, 1959. Subsequently the Accountant-General, West Pakistan, authorised the Manager State Bank of Pakistan, Lahore,—vide his letter No. GA/GH/981, dated the 14th January, 1960 to open L.C. in any bank of Washington, U.S.A. in favour of the manufacturers of the

aircraft on account of the value of the Contract for the purchase of aircraft. Thereafter an amendment to the contract had to be issued due to the cost of certain accessories raising the amount from Rs. 6,96,173 to Rs. 7,09,676. Further to the expenditure incurred on the import of aircraft an amount of Rs. 13,503 was also sanctioned by Government,—vide No. T-13/13-59-II, dated the 16th May, 1960 for this aircraft. The consent of the Accountant-General, West Pakistan, authorizing the opening of L.C. for Rs. 13,502 in favour of the Suppliers in Washington was also issued,—vide his letter No. GA/F/C&D/1383, dated the 25th May, 1960. In view of facts and figures given above, it will be seen that an expenditure of Rs. 7,23,179 had been incurred on the import of the Aero Commander aircraft for use by the Governor, West Pakistan and the Accountant-General, West Pakistan, had authorized the opening of the L.C. in favour of the suppliers at Washington, U.S.A. This being the position it is not understood as to how the Accountant-General of West Pakistan, had pointed out that the expenditure of Rs. 7,06,378 had been incurred in excess of the budget allocation, whereas expenditure has been incurred in accordance with the budget allocation.

The Audit pointed out that originally an amount of Rs. 3 lac was provided for the maintenance of Government Aircraft. This was increased to Rs. 3,73,030 by obtaining a Supplementary Grant of Rs. 73,030. The Department has explained that the expenditure incurred by them was sanctioned by Government for the purchase of Government Aircraft. The sanctions attached to the Working Paper indicate that the expenditure in question was sanctioned in anticipation of the provision of funds during the financial year 1959-60 and not 1960-61 to which the excess relates.

Expr:
in anti-imp.
claiming
budget

The explanation was accepted and the item was dropped.

APPROPRIATION ACCOUNTS—1961-62

(1) Page 4, Para. 9 read with page 53—Grant No. 12-General Administration-A-9-Ministers—Excess Rs. 2,053—The Department explained that on the suspension of the Provincial Ministry in October, 1958, certain pay and T.A. Bills of the defunct Ministry (Ministers and Deputy Ministers) were held up due to non-issue of "No-Demand" certificates. To cover such charges, provision had been made in the departmental Revised Estimates in each of the succeeding financial years. During 1960-61, the amount of Rs. 16,000 and Rs. 9,000 were specifically provided in the Revised Estimates to cover such charges under the primary units of appropriations "Pay of Officers" and "Travelling Allowance", respectively. It was, therefore, the presumption of the department that all outstanding claims relating to the period prior to October, 1958 had been settled. As such no additional funds were obtained from the Finance Department during 1961-62, and the excess of Rs. 2,053 remained un-covered.

The explanation of the Department was accepted and the item was dropped.

(2) *Page 4, Para. 8 read with page 54—Grant No. 12-General Administration 12-(1)-(a)—Excess Rs. 2,06,631—*The Department explained that against the modified grant of Rs. 24,93,580 the Department incurred an expenditure of Rs. 27,00,211 leading to an excess of Rs. 2,06,631. The case had been examined at length and all old record and registers for the period in question have been checked to determine the exact cause of this variation. The whole of this excess has taken place due to more expenditure under the Primary Unit of Appropriation "Other Contingencies". The Department's original allotment for "Other Contingencies" during 1961-62 was Rs. 5,21,710, it was anticipated at Rs. 8,76,040, (when the Revised Estimates had been framed) but the actual expenditure stood at Rs. 11,09,899. In spite of the fact that the Department had provided for an excess of Rs. 3,54,330 the actual expenditure has far exceeded the expectations of the Department.

The explanation of the Department was accepted and the item was dropped.

(3) *Page 4, Para. 8 read with page 57—Grant No. 12- General Administration-G-Miscellaneous 21(iii)—Saving Rs. 38,378—*The Department explained that in the West Pakistan Central Circle of account the saving was Rs. 6,276. There was a saving of Rs. 4,495 only in the Southern Area audit. The saving was due to the grant of less awards than originally anticipated.

The explanation of the Department was accepted and the item was dropped.

(4) *Page 4, Para. 8 read with page 57—Grant No. 12-General Administration-22-Miscellaneous-(ii)-Cost of maintenance of Government Aircraft—Saving Rs. 10,95,157—*The Department explained that a sum of Rs. 14,43,660 was provided in the Budget for the maintenance of Government Air-Craft at the disposal of the Government. The actual expenditure was Rs. 14,22,917. Thus there was a saving of Rs. 20,743 only.

The Audit could not verify the contention of the Department due to destruction of record by fire in the Accountant General's office.

The explanation of the Department was accepted and the para. was dropped.

AGRICULTURE DEPARTMENT

APPROPRIATION ACCOUNTS 1961-62

(1) *Page 3, Para. 5 read with page 97—Grant No. 27-Development-O-Agriculture—Saving Rs. 1,30,71,585—*The Department explained that according to the statements of actual

expenditure received from the audit offices the expenditure incurred by the Department was Rs. 1,98,42,531 and not Rs. 98,42,545 as incorporated in the Appropriation Accounts, thus there was a saving of Rs. 30,71,601 only. The Audit maintained that the expenditure shown in the accounts was correct.

The explanation given by the Department for the saving of Rs. 30,71,601 was as under:—

- (i) Rs. 18,19,490—Was due to non-receipt of debits on account of the stores, plant protection equipments, spare parts, etc. purchased through the Supply Department. The store was actually received during the year under report;
- (ii) Rs. 1,20,627—Was due to the reasons that the Ultimus Potato Seed was procured from abroad, the cost of which was not debited during the year by the Supply Department;
- (iii) Rs. 1,74,980—Was due to the transfer of Agricultural Research Work at Lyallpur to the West Pakistan Agricultural University;
- (iv) Rs. 48,513—Was due to the facts that the possession of the land purchased for establishment of Soil Conservation Research Station at Gujjar Khan could not be taken and consequently the amount kept for various soil conservation works could not be utilized;
- (v) Rs. 6,87,258—Was due to the reason that certain posts of Gazetted and non-Gazetted such as Assistant Director, Soil Conservation, Assistant Agronomist, Rice Botanist, Millet Botanist, Librarians, Batriologist, Assistant Botanist Maize Agricultural Assistants, Stenotypist and Field Assistants could not be filled in for want of suitable candidates. Every efforts was made to fill in the posts but to no success;
- (vi) Rs. 1,83,987—(a) Rs. 1,50,000—Indents for the purchase of stores were placed with the Supply Department but the required stores could not be purchased during the year because of their non-availability at that time; and
(b) Rs. 33,987—Was due to certain posts having remained vacant viz. One Research and Evaluation Officer. One Training and Utilization Specialist, Two Liason Officers, One Mechanic, One Projectionist, One Store Keeper, One Sound Recorder, One Assistant, One Stenographer, One Typist, One Technical Writer, One Photographer and One Training Specialist.
- (vii) Rs. 36,746—Was due to the fact that at that time the office of the Chief Cane Development Officer and

Cane Commissioner was in the process of being started and as such some posts remained vacant.

The explanation of the Department was accepted and the item was dropped.

(2) *Page 4, Para. 8 read with Page 91—Grant No. 22—Agriculture—Excess Rs. 34,80,530—*The Department explained that the excess was due to adjustment of previous year debits.

The explanation of the Department was accepted and the item was dropped.

(3) *Page 4, Para. 8 read with page 131—Grant No. 37—Capital outlay on Schemes of Agricultural Improvement and research—Excess Rs. 1,72,44,036—*The Department explained that the excess was due to adjustment of the debits for the previous years.

The explanation of the department was accepted and the item was dropped.

(4) *Page 10, Para. (1)—Expenditure not accounted for—*In this case a sum of Rs. 17,639 drawn on seven contingent bills in September, 1960 in an office was not accounted for in the Cash Book. There was no proof of payment of this money to the navees concerned. The omission was pointed out in Local Audit held in September, 1962 but no reply was received.

The Department explained that out of total several Abstract Bills said to have not been accounted for in the cash book, one abstract bill of Rs. 322.50 drawn—*vide* T.V. No. 23, dated 15th September, 1960 pertains to Mukhtiarkar Kibro and rest of the six abstract bills have properly been accounted for in the cash book.

The para. was dropped.

(5) *Page 10, Para. (2)—Paddy seeds less accounts for—*In this case the stock ledger of paddy seeds in an office showed that 20,000 maunds of paddy seeds were purchased for Rs. 2,10,000. No proper account of the distribution of stock was maintained and hence sale proceeds could not be verified on the death of Extra Assistant Director of Agriculture Incharge. It was noticed after physical verification of stock that out of 20,000 md. only 7,300 Maunds were actually available and nothing was known about the balance of 12,700 maunds. It was also noticed that page 32 of stock ledger containing the acknowledgements of the agents to whom paddy seeds were given for sale was missing and page 30 was marked as page 31. Besides 21 bales of empty gunny bags costing Rs. 12,600 were also issued to the agent which were neither returned nor cost thereof remitted into the Treasury. Thus an amount of Rs. 1,45,950 (1,33,350 cost of 12,700 maunds of paddy seeds and Rs. 12,600 on account of empty gunny bags) was not

accounted for and appeared reportedly to have been misappropriated.

The Department explained that soon after the death of Mr. Abbasi the Extra Assistant Director, Agriculture, Jacobabad, a departmental audit pertaining to 20,000 maunds of Paddy Seed and 21 bales of Gunny bags which had been purchased by deceased officer, was conducted as back as May, 1961 which had established that the material stood in the names of 12 N.C.S. Agents. The Department had started taking necessary steps for recovery of Government outstanding dues more than a year before the receipt of audit report from the Comptroller, Southern Area Karachi. First notices for recovery had been issued in February, 1962 while the audit report from Comptroller, was received in March, 1963. After issuance of the notices, the majority of N.C.S. Agents had filed civil suits against the Department on one ground or the other. These cases remained sub-judice from 3 to 4 years. The Department had been well defending the cases as all cases were decreed in favour of the Government. Some Agents have gone in appeals to the High Court which are presently sub-judice and Government is again defending these appeals. Where the agents have not preferred any appeals to the High Court, the Department has already moved the Assistant Government Pleaders to obtain copies of decrees from District Courts concerned so that the decreed amount could be realised through the Revenue authorities. In one such case, the Deputy Commissioner has already been requested to recover the decreed amount from the landed property of the defaulter. Respecting these agents who had not gone to the courts of law, the Revenue authorities had been requested to recover the Government dues from them as arrears of land revenue. Recovery from one agent amounting to Rs. 2,875 was made. Enquiries made by Revenue authorities revealed that rest of the agents turned out to be paupers. They challaned two such agents under section 157 of the Land Revenue Code and sent them to Civil jails for terms ranging from 4 to 6 months. For recovery of all such cases the revenue authorities have already been moved to make good the losses from the sureties of those agents.

The Committee directed that all efforts should be made to effect the recovery as soon as possible and subject to verification of recoveries by the Audit the para. was dropped.

(6) Page 11, Para. 3—*Unauthorised payment*—In this case an amount of Rs. 500 was shown as paid to an agent on account of incidental charges of 2,000 maunds of paddy seeds. Details regarding incidental expenditure or sanction of the competent authority for this transaction did not exist. The circumstances under which

the payment of Rs. 500 was made could not, therefore, be established. Reply to the audit observation included in the Audit Report issued in March, 1963 was not received.

The Department reported that an Enquiry Officer has been appointed and all efforts would be made to recover the amount. Subject to verification of recoveries the para. was dropped.

(7) *Page 11, Para. 5—Amount received but not accounted for in the cash book*—The Accountant-General stated that the records had been produced to the local audit office to their satisfaction. The para. was dropped.

(8) *Page 25, Para. 46—Non-Fixation of Cadre strength*—The Department explained that the cadre strength of the Directorate of Agriculture has been fixed.

The para. was dropped.

(9) *Page 27, Para. 17-V—Delay in disposal of Inspection Reports and Audit Notes*—The Department explained that only 2 reports are outstanding in Southern Area. Instructions have been issued to expedite disposal of pending audit reports and to take action against the officials responsible for delay.

The para. was dropped.

(10) *Page 4, Para. 8 read with page 94—Grant No. 25-Industries-B-fisheries—Excess Rs. 60,240*—The Department explained that the excess of expenditure of Rs. 76,898 was due to the late supply of 4 Vehicles for which order had been placed in the previous year. The amount was adjusted during the year 1961-62. The excess of Rs. 7,355 was due to book adjustment of previous years like claims of Telephone Department and the Railway Department, etc. The expenditure incurred by the staff of this Directorate under the audit jurisdiction of the Comptroller, Southern Area, is within the sanctioned grant for the year under review. The savings of Rs. 12,250 was due to the fact that certain posts of Assistant Warden of Fisheries, Fisheries Research, Assistant and Fisheries Development Assistant remained vacant for want of technical hands. The Fishery Watchers could also not be appointed because of the non-appointment of the Assistant Warden of Fisheries. The efforts to fill in the posts were repeatedly made through the Employment Exchanges. Rs. 14,000 were requested for through Excesses and Surrender statement. The amount was sanctioned by the Finance Department, *vide* No. 14-C-Rec-IV-62-1742, dated 23 May, 1962 and received in the Directorate on 31 May, 1962. The sanction was communicated to the Trout Development Officer, Kaghan, on 8th June, 1962, but it reached him on 27th June, 1962 at Shinu, Kaghan Valley. Hence there was a saving of Rs. 11,763.

The explanation of the Department was accepted and the item was dropped.

APPROPRIATION ACCOUNTS—1960-61.

Page 3, Para. 5 read with Pages 363-64—Grant No. 35-Development-R-Industries—(i) R-23-Additional Staff for the Directorate of Fisheries—At the meeting held on 13 September, 1967 the Department stated that Rs. 1,33,220 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 through the 2nd Excesses and Surrenders Statement. A sum of Rs. 14,000 was kept for the remaining 3 months on the hope that the incumbents might be available but the Assistant Warden 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 then failed to satisfy the Committee on this aspect of the case.

The Department now stated that it did not get a chance to show the record to the Committee. Record shows that great efforts were made to recruit the staff but with little success. Twenty posts of Assistant Warden of Fisheries and 100 Watchers were sanctioned. The qualifications for the posts of Assistant Warden of Fisheries were "A Natural Science Degree (BSc with Botany and Zoology) and Fisheries Training for a period of not less than 3 months". The posts were advertised in papers. The Managers of the Employment Exchanges were also requested time and again for recommending suitable candidates.

The Department further stated that according to the agenda communicated,—vide Agriculture Department No. 7(264) SO (FM)/67, dated 1-9-1967 the examination of the explanation in respect of the appropriation accounts was to be taken up on 14-9-67 whereas 13-9-1967 was fixed for commercial accounts. So the Director of Fisheries was not expected to be present in the Committee Room on 13-9-1967. He was, however, informed over phone at about 1.00 p.m. that Fisheries Account was being discussed. On hearing it he rushed to the Committee but the discussion had been over before he reached there.

The Committee took strong exception to the remarks made by the Department in the second para. of the above explanation. The Committee pointed out that no such date of programme as mentioned in the explanation had been fixed by the Committee. 13th as well as 14th September, 1967 had been fixed by the Committee consideration of the explanation of Agriculture Department. If the Fisheries wing of the Agriculture Department had been misled internally by the circular issued by another Branch of the Department it is for the Secretary Agriculture to take necessary action in the matter. The Committee as such has nothing to do with it. The Committee was of the view that the time of the Committee was unnecessarily wasted by the Department by submitting irrelevant explanation to the Committee. With regards to the Department's explanation that sufficient efforts had been made, the Committee was satisfied and the para was dropped.

(2) R-24—*Development of Fisheries in Warsak Dam-Saving Rs. 46,922*—At the meeting held on 13-9-1967 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 post of the Fisheries Development Assistant, two Head Watchers, two Palvers and two Clearners 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.

It was now stated that the Department through the 2nd Excesses and Surrenders Statement surrendered Rs. 1,00,610 whereas Finance Department accepted Rs. 1,00,560. Rs. 45,000 was re-appropriated for the purchase of two buildings within the grant. It was intimated that Warsak Dam Organization served a notice to the Fisheries Development Officer in March, 1961. The Fisheries Development Officer negotiated with the Swiss Boring Company for the purchase of two building at a cost of Rs. 45,000. At first the amount was provided under 63-B-Development R-24. The Government sanction for the same was received on 9-6-1961, under No. IV(2-A)-S.O. Fb. III-(59). While working out the grant the Department was not in a position to say whether Rs. 45,000 would be sanctioned or not. As soon as the sanction was received the Finance Department was requested on the 13th June, 1961, for the re-appropriation of said amount. The Fisheries Development Officer was asked,—*vide* No. 8071-82, dated 12-6-1961 to enter an agreement for the said purchase.

The Deputy Chief Engineer, WAPDA occupied the buildings and thus arose dispute between M/S Swiss Boring Overseas Corp., and WAPDA regarding the ownership of the buildings proposed to be purchased by the Fisheries Department. At last on 10-7-61 the Swiss Boring overseas Corp., regretted their inability to sell these houses. In the circumstances the saving was due to the abnormal conditions which were not within the control of the Department.

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

APPROPRIATION ACCOUNTS-1959-60.

(1) *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 including a sum of Rs. 71,813 which had been outstanding for a period 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.

At the meeting held on 30-1-1967 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 had now actually increased by about Rs. 7,000 and that the Audit could again verify the total amount.

The Committee then 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 latest position now given by the Department about the out-standings was as follows:—

Outstanding against.	Total Amount outstanding.	Amount recovered upto date.	Balance outstanding.
	Rs.	Rs.	Rs.
(a) Within Forest Deptt.	31,195.95	31,195.95	—
(b) Other Govt. Deptts.	23,508.81	7,196.74	16,312.07
(c) Private individuals.	4,35,892.40	4,23,466.92	12,425.48
Total:	4,90,597.16	4,61,859.61	28,737.55

The information called for at serial Nos. (ii) to (v) above was also placed before the Committee.

The Committee noted the progress of effecting the recoveries and decided to drop the Para subject to verification of the recoveries already effected and with the direction to the Department to continue

their efforts to make recoveries of the outstanding amounts and get it verified by the Audit. The Audit would verify the recoveries and bring the matter back to the Committee, if necessary.

(2) *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.

In the meeting of the Committee held on 30-1-67 the Department had submitted confused explanation to the Committee. The Committee then directed that the Department should state as to what amount pertained to the preparation 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 Department now placed before the Committee statements containing the required information. The balance amount outstanding relating to prepartition period is Rs. 25,703/56. The balance amount relating to pre-partition period is Rs. 29,840/68. The remaining amount has been recovered. The Department stated that action is underway for writing off the entire amount of Rs. 25,703/56 of the pre-partition period. As regards the post-partition outstandings Mr. Abdul Hamid, Contractor against whom Rs. 29,840/68 is outstanding has filed a Civil Suit which is pending decision.

Subject to verification of the recoveries by the Audit, the item was dropped.

(3) *Page 41-42, 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 fresh 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 still awaited 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.

At the meeting held on 30-1-1967 the Department had stated that the cement was supplied to the private land owners for the construction of bunds and spill-ways in their land on fifty fifty basis. The beneficiaries could not construct the bunds and the cement issued to them for the purpose could not be shown as disposed off.

The case was referred to the Collector, Rawalpindi District 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 17-2-1966 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 2-3-66. The Divisional Forest Officer Rawalpindi South has also contacted the Collector, Rawalpindi personally who has even now failed to effect recovery within a reasonable period. The case would be taken up with the Board of Revenue, West Pakistan, Lahore.

The Committee then 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 off did not seem to be correct. If it were so, it was a clear case of procedural irregularity. No cement could or should have been 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 receive 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 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 intimate this to the Department before the next meeting of the Committee, the Department should inform the Secretary of the Committee.

As the Department did not inform the Assembly Secretariat about the recovery of the amount, the Collector Rawalpindi was asked to attend the present meeting. Major Mohd Ashraf, Collector Rawalpindi, attended the meeting today. The Committee was now informed by the Department that out of a total number of 2129 bags of cement the disposal of 1089 had been verified by the Audit leaving balance of 1040 bags the value of which would be Rs. 5,265-60

The Collector Rawalpindi, stated that they have been successful in making the recoveries. An amount of Rs. 4549.51 had been recovered leaving a balance of Rs. 716.09. He explained the reasons for the delay in the recovery of this amount and stated that he had already sent his report to the Board of Revenue that the Lambardari system was not functioning successfully in Rawalpindi so far as the recovery operations were concerned. He had, therefore, suggested that either the Lambardari commission should be increased or recovery peons should be sanctioned in the place of those Lambardars who had resigned.

Subject to verification of the recoveries made so far and on the assurance of the Department that efforts would continue to recover the balance, the para. was dropped.

(4) *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.

At the meeting held on 30-1-67 the Committee had dropped the item except in the case of the amount of Rs. 1,380 which was stated to be outstanding against the Forest contractor on account of re-auction of standing trees in which loss was caused for which he was responsible. The Department has stated that the contractor was issued notice under Material 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 arrear 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 24-6-1964.

The Committee then directed that the Department should explain 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.

The Department now explained that proper procedure with regard to advertisement etc. was followed at the time of re-auction of the standing trees.

The Explanation of the Department was accepted and the para. was dropped.

III. The Committee then adjourned to meet again on 13th December, 1967 at 9-00 A.M.

LAHORE:

ZAIN NOORANI

The 12th December, 1967.

CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING
COMMITTEE ON PUBLIC ACCOUNTS HELD ON 13TH
DECEMBER, 1967 AT 9-00 A.M. IN '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) Chaudhri Muhammad Nawaz, M.P.A. ... | Member. |
| (3) Chaudhri Muhammad Sarwar Khan, ... | Member. |
| M.P.A. | |
| (4) Rai Mansab Ali Khan Kharal, M.P.A. ... | Member. |
| (5) Mr. Malang Khan, M.P.A. ... | Member. |
| (6) Syed Akhlaque Hussain, T.Q.A., C.S.P., | Expert |
| Additional Secretary to Government of | Adviser. |
| West Pakistan, Finance Department. | |
| (7) Rana Muhammad Yasin, P. A. & A. S., | By Invitation. |
| Accountant-General, West Pakistan. | |
| (8) Mr. Amir Ahmed Khan, Secretary along- | By Invitation. |
| with Captain Muhammad Ashfaq, Joint | |
| Secretary, Government of West Pakistan, | |
| Agriculture Department. | |

Chaudhri Muhammad Iqbal, S.K., 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 years 1959-60, 1960-61 and 1961-62:—

APPROPRIATION ACCOUNTS-1959-60.

(1) *Page 42, Para. 12-Shortage/loss of Stores*—In this case in the stores accounts for July, 1958 of a Forest Division, logs of wood, firewood, slimps and bricks etc., valuing Rs. 3,83,058 were reported not 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, was not able to locate any differences. The shortages needed to be investigated and made good from the persons responsible.

The matter was last considered by the Committee at the meeting held on 30-1-1967. As there was difference between the shortages shown by the Audit and those admitted by the Department, the para was deferred for Settlement between the Department and the Audit.

The Committee noted that even at this stage the Department had not been able to get the figures of shortage verified by the Audit. The Department explained that they had produced the entire records but, for certain reasons, the Audit had not been able to verify the figures. The Committee felt quite distressed about the delay of seven years in the verification of shortages and decided that all it could do at this stage was to give not more than three months from 13-12-1967 to the Department to get the shortages verified by the Audit and to initiate action for the recovery of Government dues on this account without waiting for the receipt of the minutes of the meeting of the Committee.

The Finance Department suggested that when Working Papers are prepared relating to this item for the next series of meetings of the Committee the losses should be shown by cubic feet as well as money value of the losses.

The para. was deferred again to be taken up alongwith the accounts for the year 1962-63.

(2) *Page 42, Para. 13, item (i)-Shortage of Chil. Scants, Firewood, Rosin, Kail, Billets and Charcoal worth Rs. 1,41,775*—This item was discussed by the Committee in the meeting held on 22-4-67 when the Department had stated that this was a case of mis-posting and not a case of shortage. The discrepancy was due to the incorrect posting of timber form 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 has, 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.

As the Audit wanted to have an opportunity to verify these facts, the consideration of the item was deferred.

The Department now explained that the audit had pointed out shortages to the extent of Rs. 1,41,775/37. Mr. Tajammal Hussain WPFS (II) who was deputed to reconcile the timber has verified shortages to the tune of Rs. 89,724/30. Six officials have been charge-sheeted for the above shortages. The reconciliation done by Mr. Tajammal Hussain, WPFS (II) was put up to the External Audit Party for verification. The shortages in respect of timber and firewood have not been verified by the Audit. However the shortages in respect of Rosin, Charcoal and grass have been verified by the audit party.

Subject to verification by the Audit and the Departmental action the item was dropped.

(3) *Page 42, Para. 13, item (2)-Shortage of 15,721 Maunds of firewood worth Rs. 39,303*—At the meeting held on 22-4-1967 the Department stated that an enquiry made in the matter had revealed that in fact firewood 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 however refused to pay the amount, and they were also exempted from payment on the advice of Law Department. The case was then 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 collaboration 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 overpayment made to the contractor by the Forest Ranger.

The Department now stated that the question of revision of previous orders is under consideration.

The Committee observed that it would like to know why the proceedings against the Forest Ranger were quashed and on what grounds. Whether there was any technical flaw in the process of the inquiry, if so, why was no de-novo inquiry ordered? The item was deferred to come up again for consideration at the next series of meetings of the Committee alongwith the accounts for 1962-63.

(4) Page 42, Para. 13-item (3)-Shortage of 230 empty drums and 1125 empty tins worth Rs. 11,732—At the meeting held on 22-4-1967, 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 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. Reconciliation would be got verified by the Audit. There was only a shortage of 237 empty drums and steps have been initiated for the recovery of the 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 was on deputation he should be recalled at once and necessary action taken to effect the recovery of the drums. This again would be subject to verification by the Audit.

The Department now explained that as regards the shortage of 237 drums Mr. Abdul Majid Khan, WPPS (II) was charge-sheeted but was exonerated by the Enquiry Officer. Further probe into the shortage is in progress.

The item was deferred to be taken up at the next meeting of the Committee alongwith accounts of 1962-63 when the Department shall report further progress.

(5) *Page 42, Para. 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.

At the meeting held on 22-4-1967, the Department stated that there has been some misunderstanding 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 then 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 affected 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. The Committee took a very serious view of the light-hearted manner in which the explanation had been furnished to it and directed that disciplinary action should be taken against the Officer, who prepared and furnished the explanation in the first instance.

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 the value of 306 cft. had been worked out to Rs. 918 by the Department while the value of 577 cft. had been worked out to Rs. 3,064 by the Audit while preparing the para. which obviously must have been on the basis of the records of the Forest Department.

The Department now expressed its regrets and informed the Committee that the entire Section was responsible for giving the explanation which had inadvertently been submitted to the Committee. The Committee noted the regrets of the Department and directed that they should be more careful in the future. The Committee however noted that this matter had not been finally settled as yet. Though a period of 10 year has lapsed, reconciliation with the Audit had not been completed. It was obviously not a satisfactory state of affair and the Committee wished to record that the Department concerned should at all times ensure that figures are

verified with the Audit at the earliest and in cases where there is uncalled for delay, action should be taken against the officials responsible for this lapse. The Department should now get the figures verified by the Audit and report back to the Committee in its next meeting when the accounts for 1962-63 are considered.

(6) *Page 42, Para. 13-item (5)-Shortage of 550 Maunds of firewood worth Rs. 1,100*—At the meeting held on 22-4-1967, the Department explained that they had asked the Collector Rawalpindi on 11-1-1961 to recover an amount of Rs. 481/4/- the price of 550 maunds of firewood from the Forest Guard, Mushtaq Ali who was discharged from service, as arrears of land Revenue. The Department was asked to explain as to know 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/-. The Department was further directed to take all necessary steps to effect the recovery.

The Department now stated that during March, 57 kacha firewood was sold @ Rs. 0/75 per maund and pacca firewood @ Rs. 1 per maund from Sehrbagla Range. The loss on account of shortage of 550 maund was consequently worked out at Rs. 0/87 per maund as firewood was kacha and pacca mixed. The value of the firewood at the rate given above worked out to Rs. 481/25. The security of the ex-Forest Guard (Rs. 30) was adjusted towards the outstanding leaving a balance of Rs. 451/25. A reference has been made to the Collector Rawalpindi for recovery of this amount as arrears of land revenue.

Subject to verification by Audit of the value worked out and the recoveries made by the Department, the item was dropped.

(7) *Page 43, Para. 14-Item (1)-shortage of 828 maunds of firewood worth Rs. 1,000*—At the meeting held on 22-4-1967, the Department explained that there were some transfers from the books of one Forest Division to another, on account of re-organization in 1956, a year before the Audit took place and that the loss presumably was due to wastage in transit and dryage as is amounts to about 6% which 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. The Department contested this view of the Audit. The Committee decided that it 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 Department now explained that in all 13,459½ maunds of firewood were received in the depot from 1/50 to 2/53. 12,632½

maunds were disposed off, 827 maunds and 21 seers was the total shortage constituting 6.1% loss in all. The shortage was not taken into account twice.

The Audit pointed out that an Officer was deputed to verify the fact but relevant record was not produced to him for verification by the Department. The Committee noted that records had not been produced to the Audit despite the clear directive of the Committee. This was a very sad state of affairs, and the Committee asked the Department to look into the matter at the proper level and ensure that proper action is taken against the person or persons responsible for not carrying out the directive of the Committee.

The item was deferred by the Committee to come up again at its next meeting alongwith the accounts for 1962-63 with the hope that the Department would now produce the records to the Audit and carry out the instructions as contained in the Public Accounts Committee's observations at the previous meeting held on 22nd April, 1967.

(8) *Page 43, Para. 14-item (2)—Shortage of 1727 empty tins worth Rs. 3,000*—At the meeting held on 22nd April, 1967, 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 Forests, Rawalpindi, for the write off. 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 it should be referred to the Anti-Corruption Department. This, however, was not done. Ultimately, the responsibility was shifted to Forester Muhammad Hayat who had been screened out of service in 1959.

The Committee then observed that it was amazing that the responsibility had 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, as on the face of the explanation submitted to the Committee it appeared that some one had thought it appropriate to take an easy way out of the situation and had therefore shifted the responsibility on the shoulders of a person who had already been screened out. It clearly appears to be a case of "give the dog a bad name and hang it". The Committee also 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 Department now informed the Committee that out of 1727 tins disposal of 527 was traced out and verified by the Audit leaving a balance of 1200 tins. Depreciated value was worked out to be Rs. 158 which has been recovered and adjusted.

Audit pointed out that the recovery of Rs. 158 had been verified by audit. However, the disposal of 527 tins could not be verified by Audit as the Department did not produce the record to the Inspecting Officer who visited the offices in August, 1967.

The Committee made the same observations as in the case of (7) above.

(9) *Page 43, Para. 15-item (2)—Shortage of 4,160 maunds of firewood worth Rs. 8,320*—At the meeting held on 22nd April, 1967, the Department explained 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 works out to 28.15%. The Divisional Forest Officer felt that bushes and shrubs cut from the Forest, mixed with the prescribed species, might have reduced the weight during dryage, restocking 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 then 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 been responsible for the lapses.

The Department now stated that the case is being looked into to fix responsibility.

The Committee found that no satisfactory progress has been made in the matter. The para was deferred to come up in the next series of meeting along with the accounts for 1962-63 and the Department was expected to finalise it by then.

(10) *Page 43, Para. 15-Item (3)—Shortage of 488 empty tins worth Rs. 976*—At the meeting held on 22nd April, 1967 the Committee had made the same observations as in the case of item No. (9) above.

The Department now explained that the Collector has been addressed by Divisional Range Officer, Rawalpindi North Forest Division but no reply has been received.

The Committee made the same observations as in the case of item No. (9) above.

(11) *Page 43, Para. 15-Item (4)—Shortage of 1308 empty tins worth Rs. 2,616*—At the meeting held on 22nd April, 1967 the Committee had made the same observations as in the case of item No. (9) above.

The Department now explained that as a result of enquiry made Chaudhri Ghulam Husain, Forest Ranger (retired) was held guilty. Accordingly depreciated value of 1308 empty tins was worked out as Rs. 307.25. This amount has been recovered from the security of retired Forest Ranger and adjusted by Divisional Forest Officer, Rawalpindi North in his 8/67 accounts.

The Committee wanted to know as to how the depreciated value of 1,308 empty tins had been worked out to Rs. 307.25. This information was not available.

The item was deferred to be taken up alongwith the accounts for 1962-63.

(12) *Page 44, Para. 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 off in the stores account of a farm 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.

At the meeting held on 22nd April, 1967 the Department stated that a scrutiny of the record showed that Oureshi Saeed Ahmed, the then Range Officer, was responsible for the alleged misappropriation. He was requested a number of times to explain for discrepancies or to make good the loss but he did neither clear himself 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 Department now stated that—

- (i) the shortage of empty tins has been reconciled and will be got verified by the Audit; and
- (ii) as a result of enquiry made, Mr. Saeed Ahmed, Forest Ranger was held responsible for the loss of 323 (Not 383) drums.

The cost of drums has been assessed as Rs. 2,710-00 out of which Rs. 500-00 has been recovered and adjusted. The person who has been found responsible for the loss has filed a Civil suit and, therefore, further recovery will have to pend till the decision of the Civil Suit.

Subject to recovery and verification of the same by the Audit, the para. was dropped.

(13) *Page 45, Para. 23—Remission of Penalty*—In this case in a Forest Division a contract of standing trees in 4 farms was sold for Rs. 1,17,800. The contract provided a penalty of 1% of the sum due for 24 hours of delay after the expiry of a grace period of 3 days. The amount could be realized by confiscation of field timber and the security deposit. If 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:—

<i>Payments were due in</i>	<i>Payments were made in</i>
1. 3 instalments from 13th August 57 to December 57.	3 instalments from 23rd November 57 to 14th December 57.
2. 3 instalments from 13th August 57 to 31st December 57.	5 instalments from 3rd November 57 to 22nd January 58.
3. 3 instalments from 13th August to 31st December 57.	5 instalments from 22nd January 58 to 13th April 58.
4. 3 instalments from 13th August 57 to 31st December, 58.	5 instalments from 13th April, 58 to 1st September 58.

According to the above mentioned condition of the contractor, 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 instalment 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.

At the meeting held on 22nd April, 1967 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 account of 7/58 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 under-lying idea was not to impose heavy penalty upon the contractor. The provision of 1% 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 then observed that an Officer who was not authorised to give remission of penalty as provided for in the contract, arbitrarily fixed the penalty of Rs. 500 instead of 1% 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 up to 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.

The Department now stated that a copy of the decision of the Committee was sent to the concerned officer for compliance. His reply is as follows:—

“Without prejudice to any explanation which I may offer after examining your office records, I am to request that the Public Accounts Committee may be approached at the next meeting to review their recommendation on the basis of the following features:—

- (i) Recovery of interest at the rate of 365% per annum is most unreasonable and illogical and tantamount to usury, had probably been relaxed by the Government, but the agreement deeds were not corrected.
- (ii) In view of the above, the clause had never been used by my predecessors who were charging nominal interest in their discretion.

- (iii) My successors in office also did not recover interest at the rate stipulated in the clause although it continued to appear in the agreements, presumably to prevent default.

In view of the above features, my disposals may please be viewed in the context of disposals of my predecessors and successors. As it was the established practice in the Department to charge nominal interest in disregard of the illogical clause, the Public Accounts Committee may kindly review their recommendation and drop the case."

The Committee directed that the Additional Finance Secretary and Secretary Agriculture, should jointly make an inquiry into this matter and examine the following points in particular:—

- (i) whether there has ever been a relaxation of the clause in the Lahore Region?
- (ii) whether the case was shown to the Finance Department and the Law Department at any stage?
- (iii) was there any relaxation in the imposition of the penalty and, if so, was it brought into effect with the approval of the Finance Department?

The Additional Finance Secretary, co-ordinating the inquiry should obtain the final opinion of the Law Department and submit a report to the Committee at its next series of meetings when the accounts for 1962-63 are taken up by the Committee. The working papers for the next meeting will be prepared by the Agriculture Department on the advice of the Finance Department.

(14) *Page 46, Para. 24—Non-recovery of Government dues—* This para. was deferred to be taken up again alongwith the accounts for 1962-63 when the Department will report the progress.

(15) *Page 3, Para. 5 read with page 194—Grant No. 36—Miscellaneous-F-4-other charges—Compensation to Market Committee saving Rs. 25,000—* The Department explained that the provision of Rs. 25,000 in the Budget Estimates for 1959-60 could not be utilized due to late sanction of grant-in-aid to the Market Committee. The Finance Department were moved to agree to the re-grant of this amount during the next financial year 1960-61 in addition to the grant of Rs. 25,000 already provided for this year (1960-61). This was agreed to by the Finance Department.

The explanation of the Department was accepted and the item was dropped.

APPROPRIATION ACCOUNTS 1960-61

(1) *Page 3, Para. 5 read with pages 318-320—Grant No. 35—Development-E-Forests—* The Department explained the excesses/savings under this head as under:—

E-3 Timber Seasoning Kiln Changa Manga (Excess) 43,335— During the year 1959-60 an amount of Rs. 1,38,590 was sanctioned

for the purchase of a plant of Timber seasoning Kiln. The indent for the import of machinery was placed with the Director of Industries but the machinery could not be arranged during the year and the entire amount was surrendered in 1959-60. An amount of Rs. 40,000 was sanctioned to meet the running charges of the Kiln during the year 1960-61. As the Kiln itself could not be installed in 1959-60 and the running charges of Rs. 40,000 were surrendered in the 2nd List of Excesses and Surrenders which was accepted in full by the Finance Department. The Department had not incurred any expenditure under the above scheme during the year 1960-61. At the time of reconciliation no expenditure was shown under the scheme in the books of the Audit Department. Further, no intimation about the adjustment of the expenditure by the Audit Department was received by this Department. It was only on the publication of the Appropriation Account that the Department came to know that the above amount was shown against the Department. This discrepancy was pointed out to the Audit Department, but they did not reconcile the discrepancy on the ground that the accounts for 1960-61 had been closed.

E-1. Continuance of Kohistan Forest Division in Hyderabad Region (Saving) Rs. 23,602—(i) A sum of Rs. 3,000 was re-appropriated from this scheme to E-5 Continuance of Coastal Zone Afforestation Division by Administrative Department but the Audit Department had not taken into account this transfer while working out final grant of the scheme.

(ii) A sum of Rs. 20,602 was kept for the payment of cost of Jeep, etc. for which an indent was placed with the Director of Industries. The Director of Industries had placed the contact with M/s. Eastern Automobiles (Lahore) Ltd. The Director of Industries was reminded.—*vide* former Conservator of Forests, Hyderabad No. 35/21/3790, dated 26th November, 1960, Divisional Forest Officer, Kohistan No. 42/1507, dated 28th March, 1961 and C. F. No. 35-XI-2/9213, dated 13th May, 1961 for the early supply of Jeep. After repeated reminders the Director of Industries had replied on 18th May, 1961 that the Vehicle had been shipped from U.S.A. The Vehicle was however not received before the close of the financial year and consequently the funds reserved for the purpose could not be utilized.

*E-2 Continuance of G. M. Barrage Afforestation Division (Saving) Rs. 1,40,412—*It has been reported by C.F.G.M. Barrage now that the correct saving works out to Rs. 1,18,202 and not Rs. 1,40,412. Reasons for the saving were given as under:—

- (i) *Rs. 55,724 Demarcation of Boundaries, Sowing and Planting—*(a) Due to shortage of labour the target for the year could not be achieved.

- (b) Rs. 41,594 due to the fact that Public Works Department did not supply the full quota of water fixed for the area. The bill of water charges amounting to Rs. 38,506-37 was received as against Rs. 80,100 originally anticipated.
- (ii) Rs. 20,133. The saving is due to the fact that 12 labour landhies to be constructed during the year could not be constructed due to non-availability of contractors and shortage of labour.
- (iii) Rs. 779 due to non-supply of typewriter by the Industries Department.

*E-14 West Pakistan Range Improvement Scheme—Saving Rs. 1,07,574—*The saving is due to the following reasons:—

The indents amounting to Rs. 2,83,560 were placed with the Director of Industries for the purchase of store articles. Against the above contracts the store articles amounting to Rs. 2,04,602 were supplied and this amount was adjusted by the Accountant-General, in the account of June Final of 1960-61. From the above it appears that the store articles worth Rs. 78,940 were not supplied during the year and amount reserved for the payment of cost of store articles remained unspent. A sum of Rs. 16,494 was kept for the carriage of remaining store articles from Karachi to various places within the country and payment of taxes and commission to the Firm. As the indented store articles were not received during the year, the amount reserved for the purpose could not be utilized. Rs. 12,140 could not be utilized as the work of sanitary fitting and electrification could not be done due to late completion of the building during the financial year.

*E-17 Watershed Management Survey—Saving Rs. 45,213—*The saving is due to non-supply of three Jeeps during the year by the Firm M/s. Eastern Automobiles (Lahore).

*E-19 Dry Afforestation Railway Track—Saving Rs. 5,376—*According to the figures given in the Appropriation Accounts, there is a saving of Rs. 5,376 under this scheme but according to the figures booked in the accounts of the Department there is no saving. The Audit Department had shown less expenditure than actually booked by the Forest Department. This fact was noticed at the time of reconciliation of figures. The Audit Department was requested to confirm the figures after adjusting the variation by a special journal entry but they had shown their inability for the reason that the Appropriation Accounts for 1960-61 had been printed.

Subject to verification by Audit in the case of E-1, the item was dropped.

(2) *Page 7, Para. 12 (i) read with Pages 100-103—Supplementary Grant proving Partly unnecessary—Grant No. 5-Forests—*The Department explained that the net saving works out to Rs. 2,81,567 and not Rs. 5,32,466. The Department was required to explain

only cases where they had obtained excess amounts by way of supplementary grants. The supplementary grant was obtained under the following primary units for the amount noted against each:—

Primary Unit		Supplementary Grant
B.I. (i)	Timber and other Forest produce removed from Forest by Government Agency.	1,14,420
B.I. (ii)	Timber and other Forest produce removed from Forests by consumers and purchasers.	8,600
B.I. (iii)	Live Stock, Stores, Tools and Plants	5,000
B.I. (iv)	Organization, Improvement and Extension of Forests.	9,03,290
B.I. (v)	Communications and Buildings ...	1,01,740
B.I. (vi)	Miscellaneous ...	1,430
B.2	Jallo ...	1,80,250
Total ...		13,14,730

Out of the above primary units there had been saving only under the primary units given below:—

Name of Primary Unit	Final Grant	Actual Expenditure		Saving
		Rs.	Rs.	
(i) B.I. (iii) Purchase of Live Stock, Store—Tools and Plants.	4,89,210	3,68,616	1,22,594	Saving was due to the following factors— (i) Non-adjustment of cost of Engine of a Launch of Hyderabad Division. Rs. —20,000. (ii) Non-supply of Jeeps within time Rs. —1,62,604.
(ii) B.I. (iv) Organization, Improvement and extension of Forests.	61,84,050	60,07,157	—1,77,493	Saving was due to the fact that supplementary grant was sanctioned late and consequently the work could not be carried out.
(iii) B.I. (v) Communication and Buildings.	9,39,580	8,76,571	—53,009	Saving was due to late receipt of sanction of the Supplementary grant.
(iv) B.I. (vi) Miscellaneous	2,68,420	2,67,873	—547	Minor difference.
(v) B.2 Jallo	27,05,640	27,05,648	—8	Minor difference.

The explanation of the Department was accepted and the item was dropped.

(3) *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 2,926 bags of cement were found to be lying un-used in the stock in April, 1961. This indicated that the stock was indented far in excess of the immediate requirements resulting in unnecessary 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 3,11,000 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.

At the meeting held on 14th September, 1967, the Agriculture Department explained that the cement was supplied in one lot during 1960 against the indents placed during the year 1956-57, 1957-58, 1958-59 and 1959-60 for the construction of spill-ways 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 Public Works Department, the cement could not be consumed. Consequently the Divisional Forest Officer referred the case to the Conservator of Forest, 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. 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 utilised. 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 Public Works

Department. Therefore these bricks could not be utilized by the Department. The Divisional Forest Officer intimated that 3,00,000 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 off by open public auction as their carriage and use elsewhere than Kharian would not be economical. The former Chief Conservator of Forests, West Pakistan advised that the possibility of the use of these bricks within the Department be examined. One lac burnt bricks were transferred to Roads Forests Division and the remaining put to auction after proper advertisement in the news-papers and approval of the reserve rates taken by the Chief Conservator of Forests, Lahore Region. The bricks were sold at Rs. 36/- per thousand. The Divisional Forests Officer has been directed to re-examine the possibilities of fixing the responsibility for the loss occurred 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 Public Works Department 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:—

Serial No.	Nature of Power	To whom delegated	Extent
	6 To sanction all usual payments involving, planting etc., under Major Head 10 Forests (B-Development (B Forests) and 65 - Capital Outlay.	Chief Conservator of Forest, Conservator of Forests, Divisional Forest Officer.	Full Powers

The Audit Department 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 powers rules were not very happily worded.

The Committee then asked the Finance Department to look into the matter. As regards determining whether the Divisional Forests 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.

The Committee was now informed that Finance Department had held that the expenditure by Divisional Forest Officer on the purchase of cement and burnt bricks is not covered by the Delegation of Powers Rules, 1962. The officer had no powers in this behalf and acted in an un-authorised manner. The Finance Department had further requested the Administrative Department to re-examine the case and submit detailed report indicating the steps taken to make good the loss and to prevent recurrence of abuse and mis-use of Powers.

The Department, however, pointed out that—

(i) Cement and bricks were purchased during 1959 by the Divisional Forest Officer relying on the powers of 1957 delegation order which are re-produced below:—

Powers of 1957 issued by the Finance Department.

Serial No.	Nature of Powers	To whom delegated	Extent
44	To sanction all usual payment on account of revenue expenditure and fixed in paragraphs 6—10 of the Punjab Budget Manual (Third edition).	G. C. F.—C. F. and All. D.F. Os.	Subject to the condition that the Budget allotment are in no case exceeded.

(ii) The powers of 1962 are not applicable in this case and are under clarification with the Finance Department.

(iii) The position about the loss sustained was stated as under:

Cement—Responsibility is still being fixed. The officer who had originally made purchases has since retired.

Bricks—The officer held responsible has since been charge sheeted and further action is underway.

As the Finance Department desired to re-examine the matter, the para. was deferred to be taken up alongwith the accounts for 1962-63.

(4) Page 522, Para. 45—Mis-appropriation of Government Money amounting to Rs. 70,911—In this case an amount of Rs. 70,911, had been mis-appropriated.

At the meeting held on 14th September, 1967 the Department explained that 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.

As no progress was reported in the present meeting the para. was deferred to be taken up at the next series of meeting of the Committee alongwith the accounts of 1962-63.

APPROPRIATION ACCOUNTS 1961-62

(1) *Page 16, Para. 24—Loss of Stock*—In this case 1,91,260 cft. of unclassified firewood was removed to a Sales Depot of a Forest Division during January to March, 1962 but only 1,87,845 cft. was entered in the stock register. The stock i.e., 1,87,845 cft. was disposed of by auction on 12th March, 1962. The loss of 3,415 cft. firewood (less accounted for) of the value of Rs. 1,195 calculated @ Rs. 35 per 1000 cft. (the rate at which the most inferior quality of firewood was sold during the same period) was pointed out to the Departmental Authorities during the local inspection of accounts in January, 1963.

The Department explained that the entire loss of 3,415 cft. firewood in Dad Fatiana Sale Depot amounting to Rs. 1,123.50 and not Rs. 1,195 as calculated by Audit party has since been recovered from the Forest Guard responsible. The recoveries have been got verified by the audit party who visited the office of Divisional Forest Officer, Sahiwal, during June, 1967 and a certificate to this effect has been obtained from them.

The para. was dropped:

(2) *Pages 16 and 17, Para. 25—Un-necessary locking up of Government Capital*—In this case a sum of Rs. 94,988 was paid by the Forest Department in June, 1959 to a local manufacturing concern on account of the cost of 4 tube-wells at Rs. 23,747 each. The following irregularities were committed in this case:—

- (i) The expenditure involved was not within the financial powers delegated to the officer. To avoid the necessity of obtaining sanction of the higher authority, 4 sanctions of Rs. 23,747 each were issued;
- (ii) The purchase was made by the Forest Department direct without inviting competitive tenders and ignoring the authorised agency of the Store Purchase Department.
- (iii) Out of 4 tube-wells the cost of which was paid to the manufacturing concern 2 were delivered long after their payment had been made. The remaining 2 were not supplied upto the end of August, 1961;
- (iv) The payment of Rs. 94,988 representing the cost of tube-wells was made to the suppliers in advance obviously with a view to rendering financial assistance to them.

* This requires to be regularised with the sanction of the Government;

- (v) Only one tube-well could be installed upto March, 1962. It followed that the tube-wells were purchased without immediate requirements, resulting in unnecessary locking up of Government Capital.

The Department explained that the scheme "Raising of Nurseries in West Pakistan" was prepared on all West Pakistan basis. The funds sanctioned for the implementation of this scheme were allocated to four circles according to their requirements. Similarly the provision of 4 tube-wells had been distributed amongst the said circles and accordingly the expenditure on the purchase of tube-wells had to be incurred and charged by the respective Conservator of Forests, against the budget allocation meant for this purpose. Four tube-wells were required for four different Forest Circles. Each Forest Circle concerned was required to purchase one tube-well at its own level by obtaining sanction of the competent authority. There were thus 4 separate cases and Chief Conservator of Forests was competent to accord sanction for the purchase of tube-wells @ Rs. not exceeding Rs. 30,000 in each case,—vide item No. III(v) of Appendix "A" appended to Finance Department letter No. F. D. SOI-(SR)/58, dated 5th November, 1958. The Chief Conservator of Forests, thus accorded 4 separate sanctions, one each for four different circles. The Department is still of the opinion that the Chief Conservator of Forests did not split the purchase in order to avoid the necessity of obtaining sanction of the higher authority. Since the Audit Department did not agree with the above interpretation and advised that the concurrence of the Finance Department be obtained to regularise the expenditure, the case has been referred to the Finance Department.

The para. was dropped subject to regularization by Finance Department.

(3) Page 17, Para. 26—*Infructuous expenditure*—In this case a tube-well irrigation scheme for a certain Forest Division was sanctioned by the late Punjab Government in January, 1960. The scheme was financed by the Provincial and Central Governments on 50:50 basis under the grow mode food campaign. An expenditure of Rs. 64,382 was incurred on the installation of 2 tube-wells against an estimated cost of Rs. 40,000. The excess expenditure aggregating Rs. 24,382 over the original estimate was not regularised with the sanction of the competent authority. The total expenditure incurred on the installation, running and maintenance of the 2 tube-wells amounted to Rs. 74,332. The land attached to the irrigation scheme was based for temporary cultivation but the lessee abandoned it as the soil was poor and shallow, and the tube-wells could not supply the required quantity of water. The scheme did

not yield any crop and was declared a total failure resulting in considerable loss to Government.

The Department explained that a tube-well irrigation scheme for the cultivation of land in the vicinity of China Mallana forest of Muzaffargarh Forest Division was sanctioned by the old Punjab Government under this scheme. Two tube-wells at a total cost of Rs. 40,000 were to be installed on 50:50 basis between Provincial Government and the Central Government. A total amount of Rs. 64,381 was, however, spent against Rs. 40,000 sanctioned by Government. The scheme was taken up with a view that an area of about 600 acres would be leased out on temporary cultivation during the first 5 years in order to get the land levelled and cleared of jungle for afforestation purposes. It was subsidized by the Economic Council for funds of the Agriculture Development Scheme probably because it was supposed that it would help in pushing up the "Grow More Food Campaign" as well. Immediately after the completion of installation work during March, 1955, efforts were made to lease out the area on temporary cultivation but in spite of repeated advertisements of auctions and tenders, only an area of 300 acres in compartment 11 of China Mallana forest could be leased out to M/S Muhammad Afaq, Muhammad Siddique and Muhammad Ashraf @ Rs. 5/50 per acre per annum. The lessees did not start the work. Another effort was made to attract the lessees but there was no response owing to the following main reasons:—

- (i) There are large tracts of private land lying in the vicinity of China Mallana Forest, which were available for cultivation on batai system and on more easier terms;
- (ii) The areas became unapproachable during summer owing to excavation of Sohail canal, which remained flooded from July to September. There was no intimation of excavation of canal at the time of preparation of scheme;
- (iii) The soil was mostly poor in quality and out-turn of crop was not, therefore, expected to be as high as in other forest lands;
- (iv) The areas were normally flooded from the river Indus during the flood season and as such only one Rabi crop could be raised;
- (v) The locality was heavily infested with boars which did quite a lot of damage to the agriculture crops in the vicinity.

At the time of preparation of this scheme the above factors were not considered so sound as to prevent the cultivators to come forward to have a lease on temporary cultivation. These factors were beyond control. There were thus two alternatives left for the Department i.e. (i) to carry out cultivation departmentally; or (ii) to

abandon the scheme altogether. Departmental cultivation would have certainly involved a lot of initial expenditure on jungle clearance, levelling and cultivation and it was doubtful if this method could pay back to the Department even the expenses expected to be incurred on above works. The second alternative was considered suitable and the scheme was abandoned. The tube-wells were sent one each to Divisional Forest Officer Silva and Bahawalpur for better utilization. In the circumstances explained above it would be appreciated that the Department did take the work in hand in good faith but the scheme failed due to the reasons beyond control e.g. one could not foresee if the excavation of Sohni Canal would effect the scheme adversely. The scheme and experiment may fail in one case while they are successfully tackled in many other cases. As regards the incurring of an expenditure of Rs. 64,381 against Rs. 40,000 sanctioned by Government, it is necessary to have a glance of the following break up of the expenditure to arrive at the reasons for this deviation:—

	Rs.
(1) Cost of tubewell and materials ..	47,695·41
(2) Labour charges for installation, etc. ...	6,812·32
(3) Carriage charges of material ..	3,329·60
(4) Cost of bricks, cement, bajri ..	3,080·99
(5) Petrol ..	1,469·94
(6) Miscellaneous expenses, i.e., construction of room for Tubewell and purchase of Kabul tent ..	1,992·87
Total ..	64,381·13

Inspite of best efforts the original scheme and the estimates of works, if at all these had been prepared, could not be traced out in the office of Divisional Forest Officer, Muzaffargarh Forest Division or the Regional Office and as such correct comparison of estimates and actual expenditure is not possible. The reasons for excess expenditure, however, seem to be the following:—

(1) *Under-estimation of cost of tube-well engines and other material*—Rs. 47,695/41—An amount of Rs. 40,000 was sanctioned for the two tube-wells whereas the material of tube-wells only cost Rs. 47,695.

(2) *Labour charges for installation and carriage of material*—Rs. 10,141·92—A heavy expenditure of Rs. 3,329/60 had to be

incurred on carriage of material only due to the site being unapproachable. Such a heavy expenditure was definitely not expected. When the tube-well engine etc., had exceeded the total cost of the scheme, the labour charges also exceeded with the high rates of cost of living.

(3) *Petrol*—Rs. 1,469-94—An expenditure of Rs. 1,469-94 is actually the running charges and should not have been included in the work of "installation of tube-wells".

(4) *Miscellaneous expenditure*—Rs. 1,992-87—It seems that the cost of engine room and tents etc., had not been provided in the original estimates at all, but the items were essential. It is, therefore, evident that all the factors were beyond control and none of the officials/officers can be blamed for it. Mr. Jamal-ud-Din, W.P.F.S. (I) was the incharge of Muzaffargarh Forest Division when the work was undertaken and probably he was the officer who sponsored the Scheme. He has since been retired from service long ago and as such any action against him for the failure of scheme is not possible. The tube-well engines were, however, utilized usefully at other places when the scheme did not prove a success.

The Department further stated that they had requested the Finance Department to regularise the matter. During the discussion before the Committee it transpired that a reference had been made not to the Finance Department direct but to the Industries Department. The regularisation has not been done so far. The Finance Department promised to look into the matter. The Committee was of the opinion that a feasibility report should have been obtained before the necessary sanction was accorded by the Government and would stress that in future no sanction should be accorded without the feasibility report being there.

Subject to these observations and regularisation by the Finance Department, the para. was dropped.

(4) *Pages 17 and 18 Para. 27—Overpayment and short recoveries*—(i) In this case a Conservator of Forests ordered in May, 1953, that payment for earth work in a Forest Division under him should be made at the P. W. D. (B&R) rates. The payments were actually made by assessing the cost of work at the rates higher than those fixed by the Public Works Department. The infringement of these orders resulted in an overpayment of Rs. 6,599. P.W.D. (B&R) schedule rates for earth work included both digging of pits and preparation of ridges (Watts) around them for sowing plants. In certain cases preparation of ridges was treated as a separate item and paid for at rates higher than the scheduled rates which accounted for an excess payment of Rs. 3,654. The total excess payment amounted to Rs. 10,253 which had neither been recovered nor regularised with the orders of competent authority.

The Department explained that the work involved consists of pick and jumper work. According to Serial No. 8 of Sub-Head Earth work printed at page 5 of the P.W.D. schedule of rates in vogue during 1961-62 a rate of Rs. 11/60 per 1000 cft. was admissible for pick and jumper work. On this rate premium of 145% is admissible. The expenditure of Rs. 18,084/09 was actually incurred. If the whole work had been carried out at the sanctioned rate of Rs. 28/50 (Rs. 11/50 plus 145% premium) the total expenditure involved would have been Rs. 38,078/33. Instead of over payment as worked out by the audit there is thus a saving of Rs. 11,994/24 (Rs. 30,078/33—18,084/09). Instead of sticking to the consolidated sanctioned rate of Rs. 28/50 per 1000 cft. this work was got done at various rates according to the site condition and availability of labour. Only in case of 93,994 cft. earth work, the rate of Rs. 30 per 1000 cft. was charged against sanctioned rate of Rs. 28/50. This increase in rate is due to hard soil and non-availability of labour. According to the above facts it is evident that even after getting higher rates approved the actual work was got done at much cheaper rates and no over payment is involved. According to Serial No. 14 of Sub-Head earth work of the schedule of rates of Public Works Department a rate of Rs. 4 per 1000 cft. on account of earth work on berms including dressing is admissible. It is, therefore, clear that in the Forest Department as well as P. W. D. berms making is a separate item and correctly so. Therefore, no over-payment was made.

(ii) In this case it was observed that the amount recoverable from the offenders as compensation for damages done worked out to Rs. 276 at the rates approval by the Deputy Commissioner, out of which a sum of Rs. 188 had been recovered upto October, 1961. Similarly the amount of compensation in respect of cases compounded under Section 68 of the Forest Act aggregated to Rs. 3,907 out of which Rs. 1,786 could be realised upto the date specified above. The total short recoveries in these cases amounted to Rs. 2,209 which were outstanding until 30th June, 1964.

The Department explained that the prosecution cases in question were sent to the court of A. D. M. Jhelum for summary trial. As these cases had become time barred, therefore, these were not accepted by the Court who desired departmental action. In these prosecution cases double rate was proposed by the Divisional Forest Officer to cover the expenses involved in the judicial proceedings. Since the court did not accept the cases being a bit delayed and the accused had by then offered to compound these cases at the scheduled rates, these were therefore, compounded accordingly. It would thus be seen that no loss to Government was caused because the rates were doubled arbitrarily so as to get deterrent punishment. In some cases, however, less amount was recovered as compared to the scheduled rates. As against the short recovery of Rs. 433/63 an amount of Rs. 17/25 has since been recovered. For the balance

amount, the recovery proceedings are in progress against the officials who were responsible for less recovery.

The explanation was considered satisfactory and the para. was dropped subject to verification by the Audit.

(5) Page 18, Para. 28—*Over Payments and outstanding recoveries*—(a) In this case a sum of Rs. 3,876 was paid in a Forest Division in June, 1960, on account of cost of digging 96,000 pits,—*vide* sub-vouchers Nos. 62 and 80 for Rs. 1,260 and Rs. 2,616 respectively. The payment was made at the rate of Rs. 4 per 100 pits, which in addition to the digging work included the alignment and dagbaling charges. As the work executed did not involve alignment and dagbaling, it was simple earth work involving, 1,93,800 cft. earth. The total charges of this work on the basis of the accepted rates *viz* Rs. 9 per 1000 cft. worked out to Rs. 1,744 resulting in an excess payment of Rs. 2,132.

The Department explained that the different operations at two different rates were approved in the schedule of rates for the year 1958-59 which remained in vogue even during the year 1959-60. They are as under:—

- | | |
|--|-------------------|
| (1) Earth work on account of the digging of trenches, pasels and khals, etc, | Rs. 9 per % cft. |
| (2) Digging of circular pits with an average cubic contents of 2½ cft. | Rs. 4 per % pits. |

The first operation *viz* digging of trenches, khals and pasels is generally done in areas where concentrated work is to be carried out such as irrigated plantations. Where the second type of work is done in areas where flow irrigation is not possible, and the work is scattered over different pieces of land, which are not contiguous to each other. The voucher under objection relates to the digging of pits in rivarian Forests where the land is available only in pockets and where concentrated work is not possible. The labour has to keep on moving from one pocket of land to another in order to dig pits for afforestation purposes. Moreover, under *bela* technique the pits are dug 15' apart wherever the soil and the depth of under ground water is suitable. The mode of earth work is, therefore, essentially confined to the digging of pits rather than the digging of trenches. If the expenditure is compared on volumetric basis the rate worked out to Rs. 20 per 1000 cft. This rate as compared with the rate of Rs. 9 per 1000 cft. for digging of trenches is justified on the following reasons:—

- (1) Since the work is scattered all over the area labour has to waste lot of time in movement from one place to another which consequently results in the loss of their

daily wages and has got to be compensated with a higher earth work rate.

- (2) The digging of pits has to be done with Khurpa rather than the spade as in the case of digging of trenches. Moreover, the pits have to be given a definite shape in order to enable them to hold water for a longer period. This involves extra labour not ordinarily required in earth work for digging of trenches.
- (3) The riverain areas are normally infected with thickets of kana and kahi with the result that the digging of pit had a particular alignment involving clearance of site and removal of clumps etc. which in turn involves extra labour and expenses.

The explanation of the Department was accepted and the item was dropped.

(b) In this case 1,45,849 pits of 2 cft. volume, each $(1 \times 1 \times 1 \times 3/2)$ had been dug and paid for at Rs. 4 per hundred pits. This rate had been fixed for pits of $2\frac{1}{2}$ cft. each $(1 \times 3/2 \times 3/2)$. The rate fixed for pits of 2 cft. volume for the year, 1959-60 and 1960-61 was not made available in audit. The rate fixed for this item of work for the year 1961-62 was Rs. 3 per hundred pits. Calculating on this basis an over payment of Rs. 1 per hundred pits had been made. The excess payment made in this case worked out to Rs. 1,458. The total amount over paid in the above two cases worked out to Rs. 3,590 which had neither been recovered nor regularised.

The Department explained that this objection is part of the audit para. No. 28 (a) as given above. It will be observed that the audit party itself has admitted in para. 28(a) above that the schedule rate for digging of pits during the year 1959-60 is Rs. 4 per hundred pits charged to accounts on voucher No. 62 and 80 for the month of June, 1960. They have worked out an over payment merely on the assumption that since the rate for the digging of pits during the year 1961-62 has been reduced to Rs. 3 it cannot possibly be more than that during the year, 1959-60. The factual position is that in the schedule of rates approved for the year, 1959-60 the rate for the digging of pits was determined at Rs. 4 per hundred pits. During the year 1961-62 when the schedule of rates was revised, the operation was splitted as under and the rates work fixed accordingly:—

- (1) Digging of circular pits Rs. 4 per 100 pits ($2\frac{1}{2}$ cft.).
- (2) Both shaped pits (2 cft.) Rs. 3 per 100 pits.

The work has been done according to the schedule of rates approved by the competent authority for the year 1959-60 and no over payment whatsoever has been made. The calculations made

by the audit party are merely a mathematical exercise and nothing else.

The item was dropped.

(c) In this case a building was hired for use as Divisional Office-cum-residence of D.F.O. in the same Division. A portion of this building was utilized with effect from 1st July, 1960 as Range Office-cum-residence of the Range Officers. The monthly rent of the portion occupied by the Divisional Forest Officer and Range Officer was assessed at Rs. 93 and Rs. 90 respectively, but instead the recoveries were actually effected from them at the rate of 10% of their pay. This resulted in less recovery of Rs. 1,271 upto August, 1961.

The Department explained that the building in question was hired for use as office-cum-residence of the Divisional Forest Officer during the year, 1959-60. The case has now been decided for effecting recovery from the D.F.Os and the Range Officers for the Residential portion of 64/A, People's Colony, Lyallpur, occupied by them. All concerned have been intimated the amount due from them and asked for payment of these dues.

The explanation of the Department was accepted and the para. was dropped.

(d) In this case scrutiny of form 11 revealed that a sum of Rs. 2,82,862 was outstanding against various contractors upto June, 1964.

The Department explained that out of a sum of Rs. 2,82,862 an amount of Rs. 1,59,735 was recoverable from Non-Muslims who migrated to India at the time of Partition. Proceedings of recovery from their securities and immovable properties have been duly taken up in the courts of Custodian, Evacuee Property but the claims of some of them were not admitted as the evacuee properties were taken by the Central Government free of all incumbrances. Cases for the writing off of their amounts from the books of Lyallpur/Jhang Forest Division have already been referred to the Government and the decisions were still awaited. The remaining amount of Rs. 1,23,126 was recoverable from Muslim Contractors, lessees and Government departments, out of which Rs. 1,000 have been recovered.

Subject to verification by the Audit of the recovery and the write off, the para. was dropped.

(6) Page 18, Para. 29—Loss of Government Revenues—According to the entries made by a Divisional Forest Officer in his charge report Obban trees measuring 1,58,083 cft. valued at Rs. 76,778 were auctioned in a Forest Division. It was observed during the local audit of the accounts of that Division that the figures 1,58,083

had been interpolated and altered to 76,520 cft. by overwriting in the books of the Range Officer for June, 1960. The resultant loss of 81,523 cft. of the value of Rs. 39,185 had neither been made good from the official responsible nor written off with the sanction of Government.

The Department explained that the sale of standing trees of Obban (*Populus Euphratica*) from Compartment No. 10, 11 and 12 of Issanwala Protected Forest of Muzaffargarh Forest Division was held during June 1959 on the basis of estimated out-turn in the names of the following Contractors:—

No. of Compartment		Estimated Yield Cft.	Rate% Cft. stacked		Name of Contractor
			Rs.	Ps.	
10	..	25,000	50	06	Sh. Abdul Rashid, of Lukkar Mandi Multan.
11	..	25,000	46	00	Do.
12	..	22,000	45	00	Sh. Nazir Ahmed, of Lukkar Mandi Multan.

The price was, however, to be recovered from the purchasers on the actual yield obtained after measurement.

Necessary measurements were carried out and the bills for the following quantities of Forest Produce were issued to the purchasers:—

Compartment No.		Estimated firewood Cft.	Rate		Amount	
			Rs.	Ps.	Rs.	Ps.
10	..	81,290 Cft.	50	06	40,695	81
11	..	52,489 Cft.	46	00	24,145	1
12	..	24,804 Cft.	45	00	10,936	80
Total	..	158,083			75,777	62

On receipt of the bills, the purchasers approached the Conservator of Forests for the revision of the amount on the ground that the measurements given in the bills were in excess of the actual

volume at site. The Conservator of Forests inspected the Forest on 19th June, 1960 and found that the measurements recorded in Form No. 5 were actually in excess of the firewood stacked in the Forest. He ordered re-measurement of the forest produce by the Range Officer and to issue fresh bills to the purchasers. The Range Officer remeasured the firewood but instead of correcting the original measurements in Form No. 5 and presenting fresh bills to the purchasers as ordered by the Conservator of Forests, got a new Form No. 5 prepared with revised figures. He received back the original bills from the purchasers and erased the original figures and amounts, substituting the following:—

Compartment No.	Quantity of firewood	Rate	Amount
	Cft.	Rs. A. P.	Rs. A. P.
10	.. 37,910	50 1 0	18,978 11 0
11	.. 24,025	46 0 0	11,051 8 0
12	.. 14,585	45 0 0	6,563 4 0
Total		..	36,593 7 0

Dummy entries made in the cash book for all these sales and the counterfoil copies of the bills together with Divisional Office copy were also obliterated simultaneously. The purchasers on receipt of the so-called revised bills, deposited the amounts as under and got the removal orders of firewood issued by the Conservator of Forests.

COMPARTMENT No 10		COMPARTMENT No. 11		COMPARTMENT No. 12	
Dr. Item	Amount	Dr. Item	Amount	Dr. Item	Amount
	Rs.		Rs.		Rs.
1/G of 5/60	1,561 14 0	8/G of 7/60	920 0 0	9/G of 7/60	900 0 0
1/G of 8/60	1,591 14 0	10/G of 8/60	3,084 0 0	11/G of 8/60	960 12 0
7/G of 7/60 ..	1,002 8 0	29/D of 11/60	7,077 2 0	1/G of 11/60	4,702 8 0
9/G of 8/60 ..	1,376 15 0				
29/D of 11/60	10,391 11 0				
30/D of 11/60	3,003 12 0				
Total ..	18,979 11 8	Total ..	11,051 8 0	Total ..	6,563 4 0

The Divisional Forest Officer happened to inspect the forest on 3rd December, 1960 and reported to the Conservator of Forests that he checked a few stacks and found that a considerable latitude had been given to the contractor at the time of recording revised measurements of the stock. He also informed of having noticed lot of scattered wood lying in the forest which had not been measured and recorded in Form No. 5. He, therefore, did not allow the purchasers to remove the wood and asked them to restack it for measurement. The firewood was re-measured by the Divisional Forest Officer on 23rd January, 1961 and the revised bills issued to the purchasers as under:—

Bill No.	Compartment No.	Quantity of firewood		Amount	Amount already recovered	Balance
		Cft.		Rs.	Rs.	Rs.
28191, dated 28th January, 1961	10	43,780	Rs. 50 10%	21,917.36	19,979.66	2,938.70
28194, dated 24th April, 1961.	11	47,656	Rs. 40%	20,675.22	11,057.50	9,623.72
28193, dated 28th January, 1961.	12	-2,704	Rs. 5%	8,632.31	6,563.25	2,069.06
		19,183	Rs. 45%			11,621.48
Total	110,599					
	-2,704					

This created lot of difference between the Department and the purchasers with the result that they filed a civil suit against the Department in the Court of Senior Civil Judge, Muzaffargarh, on 11th December, 1961, praying for the issue of injunction order to allow removal of the firewood. The Department now claims Rs. 14,631/48 on account of the cost of unpaid firewood as above while the purchasers do not admit any such claim. The Court has, however, recovered an amount of Rs. 7,577/56 against the cost of firewood lying inside the forest and the amount is lying with the court till the decision of the case. The Contractors have since removed the entire material. The last date of hearing was fixed on 5th June, 1967. Next date of hearing has not been communicated so far. As soon as the court decides the case, the amount of Rs. 7,677/56 deposited with the court will be credited to Government Revenue. The court has since decided the cases lodged by the purchasers and further action will be taken in accordance with the decision of the Court. The loss as calculated by the audit i.e., Rs. 39,185 is, therefore, not correct. The Department has taken due notice of various lapses of wrong measurements, obliterating the b

and cash books, etc., etc. Mr. Nur-ul-Hassan Forest Ranger, the then Range Officer was charged-sheeted. His explanation was obtained, but the decision was held in abeyance till the decision of the case by the Court. It is sad to record that the Forest Ranger has since died on 22nd January, 1966 and as such no disciplinary action against him can be taken now.

The para. was dropped subject to verification and keeping the Audit informed about the recoveries.

(7) Pages 18 and 19, Para. 30—*Shortage of Stock*—(i) In a Forest Division a total quantity of 1,31,400 Cft. firewood was shown to have been carried to a Roadside Depot as against 1,63,400. Cft. actually obtained as a result of felling carried out in January to March, 1959. The deficiency of 32,000 Cft. on which an expenditure of Rs. 1,280 had been incurred on felling and stacking was attributed to drayage and shrinkage. This was however incorrect. The billets of firewood were made 5½ feet in length but were reckoned as five feet in measurement and hence 6" allowance had already been allowed for this purpose.

The value of 32,000 Cft. firewood viz Rs. 4,590 estimated by the departmental authorities appeared to be considerably under estimated. A part of this stack of firewood was auctioned in March, 1959 at the rate of Rs. 44/50 per % Cft. The value of the stock at this rate worked out to Rs. 14,240. The total loss thus sustained by the Government (including the felling and the stacking charges) on the shortage of the firewood amounted to Rs. 15,520. The loss had not been regularised with the sanction of the Government.

The Department explained that during the period 12/58 to 3/59 a total of 1,63,400 Cft. firewood was felled, converted and stacked in compartment 7 of Khari Mirat R.F. This Firewood was transported to the Roadside depot during 3/59 to 11/59. On measurement in the Depot the firewood was found to be 1,31,400 Cft. The loss thus comes to 32,000 Cft. Inside the Forest the staks are made of 5½' height and not length as mentioned in the audit objection. The length of billet is 2½' and width of stack is kept 5' by fitting two billets of 2½' each opposite to one another. The stacks remained in the Forest for a period of around 11 months during which shrinkage took place and thus the margin of 6" in height was washed off. This firewood was disposed off. It is therefore evident that market rates had been fluctuating and in the last auction, rate obtained is Rs. 20 per % Cft. On the basis of last auction loss was worked out at Rs. 15/50 per % cft after excluding Rs. 4/50 being carriage charges from Forest to sale Depot. In fact the loss sustained to the Department is Rs. 4 per % cft. (Rs. 1,280) in all, which includes cutting, conversion and stacking of firewood in Forest. Instead of this rate the loss was worked out at the rate of last

auction. According to Serial No. 7(C.II) of Appendix A of Finance Department Notification No. F.D.S.O.I(FR)423/58, dated 15th November, 1958, the Chief Conservator of Forests, West Pakistan was competent to write off losses other than of negligence and fraud upto Rs. 5,000. This loss was not sustained by negligence and fraud therefore it was written off by the Chief Conservator of Forests,—vide his No. 3737/ GR, dated 29th March, 1962. It is therefore confirmed that orders about writing off were issued by the competent authority after due consideration.

The item was dropped subject to verification by Audit.

(ii) In this case 82,250 Cft. of firewood was obtained by felling in March, 1958, in compartment of the same forest division. Out of this a total of 63,510 Cft. which was under-estimated by the local authorities to cost of 4,232 instead of Rs. 8,086 was stated to be reduced to powder. The loss of Rs. 4,232 was written off by the Chief Conservator of Forests in August, 1961 stating that the loss was sustained as a result of failure on the part of the local authorities to overcome the labour difficulties. This did not appear to be genuine ground in view of the fact that the major portion of the firewood was carried to the Depot in March, 1958 and the remaining stock could have as well been removed to a safer place. A timely action on the part of the local authorities would have avoided the loss.

The Department explained that the following firewood was extracted:—

Compartment	During	Cft.
II/1	March 1958	70,000
	May 1958	2,250
V/1	March 1959	10,000
	Total	82,250

This firewood was disposed off as under:—

	Cft.
Sent to Jabbi Roadside Depot during March 1959	14,700
Sent to Jabbi Roadside Depot during January 1959 ..	9,900
Sent to Jabbi Roadside Depot during February 1959	10,350
Sent to Jabbi Roadside Depot during March 1959 ..	28,660
Sent to Jabbi Roadside Depot during October 1960	1,000
Sent to Jabbi Roadside Depot during November 1961	3,200
Total	67,810
Balance	14,440

The actual loss sustained is 14,440 Cft. instead of 63,510 Cft. as pointed out by the Audit. This loss has occurred due to dryage and borer attack. While calculating the value of loss it was worked out at the rate of Rs. 30 per % Cft. as sale rate. In fact the loss should have been worked out on cost price i.e. cutting, conversion and stacking charges which works out to Rs. 4 per % Cft. Even if the loss was worked out at sale price the total amount of loss works out to Rs. 4,232. According to serial No. 7(c.ii) of Appendix A of F.D. Notification No. FD.S.O.I(FR)423/58, dated 5th November, 1958, the Chief Conservator of Forests, West Pakistan was the competent authority to write off the loss.

The item was dropped subject to verification by Audit.

(iii) From another compartment of the same forest division 38,660 Cft. of firewood had been carried to a sale depot. Out of this 32,090 cft. was disposed off during March and December, 1959 and the remaining 6,570 cft. was found short. This resulted in a loss of Rs. 3,668 which was written off by the Chief Conservator of Forests. Sanction accorded by the Chief Conservator of Forests to the writing of the losses was not valid as he was not competent to write off the loss to an extent of Rs. 2,000.

The Department explained that in this case too the loss occurred due to shrinkage and insect attack etc.. This loss was therefore written off by the Chief Conservator of Forests, West Pakistan according to his powers. In this connection attention was drawn to serial No. 7.C.ii of Appendix A of Finance Department Notification No. FD.S.O.I(FR)423/58, dated 5th November, 1958, according to which Chief Conservator of Forests is competent to write off losses not occurred due to negligence or fraud upto the extent of Rs. 5,000. The loss was therefore written off.—vide Chief Conservator of Forests, West Pakistan Office Order No. 57/CCFWP, dated 6th July, 1961 after due consideration.

The item was dropped subject to verification by Audit.

(8) Pages 19 and 20, Para. 31 Un-authorized expenditure—(i) In a Forest Division the following expenditure was found to have been incurred for executing special repairs to a link road without the approval or sanction of the Chief Conservator of Forests:—

(i) Rs. 2,510

(ii) Rs. 2,295

(iii) Rs. 1,101

(iv) Rs. 1,484

Three estimates aggregating Rs. 12,000 were prepared for this work. A scrutiny of the completion reports with the estimates revealed large variations which indicated that either the estimates

had not been prepared with a reasonable amount of accuracy or the work had not been executed according to the specification shown therein. With a view to ensuring strict financial control and obviating chances of loss to Government the Divisional Forest Officer are required to check the measurement of the works in progress. This had not been done.

The Department explained that according to serial No. 44 of the rules 20.8 of temporary enhanced powers published with the Government of West Pakistan, Finance Department Notification No FD.S.O.I(SR)364/57, dated 2nd December, 1957 the Divisional Forest Officer was himself competent to accord sanction for this work. The variation between the estimate and actual work was due to the fact that alignment of the existing path was charged to have a better slope and gradient. This variation stands approved by the Divisional Forest Officer who was himself competent authority in this case.

The Accountant-General's contention was that the Divisional Forest Officer was not competent to incur the expenditure.

The Committee requested the Finance Department to look into the matter and advise the Committee on the point whether the Divisional Forest Officer was competent or not. Subject to these observations the item was deferred to come up again with the accounts of 1962-63.

(ii) A contract was executed in the same Forest Division for the construction of a guide channel at an estimated cost of Rs. 4,575 without inviting competitive tenders or obtaining departmental sanction of the Chief Conservator of Forests. Similarly a payment of Rs. 439 was found to have been made in June, 1960 for the construction of a bund. Quotations of this work which were collected through personal and private negotiation were irregular.

The Department explained that according to item 4 of Finance Department Notification No. S.O.I(FD)423/58, dated 5th November, 1958 the Divisional Forest Officer was himself competent to accord sanction for the construction of guide channel. The work was carried out in far off area, about 25 miles away from the metalled road, where no outsider contractor was available and therefore the work was got done by the local contractor within the schedule of rates. Similarly this bund was constructed in Chhinji Reserved Forests where there was no lodging and transportation arrangements and as such no outsider contractor was available. Thus the work was got done after getting quotations locally. The work was however, done within the sanctioned schedule rates.

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

(9) *Pages 27 and 28—Para. 17-V-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 explained that only 2 Audit Notes remained unreplied. Chief Conservator of Forests, Hyderabad Region has been impressed upon to clear these Audit Notes. Necessary action is being taken for delay. The Committee asked the Department to expedite the replies to the outstanding Audit Notes and to intimate the action taken for delay.

The para. was deferred to come up again at the next series of meetings of the Committee alongwith the accounts for 1962-63.

(10) *Page 3, Para. 5 read with page 92—Grant No. 23—Veterinary—Saving Rs. 14,49,980*—The explanation given by the Department was as under:—*Saving Rs. 14,05,607*—The Grant consisted of provision for the following purposes:—

	Rs.
(i) College of Animal Husbandry ..	9,55,700
(ii) Animal Husbandry Department excepting Karachi Area ..	1,07,16,020
(iii) Karachi Area ..	4,51,900
Total ..	1,21,23,620

The provision made for Karachi Area was asked for in view of the merger of Karachi with West Pakistan. In spite of the merger of Karachi area, the Animal Husbandry Department of Karachi Administration was not given over to the West Pakistan Animal Husbandry Department even upto 16th April, 1962. In view of this the allocation made for Karachi Area could not be spent at all. The remaining saving constitutes less than 10%.

Saving Rs. 44,373—Under rule 1.13 of the Punjab Budget Manual, the Budget estimates under this minor head are prepared by the Department whereas the expenditure is to be incurred by the High Commissioner, for Pakistan. The details of expenditure are not maintained by the Department. This is however kept on the books of the Audit office and the Finance Department. The Department is therefore not in position to explain the causes of savings under this head.

The explanation of the Department was accepted and the item was dropped.

(11) *Page 3, Para. 5 read with page 97—Grant No. 27—Development-P—Veterinary—Saving Rs. 17,05,038*—The Department explained that they demanded Rs. 22,76,210 as final grant in the 2nd Statement of excesses and surrenders. The final grant was subsequently enhanced to Rs. 39,44,850 in pursuance of the provisions of article 235 of the Constitution of Islamic Republic of Pakistan without the consent of the Department. The revised grant was placed at the disposal of the Department too late at the end of the financial year when no additional expenditure could be incurred by the Department particularly on the pay and allowances of the staff. Attention was drawn to Finance Department letter No. DI-21(61)61, dated 30th May, 1962.

The explanation of the Department was accepted and the item was dropped.

(12) *Page 11, Para. 4—Infructuous Expenditure*—In 1957 a scheme for the Artificial Insemination Centre for cows with a view to obtain rapid improvement of milk and beef livestock was approved by the Government of West Pakistan. The scheme could not be implemented due to certain technical difficulties and was finally abandoned in March, 1961. During this period an expenditure of Rs. 19,306 was incurred which subsequently proved infructuous. This expenditure could have been avoided if the soundness of the scheme had been judged minutely before its approval by the Government.

The Department explained that the scheme was sanctioned by the FACP with the American Experts who agreed to its inclusion under the I.C.E. Programme. The equipment under the programme arrived in item. The expenditure proposed was far less than the original estimates to which the FACP had already agreed. The scheme has also been improved by the Central Government in the Ministry of Agriculture. It is, therefore, not justified to presume that the soundness of the scheme had not been judged minutely before its approval by the Government.

The explanation of the Department was accepted and the para. was dropped.

(13) *Page 25, Para. 46—Non-fixation of Cadre Strength*—The Department explained that the cadre strength for the different Zonal and Regional Offices of the Animal Husbandry Department had since been fixed by the Finance Department.

The para. was dropped.

(14) *Page 26, Para. 17-II—Audit of Grant-in-Aid*—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 Audit by the Director, Animal Husbandry, West Pakistan, Lahore.

As the certificate in question had now been furnished, the item was dropped.

III. The Committee then adjourned to meet again on Thursday, the 14th December, 1967.

LAHORE:

ZAIN NOORANI

CHAIRMAN.

The (13th December, 1967) Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 14TH DECEMBER, 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) Rai Mansab Ali Khan Kharal, M.P.A. ... Member.
- (5) Mr. Malang Khan, M.P.A. ... Member.
- (6) Syed Imran Shah, C.S.P. and Syed Akhlaque Hussain, T.Q.A., C.S.P., Additional Finance Secretaries, Government of West Pakistan. Expert Advisers.
- (7) Rana Muhammad Yasin, P.A. & A.S., Accountant-General, West Pakistan. By Invitation.
- (8) Mr. Nuzhat Hussain, P.A. & A.S., Director, Audit and Accounts (Works), West Pakistan. By Invitation.
- (9) Dr. Ghulam Bheek, Joint Secretary (Medical), Government of West Pakistan, Health Department. By Invitation.
- (10) Mr. Qazi Aziz Ahmed, P.C.S., Secretary (Land Utilization), Board of Revenue, West Pakistan. By Invitation.
- (11) Mr. Aslam Awais, C.S.P., Member, Finance, West Pakistan Agricultural Development Corporation. By Invitation.
- (12) 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.

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

II. The Committee examined the explanations of the Departments in respect of the following items appearing in the Appropriation Accounts for the year 1959-60, 1960-61 and 1961-62.

FINANCE DEPARTMENT

APPROPRIATION ACCOUNTS 1960-61.

(1) Page 516, Item (22)-Shortage in the remittance from treasury
Rs. 10,000—

(2) Page 516, item (23)-Misappropriation from the currency chest
Rs. 30,000—

The items were last considered by the Committee at its meeting held on 15-4-1967, when the committee was informed that cases were pending in the courts. As the cases are still pending, the committee decided to await the decision of the court. The items would be taken up along with the accounts for 1962-63.

(3) Page 516, item (25)-defalcation of Government money-Rs. 1,322—In this case a shortage of Rs. 1,922 had been found during the course of surprise visit of D.C. to a sub-treasury.

At the meeting held on 15-4-1967 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 & Naib Tehsildar), Minchinabad, Cashier and Siah Nawis (Accounts Clerk) were held responsible. They were placed under suspension forth-with and challaned in the court of law. The Sub-Treasury Officer (Tehsildar and Naib Tehsildar) and Siah Nawis were acquitted by the court while the Cashier had been dismissed from the service. He (Cashier) went in appeal which was then pending.

The Committee was now informed that the appeal filed by the Cashier has been accepted and he has been re-appointed as Accounts Clerk and posted to Rahimyarkhan Treasury by Commissioner, Bahawalpur Division but as per advice of the Solicitor to Government, West Pakistan the case against the said former Cashier, Minchinabad, can be instituted afresh by regularizing the prosecution sanction. The Commissioner, Bahawalpur Division has been advised to take action immediately.

The para. was dropped.

APPROPRIATION ACCOUNTS 1961-62

Page 4, Para. 9, read with Page 101-Privy Purses and Subsidies Excess Rs. 5,04,000—The Department explained that the Budget Estimate for 1961-62 under the head "54-A-Privy Purses" was adopted as follows:—

	Rs.
His Highness the Amear of Bahawalpur	32,00,000
His Highness the Mir of Khairpur	10,00,000
Khan of Kalat	6,50,000
Khan of Mekran	2,40,000
Nawab of Kharan	70,000
Total:—	51,60,000

After the merger of Lasbela District with Karachi area the Privy Purse of Jam of Lasbela amounting to Rs. 2,00,000 was also included in the Provincial Budget of West Pakistan. Consequently the above figure was raised from Rs. 51,60,000 to Rs. 53,60,000 during the year 1961-62. Thereafter at the instance of Comptroller, Karachi the Finance Department allowed a further sum of Rs. 9,57,500 to be adjusted in the accounts for 1961-62. Thus the Revised Estimate for 1961-62 was finally adopted at Rs. 63,17,500 (viz. Rs. 53,60,000 plus Rs. 9,57,500). Against this figure the Audit office reported a total expenditure of Rs. 68,21,500 as actual expenditure. This shows an excess of Rs. 5,04,000 under the audit circle of Karachi as follows:—

Comptroller Karachi	Revised Estimate	Actual Expenditure	Excess.
	31,17,500	36,21,500	5,04,000

The excess of Rs. 5,04,000 mentioned above included a sum of Rs. 45,000 and Rs. 75,000 for the first quarter of 1959-60 and fourth quarter of 1958-59 respectively in respect of the privy purses of Jam Sahib of Lasbela, the debit of which amount was received by the Comptroller, Karachi for adjustment from the Accountant General, Pakistan Revenues, Jauharabad during the year 1961-62 and were therefore booked by the Audit office during that year. The Privy Purse is a fixed charge and it is paid by the Audit Offices concerned direct under the orders of the Central Government. The excess of Rs. 5,04,000 is due to the fact that the debits of previous years were adjusted by the Audit office Karachi in the accounts of 1961-62.

The Committee considered the explanations of the Department and decided to recommend the regularisation of the excess expenditure.

HEALTH DEPARTMENT

APPROPRIATION ACCOUNTS-1959-60

Page 3, Para. 5, read with page 208-Grant No. 42-Loans and advances by the Provincial Government—Subhead A-3-Advances to students of Bahawalpur-Saving Rs. 63,940—At the meeting held on 13-9-1967 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 Department now stated that the Officers have been asked to get these figures reconciled again. As the matter is very old, Officers are feeling some difficulty particularly when they have already

reconciled the figures with Audit. However they have been again instructed to reconcile the figures as desired by the Committee. The position will be explained after the reconciliation has been completed by all.

The Committee directed that the figures should be reconciled as quickly as possible. The item was deferred to come up before the Committee at the next meeting.

APPROPRIATION ACCOUNTS 1960-61

(1) *Page 523, Para. 46, defalcation of Government money and stores-Rs. 2,62,851*—The working paper had not been prepared properly and no details were furnished. The item was deferred to be taken up on 18th December, 1967 when the Department will furnish details of the case.

(2) *Page 523, Para. 47-Misappropriation of Government money—*

(i) Rs. 1,055—

(ii) Rs. 9,579—

(iii) Rs. 7,500—

Working Paper in respect of these items also had not been prepared properly. Moreover the Department had not furnished any explanation. The Department was asked to prepare working paper in proper *Pro forma* in future. The items were deferred to be taken up on 18th December, 1967, when the Department should furnish necessary details in respect of each case.

APPROPRIATION ACCOUNTS 1961-62

(1) *Page 3, Para. 5, read with page 96-Grant No. 27-Development-N-Health Services-Saving Rs. 47,30,372*—The Department explained the saving as under:—

(i) *Saving due to non-availability and non-receipt of equipment, etc.—Rs. 20,76,636—*

For various Hospitals, equipment etc. were to be purchased. The indents were prepared and placed on the Director of Industries// Medical Stores Depot but the supplies were not received during the course of the year. Hence the amount lapsed.

(ii) *Saving due to non-availability of foreign exchange Rs. 4,14,000*—Even though the funds were provided, foreign-exchange could not be secured for various items. Hence the equipments could not be purchased.

(iii) *Non-completion of buildings, Rs. 8,08,625*—Certain schemes were to be implemented after the buildings were completed. Equipments etc. could not be purchased as construction of the buildings was in hand and could not be completed nor did P.W.D. authorities inform that these would not be completed during the year.

(iv) *Saving due to debit not raised by the Central Government, Rs. 10,00,000*—Under the Family Planning Scheme, contraceptives and other equipments and drugs were to be procured and supplied

by the Central Government, a provision for which was made in Provincial budget. These were received but the debit was not raised by the Central Government.

(v) *Saving due to non-adjustment of account between the two Audit Circles, Rs. 19,256*—The staff under the BCG Campaign of Khairpur Region at Bahawalpur drew their pay from the Treasury Officer, Multan, an office under A.G. West Pakistan for the months of May and June, 1962, whereas this amount was debitable to the Comptroller, Southern Area. This payment was made through special arrangements and debits were not shown in the A.G. West Pakistan Circle nor in the Comptroller, Southern Area Circle.

(vi) *Saving due to posts having remained vacant—Rs. 79,855*—Under the BCG Team and Family Planning Scheme a few posts remained vacant here and there.

(vii) *Saving on scholarships, Rs. 20,000*—Under the scheme for providing scholarships to the indigent students a sum of Rs. 36,000 was provided under N-6.

As this was to be given to those students only who became indigent during the course of the year and as during the year less students fell indigent, the saving of Rs. 20,000 occurred.

(viii) *Saving due to failure of students, Rs. 62,000*—

(ix) *Saving due to non-opening of the Regional office of Malaria Eradication, Lahore—Rs. 2,50,000*—

Subject to verification by Audit of the contention of Department in respect of saving under (v) above, the item was dropped.

(2) *Page 21, Para. 33—opening of accounts with private Banks*—In this case unspent balance of Rs. 6,373 out of the equipment grant of Rs. 21,000 sanctioned by the Provincial Government in April, 1961 was drawn from the treasury on 30th June, 1961 and deposited into a private bank without the sanction of the Government. The amount was utilized in the next financial year upto September, 1961. Similarly a sum of Rs. 28,478 representing the unspent balances of the various grants was drawn and deposited into the same bank on 30th June, 1961. Out of Rs. 28,478 a sum of Rs. 12,246 which could not be expended upto 5th October, 1961 was withdrawn from the bank and refunded into the Government treasury on 6th October, 1961. The amount was deposited in the Saving Bank Account but no interest was claimed for the deposits. The opening of accounts with a private bank was not regularised with the sanction of the Government.

The Department explained that before regularization of the case it was necessary to fix the responsibility for irregularities. Explanations of the Officers/officials concerned were called for but these did not throw any light on the question. Hence it was considered

necessary to ask a senior Officer to probe into the matter. The result of the enquiry is awaited.

The Committee decided that it would like to have a detailed report about the enquiry made in the matter and the action taken by the Department against the officials at fault. The report should be made available to the Committee at its next series of meetings and the Department should also try and procure from the Bank where the account was unauthorisedly opened, a detailed statement of accounts showing all the deposits as well as withdrawals. This should also be placed before the Committee at its next series of meetings.

(3) *Page 21, Para. 34—non-recovery of Government dues Rs. 29,306*—In this case Government dues amounting to Rs. 29,306 were outstanding in respect of period from 1951-52 to 1960-61 against various Municipalities and Private Bodies on account of analytic work done for those Bodies. The delay in effecting the recoveries was pointed out in the Audit Report issued in July, 1962.

The Department explained that out of the outstanding amount of Rs. 29,306, Rs. 22,470 had been recovered so far but an amount of Rs. 6,836 is yet to be recovered.

The para was dropped subject to verification of the recovery made and the balance to be recovered and verified by Audit.

(4) *Page 26, Para. 17-II-Audit of Grants-in-Aid—*

(5) *Page 25, Para. 46-Non-fixation of cadre strength—*

No Working papers for these paras were submitted by the Department. The Committee directed the Department to submit explanations in respect of these paras at the next series of meetings.

LAND UTILIZATION DEPARTMENT

APPROPRIATION ACCOUNTS 1960-61.

Page 3, Para. 5, read with page 315-Grant No. 35-Development-C-Co'orization-C-1-Saving-Rs. 2,04,246; C-2-Saving Rs. 31,519—The Department explained the saving as under:—

(C) (1)—The actual expenditure was Rs. 7,47,188. The actual saving was Rs. 1,39,352 on the basis of above actual expenditure. The reasons for less expenditure are that the original provision in the budget was for Rs. 2,94,000 only. Although the Revised Estimate for additional grant was submitted, expenditure was incurred very guardedly. Qualified hands were not available in the strength to carry on the survey work, and therefore the necessary number of parties could not be employed. Saving was also effected from contingent expenditure on purchase of stones etc. as a measure of economy. Moreover, the sanction for additional funds was received late in the month of May, 1961 and could not, therefore, be fully utilized.

(C) (2)—The actual expenditure was Rs. 2,07,901 as against Rs. 2,04,261 mentioned in Appropriation Accounts. The actual saving was therefore Rs. 27,879. The reason for less expenditure is that

temporary vacancies on account of leave etc., were not filled. Saving was also effected from contingent expenditure as a measure of economy.

The explanation of the Department was accepted and the item was dropped.

APPROPRIATION ACCOUNTS 1961-62

Page 3, Para. 5, read with page 96-Grant No. 27-Development-C-Colonization-Saving-Rs. 4,33,436—The Department explained that the expenditure figures incorporated in the Accounts for Colonization are for the period of 7 months from 1-7-61 to 31-1-62. Thereafter Colonization was transferred to Agricultural Development Corporation and the expenditure for the remaining period of 5 months incorporated in the Grant No. 42-B-3(6) Page 138 of the Appropriation Accounts, 1961-62 was Rs. 3,89,943. Thus the total expenditure during the year 1961-62 was Rs. 12,53,247. Actual saving was, therefore, only Rs. 40,493.

The Committee observed that the excess amount should have been surrendered in time by the Department. Subject to this observation the Para was dropped.

AGRICULTURE DEPARTMENT-AGRICULTURAL DEVELOPMENT CORPORATION

APPROPRIATION ACCOUNTS FOR 1958-59.

<i>Serial No.</i>	<i>Para. No. of Appropriation accounts</i>	<i>Brief particulars</i>
1	17 (a) 3 (9)	... Shortage of material worth Rs. 2,922.
2	17 (a) 4 (4)	... Undue financial aid to Contractor worth Rs. 79,200.
3	Item No. 10 (vi) Annexure.	... Undue financial aid to Contractor worth Rs. 1,51,751.

APPROPRIATION ACCOUNTS FOR 1959-60.

<i>Serial No.</i>	<i>Para. No. of appropriation accounts</i>	<i>Brief particulars</i>
1	17 (a) 3 (5)	... Shortage of stores worth Rs. 14,934.12
2	17 (a) 3 (8)	... Shortage of stores worth Rs. 9,714.
3	17 (a) 4 (6)	... Misappropriation of stores worth Rs. 30,846.
4	17 (a) 9 (i)	... Loss of cement worth Rs. 19,340.
5	17 (a) 9 (ii)	... Loss of cement worth Rs. 3,533.
6	17 (a) 16.	... Misuse of powers—Rs. 2,100.

The Director, Audit and Accounts (Works) informed the Committee that the working papers in respect of the above items were received by him on 8-12-67 for offering Audit Comments. The late submission of working papers for Audit Comments was a clear disregard of the direction of P.A.C. and at the same time it created trouble for Audit to Comment in a very short period. The Member (Finance) Agricultural Development Corporation expressed regrets for the delay but pointed out that the Agriculture Department did not inform the Agricultural Development Corporation about these meetings well in time. The Committee directed that the Agriculture Department should please ensure that the working papers were prepared in time. It was observed that the working papers in respect of the Appropriation Accounts for 1961-62 have not been sent by the Department at all.

The Member, Finance, A.D.C. then informed the Committee that the Officers concerned with these items are now working with the Communications and Works Department and it would make the matter easy if these items were taken up when the Secretary, Communications and Works Department was present. The Committee agreed with this suggestion and decided that these items should be taken up alongwith the items pertaining to the Communications and Works Department at the next series of meetings. A copy of the working paper in respect of each of the above items will be supplied by the Agricultural Development Corporation to the Communications and Works Department in advance.

BASIC DEMOCRACIES, LOCAL GOVERNMENT AND SOCIAL WELFARE DEPARTMENT (PUBLIC HEALTH ENGINEERING)

APPROPRIATION ACCOUNTS-1959-60.

(1) *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 Rft. 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 2500 Rft. only 2035.25 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 matter was last considered by the Committee at its meeting held on 12-9-67 when the Department stated that the Superintending Engineer has given the following explanations:—

“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 Mirpurkhas. The Executive Engineer P.H.E. Division, Hyderabad indented this material for use on work "Laying and jointing G.I. Pipes at Hirabad in Hyderabad". The S.E. had 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 3/58 at Mirpurkhas were not carried to the site of work at Hyderabad until it was actually required for laying in 9-10/58. The Superintending Engineer has further stated that although the material was not sent to the site of work at Hyderabad from Mirpurkhas in 3/58 it had definitely been earmarked in Mirpurkhas for Hyderabad work and separately reserved as such. The action of 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 Bombay P.W.D. Vol. II such material was not to be recorded in the Measurement Book. 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 then observed that the working papers 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 the action taken against the Officer/officials concerned, and also submit detailed explanation on the second part of the objection.

The Department now stated that the original explanations of the concerned Executive Engineer were not very clear and lacked 'in details in support of this contention. The Officer has now explained his position in greater detail and has brought out the following points:—

- (1) The material in question was actually required for the execution of the job and was in fact consumed there.
- (2) Every project has 2 distinct parts, one collection of material-second execution. In the present case he arranged material from the stores of the adjoining Division for use on the work and this was no crime. As a matter of fact this was quite an appropriate step. In doing so he had not violated any rule or Government orders.
- (3) The difference of 464.75' pipe as booked and as finally consumed is due to the fact that rough requirement of material was worked out in the beginning. Even in case of material arranged through Director of Industries it is never exact to inches. Material is always arranged in excess to ward off any possibility of leaving the project incomplete at the end, due to shortage of material. Due credit for this material saved, was afforded to the work and it was done in the Public interest.
- (4) The Audit has also raised the objection for not carting material to site simultaneously. The site was the streets of Hirabad bazar of Hyderabad Town. In case the entire material had been shifted to site when it was arranged, it would have resulted into:—
 - (i) Congestion, causing accidents.
 - (ii) Probable loss by theft.

(iii) Probable damage to material by passers-by.

(iv) Carriage at this time would have involved double handling. Ist it had to be placed somewhere safe, then shifted to the site. Delayed carriage has therefore saved the Government something.

The stuff was therefore intentionally not removed to site till such time that it was actually required to be consumed.

5. Fictitious adjustment in the issue of stores against a project at the fag end of the year for utilizing the funds; the material may not be required to be used in the work and the cost is again written back in the subsequent year by taking it on stock and crediting it to the work.

Such fictitious adjustment were a common practice in B&R Department in those days, rather they were encouraged to avoid lapses. It was only when the Audit took serious objection to this practice that the Chief Engineer, West Pakistan issued a circular directing departmental officers to stop this irregular practice. This was done after careful deliberation in the Departmental Accounts Committee meeting held on 29th January, 1963 where 2 Deputy Directors of Audit Department and a representative of Finance Department were also present. The language of the circular itself suggests how mildly was this act looked up, then.

6. In the present case, even this circular of Chief Engineer does not apply, because it was never a process of fictitious adjustment, the material was genuinely charged to the work and utilized there.

The Committee directed the Department to be careful in future and to take interest and watch the working of this particular Officer wherever he is posted so that he may not commit such irregularities. The Department informed the Committee that they had already administered a warning to him.

The para was dropped.

(2) *Page 181, Para. 8—Non-recovery of Wharfage and Demurrage charges from a contractor*—The Committee was informed by the Department that necessary action in the light of the observations of the Committee in its meeting held on 12th September, 1967 is in progress and the result would be reported in the next meeting. The consideration of the para. was therefore deferred to the next series of meetings.

(3) *Page 5, Para. 8 read with page 175—Grant No. 31—Civil Works—Surrender Rs. 7,92,200*—As the Department had not been asked to furnish the working paper of this item, the consideration of this item was deferred to the next series of the meeting of the Committee.

APPROPRIATION ACCOUNTS FOR 1960-61

(1) *Page 3, Para. 5 read with page 419—Grant No. 37 Capital outlay on improvement of Public Health—*

(i) *Hyderabad Water Supply Scheme—Saving Rs. 3,03,347—*

The Department explained that there was an allotment of Rs. 10,50,000 for the work of Bulk Water Supply Scheme at Hyderabad and expenditure up to the tune of Rs. 9,92,560 was incurred during the year 1960-61 upto June, 1961. The main component part of the scheme were completed by the end of April, 1961. Since the scheme was fully completed by the end of April, 1961 further expenditure during that year was not to be incurred, therefore a saving of Rs. 57,440 occurred. The balance lapse of Rs. 2,45,907 was due to the fact that imported materials were being received for the project from London through the Pakistan High Commissioner from 1955 to 1960. No debits were however received for this material throughout this period. As required under rule 344 and 345 of C.P.W.A. Code, cost of such material was being booked simultaneously with the receipt of material on the basis of estimated cost. The debit for all this stuff was received in 1960-61 which fell short of Rs. 2,45,907 and was adjusted in 6/61 II. Supplementary Account. This created minus debit to the work in the year 1960-61. Hence this lapse took place. This was beyond the control of the Department and neither was there any time for surrendering this amount.

The Audit pointed out that the explanation of the Department that saving of Rs. 2,45,907 is the result of acceptance of debit during 1960-61 is incorrect. In fact the Department carried out the adjustment of excessive credits made to purchase during 6/56 to 3/58 by debit to work concerned. Those adjustments could easily be carried out during 6/56 to 3/58. The Department should also get it verified that the credits afforded to this work actually relate to this work as the adjustment carried out does not disclose these facts.

The Committee deferred the consideration of the para. and directed that, in the mean time, the Department should verify it in the light of the Audit comments and submit detailed explanation in the next series of meetings of the Committee

(ii) *Drainage work at Hyderabad—Saving Rs. 2,00,000—*The Committee deferred consideration of the item to be taken up along with the item of similar nature pertaining to the year 1959-60 at the next series of meetings.

(iii) *Tools and Plant Prorata Transferred—Saving Rs. 32,998—*

The Department explained that the expenditure under T. & P. is booked on the basis of prorata distribution. Since the amount allocated for the Drainage Scheme lapsed, there was naturally

a saving under T & P because this is to be in proportion with works expenditure.

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

(iv) *Basic Survey for Urban Water Supply Scheme*—(a) *Preliminary*—Saving Rs. 99,210—(b) *Water Supply*—Excess Rs. 19,873—

The matter was last considered by the Committee at its meeting held on 12th September, 1967 when the Department explained that the actual expenditure up to the 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 Department now explained that on verification the expenditure shown by the Audit Offices as below is found correct.

A-I (i) Preliminary Allotment 99,210 Exp. ... Nil.

A-I(ii) Water Supply Allotment Nil Exp. ... 19,873

The discrepancy was due to the booking of expenditure in the Divisional office record under primary unit A-I (i) preliminary as Rs. 19,873 and under primary unit AI(ii) water supply as Nil whereas booking of expenditure in the Audit Office was in the reverse order. Thus there was a saving of Rs. 79,337 only. Explanation for the saving is due to the fact that the machinery and certain articles could not be imported and supplied by the Director of Industries, West Pakistan, during the financial year. Since the machinery was expected to be received during the course of the year, funds were not surrendered.

The Committee observed that these difficulties and problems were of a nature which keep occurring year in and year out and the Department should be in a position to anticipate them. As such, the indents could have been placed earlier. Subject to these observations, the para. was dropped.

(v) *Lahore Drainage and Sewerage Scheme*—Saving Rs. 61,330—

The Department explained that the original grant under this Sub-Head was Nil. 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 the Government was received very late i.e. on 19-6-1961, but actually the funds were received in local currency at the fag end of the year i.e. on 27-6-61. The payment for area and survey of the Lahore Drainage and Survey Scheme was to be made in sterling but as the funds in foreign exchange were not available in time, hence no payment could be made to M/S Hunting Survey (Pakistan Limited) in the financial year 1960-61 and funds lapsed.

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

(vi) *Basic Survey for rural Water Supply Scheme—Saving Rs. 37,460*—The matter was last considered by the Committee at its meeting held on 12-9-67 when 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, West Pakistan, during 1960-61.

The Committee directed the Department to get the figures reconciled with the Audit.

The Department now explained that the figures have been reconciled. The expenditure of Rs. 29,598 has actually been incurred against this work but due to wrong classification made by the Divisional Office, this has been accounted for under B-I(i)(ii) W/S which cannot be set right at this late stage because the accounts for the year 1960-61 have since been closed. The saving of Rs. 7,862 was due to the fact that the machinery indented against Indent No. 12 of 1/61 for Rs. 8,400 could not be matured during the financial year 1960-61.

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

(vii) *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—*

The Department explained that the total grant was Rs. 58,630. Against the above grant the Audit office has shown an expenditure of Rs. 60,641 under Primary Unit BI (i) W/S while a sum of Rs. 31,919 booked against Nil allotment under primary unit R(i)(iii) Drainage scheme. This discrepancy is on account of the following factors:—

- (a) A sum of Rs. 29,598 actually spent on B-Rural water-supply B(i) preliminary has wrongly been shown against the above work due to mis-classification. Taking the amount from Rs. 60,641 the Department is left with a sum of Rs. 31,043 which is the actual expenditure against this work which falls under head "B-Rural W/S B(i) W/S".
- (b) A sum of Rs. 31,919 shown against head R(i)(iii) Drainage scheme is again due to wrong classification. This expenditure was actually against B(i) (ii) Water Supply.

- (c) The total expenditure under the head under discussion i.e. B(i) (ii) water supply is therefore Rs. 31,043 + Rs. 31,919 = Rs. 62,962 which shows that the allotment of Rs. 58,630 has actually been utilized. There is therefore no lapse, rather the expenditure is slightly on high side. This excess expenditure is due to the fact that there were some damages and some work had to be carried out in excess for which additional funds were asked for through 2nd List of Excesses and Surrenders but were not received. The expenditure was however unavoidable. Classification or misclassification is the responsibility of the Divisional Accountant for which the Director, Audit & Accounts is being asked to take necessary action against him.

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

(viii) *Drinking Water Supply in Ghulam Muhammad Barrage area—Saving Rs. 6,38,598—*

(ix) *Tools and Plant Prorata—Saving Rs. 38,800—*

The Department stated that this work was executed by the Agricultural Development Corporation and the funds were placed directly with them and not through Public Health Engineering Department, as such the objection be raised against Agricultural Development Corporation.

The Committee deferred the consideration of the items to the next series of the meetings when the saving will be explained by the Agricultural Development Corporation.

(x) *Total Surrender Drainage scheme at Hyderabad—Surrender Rs. 13,18,870—*

The Committee deferred consideration of the item to be taken up along with items mentioned at serial Nos. (i) & (ii) above at the next series of meetings.

(xi) *Less recovery of Rs. 5,57,089—*The matter was last considered by the Committee at its meeting held on 12-9-67 when 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 W/S 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 Department now explained that Budget provision for deduct recoveries is usually and essentially made as 1/3rd of the budget provision for the scheme. Recovery from the Municipal Committee is, however, made as 1/3rd of the actual expenditure. The actual expenditure on the scheme fell short of the budget allotment and

eventually recovery of 1/3rd Share from the Municipal Committee also got reduced. The saving of Rs. 5,57,089 is, therefore, the result of this less expenditure on the scheme. Reasons for less expenditure on the scheme have been explained against the scheme concerned. Rs. 2,76,211 included a sum of Rs. 19,097 which pertains to a number of rural water supply schemes in Buildings and Roads Department. Balance recovery of Rs. 2,57,114 was made on the basis of 1/3rd of actual expenditure (Rs. 7,46,653) incurred on the water supply scheme Hyderabad.

The Committee asked the Department to submit a detailed statement for each Local Body showing the portion of the amount given as loan and that portion of it also which was recovered, the amount each Local Body was supposed to contribute towards it and how much they did actually contribute. The item was deferred to be taken up in the next series of meetings.

(2) (i) *Page 4, Para. 8 read with page 234—Grant No. 20 Public Health—Excess Rs. 23,48,864—*

(ii) *Page 7, Para. 12 read with page 234—Surrender Rs. 58,790—*

The matter was last considered by the Committee on 12th September, 1967, when 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 work 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 alongwith the Accounts for the year 1961-62. In the meantime, the Department was asked to collect all the record and to submit the explanation to Committee.

The Department now explained that the Secretary Communications and Works Department has been moved for the transfer of the record. But inspite of personal efforts and reminders, the requisite record is still awaited. The variation involved will be explained on receipt of records.

The consideration of these items was deferred to the next series of meetings.

(3) *Page 10, Para. 18—Expenditure on works in anticipation of technical sanction to estimates—* The Department explained that all works have since been sanctioned and that disciplinary action against the Officer concerned was in progress. The case against

the Divisional Accountant would be referred to the Audit for necessary action.

Subject to disciplinary action initiated by the Department the para was dropped.

(4) *Page 21, Para. 25—Expenditure incurred in excess of deposits received*—The Department explained that this amount mostly represents the expenditure incurred by the Communications & Works Department on the maintenance and running of such vital installations of the Lahore Municipal Corporation as Main out-fall, Chotta Ravi, Rajgarh, Bhogiwal and Tajpura sewerage disposal works, some water plants and the entire length of sewerages of Lahore town, through the years 1937 to 1961. The Lahore Municipal Corporation failed to keep their yearly payments upto date and started stalling such instalments, resulting in accumulation of dues against it, during these 25 years. The plants were vital installations and were being run by the Department under compulsion and started stalling such instalments, resulting in accumulation of could not be stopped even for a day without diluting the city of Lahore in sullage water all over, creating chaos, fifth and disease. Efforts were however, continuously made by the Department to persuade the Corporation to pay up their dues. Personal contacts, written requests, threats for stopping the installation, only produced partial results and some money was recovered from time to time, but not all. The Corporation took the position that Government owes them a huge amount on account of Evacuee Property Taxes and as soon as they receive this money they would pay up to the Department. The position still remains unchanged. Many meetings were held under the Chairmanship of Commissioner, Lahore Division, and even the Ministers but with little outcome. These installations were transferred to the P.H.E. Department in 1961 and the efforts to recover the dues from the Lahore Corporation continued. These installations now stand transferred to the Greater Lahore Water-Supply and Sewerage Board under the Lahore Improvement Trust. Latest reference has been made to the Chairman of Lahore Improvement Trust on 20th November, 1967, soliciting his help in receiving this amount from the Corporation. The Secretary, Basic Democracies has also been requested to intervene in the matter and make the Corporation pay its due. All possible steps are being taken to clear this excess expenditure.

The Committee deferred consideration of this item to the next series of meeting when the Department will submit a report on further progress in the matter.

(5) *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 store etc. issued to contractors was not made from their running bills with the result that the amount remained un-recovered and had to be shown as outstanding in the suspense head "Miscellaneous 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 a total recovery of Rs. 35,511.44 has been verified by the Audit. Another sum of Rs. 194.62 also stands recovered. Its verification is being arranged. The balance of Rs. 642.81 is recoverable from Sh. Fazal-ur-Rehman, retired S.D.O. for which Accountant-General has been addressed by the Executive Engineer, Superintending Engineer and Chief Engineer for issue of necessary retrenchment slip for effecting recovery from the G.P. Fund of the Officer, if any be due, or from his pension. The Department stated that departmental action against the Officers concerned has been taken.

Subject to verification by the Audit of the remaining recoveries being effected, the para. was dropped.

(6) *Page 64, Para. 91—Expenditure on deposit works in excess of deposits received by the 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 deposit received.

The matter was last considered by the Committee at its meeting held on 1st February, 1967 when the Department stated that out of 173 works as originally mentioned, 15 works were settled by the Audit leaving 158 works. Out of these, the deposits were received in lump sum in 26 cases and out of the balance of 132 cases, deposits were subsequently received for 122 works from 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 then 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 felt that disciplinary action must be taken against the person or persons responsible for execution of the deposits works in anticipation or in excess of deposits. The Committee then deferred the para. and directed that full information and details as asked for above, should be furnished.

The Committee was now informed that recoveries amounting to Rs. 42,386/64 for 11 works only remained pending. The Department is making strenuous efforts to recover the amount. The Department further stated that disciplinary action against the Officers for incurring expenditure without/in excess of deposits has been initiated and the cases are at various stages of the process leading to final punishment. The Department also stated that the excess expenditure was booked from the Government Treasury in the light of Para. 357 of the Central P.W.D. Code. Subject to verification by the Audit of the recoveries, the para. was dropped.

(7) *Page 445, Para. 10—Unauthorised sale of Government Stores*—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 item was last considered by the Committee at its meeting held on 12th September, 1967, when 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.

The Department now informed the Committee that recovery of Rs. 1,22,963 has been made and verified by the Audit. The balance of Rs. 6,264 has also been recovered and is being got verified. Explanations for the sale of material to Local Bodies, without getting the money in advance have been received from the Executive Engineers which are being examined for proceeding against them. The Department explained that this is not a case of sale to private individuals for their personal use; rather the material was issued to the Local Bodies for their use. There was no ban on such transactions. As a matter of fact the Social Welfare Works Department was basically meant for carrying out the works of Local Bodies and the stores maintained by the Department were also meant for them. There is no violation of any Government orders or rules, involved in these transactions. Explanations of Executive Engineers have, however, been obtained for not recovering the cost in advance, and are being processed for further action in the matter.

Subject to verification by the Audit of the recovery of Rs. 6,246/08, the para. was dropped.

APPROPRIATION ACCOUNTS 1961-62

(1) (i) *Page 2, Para. 5 read with page 105—Grant No. 36—Capital Outlay—*

	Rs.
Final Grant	... 52,79,000
Expenditure	... 40,07,470
Saving	... 12,71,530

(ii) Page 3, Para. 8 read with page 91—Grant No. 28—Civil Works—

	Rs.
Final Grant	8,00,000
Expenditure	5,30,784
Saving	2,69,216

The consideration of these paras. was deferred to the next series of meetings of the Committee.

(2) Page 3, Para. 5 read with page 90—Grant No. 21—Public Health—

	Rs.
Final Grant	23,24,600
Expenditure	20,32,461
Saving	2,92,139

The Department explained that the final grant as shown in the Audit Report for the year 1961-62 under Grant No. 21 is Rs. 23,24,600, the break up of which is given as under:—

Name of Head/Grant	Total	Share of P.H.E.D.	Share of B&R/T. Planner	Expenditure of P.H.E.D.	Expenditure of B&R. T.P.
	Rs.	Rs.	Rs.	Rs.	Rs.
38—P.H.E.P.H.E.—Establishment	19,54,180	17,36,070	2,18,110	15,91,923	62,072
A-II—Town Planner	3,70,340	..	3,70,340	..	3,68,466
Rounding	80	..	80	..	..
Total	23,24,600	17,36,070	5,88,530	15,91,923	4,40,538

Out of the final grant of Rs. 23,24,600 the share of P.H.E.D. is Rs. 17,36,070 only. This has also been confirmed by the A.G. West Pakistan

The above share of Buildings and Roads Department, also stands settled. Against this grant of Rs. 17,36,070 relating to P.H.E.D., the actual expenditure by the P.H.E.D. is Rs. 15,91,923. Thus there is saving of Rs. 1,44,147 between the final grant (Rs. 17,36,070) and the actual expenditure (Rs. 15,91,923) which comes to 8.3% of the final grant. The saving is mainly due to closing of Rahimyar Khan Division, and also certain posts of personnels having remained vacant due to non-availability of experienced/Technical staff. The remaining amount of final grant

of Rs. 5,88,530 and actual expenditure of Rs. 4,49,538 relates to the Buildings and Roads/Town Planner Departments. The Head "39-P.H." is being operated by two Departments viz. P.H.E.D./Buildings and Roads—Town Planner. In the Appropriation Accounts for 1961-62 the figures of these Departments have been printed jointly and hence these Departments are responsible for explaining the reasons of variations relating to their part. In the above circumstances the remaining variations will have to be explained by the Buildings and Roads/Town Planner Departments.

As the saving was less than 10% the para. was dropped.

(3) *Page 8, Para. 17(I)—Expenditure on works in anticipation of technical sanction to estimate*—Audit had pointed out that 127 works amounting to Rs. 21,51,444 were started in anticipation of technical sanction to estimates.

The Department informed the Committee that all the works now stand sanctioned. As regards departmental action it was found that Iqbal Ahmad Beg and Hamid Ali Safvi, Executive Engineers were responsible for this irregularity. As such a warning has been given to them.

The explanation of the Department was accepted and the para. was dropped.

(4) *Page 37, Para. 130—Excess payment*—In this case an agreement to execute a work was done by the contractor which included an item of work to be done at Rs. 33 per 1,000 cft. Subsequently the rate of this item of work was enhanced to Rs. 130 per 1,000 cft. through an extra item statement sanctioned by the Additional Chief Engineer. According to the terms of the agreement the extra items statement was to include only those items which were not specified in the agreement. By allowing the increased rate of Rs. 130 an excess payment of Rs. 8,191 was made to the contractor.

The Department explained that there has been some confusion due to the nomenclature of the work "clearing the tank of bottom Gup and Gill, including bailing out the residual water". The schedule of rates contains a rate of Rs. 33 per 1,000 cft. under this nomenclature. During the execution of work however, it was found that the river sand and silt had settled in the bottom of the tank and had become so hard in thick layer that it required lot of more labour and special Tools and Plan to take it and remove it. The contractor was not prepared to do the job on the rate provided in the schedule which was for ordinary soft settlement. The nature of work could not be anticipated before the contract was let out as the tank was covered and full of water. Based on the actual labour engaged on the work, a special rate of Rs. 130 per 1,000 cft. was

sanctioned by the Additional Chief Engineer after thorough satisfaction. The Additional Chief Engineer was the final authority in respect of rates. Since the rate was allowed on the basis of actual observation and approved by the competent authority, the payment as allowed on its basis is considered in order.

Audit pointed out to the Committee that it is an admitted fact that the sand and silt is always settled in the bottom and these facts must be in the knowledge of the Department at the time of execution of agreement. These are not new facts which changed the nature of the works. The fresh analysis prepared by the Department to justify the rate of Rs. 130 per 1,000 cft. contains the same items as the rate of Rs. 33 per 1,000 cft. The contention of the Department that the nature of the work was changed and required more labour is not correct. The Audit also pointed out that no special Tool and Plant were used in the work and ten per cent contractor's profit has been charged on all items including labour also and the number of labour was also increased.

The Committee considered the explanation of the Department and found it most unsatisfactory. The Committee decided that a full fledged joint enquiry should be held in the matter by the Department, the Audit and the Finance. In the enquiry the reasons for which the tenders were not re-invited and why the rate was arbitrarily raised should also be looked into.

The Committee directed the Department to report progress to the Committee in the next series of the meetings.

(5) *Page 38, Para. 131—Shortage of Stores*—In this case material worth Rs. 20,815 was found short against an overseer in October, 1961 at the time of handing over charge. Its cost was debited to the suspense head "Miscellaneous Public Works Advances" in July, 1962 pending recovery.

The Department explained that the Departmental enquiry into this case has been conducted and it has been found that the shortage did not occur due to any mis-appropriation but due to initial recording of wrong measurement for which the Enquiry Officer fixed the responsibility of this shortage on the following persons:—

1. Mr. Inayat Ullah Qureshi, Sub-Divisional Officer.
2. Mr. Abdul Rashid, Overseer.
3. Mr. Arshad Hussain, Overseer.

Mr. Inayat Ullah Qureshi, S.D.O. has since expired. Orders have, therefore, been issued for the recovery of this loss from M/s. Abdul Rashid and Arshad Hussain at a monthly instalment of Rs. 100 each. It was also decided to take disciplinary action against these officials and accordingly increments of both the Overseers have been stopped under Government Servants (Efficiency and Discipline) Rules, 1960.

The Committee directed the Department to recover the entire amount before the time of the official's retirement from service. The Committee impressed upon the Department to note that if any amount remains to be recovered it should be recovered from the pension after taking due action under the West Pakistan Civil Service Pension Rules.

Subject to above observation, the para. was dropped.

(6) *Page 38, Para. 132—Irregular issue/sale of Government Stores*—In this case in spite of the issue of clear orders banning all kinds of sale, certain Departmental Officers have, to the end of December, 1961 sold Government stores worth Rs. 1,53,847 on credit.

The Department explained that the amount of Rs. 1,53,847 involved in this para. also includes a sum of Rs. 1,29,267 pertaining to para. 10 of 1960-61 which has been satisfactorily explained separately. The balance amount of Rs. 16,388-80 recovered by Executive Engineer Sargodha stands verified. The remaining verification of Rs. 8,180-20 is being arranged by Executive Engineer, Lahore Division and he has already addressed Director, Audit and Accounts on 4-11-67.

The Department further explained that this is a case of sale of material to the Local Bodies and not to any individual for private use. The sale of stores to Local Bodies was never banned by the Government. There is therefore no irregularity committed or rules violated in giving the material to the Local Bodies for their use. The cost of this material has not been recovered now, rather it was adjusted against the deposits of the Local Bodies and is lying with the Department as far back as 1961-62. The adjustment should have, however, appeared in the accounts of the same months in which the material was given to the Local Bodies, instead of placing their cost in Misc. Advance. This is only an accounting lapse for which the Director, Audit and Accounts in charge of the accounts has to take suitable action against the Divisional Accountant incharge of concerned Division.

Subject to verification of recovery of the amount and subject to the Department satisfying the Audit with regard to the record to show that the Local Bodies made deposits prior to sale, the para. was dropped.

(7) *Page 38, Para. 133—Fictitious Stock Adjustment*—In this case a debit of Rs. 1,82,188 on account of the cost of material received from another division was accepted and debited to a work, although no material was received in that division. According to the Audit note the transaction appeared to have been carried out on paper only to avoid the lapse of budget allotment during the

year 1957-58 as no carriage charges were incurred for the transportation of the huge stores. The account of the work was subsequently relieved of this charge in accounts for 1958-59 by showing that the material in question was transferred back to the division from which it was originally received. The return debit was however, not accepted by the responding division and the cost of the material is lying un-adjusted.

The Department explained that it is a case of fictitious adjustment of stores and warrants a warning to the Executive Engineer concerned, in the light of the decision taken by the Department Accounts Committee at its meeting held on 29-1-63. This formality cannot, however, be observed because the Executive Engineer, who was responsible in this case, is no longer in service. He resigned while serving in Buildings and Roads Department.

The material was returned to the E & I Division in the accounts of subsequent year which fact has been verified by the Audit Department. There is no financial loss to the Government involved in this para.

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

(8) *Page 38, Para. 134—Undue financial aid to contractors*—In this case an undue financial aid amounting to Rs. 16,995 was given to a kiln contractor. According to the agreement the contractor was to supply 35 lacs bricks by making his own arrangements for dust coal for burning bricks. He requested the department for supply of coal after burning two lac bricks. The request was turned down by the Additional Chief Engineer as it was not covered by the terms of his agreement. In contravention of the orders of the Additional Chief Engineer and the terms of agreements an expenditure of Rs. 16,995 as incurred on account of cost and freight charges of 237 tons of dust coal supplied to the contractor.

The Department explained that the approval of the Government to necessary amendment in the agreement as proposed by the Audit, has been sought. Full recovery of the cost of coal has also been made from the contractor. As mentioned in the draft para. the became short in the market and on his request the Department contractor had burnt only 2 lacs of bricks when the supply of coal arranged 489 tons of coal for burning another 19.5 lacs of bricks, at the rate of 25 ton/1000 bricks. After the contractor had burnt another 15 lacs of bricks after he was supplied the coal, the Social Welfare Department was closed and the works also came to a stand still. The Department did not need any more bricks. The non-supply of balance quantity of bricks was at the instance of the Department and not due to contractor's fault. Neither was Department

in a position to take back the unused coal which would have been reduced to ashes in a few months time and caused dead loss to the Government. Under the circumstances, the Department did what it considered best for the Government interest, i.e., to let the coal saved remain with the contractor whose cost already stood recovered. There is no justification for punishing the contractor on this account as suggested by the Audit.

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

(9) *Page 57, Para. III—Expenditure on deposit works in excess of Deposit received*—The Audit had pointed out that in 99 cases, Department had incurred an excess expenditure of Rs. 31,55,572 than the actual Deposit received.

The Department explained that the 59 works out of above stand regularized and reconciled. Another 16 have also been cleared and their verification is in progress. Part recoveries in yet another 5 works have been made while efforts are being made to make good the remaining amount in respect of these 5 works and the remaining 18 works. Explanations of the officials concerned have been called for incurring expenditure without/in excess of deposits and action will be taken against them in due course after all the formalities have been completed.

Subject to recovery of the balance amount, the item was dropped.

(10) *Page 59, Para. 17(iv)—Delay in disposal of Inspection Reports and Audit Notes*—

Page 62, Para. 17(v)—Delay in preparation of Accounts and Returns—

- (a) Arrears in Accounts, Documents and Returns.
- (b) Un-responded items under the head transfer between P.W. Officers.
- (c) Outstanding adjustment Memoranda.
- (d) Awaited Contract Agreement.

The Department explained that all the arrears in Accounts documents and Returns have since been cleared. The explanation was found to be satisfactory and the items were dropped.

III. The Committee then adjourned to meet again on 15th December, 1967 at 9. A.M.

LAHORE:

The 14th December, 1967.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 15TH DECEMBER, 1967 AT 9-00 A.M. IN '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) Chaudhri Muhammad Sarwar Khan, M.P.A. | Member. |
| (3) Rai Mansab Ali Khan Kharal, M.P.A. ... | Member. |
| (4) Mr. Malang Khan, M.P.A. ... | Member. |
| (5) Chaudhri Muhammad Nawaz, M.P.A. ... | Member. |
| (6) Syed Akhlaque Hussain, T.Q.A., C.S.P.,
and Syed Imran Shah, C.S.P., Additional
Finance Secretaries to Government of
West Pakistan, Finance Department. | Expert
Adviser. |
| (7) Mr. A. A. K. Babar, P.A. & A.S.,
Director, Commercial Audit. | By Invitation. |
| (8) Dr. Captain Ashfaq Ahmed, Joint
Secretary to Government of West
Pakistan, Agriculture Department. | By Invitation. |
| (9) Mr. Hussain Haider, C.S.P., Secretary
to Government of West Pakistan, Trans-
port Department, alongwith Mr. Abdul
Qayyum, T.Q.A., C.S.P., Chairman,
Road Transport Corporation. | 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 Agriculture Department in respect of the following items appearing in the Commercial Accounts for the year 1959-60.

(1) *Page 9-10, Para. 18(vi)—Non-compilation of Accounts of Mechanical Cultivation Scheme in Quetta for 1956-57 to 1959-60—* 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 recast. The accounts for the year 1957-58 to 1959-60 were also not compiled by the Department.

The Committee was informed that while accounts for the years 1956-57 and 1957-58 of the Mechanical Cultivation Scheme had been prepared, no progress was made with regard to the remaining accounts. The Department contended that till such time as they were allowed to employ the services of commercial accountants, for

which they had put forward a scheme which was under the consideration of the Provincial Development Working Party, they would not be able to do it. The Audit pointed out that it was very doubtful for the Department, even if the proposal to employ commercial accountants was approved, to be able to get these accountants on the scale of pay permissible in Government service in view of the great demand of such accountants all over the country. It was, therefore, suggested that the department should try and have their own accountants trained in commercial accounts in the same way as was done by the Director, Commercial Audit, in their office.

The Committee felt that it was very bad for administrative affairs that accounts had been pending for such a long time. The Committee also appreciated the difficulty faced by the Department and, therefore, requested that the Finance Department, along with the Director, Commercial Audit, and the Secretary of the Department should try and explore the possibility of invoking a scheme whereby it would be possible for the Audit to give some of their accountants on deputation to the Department for finalizing the accounts. They may also consider any other alternate practical proposal which would help the department.

Subject to these observations, the para. was dropped.

(2) *Page 9-10, Para. 18-(vii)—Non-compilation of Accounts of the Agricultural Engineering Workshop, Tando Jam (1947-48 to date)*—In this case the Accounts of the Agricultural Engineering Workshop, Tando Jam, had not been prepared by the Department since 1947-48.

The matter was last considered by the Committee at its meeting held on 18th April, 1967, when the Department 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 meetings.

The Department now explained that Superintending Engineer, has informed that the Accounts for 1956-57 and 1957-58 have again been prepared on previous pattern and sent to the Director of Commercial Audit, Karachi for verification. But he (Superintending Engineer) is of the view that the provision of the posts of Commercial Accountant alone will ensure the correct compilation of accounts of Agricultural Engineering Workshop, Tandojam, which is intricate as it is the biggest Agricultural Workshop in the Southern Region. A scheme for provision of posts for maintenance of Accounts of Agricultural Workshop on Commercial Accounting System is under the active consideration of Finance Department and Provincial Development Working Party. As soon as the scheme is passed the pace of compliance will be accelerated.

Audit pointed out that the accounts for 1956-57 and 1957-58 stated to have been forwarded to them had not been received by

them. Since, however, the Department has not compiled the accounts for the year 1947-48, the authenticity or otherwise of the figures of the accounts of 1956-57 and 1957-58 could only be examined in local audit.

The Committee observed that while the Department has stated that the Accounts of the Agricultural Engineering Workshop, Tandojam, for the years 1956-57 and 1957-58 have been forwarded to Audit, the latter has categorically stated that these have not been received by them. The Department was not in a position to satisfy the Committee as to the date on which these Accounts were submitted. The Committee directed that the Department should intimate the date on which these Accounts were submitted to Audit. This should be done at the earliest. At the same time if the contention of Audit is correct, severe action should be taken by the Department against the official who has submitted incorrect information to the Committee.

The Department informed the Committee that they were awaiting the appointment of Commercial Accountants for regularising the defects pointed out by the Audit in the Accounts for the year 1958-59 for the said Workshop and as such no further progress has been made in the matter.

The Committee felt that this question of awaiting the appointment of Commercial Accountants is merely an attempt to send the Committee on a wild goose chase and under the plea of awaiting the appointments of these Accountants, no work is being carried out in the Department for removing the technical defects pointed out by the Audit in the various Accounts or in compiling further accounts. The Committee was of the opinion that if with the present staff of Accountants, the audit objections pointed out in the Accounts of Agricultural Engineering Workshop of Quetta for the year 1957-58 could be straightened out, there was no reason why the same could not be done with the accounts for 1957-58 of the Agricultural Engineering Workshop, Tandojam. The Committee would like the Secretary Agriculture, personally to look in to this matter and direct that it was not proper nor was it practicable that pending the approval of the Provincial Development Working Party of the final appointment, if at all, of Commercial Accountants, no work should be done with regard to the compiling of the Accounts.

Efforts must be continued not only to remove the defects pointed out by the Audit in the Accounts submitted to them but for compilation of other accounts also. After all, it cannot be claimed nor can it be accepted that in case this scheme of the appointment of Commercial Accountants is not approved by the Government, the pending accounts would remain uncompiled. It only requires proper supervision and efforts to clear up the arrears of work.

The Department should report the progress and also reply to the earlier observations with regard to the Accounts for the year 1956-57 at the next meeting of the Committee. They should give full details when this para. is considered again with the Accounts for the year 1962-63.

Subject to these observations the para. was dropped from the Accounts of this year.

(3) *Page 23, Para. 28, Non-Accountal of petrol, Oil and Lubricants worth Rs. 7,282*—In this case it was noticed that 544 gallons of Mobil Oil, 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.

The matter was last considered by the Committee on 18th April, 1967 when the Department 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 it has now fixed the responsibilities of shortages on the executive and the supervisory staff at the ratio shown below against each:—

Agricultural Engineer, Tandojam	...	25%
Assistant Agricultural Engineer concerned	...	25%
Units Supervisors/Operations and Truck Drivers	...	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.

The Department now explained that the whole case regarding the shortages of P.O.L. has been reviewed in the light of instructions contained in the minutes of the meeting and the responsibility has been fixed on supervisory staff also. The Comptroller, Southern Area, West Pakistan, Karachi has been approached to effect the recovery from the Gazetted officers. So far as the recovery from the non-gazetted staff is concerned, a sum of Rs. 457.39 has by now been recovered from 9 officials responsible for the shortages of P.O.L.

The Committee considered the above explanation only a mere attempt to waste the time of the Committee. The Department is not clear as yet as to what is the exact amount which is to be recovered from the non-gazetted staff. The Department has merely stated that Rs. 457.39 has been recovered from them, but has not stated as to how much more amount is to be recovered from them nor has the Department stated whether the amount is being recovered from them after due and proper inquiry.

The Department then stated that a sum of Rs. 3388.68 would be recovered from the following officers as under:—

	Rs.
(1) Mr. A. N. Qazi, the then Agricultural Engineer, Tandojam ..	1,425.99
(2) Mr. Amir Hussain Shah, Assistant Agricultural Engineer, Sanghar ..	165.14
(3) Mr. M. J. Soomro, the then Assistant Agricultural Engineer, Tandojam ..	138.00
(4) G. M. Baloch, Assistant Agricultural Engineer, Tandojam ..	372.28
(5) Mr. Kamaluddin Qureshi, the then Agricultural Engineer ..	201.27
(6) Mr. Abdul Sattar, Assistant Agricultural Engineer, Dadu ..	546.36
Total ..	<u>3,388.68</u>

It was, however, admitted by the Department that no departmental inquiry has been conducted for fixing this responsibility. It was also stated that an intimation has been sent to the Comptroller, Southern Area, to make the recoveries. The Committee felt that it was most improper that recoveries should be ordered to be effected from the officers without going through the proper procedure as laid down in the rules. It was very doubtful whether recoveries could be made or not. It was obvious that the officers from whom an attempt was being made to recover the amount, would appeal against these orders.

The para. was deferred to come up in the next meeting of the P.A.C. along with the accounts for 1962-63. The Committee directed the Department to go into the matter thoroughly, conduct departmental inquiry and submit a detailed report to the Committee.

(4) *Page 23, para. 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 dues of the firm.

In the meeting held on 2nd November, 1966 the Department explained that the enquiry 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 due to pressure of work the official lost sight of the item and he did not pursue it with the result that it remained unrecovered for some time. As soon as the firm was apprised of the position they refunded the amount. The Committee then 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 since payment had been made though goods had not been received, or did it conveniently forget all about it feeling secure in the stock excuse of having forgotten it in the maze of work. If the Department did not do so until it was pointed out by the Audit, surely the official who kept quiet even after detecting that an over-payment had been made should be held responsible for this lapse. The Committee desired that the Department should collect all the necessary record and satisfy the Committee that they had moved for the recovery of the over-payment as soon as it had been detected and that if that was not the case, to take suitable action against the official at fault instead of giving a certificate that he had failed in his duty to safeguard Government funds in good faith.

At the Meeting held on 18th April, 1967 the Department stated that "enquiry is being held". The result of enquiry had not been reported. However, it was stated that Mr. H. R. Badiwala was appointed as Enquiry Officer in 1965. The rush of work had 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 over-payment 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 agreed with the Finance Secretary but instead of commenting on it left to the sense of propriety of the concerned Secretary, for after all it must be apparent to him also that whatever is contained in the Working Papers of his Department is supposed to be his explanation and language such as this reflects on him. 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 enquiry 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 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 written 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 enquiry 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 enquiry be submitted to the Committee. The Department informed the Committee that as per directions of the Committee the concerned Tandojam, and Mr. H.R. Badiwala, Enquiry Officer, has also been Tandojam, and Mr. H.R. Badiwala Enquiry Officer, has also been asked to expedite his findings which will be submitted in due course.

The Committee noted that the Enquiry Officer who was appointed in 1965 to go into this matter has not yet, despite repeated reminders, completed the enquiry. The Committee wished to draw the attention of the Department and the personal attention of the Secretary to the fact that there are standing instructions of Services and General Administration Department that an enquiry of this nature should be completed within six months. It is, therefore, obvious that in case of some genuine reasons if the Enquiry Officer is not able to complete the enquiry within the stipulated time he should ask for and be given extension formally by the Department or the Department should appoint some other Enquiry Officer. It appeared that in this case neither action has been taken. The Committee directed the Department that this enquiry should be completed and report submitted to the Committee at its next meeting. The Department should also consider taking action against the Enquiry Officer for this inordinate delay and ask him to be present and appear before the PAC when this para. is next considered. The para. was deferred to be taken up again alongwith the Accounts for 1962-63.

(5) *Page 9-10, Para. 18(iv) Non-compilation of Accounts of the Shisham Exploitation Scheme in Mardan District for the year 1958-59 and 1959-60*—The matter was first 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 Department together for the preparation of the Accounts.

At the meeting of the Committee held on 18th April, 1967 the Committee informed that no further progress was made.

The Finance Secretary promised that he would call upon the two Departments to attend a meeting, which would be held very soon to settle the matter.

The Department now explained that the Divisional Forest Officer, Mardan Forest Division has supplied a spare copy of the accounts for the period from 1st July, 1959 to 15th December, 1959 to the Superintending Engineer, Irrigation Circle, Mardan, for his guidance and preparation of the Commercial Accounts for the period from 16th December, 1959 to 31st March, 1961. The Divisional Forest Officer, Mardan has also been asked by the Chief Conservator of Forests, Peshawar Region, to render all possible help to the Irrigation Department in the work of preparation of accounts for the above period. The Chief Engineer, Irrigation, Peshawar Region has also been requested to direct the Superintending Engineer, Irrigation Circle, Mardan, for early preparation of the said accounts. The Finance Department was moved to convene a meeting of the Agriculture Department and Irrigation Department. But no action has been taken by the Finance Department. As the same objection has already been included in the Commercial Accounts for the year 1962-1963, the para. was dropped from here and would be taken up with the Accounts for 1962-63.

(6) *Page 141, Sundry Liabilities*—In this case the amount of Sundry Liabilities increased to Rs. 3,68,310 from Rs. 3,27,810 as at the end of the previous year. According to Audit early Liquidation of the same was desirable.

The matter was last considered by the Committee at its meeting held on 18th April, 1967 when the Department explained that the total amount of outstanding liabilities of Rs. 4,50,445 as on 30th June, 1960 included a sum Rs. 22,201 pertaining to sundry creditors. The total amount of outstanding liabilities as on 30th June, 1960 was Rs. 4,28,244. 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. Rs. 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 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:—

Unadjusted liabilities for 1955-56—Coal Commissioner, Karachi ..	Rs. 1,896.30
Unadjusted liabilities for 1956-57 Exchange Accounts, 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
Total ..	97,756.30

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 Commissioner, 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 has been sent to Karachi for this purpose and that even the letters addressed to the Coal Commissioner Karachi, had not been answered.

Since the 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 asked the Department to make a thorough inquiry into the dates on which their representative was supposed to have visited Karachi for the purpose 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 meetings when the accounts for the year 1961-62

were considered. Further progress with regard to the liquidation of the liabilities should also be reported at the same time.

The Department now informed that no trip to Karachi was made in the recent past for the specific purpose of obtaining the long outstanding coal bills from the authorities concerned. But in November 1962 the permission for visiting Karachi for various official works was sought. Permission was not sought specifically for obtaining the bills from the Coal Commissioner, Karachi but for other works also including allocation of coal supplies by him. However, the Manager had taken this opportunity in requesting Mr. S.H. Shah, the then Deputy Coal Commissioner, Karachi for expediting the issue of bills for the supply of coal.

As regards the liquidation of outstanding liabilities amounting to Rs. 97,736.30 pertaining to the years upto 30th June, 1960, the Department is doing its level best to receive the bills from the parties concerned and as a result of various efforts the Department has received the bills of Rs. 72,940.29 from the Coal authorities and the adjustment is being carried out.

<i>Bill No. and date</i>	<i>Amount relating to the year</i>
1. CC/B.R./A Direct-77/Steam-1/ Aug. 1961/27, 1,804.37 dated 29th October, 1966. (1961-62).	
2. CC/B.R./A Direct-77/Steam-1/Aug./61/28, 1,728.14 dated 29th October, 1966, Bill 163 for March (1961-62) 1967.	
3. CC/Direct-77/Aug-61/st.3/19, dated 15th 1,788.06 May, 1967. (1961-62)	
4. CC/B.R./I Pak-promoter, Re-booked/R.C.C. 22,006.10 60 of 6th June, 1960, (1959-60) dated 23rd May 1967 (12 wagons). (1960-61)	
5. CC/B.R./I/Ocean endurance Re-booked/R.C. 38,957.75 C./60 of 24th May 1960, dated 23rd May, 1967. (1959-60) (22 wagons). (1960-61)	
6. CC/B.R./I/Y. BUX/Re-booked/60 for 9th May 3,148.50 1960 dated 23rd June 1967 (2 wagons). (1959-60)	
7. CC/A/Direct-77/Aug/61/St-3/17, dated 15th 3,533.37 May, 1967. (1961-62)	

These bills include Rs. 18,039.90 relating to the year 1959-60, the outstanding liabilities would thus be reduced by the same amount. The adjustment of Rs. 50,800.00 being the outstanding liabilities,

payable to Railway Authorities, is expected to be liquidated in near future. When the adjustment of liabilities pertaining to the Coal and Railway credit notes are gnally adjusted, the balance of outstanding liabilities upto 30th June, 1960 would be Rs. 28,896-40 as against Rs. 4,50,445.00. The Department further stated that the balance amount of Rs. 79,696 has further been reduced by Rs. 51,073 after the adjustment of Railway's and sundry liabilities, and there now remains a balance of Rs. 28,623 payable by the Coal Department only. Efforts are being made to adjust the outstanding liabilities as early as possible.

The Committee considered the explanation of the Department and also the proceedings of the previous meeting, when the Committee had expressed doubts as to the existence of the Coal Commissioner's Office in Karachi at the time the Officer concerned had undertaken the trip to Karachi and had reported to his department the result of his so called visit to the said office. In order to be sure of this the Committee in the presence of the representatives of the Department had sent for the Deputy Secretary, Industries and had learnt from him that the Coal Commissioners Office did not exist in Karachi since 1964. On the strength of this, the para. had been deferred at the last meeting in order to enable the Department to investigate further into the matter and to put up before the Committee the exact dates on which the Officer concerned had reported to the Department, that he had called on the Coal Commissioner's Office at Karachi.

If the explanation had the dates, which the department has tried to place before the Committee today (i.e. sometime in 1962) were correct and had been produced at the last meeting, the Committee would not have asked for further inquiries to be made after the statement of the Deputy Secretary, Industries that the said Offices had been merged in 1964. The mere fact that after hearing the Deputy Secretary, Industries, the Committee asked the Department to place results of further inquiries at this meeting leads the Committee to the conclusion that the dates of the visits discussed in the previous meeting were somewhere in 1964 or later, and that now an attempt is being made to produce the dates and records of an earlier visit made sometime in 1962 so that the Committee may be misled and may drop the para.

The Committee now desired the department to give at its next meeting a categorical statement as to whether in 1964 or later the representative of the Department who visited Karachi, reported to the department or not that he had visited the Coal Commissioners Office and discussed the matter. The Committee further desired that this aspect of the matter be inquired into either by the Secretary himself or someone fairly senior who may be authorised by him.

The Committee then deferred consideration of the para. to be taken up along with the accounts for the year 1962-63 when the other aspects of the case would be considered by the Committee along with the explanation asked for above.

III. The Committee then considered the explanations of the Agriculture Department in respect of the following items appearing in the Commercial Accounts for 1960-61.

Page 8-9, Para. 18—(i) *Non-compilation of Accounts of the Mechanical Cultivation Scheme in Quetta Region for 1956-57.* (ii) *Non-compilation of accounts of the Agricultural Engineering Workshop, Tandojam*—The items were last considered by the Committee at its meeting held on 18th April, 1967 when the Committee directed the Department to prepare and submit the Accounts to Audit within a period of 3 months. The Department now informed that the position of the above two Accounts is the same as already explained against the outstanding para. 18 of the accounts for 1959-60.

The Committee made the same observation as in the case of para. 18 (vi) and (vii) of Accounts for 1959-60 in para. II (1) and (2) above.

IV. The Committee then considered the explanations of the Agriculture Department in respect of the following items appearing in the Commercial Accounts for 1961-62.

(i) *Page 10, Para. 18(iv) Non-compilation of the Accounts of the Shisham Exploitation Scheme in Mardan District for the year 1958-59 to 1961-62*—The Department explained that the *Shisham Pro forma Accounts of Mardan Forest Division for the year 1960-61 (1st April, 1961 to 30th June, 1961) 1961-62 and 1962-63* have since been submitted by the Divisional Forest Officer, Mardan to the Director of Commercial Audit, Karachi.

As regards preparation of Commercial Accounts for the period from 16th December, 1959 to 31st March, 1961 it was stated to be the responsibility of the Irrigation Department and the Divisional Forest Officer, Mardan had been asked by the Department to supply a copy of the Commercial Accounts indicating the lines for its preparation by the Irrigation Department for the guidance.

The consideration of this item was deferred to be taken up along with the Accounts for the year 1962-63.

(2) *Page 10, Para. 18 (v) Non-compilation of Accounts of the Jallo Rosin And Turpentine Factory for 1961-62*—The Department explained that the Accounts for the year 1960-61 were finalized late. Moreover, the Director of Commercial Audit, Karachi had returned these accounts after a long period, as a result of which accounts for the year 1961-62 were also delayed. The explanation was found to be satisfactory and the item was dropped.

(3) *Page 10, Para. 18(vi) Non-compilation of Accounts of the Scheme for exploitation of a phedra plant in Quetta region for 1961-62*—The Department explanation that the *pro forma* accounts for the scheme in question for the year 1961-62 were furnished to the Audit during August, 1964,—*vide* Chief Conservator of Forests, Quetta No. 91-III/Acctt(64-65)/248, dated the 18th August, 1964 and have since been incorporated in the Commercial Accounts for the years 1962-63. The Accounts could not be submitted in time because of the fact that there was no Commercial Accountant in the Office of the Divisional Forest Officer, Quetta. The existing clerical staff who had absolutely no knowledge and experience of the preparation of the *pro forma* accounts of Commercial lines could not do the job despite their best efforts. Ultimately the help of the Commercial Audit party was sought and it was possible to prepare the *pro forma* Accounts in the year 1964. The delay has occurred under un-avoidable circumstances and not due to any other reasons. The explanation was found to be satisfactory and the item was dropped.

(4) *Page 43, Para. 48 Working Results*—In this case Audit pointed out that there was an abnormal decrease in gross and net profits as well as percentage of gross and net profit over the turnover as compared to the previous year.

The Department explained that percentage of gross and net profit turnover depends upon the total sales made and the total profit earned during the year. If the change in the profit earned is not in correspondence with change in the sales then percentage of profit turnover is bound to fluctuate. The net profit had decreased by 47% whereas the sale decreased only by 9% in the year 1960-61 as compared to the year 1959-60. It resulted in sharp decrease in the net and gross profit percentage of turnover. The following are some of the main reasons for the low profits earned during the year 1960-61 :—

- (i) Rosin (raw material) was purchased at Rs. 20 per maund during 1959-60 whereas during 1960 it was purchased at Rs. 25/- per maund. The factory had thus to pay Rs. 5/- more per maund for rosin.
- (ii) The sales were decreased from Rs. 38,11,774 to Rs. 35,77,840 in 1960-61 as compared with the year 1959-60;
- (iii) Increase in packing cost due to increase in the rate of 1st Class staves which rose from Rs. 88.07% in 1959-60 to Rs. 135.2% in 1960-61;
- (iv) In the year 1960-61 the profit was decreased by Rs. 1,33,672 being the cost of resin purchased in 1959-60 and was also consumed in the same year was again erroneously charged on the expenditure side during the

year 1960-61. This mistake could not be detected by the audit authorities while auditing the accounts of 1960-61. However it was later on rectified.

- (v) The profit of year 1960-61 was also decreased by Rs. 42,348 as the entry could not be reversed in this year due to over sight.

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

(5) (i) *Page 10, Para. 18(vii) and (viii)*—(i) Non-compilation of Accounts of the Mechanical Cultivation Scheme in Quetta Region for 1956-57 to 1961-62.

(ii) Non-compilation of Accounts of the Agricultural Engineering Workshop, Tandojam since 1947-48 to date.

The Committee made the same observation in respect of the above two items as in respect of para. 18 (vi) and (vii) of the accounts for 1959-60 in para. II (1) and (2) above.

6. *Page 10, Para. 18(ix)*—*Non-compilation of Accounts of the Cold Storage at Baghbanpura (Lahore) and Sialkot since 1951-52*—The Department explained that as both the institutions alongwith relevant record have been transferred to private parties, the Finance Department had been requested to condone the preparation of accounts. The Finance Department having rejected the proposal, the Department will now try to compile the accounts. The para. was deferred to be taken up again alongwith the accounts for 1962-63.

ROAD TRANSPORT CORPORATION

V. The Committee then considered the explanations of the Road Transport Corporation in respect of the following items appearing in the Commercial Accounts for 1959-60 :—

(1) *Page 397, Para. 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 Department stated the latest position as under :—

(a) Adjustments on-account of Inter-Unit Transactions already verified by the Commercial Audit—*vide* their revised comments received with their Memo. No. 2102/CA(P)/23/59-60-Vol: IV D/25-2-1967.

(i) Rs. 88,59,270

(ii) Rs. 25,570

Rs. 88,84,840

(b) Adjustments on account of Inter-Unit transactions under verification with the Audit. Rs. 5,13,519

(c) (i) Recoveries due from the Provincial Government on account of Interest on Reserves which have been adjusted during 1957-58 against supplies received from High Commissioner for Pakistan in U.K. Rs. 37,565.

(ii) Recoveries made from various parties by the H.Q. Office

Rs. 1,117

Rs. 38,682

Rs. 38,682

Out of Rs. 96,45,991 a sum of Rs. 94,37,041 has been adjusted/recovered leaving a balance of Rs. 2,08,950 which was explained as under:—

(I) *Due From Income-Tax Department*—Deductions made by the Income-Tax Department at source from the interest earned by the Road Transport Corporation on Government Securities were not accepted on the plea that the Corporations' Income was not taxable. A sum of Rs. 39,620 was accordingly debited to Income-Tax Department and claim lodged for refund. Since a policy regarding the taxability of Road Transport Corporation, income is still pending with the Income-Tax Appellate Tribunal the debit of Rs. 39,620 cannot be settled/finalized.

(II) *Due from the Government Departments and Private parties on account of Services rendered*—After realizing a sum of Rs. 20,992 upto 30th November, 1967, there remained a balance of Rs. 1,48,428 recoverable by the various Units as detailed below:—

Serial No.	Name of Unit	Due from Government Departments	Departmental Debtors	Private	Total
		Rs.	Rs.	Rs.	Rs.
1	L.O.S., Lahore	58,225.61	..	9,244.59	67,470.20
2	G.T.S., Peshawar	53,754.38	..	2,198.69	55,953.07
3	G.T.S., Rawalpindi	1,201.93	5,127.64	..	6,329.57
4	G.T.S., D.G. Khan	11,858.45	..	73.12	11,931.57
5	G.T.S., Hyderabad	2,925.02	..	3,818.90	6,743.92
	Total	1,27,965.39	5,127.64	15,335.30	1,48,428.33

On the basis of verbal and written promises by various Governments, the outstanding balance of Rs. 1,48,428.33 would be realized during the current financial year.

The Committee was informed that the adjustment of Rs. 88,84,840 has been verified by the Audit. The adjustment of Rs. 5,13,519 and Rs. 37,565 has not been verified so far but it is in the process of verification. Similarly the recoveries of Rs. 1,117 and Rs. 20,902 have to be verified by the Audit. As regards the amount of Rs. 15,334 it is due from private parties. It was pointed out by

the Department that this related mainly to hire charges of buses given to various organisations for transporting refugees coming from across the border. Some of these organisations were no more in existence and some others were not in a position to pay the amount. In view of the fact that it appears to be almost impossible to recover the bulk of the amount and also in view of the fact that it relates to humanitarian work executed during an emergency, the Committee felt that the Department should make efforts to recover whatever is possible and have it verified by the Audit and to approach the Finance Department for the write off of the amount that is not recoverable. The outcome of the appeal before the Income Tax Tribunal should also be communicated to the Audit.

Subject to these observations and verification by the Audit the para. was dropped.

(2) *Page 397, para. 350 Sundry Creditor*—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 Department explained that the total sum of Rs. 3,82,32,595 shown under the Sundry Creditor as on 30th June, 1959 has been fully settled.

Subject to verification the para. was dropped.

(3) *Page 565, item 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 Department explained that according to the original objection year wise analysis of Sundry Debtors had to be prepared from the next year i.e. 1960-61 which has been duly complied with. That is why analysis was not prepared for the year under review, i.e., 1959-60. Out of a total sum of Rs. 98,02,494 recoverable from the Sundry Debtors as on 30th June, 1960, only a sum of Rs. 1,76,835 remained recoverable on 30th November, 1960 by various units.

The Committee hoped that the Department would do its best to recover the balance amount. Subject to these observations the para. was dropped.

(4) *Page 565, para. 477 Sundry Creditor*—In this case the liabilities on account of Sundry Creditors again registered a sharp increase. The amount increased to Rs. 4,45,93,583 upto 30th June, 1960 at the end of the year under review as against Rs. 3,82,32,595 at the end of the previous year.

In the last meeting of the Committee the Department had stated that payments amounting to Rs. 4,18,05,410 had been made leaving a balance of Rs. 27,88,173. Out of this, after making certain

adjustments the net balance payable as on 30th June, 1967 was Rs. 1,75,209. The Department explained the balance as under:—

- (i) A special messenger was sent to Karachi to collect outstanding vouchers from the D.G.S. & D. and A.O.I.S. and F. Karachi and D.C.O.S. Karachi. Copies brought by him revealed that the sum of Rs. 1,71,878 relating to the Central Stores did not relate to the outstanding documents but it represented difference between the actual and the provisional rates on the basis of which excess liabilities were created. Necessary entries have been made in books during current financial year and excess amount of Rs. 1,71,878 has been written back;
- (ii) The sum of Rs. 3,331 in respect of G.T.S., Hyderabad has also been written back in the accounts for 1966-67 as un-claimed liability created by Former Sind Road Transport Board.

Subject to verification by the Audit the para. was dropped.

VI. The Committee then considered the explanations of the R.T.C. in respect of the following items appearing in the Commercial Accounts for the year 1960-61.

(1) *Page 120, Para. 155 Shortage of Stores worth Rs. 84,720 and surplus of Rs. 58,324*—The consideration of the para. was deferred to be taken up alongwith the accounts of 1962-63 when the department should come up with a complete report.

(2) *Page 131, para. 168 A—Suspense Account*—In this case a sum of Rs. 20,395 has been shown under 'Defalcation'.

The matter was last considered by the Committee at its meeting held on 4th September, 1967 when the Department explained that Mr. Abdul Rashid Ex-Head Cashier, G.T.S., D.G. 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 which has 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 para. was deferred to be taken up alongwith the Accounts for 196-62 when the Department was directed to 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.

The Department now explained that the following Officers/Officials were charge sheeted for lack of supervision etc. in this case:—

1. Mr. Muhammad Abdullah, the then District Manager, G.T.S., D.G. Khan.
2. Mr. Mahmood Jalaly, the then Accountant.
3. Mr. Gulistan Khan, the then Dy. Accountant (out from service).

The enquiry against them has been initiated and would be finalized early. Appropriate action against the Officer/officials concerned will be taken on the recommendations of the Enquiry Officer.

The Committee deferred consideration of the para. to be taken up alongwith the Accounts for the year 1962-63.

(3) *Page 138, Para. 181 Suspense Accounts 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. 33,68,509 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 year as well as during the year under review.

The matter was last considered by the Committee at its meeting held on 4th September, 1967 when the Department explained that the liabilities to the tune of Rs. 31,20,879 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 effected were not intimated to the Committee.

The Department now furnished the following explanation:—

(a) *Suspense Account Capital*—The total sum of Rs. 46,46,700 shown under the Suspense Account (Capital) as on 30th June, 1961 represents liabilities created on the basis of provisional rates in respect of assets received by GTS, Peshawar without actual invoices. After procuring actual debit vouchers and relevant documents from Comptroller, Northern Area, Peshawar and Audit Officer, I.S.&F. Karachi, adjustments for the entire sum of Rs. 46,46,700 have been carried out under appropriate heads of account given below, which can be verified by the Audit:—

- (i) Capital Accounts Motor Vehicles GTS., Peshawar.
- (ii) Capital Accounts Tools & Plants GTS., Peshawar.
- (b) *Sundry Creditors*—Out of balance for Rs. 33,68,509 as on 30th June, 1961 a sum of Rs. 32,64,079 had already been adjusted when the position was reported to the Public

Accounts Committee in their last meeting. The remaining sum of Rs. 1,04,430 has also been adjusted in accounts for the year 1966-67 which may be verified by the Audit.

Subject to verification by Audit, the para. was dropped.

VII. The Committee then considered the explanations of the R.T.C. in respect of the following items appearing in the Commercial Accounts for the year 1961-62:—

(1) *Page 10, Para. 18(xvii) Non-compilation of Accounts of the Government Transport, Khairpur, 1957 and 1st January, to 31st August, 1958*—The Department explained that the Accounts of Government Transport, Khairpur for 1957 and for the period from 1st January, 1958, have been published at pages 688 to 695 of the Government of West Pakistan Commercial Accounts 1962-63.

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

(2) *Page 92, Para. 79—Non-compilation of the Accounts of the:—*

- | | |
|--|------------|
| (i) West Pakistan Road Transport Board
(Consolidated Accounts) | .. 1960-61 |
| (ii) West Pakistan Road Transport Board
(Consolidated Accounts) | .. 1961-62 |
| (iii) West Pakistan Road Transport Board
(Headquarters' Office) | .. 1961-62 |
| (iv) West Pakistan Road Transport Board
(Headquarters, Central Stores) | .. 1961-62 |
| (v) L.O.S. Lahore | .. 1961-62 |
| (vi) Government (F) Transport Service, Rawalpindi | .. 1961-62 |
| (vii) Government (F) Transport Service, Lyallpur | .. 1961-62 |
| (viii) Government (F) Transport Service, D.G. Khan | .. 1961-62 |
| (ix) Government (F) Transport Service, Peshawar | .. 1961-62 |
| (x) Government (F) Transport Service, Hyderabad | .. 1961-62 |
| (xi) West Pakistan Road Transport Board,
Body Building Workshop, Lahore | .. 1966-62 |

The Department explained that out of the eleven Accounts mentioned by the Audit in their comments, position in respect of Consolidated Accounts of the W.P.R.T.B., for the year 1960-61, was explained against para. 113 of the Commercial Accounts for the year 1960-61 & after consideration of the reply the P.A.C. dropped the point in their meeting held on 4th & 5th September, 1967.

The remaining ten Accounts for the year 1961-62 mentioned at Sl.No. (ii) to (xi) were presented to the Audit in accordance with the programme intimated by the Joint Director of Commercial Audit, Lahore in his D.O.No. AT/5-16/400/DDCA/LHR, dated 30th July, 1964. They were, however, checked and certified by the Commercial Audit during the month of August 1964 by which time the book had gone under print and they could not, therefore, be included in the compilation for 1961-62. They have anyhow, been published in the Government of West Pakistan Commercial Accounts for 1962-63,—*vide* pages 530 to 675.

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

(3) *Page 98 Para. 88 Advances*—In this case the Ledger Balance of the Hqrs, Office on 30th June, 1961 showed an amount of Rs. 1,71,36,046 as advance made to the Director-General, Supply & Development & Audit Officer, Industries, Supplies and Food while the account rendered by these officers showed a balance on that date due as Rs. 16,61,469 only. The abnormal difference amounting to Rs. 1,54,74,577 between the two figures was required to be investigated and necessary reconciliation conducted promptly.

The Department explained that the difference of Rs. 1,54,74,577 between the Book Balance of the Road Transport Corporation, and account rendered by A.O. I.S. & F., was mainly due to late receipt of voucher in support of debits raised in his statement of Account. Documents were, however, collected at personal level and difference adjusted in accounts for the year 1961-62 to 1967-68 leaving the adjustments of vouchers for the amount of Rs. 4,28,155 only.

Subject to verification by Audit and subject to the Corporation's justifying the balance of Rs. 4,28,155 which should also be got verified, the para. was dropped.

(4) *Page 98, Para. 89, physical verification*—In this case, no physical verification of assets held by the Headquarter's Office was conducted at the end of the year under review.

The Department explained that the position of assets owned by the Headquarter's Office is materially different from that of the Units. Neither any Stores House /Workshop is run nor any fleet of buses is operated. There were 8 staff Cars, a big building, items of Furniture and Fittings and Stationery in possession of the Headquarters' Office of the then West Pakistan Road Transport Board requiring verification. As staff cars and the Building need no actual counting at the close of the year and their presence is only to be formally certified, which was done, no omission took place in this behalf. Items of Stationery and Furniture & Fittings were physical verified and lists were prepared on the basis of verification carried out on 30th June, 1961.

The Committee was further informed by the Department that the Secretary had given the necessary certificate. Subject to the scrutiny and verification of this certificate by the Audit, the para. was dropped.

(5) *Page 98, Para. 90 Sundry Creditors*—In this case the amount of Sundry Creditors stood at Rs. 1,88,71,119 as on 30th June, 1961 against Rs. 1,78,58,449 on 30th June, 1960 and Rs. 1,38,14,809 on 30th June, 1959. Early liquidation of the same was stressed.

The Department explained that the break up of Rs. 1,88,71,119 shown under Sundry Creditors in the statement of affairs as on 30th June, 1961 is given hereunder:—

	Rs.
(i) Sundry suppliers	6,54,606
(ii) D.G.S. & D./A.O.I.S. & F., Karachi ...	1,82,16,513
Total ...	1,88,71,119

Rs. 6,54,606 pertaining to Sundry Suppliers was paid to the respective parties.

The remaining balance of Rs. 1,82,16,513 was not actually payable but was adjustable against advances to D.G.S. & D./A.O.I.S. & F., Karachi for stores which had already been received. The requisite vouchers/Debit advances were not forthcoming from A.O.I.S. & F., Karachi which caused delay in carrying out adjustment. Ultimately, Road Transport Corporation had to create a special cell to settle this account.

After strenuous efforts, it was possible to clear the liabilities amounting to Rs. 86,23,518. The remaining balance of Rs. 95,92,995 relates to difference between the actual and provisional prices which has been transferred to the "Obsolete and Surplus Reserve" under advice from the Headquarter's Office.

The Committee directed that the Audit and the Corporation should sort out the issue and deferred the para. to be taken up along with the account for 1962-63.

(6) *Page 98, Para. 91 Outstanding dues*—In this case a sum of Rs. 67,63,112 was outstanding against sister services on 30th June, 1961 on account of supplies made as against Rs. 74,87,346 outstanding on 30th June, 1960.

The Department explained that strenuous efforts were made to settle outstanding bills with the sister services and the balance of Rs. 67,63,112 as on 30th June, 1961 was accordingly realized/adjusted in subsequent years up to 30th June, 1967.

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

(7) *Page 98, Para. 92 Excess and Shortages of Stores*—In this case excess and shortages of stores to the extent of Rs. 29,960 and Rs. 30,381, respectively were noticed as a result of physical verification conducted at the close of the year under review.

The Department explained that out of Rs. 30,380.76 shortages to the tune of Rs. 17,425.82 have been reconciled. Investigations revealed that discrepancies were mainly due to—

- (a) Stores of different makes/models being kept in a big stores house without proper segregation;
 - (b) There being no definite responsibility for the custody of different types of spares;
 - (c) Possible accounting errors;
- All the aforesaid causes have now been eliminated and—
- (i) Separate Store sections have been provided for storage of different types of spares;
 - (ii) Responsibility for safe custody of different types of stores has been specified and assigned to different custodians;
 - (iii) Bin Nos. are invariably indicated alongwith the nomenclature of parts;

With regard to the remaining shortage of Rs. 12,954.84 investigations were held but they could not be reconciled further. The excesses to the value of Rs. 29,959.37 have already been taken on charge.

The officials, who held charge of the Section, to which the shortages relate, had to account for the discrepancies but on the date the above analysis was finalized and the amount apportioned among them, they were no longer in service except H. Noor Ahmed, H.S.K., who is concerned for the shortage of Rs. 2,996.04. He has already been charge-sheeted. The then Manager, Central Store, Mr. M. T. Bajwa (who has since been dismissed) had in fact to lodge a claim with the Insurance Company and take steps to ensure that the officials concerned were not relieved before the settlement of the case. The matter has, however, been taken up with the Competent authority to accord necessary sanction for the write off of the net shortages of Rs. 9,958.90.

The Audit pointed out that the responsibility for shortage of stores worth Rs. 9,959 has been assessed on two persons, who are no longer in service. The date of completion of the investigation into the shortages and the dates on which the persons held responsible left service have not been indicated. The reasons for which the officials were relieved when investigations against them were in process have

also not been indicated. It has also not been stated that the Manager, Central Stores (who had since been dismissed) had to lodge a claim against the Insurance Company.

The result of the said claim has not, however, been clarified.

The Committee not feeling satisfied with the explanation tendered by the Department suggested the Department to order a fresh inquiry into the entire matter, the report of which should be furnished to the Committee alongwith the accounts for the year 1962-63.

VIII. The Committee then adjourned to meet again on Saturday the 16th December, 1967 at 9-00 a.m.

LAHORE:
The 15th December,
1967.

ZAIN NOORANI
CHAIRMAN,
} Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 16TH DECEMBER, 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, ... | Member. |
| (3) Rai Mansab Ali Khan Kharal, M.P.A. ... | Member. |
| (4) Mr. Malang Khan, M.P.A. ... | Member. |
| (5) Chaudhri Muhammad Nawaz, M.P.A. ... | Member. |
| (6) Syed Imran Shah, C.S.P., Additional Secretary to Government of West Pakistan, Finance Department. | Expert Adviser. |
| (7) Mr. A. A. K. Babar, P.A. & A.S., Director, Commercial Audit. | By Invitation. |
| (8) Mr. Jamil Haider Shah, C.S.P., Secretary (Excise and Taxation), Board of Revenue. | By Invitation. |
| (9) Mr. Y. A. Zia, Operational Manager, WAPDA. | By Invitation. |
| (10) Syed Munir Hussain, C.S.P., Secretary to Government of West Pakistan, Industries, Commerce and Mineral Resources Department alongwith Director of Industries, Controller, Printing and Stationery, Member Finance, West Pakistan Industrial Development Corporation, and Deputy Chief Accountant, Small Industries Corporation. | By Invitation. |
| (11) Mian Bashir Ahmed, Settlement Commissioner. | By Invitation. |
| (12) Raja Ahmed Khan, Registrar, Co-operative Societies and Joint Secretary to Government of West Pakistan, Co-operation Department. | By Invitation. |
| (13) Mr. Ali Muhammad V. Akhund, Deputy Secretary to Government of West Pakistan, Law 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 considered the explanations of the following Departments in respect of the items appearing in the Commercial Accounts for the year 1961-62.

EXCISE & TAXATION DEPARTMENT

(1) *Page 11, Para. 18 (xv)—Non-compilation of Accounts of the opium and Alkaloids Factory Lahore for the years 1958-59 to 1961-62*—As the Commercial Accounts of the Opium Factory, Lahore for the years 1958-59 to 1964-65 have been completed and Audited the para was dropped.

IRRIGATION AND POWER DEPARTMENT.

(2) *Page 11, Para. 18 (x)—Non-compilation of Accounts of the Electricity Scheme in Peshawar and Dera Ismail Khan Division*—The Department explained that the same para. was also included in the Commercial Accounts for 1960-61. During discussion in the Meeting of Public Accounts Committee held on 18-4-67, it was explained that all the Accounts had since been prepared on proper form when the para. was dropped by the Committee. The Accounts have not yet been audited and the matter has been taken up with the Audit.

(3) *Page 11, Para. 18 (xi)—Non-compilation of Accounts of the Mughalpura Irrigation Workshops Division Mughalpura for the year 1957-58 to 1961-62*—The Department explained that the above accounts have already been prepared, Audited and included in the Commercial Accounts for the year 1964-65. The para was dropped.

(4) *Page 11, Para. 18 (xii)—Non-compilation of Accounts of the General and Steel Mills Mughalpura, Lahore*—The Department explained that the Commercial Accounts of steel and General Mills Mughalpura from 9-1-48 to 31-3-50 were printed in the Commercial Accounts of Government of West Pakistan for the year 1962-63 at pages 464 to 486.

The para. was dropped.

INDUSTRIES, COMMERCE AND MINERAL RESOURCES DEPARTMENT

III. The Committee then considered the explanation of the Industries, Commerce and Mineral Resources Department in respect of the following items appearing in the Commercial Accounts for the years 1957-58, 1959-60, 1960-61 and 1961-62.

Pages 55-56 Paras. 61-67 1957-58—The Punjab Government Cotton Mills Lahore (In Liquidation)—In this case, the mill was leased out to M/s. Rashid Ghani and Malli with effect from 12th September, 1954 and remained in their custody up to 2nd February, 1955. With the transfer of the possession of the mills, the possession of 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 conditions 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 amounts was withdrawn from the bank by the lessees.

The matter was last considered by the Committee at its meeting held on 18-4-67 when the Department 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 lessee the Mills 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. 10 lacs, were not handed over to the lessees but were stored in the mill's premises which were subsequently disposed off by Government. It was however, found that the lessees had disposed off 34 bales of cloth worth Rs. 40,604 and 7 bales of yarn worth Rs. 6,701 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. 4,13,655-00 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 minus Rs. 47,107). As the stocks of yarn and cloth were disposed off 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 is still under examination with the Law Department 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 had then deferred consideration of the paragraph to its next series of the meetings.

The Department now stated that the Committee had decided that in the next meeting the following officers should be present:—

- (i) Law Secretary or his representative.
- (ii) Chief Settlement and Rehabilitation Commissioner or his representative.

(iii) Secretary Co-operation.

(iv) Registrar Co-operative Societies.

They were to be consulted about the genuineness and validity of the Bank Guarantee because only they would be in a position to throw light on the question. Actually the Bank Guarantee was accepted by the Industries Rehabilitation Board and the Department of Industries is not in a position to make any submission to the Public Accounts Committee in this respect. According to the direction of the Public Accounts Committee the case was referred to the Law Department for re-examining the question of Bank Guarantee. The Law Department has raised certain queries on which some vital information is needed from the Sialkot Central Co-operative Bank, Sialkot. The said information is not being supplied by the bank despite repeated reminders and telegrams. The Registrar Co-operative Societies may, therefore, be directed by the Committee to assist the Department in obtaining the requisite information from the bank, to enable the Law Department to finalize its verdict. Since Mela Ram Cotton Mill is under liquidation, the Department of Industries cannot close the accounts because *inter alia* the Custodian of Evacuee Property is not making a payment of Rs. 1,27,272. This amount is recoverable on account of the stores belonging to the Department but auctioned by the Custodian inadvertently. The Department therefore, requests the Public Accounts Committee to issue directions to the Custodian for expeditious payment of amount in question. Similarly a sum of Rs. 58,531 and Rs. 2,704 is recoverable on account of yarn supplied to Central Jail, Multan and Lahore respectively. Repeated reminders have proved infructuous. The case was taken up at Government level with the Home Department but the latter too has not so far been able to assist this Department for the recovery of Rs. 61,325. As regards the Civil suit pending with the Senior Civil Judge, Lahore the last hearing took place on 6th November, 1967 in which among others Ch. Abdul Ghani Ghuman and a representative of the High Court also appeared. Mr. Muhammad Iqbal Cheema, Advocate of Ch. Abdul Ghani who appeared in the High Court on 15th October, 1962 did not turn up. His evidence is of vital importance because Ch. Abdul Ghani claims that he never authorised Mr. Iqbal to give any undertaking on his behalf to the High Court. The next date of hearing has been fixed for 15th January, 1968. Till this case is decided the Department cannot proceed further because the assessment of value of the stores and stocks is to be done by the Arbitration Board.

The Committee decided that a meeting between the Industries Department and the Rehabilitation Department should be convened in the office of the Additional Settlement Commissioner (Industries) on the 18th of January, 1968, at 9-00 a.m. where both the Departments will sort out whether responsibility for the Government stores

valued at Rs. 1,27,272 that were lying in the mill when it was sealed in 1955 could be fixed.

The Committee further decided that the Law Department should convene another meeting on the 22nd of January, 1968, at 9-00 a.m. in the room of Mr. Muhammad Ayub, Deputy Secretary, Law Department and it should be attended by the representatives of the Industries Department, the Settlement Department and the Registrar, Co-operative Societies and they would—

- (1) give opinion on the validity of the guarantee and explore the possibility of enforcing the recovery;
- (2) examine whether criminal proceedings could be taken against the defaulter in view of the new factors explained by the Department of Industries;
- (3) after thoroughly studying the case, advise the Industries Department with regard to the future course of action.

The para. was deferred to be taken up again at the next series of meetings of the Committee alongwith the accounts of 1962-63. 1959-60.

(1) *Page 9, Para. 18 (ii)—Non-compilation of the Accounts of the Sales and Display Depot, Lahore, for 1959-60*—The Department explained that the accounts have been finalized and certified by the Audit.

The para. was dropped.

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

The matter was last considered by the Committee at its meeting held on 18th April, 1967 when 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. 270-37. 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 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. 24,436.56, but the latter had taken inordinately long time and ultimately replied on the 16th March, 1966. The Committee requested the Finance Department to look into the reasons for this delay on the part of the Treasury Officer and to take necessary action against the persons concerned and report the same to the Committee.

The Finance Department now stated that the explanation of the Treasury Officer concerned has been received a few days back. It is being examined by them and appropriate action would be taken. The Industries Department stated that the criminal case is pending with Special Judge, Anti-Corruption. The accused is absconding.

Subject to appropriate action being taken by the Finance Department against the Accountant on the basis of the explanation submitted by the Treasury Officer and subject to efforts being continued to be made on the part of the Industries Department with regard to the arrest of the Accountant, the para. was dropped.

(3) *Page 746—items No. 2-6 of Annexure*—The matter was last considered by the Committee in the meeting held on 18th April, 1967, when the Department explained that all the cases were pending. The Department further stated that no cash security or personal surety was forthcoming. The Committee directed that in the next meeting the Department should report as to who was responsible for not taking security or fidelity bond from the persons concerned.

The Department now explained that—

(i) The Cases were heard by the Special Judge Anti-Corruption, Lahore, on 15th July, 1967 in which orders have been passed for the arrest of the Accountant;

(ii) The Deputy Director of Industries, Lahore Region has stated that they have made efforts to trace out the papers regarding the deposit of Cash Security and personal Surety of Mr. Abdul Rashid, ex-accountant but those are not available in the record of their office. The two officers under whom Mr. Abdul Rashid was working, were not there; one have been retired and other having committed suicide. The Committee observed that nothing can be done in the matter except for waiting the decision of the Court. If nothing comes out, the amount shall have to be written off.

Subject to these observations, the para was dropped.

(4) *Page 28—Para. 44—Excess and Shortages of Stores worth Rs. 24,020 and Rs. 29,263*—In this case, the 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 18th April, 1967 when the Department stated that the

Finance Department had been moved to write off the shortages and excesses but that Department asked for certain information which is being collected. The Department also explained that the Centre had no doubt been running into loss for years upto 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 now 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 had 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. 1307 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 Administrative Department 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 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.

6. Misposting is quite a serious thing in any factory which aims at functioning on commercial lines. Administrative Department may, therefore, intimate as to what measure have been taken to avoid any such situation in future.

The Committee then observed that in spite 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 Department how stated that the queries raised by the Finance Department have been replied as under and their decision is awaited—

- (1) It is correct that the excesses and shortages in the stocks and stores were mainly due to the following two reasons:—

- (i) Mixing of qualities;
- (ii) Misposting in the ledgers.

With the exercise of greater care and vigilance those irregularities could no doubt be avoided but there is nothing on record to show that these lapse were wilful. However necessary steps have already been taken to ensure proper control in the manufacturing and foulding section to guard against the possibility of incorrect posting in the ledgers.

- (2) Other petty causes may have contributed to these lapse resulting in the excesses and shortages in the stocks and stores but the two main causes were as reported in item No. 1.
- (3) About a dozen officials and officers changed their seats since the irregularities were pointed out by the Audit. Though the reference was unduly delayed, but it regularized with the sanction of the Finance Department.
- (4) The accounts in question have already been audited by the Audit Department of Pakistan and those shortages and excesses have also been pointed out by them.
- (5 & 6) The system was no doubt defective and accordingly better system has now been adopted. There has been all round improvement in the maintenance of Accounts Register in general and stock register in particular.

The consideration of the para. was deferred till the next series of the meetings to enable the Secretary, Finance to furnish his views in the matter. The para. will come up before the Committee along with the accounts of 1962-63.

1960-61.

(1) *Page 17, Para. 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 product of the single shift was 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 1960-61) was received in advance from Government Departments 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 Government for restarting the double shift and has been considered favourably.

The matter was last considered by the Committee at its meeting held on 18th April, 1967 when the Department explained that against the credit balance of Rs. 4,56,309.21 as at 30th June, 1961, cloth worth Rs. 4,19,220.13 has been supplied leaving a balance of Rs. 37,089.08 on 30th June, 1965.

The Department now stated that Rs. 23,679.93 + Rs. 1,133.44 have further been cleared leaving a balance of Rs. 12,185.71.

Subject to verification and an assurance from the Department that the balance will also be cleared up at an early date and verified by the audit, the para. was dropped.

(2) *Page 19, Para. 36—Sundry Debtors*—In this case, the amount of Sundry Debtors at the close of the year under review was Rs. 3,46,512. Yearwise 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 matter was last considered by the Committee at its meeting held on 18th April, 1967 when the Department reported that—

(i) The yearwise analysis of Sundry Debtors was as under:—

1947-48	...	8,658.05
1948-49	...	280.31
1951-52	...	810.75
1952-53	...	2,304.88
1953-54	...	19,915.74
1954-55	...	19,318.00
1955-56	...	35,052.29
1956-57	...	10,584.22
1957-58	...	21,148.92

(ii) Out of the above amount, a sum of Rs. 2,32,392 has been received leaving balance of Rs. 1,13,620 on 30th June, 1965.

The Committee went through the list showing the accounts of the Sundry Debtors. It was noticed that besides 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 necessary action against the person or persons responsible for the same and report this to the Committee alongwith further progress.

The Department now explained that out of the outstanding amount of Rs. 1,13,620 on 30th June, 1965 a sum of Rs. 68,240 has been adjusted leaving a balance of Rs. 45,380-25 on 5th December, 1967. Effort for the clearance of the balance amount are in progress.

The cloth was sold on credit to private parties by Mr. S. A. Khan, the then General Manager, (now Officer on Special Duty Industrial Estates).

The Committee asked the Department to furnish the details of private parties and report the action, the Department contemplates taking against the person who had unauthorisedly sold the goods on credit to private parties. The para. was deferred to be taken up in the next series of meetings alongwith the accounts of 1962-63.

(3) *Page 25, Para. 39—Credit Sales*—In this case, Audit had pointed out that sale on credit during the year increased as compared with the previous years.

The matter was last considered by the Committee at its meeting held on 18th April, 1967 when the Department complained that under the working rules of the Centre the General Manager was competent to sell the cloth on credit to members of Legislature and Governments Officials up to a limit of Rs. 100. Moreover in accordance with the normal business practice the 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 realised early.

The Department now explained that the position is the same as explained above in the case of para 36.

The Committee observed that the Department had called the explanation of the previous General Manager of the Factory, and the Committee would like to know the outcome of that. The Committee directed that the Department should make further efforts to recover the amounts due from private parties and report progress to the Committee at the next series of meetings. The para. was deferred to be taken up alongwith the accounts for 1962-63.

(4) (i) *Page 29, Para. 42—Value of Stock found excess—*

(ii) *Page 33, Para. 44—Recovery of Rs. 4,85,176 from M/s. Rashid Ghani and Malli—*

(iii) *Page 39, Para. 30—Physical verification of Stores (Punjab Cotton Mills, Lahore)—*

Since these paras, are being considered alongwith the main case of Punjab Government Cotton Mills reported in the accounts for

the year 1957-58, the above paras. in the accounts of 1960-61 were dropped.

(5) (i) *Page 39, Para. 51*—Statement of affairs—

(ii) *Page 39, Para. 52*—Statement of affairs—

The consideration of the above two paras. was deferred to be considered in the next series of meetings alongwith the para. relating to Punjab Government Cotton Mills, Lahore appearing in the accounts for the year 1957-58.

(6) *Page 43, Para. 54*—*Loss of Rs. 74,271*—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 explained that the reasons for the loss of Rs. 74,271 are contained in the Financial Review of the commercial Accounts for the year 1960-61 to which audit did not make any comments.

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

(7) *Page 62, Para. 70*—In this case, 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 matter was last considered by the Committee at its meeting held on 18-4-67 when the Department stated that the building 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 in spite 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 belong to Khairpur Virginia Tobacco Factory, is under consideration of Government.

The Committee was of the view that in case the cost of the building 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.

The Department now explained that the rent of the building has been assessed by the Executive Engineer, Buildings and Roads Division Khairpur at Rs. 3,000 per mensem. A bill for Rs. 2,90,322-50 on account of rent for the period 8th August, 1959 to 31st August, 1967

has been submitted to the Education Department. The payment is awaited.

The para. was deferred to be taken up along with the accounts of 62-63 when the Department shall report the progress. 1961-62.

(1) *Page 10, Para. 18 (ii)—Non-compilation of Accounts of the Punjab Government Cotton Mills, Lahore (In Liquidation)—*

18(iii)—*Non compilation of Accounts of the virginia Tobacco Punjab Government Cotton Mills, Lahore (In Liquidation)—*

The Department explained that the Accounts of the Punjab Government Cotton Mills, Lahore for the year 1961-62 and of virginia Tobacco Redrying Factory, Khairpur for the year 1961-62 have already been prepared and incorporated in the Commercial Accounts for the year 1962-63.

The para. was dropped.

(2) *Page 23, Page 30—*In this case the Factory earned a net profit of Rs. 1,71,999 during the year under review as against Rs. 2,74,734 during the previous year. The percentage of net profit to turnover worked out 9.88 as against 20.30 during the previous year. The profit has been arrived at after the transfer of expenditure of Rs. 4,83,462 from Commercial side to Education side. But for this transfer the profit would have turned into a loss of Rs. 3,11,463.

The Department explained that the reasons for the decrease in profit have been detailed in paragraph 29 of the Financial Review by the General Manager on the working of the Factory. The position regarding the transfer of expenditure from Commercial side to Education side has already been examined by Government under instructions of the Public Accounts Committee and separate funds have been provided for Education and Commercial sides of the Factory from the current financial year.

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

(3) *Page 23, Para. 31—Physical Verification—*In this case as a result of physical verification of stores at the close of the year under review, the following excesses and shortages were noticed—

	Excesses		Shortages
	Rs.		Rs.
Finished Cloth	49,192	...	40,131
General Stores	772	...	473

The excesses were taken on stock and shortages treated as written off without investigating their causes and obtaining sanction of the competent authority.

The Department explained that after physical verification of stocks and stores at the end of the financial year, the actual balances are

treated as opening balances of the following years. The sanction of Government to account for the excesses and write off the shortages is applied for subsequently, with detailed explanations for the discrepancies. The actual balances have to be adopted as opening balances as otherwise it would not be possible to compile the accounts of the following years till the sanction of Government is received.

The Committee called for further explanation as to how the amount had been written off without the sanction of the competent authority. The oral explanation given by the Department was not considered to be quite satisfactory by the Committee. The Department, therefore, requested for further time to examine the books in order to ascertain whether actually the amount had been written off or whether some other terminology had been used and also to go into the whole matter in complete detail. The Committee agreed to give further time to the Department and deferred consideration of the para. till the next series of meetings. The para. will be taken up alongwith the accounts for 1962-63.

(4) *Page 23, Para. 32—Sundry Debtors*—In this case the year-wise analysis of Sundry Debtors, which stood at Rs. 1,73,374·00 at the close of year under review was not made available and as such it could not be ascertained as to which year the debts related.

The Department explained that the year-wise analysis of the amount of Rs. 1,73,374·00 outstanding under sundry debtors on 30th June, 1962 is given below:—

	Rs.
1947-48	7,362·99
1948-49	265·56
1951-52	148·30
1952-53	1,920·31
1953-54	19,651·68
1954-55	13,215·95
1955-56	35,062·24
1956-57	9,500·85
1957-58	15,523·42
1958-59	4,391·86
1959-60	17,021·55
1960-61	31,933·01
1961-62	17,376·33
	<hr/>
Total	1,73,374·05

Out of the outstanding amount of Rs. 1,73,374-00 on 30th June, 1962, a sum of Rs. 1,12,463-00 has already been cleared upto 30th June, 1967 leaving a balance of Rs. 60,911-00. The amount is due from the Government Departments and private parties as detailed below:—

	Rs.
Government Offices	37,953-00
Private Parties	22,958-00
Total	60,911-00

Efforts for the clearnace of the outstanding amount are in progress.

The Committee made the same observation as in respect of para. 36 in the Commercial Accounts for 1960-61.

(5) *Page 35, Para. 40*—In this case the Government Tannery, Shahdara was liquidated in 1927. The total loss to the Tannery upto 31st December, 1961 amounted to Rs. 6,35,693-00. The loss is mainly due to *pro forma* adjustment of interest on capital at charge from year to year. The Government has been requested to consider the desirability of writing off of the losses so far sustained by the Tannery, both actual as well as *pro forma* and to dispense with the compilation of *pro forma* Accounts of the Institution.

The Department explained that the Finance Department to whom the case was referred for writing off of the loss and to dispense with the compilation of *pro forma* Accounts of Government Tannery, Shahdara advised that the opinion of the Law Department might be obtained whether the write off of the loss would or would not effect the appeal pending in High Court for recovery of the amount. The Department has been informed that the amount due from the Judgment debtor in respect of which an appeal is pending in the High Court is not to be written off and as such the writing off of the *pro forma* loss would not effect the proceedings in the High Court. The Finance Department have been requested to convey early order.

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

(6) *Page 10, Para. 18 (xiii)—Non compilation of Accounts of the Excise and Salt Department, Lahore for the year 1959-60*—The Department explained that the Commercial Accounts of the Salt Department for the year 1959-60, have already been audited and published in the compilation of Government of West Pakistan Commercial Accounts 1964-65 and Audit Report 1966.

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

(7) *Page 10, Para. 18 (xiv)—Non-compilation of the Accounts of Government owned Salt Stores at Saran*—The Department explained that as decided by Government in July, 1966 the *pro forma* Accounts of Government Department owned Salt Stores at Saran from 1956-57 to 1963-64 have been prepared by the West Pakistan Industrial Development Corporation and got audited.

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

(8) *Page 64, Para. 59—Depreciation charges*—In this case, the figure of depreciation charges was adopted on *ad hoc* basis and no detailed list of assets with the prescribed percentages of depreciation of each category of assets was made available to audit. As such the accuracy of these figures could not be verified. The case regarding the fixation of depreciation at percentage rate was stated to be under the consideration of Government.

The Department explained that the matter of fixation of depreciation on percentage basis on each assets was referred to the Secretary, Government of West Pakistan, Revenue and Rehabilitation (Excise and Taxation), Lahore on 1st July, 1959 who in turn referred the matter to the Secretary Irrigation, Communication and Works Department for advice on the suitability or otherwise of the life span and the proposed depreciation rates. Reminders in the respect were issued but no reply has been received.

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

(9) *Page 64, Para. 60—Credit balance*—In this case the credit balance of the Renewal Reserve Fund did not agree with that appearing in the Finance Accounts of Government of West Pakistan for the year 1958-59.

The Department explained that since the transfer of Salt Mines to West Pakistan Industrial Development Corporation with effect from 1st July, 1962. The old system of providing depreciation on *ad hoc* basis has been discontinued. Depreciation is now provided on percentage basis. The Accountant-General, West Pakistan, Lahore has already been approached, regarding reconciliation of the discrepancies of Renewal Reserve Fund Account.

Subject to reconciliation of figures the para. was dropped.

(10) *Page 10, Para. 18 (i)—Non-compilation of Accounts of the sales and display Depot (now traditional crafts), Lahore for the year 1958-59 and 1961-62*—The Department explained that the accounts for the year 1958-59 and 1959-60 have since been compiled and certified by the Director Commercial Audit. As regards Accounts for the year 1960-61 and 1961-62 these have also since been compiled and audited.

The Director of Commercial Audit pointed out that his Department is now concerned with the Accounts for the period 31st December 1960, after which the Depot was transferred to the control of W.P.S.I.C. The accounts for this period which are stated to have been compiled were received in his Department on 14th December, 1967. The Accounts statement sent therewith were not complete inasmuch as the Finance Review and Stores Accounts were not compiled. The explanation of the Department is not therefore, correct.

The Committee directed that the Department should reconcile with the Audit and furnish complete accounts to them. Subject to verification of the completion of the accounts the para. was dropped.

(11) *Page 37, Para. 77—Shortage of Stores*—In this case, stores valuing Rs. 2,339 were found short at the time of annual physical verification of stock. The shortage was not written off under orders of competent authority.

The Department explained that sanction of the Government for the write off has since been issued. The para. was dropped.

FINANCE DEPARTMENT

IV. The Committee then considered the explanation of the Finance Department in respect of the following items appearing in the Commercial Accounts for the year 1959-60 and 1960-61:—

1959-60.

(12) *Page 746, Item No. 1 (ii)—Alleged Misappropriation by encashing of forged bills at Government Treasuries*—In this case, contingent bill for Rs. 4,830 was encashed in a treasury in May, 1956.

The Department explained that an enquiry had been held but the Services and General Administration Department in consultation with the Law Department observed that several irregularities have been committed in conducting the departmental enquiry, the entire proceedings have been vitiated. Formal orders to conduct a fresh enquiry has been issued.

The Committee directed that further progress in the matter should be reported in the next series of meeting of the Committee when the accounts of 1962-63 are considered.

1960-61.

(13) *Page 14, Para. No. 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 fire wood 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 the following forged bills were paid at Sukkur Treasury. The bills paid valued as described below:—

	Rs.
(1) ...	4,530
(2) ...	2,125
(3) ...	3,750
(4) ...	4,860
Total ...	15,265

The forgery occurred when two bills out of these four bills amounting to Rs. 4,530 and Rs. 3,750 passed in favour of B.T. Factory were brought to their notice and they disclosed that they had not drawn the bills.

Criminal cases were instituted in the Court of Law under Sections 467, 471/read with section 465. P.P.C. against Muhammad Ayub and Mujahid Hussain. Mr. Mujahid Hussain was acquitted in both cases while Muhammad Ayub was sentenced to serve R.I. for 5 years and one year in one case and for two years in the other on 28th April, 1961. Muhammad Ayub preferred an appeal in the Court which upheld the conviction and reduced the sentence to one year. Other cases were dealt with departmentally. The enquiries conducted against Ghulam Ahmed and Mr. Shewa Ram, T.O's have been received in the Department and are under scrutiny. The Departmental enquiries against non-Gazetted staff were vitiated and hence fresh sanctions have been issued to take up the three enquiries immediately.

The Committee directed that further progress in the matter should be reported in the next series of meetings of the Committee. When the accounts of the year 1962-63 are considered.

V. The Committee then adjourned to meet again on 18th December, 1967 at 9-00 A.M.

ZAIN NOORANI

CHAIRMAN,

Standing Committee on Public Accounts.

LAHORE:

The 16th December, 1967.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 18TH DECEMBER, 1967 AT 9-00 A.M. IN 'TEA ROOM' OF THE ASSEMBLY BUILDING, LAHORE.

I. The following were present:—

- (1) Chaudhri Muhammad Nawaz, M.P.A. ... Member.
- (2) Rai Mansab Ali Khan Kharal, M.P.A. ... Member.
- (3) Chaudhri Muhammad Sarwar Khan, ... Member.
M.P.A.
- (4) Mr. Malang Khan, M.P.A. ... Member.
- (5) Syed Imran Shah, C. S. P., Additional Secretary to Government of West Pakistan, Finance Department. Expert Adviser.
- (6) Chaudhri Bashir Ahmed, Assistant Accounts Officer, Office of the Accountant-General, West Pakistan. By Invitation.
- (7) Raja Ahmed Khan, P.C.S., Registrar, Co-operative Societies. By Invitation.
- (8) Chaudhri Bashir Ahmed, Deputy Secretary to Government of West Pakistan, Health Department. By Invitation.
- (9) Mr. A. H. Qureshi, S. Pk., C. S. P., Member, Board of Revenue. By Invitation.

Chaudhri Muhammad Iqbal, S.K., 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 elected Chaudhri Muhammad Nawaz, M.P.A. to act as Chairman for the sitting.

III. The Committee then examined the explanations of the following Departments in respect of the items appearing in the Appropriation Accounts for the year 1960-61 and 1961-62:—

CO-OPERATION DEPARTMENT

APPROPRIATION ACCOUNTS 1961-62

(1) Page 4, Para. 8 read with Page 54—Grant No. 12—General Administration-12-1 (n)—Saving Rs. 16,843—The Department explained that the Department of Co-operation, Labour and Social Welfare was created with effect from 7th May, 1962 and an *ad hoc* grant of Rs. 28,929 was placed at its disposal to meet expenditure on pay, allowances and other charges, etc. of the staff for the period ending 30th June, 1962. A sum of Rs. 12,077 was actually spent by the Department resulting in a saving of Rs. 16,843. As the Department was created at the close of the current financial year it could not

consume the *ad hoc* grant in such a short period nor there was any time left for the department to surrender the excess amount.

The explanation of the Department was accepted and the para was dropped.

(2) Page 188—Grant No. 42—Loans and Advances by the Provincial Government Sub-Heads B-4 (10)-B-4 (11), B-4 (14)—Excess Rs. 5,50,005—The Department explained that they had drawn only Rs. 13,00,000 i.e., the amount equal to the final grant. There was thus no excess.

The explanation of the Department was accepted and the item was dropped.

HEALTH DEPARTMENT

APPROPRIATION ACCOUNTS 1960-61

(1) Page 523, Para. 46—Defalcation of Government Money—Rs. 2,62,851—In this case accounts of the office of a District Health Office were audited departmentally and numerous cases of defalcations of money and stores came to light.

The Department placed before the Committee item-wise break up of amount of Rs. 2,62,851 and stated that for all the items for which evidence could be produced the accused persons have been challaned in the court of Special Judge Anti-Corruption, Multan. Three officials M/s. Qudrat Ali Muhammad Said and Muhammad Muzhar are under trial. The court has convicted Mr. Qudrat Ali in the matter of mis-appropriation of 5 blankets and weighting machine. An appeal in the High Court against this order is pending. Similarly Mr. Saqib was convicted on the charges of mis-appropriation of fees for Births and Deaths Certificates as well as mis-appropriating amount for purchase of 190 blankets. An appeal has been filed in the High Court against this order. The rest of the cases are still pending in the court of Special Judge Anti-Corruption, Multan.

The para. was deferred to be taken up alongwith the accounts for the year 1962-63.

(2) Page 523, Para. 47—Mis-appropriation of Government Money—(i) In this case a mis-appropriation came to notice during inspection by the Audit Department which was made by tempering with the entries of cash book by doubtful drawals of the bills.

The Department explained that Mr. Abdul Hamid, Junior Clerk in Civil Hospital, Rawalpindi is facing trial in the court of Special Judge, Anti-Corruption, Peshawar. The trial is held up as the record has been called by the High Court.

The item was deferred to be taken up alongwith the accounts for the year 1962-63.

(ii) In this case a Cashier mis-appropriated the amount by making forged payments out of the private accounts of a Hospital.

The Department explained that Mr. Fazalur Rehman, Cashier, Nishtar Hospital, Multan has been convicted by the trial court. He has filed an appeal before the High Court which is still pending.

The item was deferred to be taken up alongwith the accounts for the year 1962-63.

(iii) In this case a clerk showed less amount in the cash book than those actually drawn from the Treasury by rubbing the entries of the vouchers.

The Department explained that Mr. Abdul Hamid, then cashier in the office of the Public Analyst, Rawalpindi is still under trial in the court of Special Judge Anti-Corruption, Peshawar. The trial is held up as the record has been called by the High Court.

The item was referred to be taken up alongwith the accounts for the year 1962-63.

REVENUE DEPARTMENT

APPROPRIATION ACCOUNTS 1960-61

(1) (i) Page 4, Para. 8, read with page 104—Grant No. P—Registration—Excess Rs. 8,657—

(ii) Page 8, Para. 12 (iii)—Surrenders in absence of Saving—

	Rs.
Surrender	5,100
Excess	8,657

The explanation given by the Department minor head-wise was an under:—

A—SUPERINTENDENCE

Sanctioned grant under this minor head was Rs. 59,410. In the 2nd Statement of Excesses and Surrenders the proposed revised grant was Rs. 56,940 and revised grant as accounted for by Audit Offices was Rs. 55,510.

A saving of Rs. 6,830 was proposed out of which a surrender of Rs. 3,900 was accepted by the Audit Office.

The remaining saving of Rs. 2,930-00 was allowed to cover the excess demand of Rs. 3,910-00. Thus it is quite clear that a sum of Rs. 980,00 (3910-2930,980) was to be met with by a re-appropriation sanctioned by the competent authority. The Revenue Department sanctioned this amount (Rs. 980-00) through a re-appropriation, dated 4th July, 1961, but it was not admitted by the Audit Office as it was sanctioned after the close of financial year, 1960-61 which ended on 30th June, 1961. The revised grant under this minor head proposed to be Rs. 56,490-00 was naturally curtailed to the extent of Rs. 980-00 and accounted for by the Audit Officers as Rs. 55,510-00. Against this final/revised grant an expenditure of Rs. 57,293-00 was actually incurred resulting in an excess of

Rs. 1,783-00. If the re-appropriation sanctioned by the Revenue Department would have been issued well in time and admitted, the excess of Rs. 1,783 for which explanation of variation is required, had been reduced to Rs. 803-00 ($1,783-00 - 980-00 = 803-00$) and no reasons of variation might be necessary, for the variation would have been insignificant as compared with the final/modified grant.

B—DISTRICT CHARGES

Sanctioned grant under this minor head was Rs. 1,70,760.

In the Second Statement of Excesses and Surrenders revised grant for the year in question was proposed to be Rs. 1,68,580.

Similarly to the minor head "A—Superintendence" out of the total saving of Rs. 7,430-00 proposed in the Second Statement of Excesses and Surrenders, Rs. 1,200-00 only was accepted leaving the balance of Rs. 6,230-00 to be utilised to cover the excess of Rs. 5,250-00 demanded under this minor head and Rs. 980-00 under the minor head "A—Superintendence". But again the non-admittance of the re-appropriation sanctioned by the Revenue Department after the close of the fiscal year stood in the way. The audit office only accepted the surrender of Rs. 1,200-00 and reduced the original grant to this extent only taking the final/revised grant as Rs. 1,69,560-00 ($Rs. 1,70,760 - 1,200$). Had the re-appropriation been accepted, there would have been a decrease of Rs. 980-00 in the revised grant of Rs. 1,69,560-00 under this minor head and an excess to some extent in the actuals of Rs. 12,004-00. However, an excess of Rs. 980-00 it would in fact amount to Rs. 12,984-00, detail of which Rs. 980-00 it would in fact amount to Rs. 12,984-00, detail of which is Rs. 5,330-00, Rs. 4,805-00 and Rs. 2,849-00. The explanation for this excess was as under:—

Rs. 5,330—(i) Excess of Rs. 3,381 was due to the booking of the figures of actual expenditure of previous year during the fiscal year 1960-61 by the Southern Area, Karachi without bringing it to the notice of this office.

D. R. HYDERABAD/I. G. R. HYDERABAD

(ii) Excess of Rs. 1,949 was due to the appointment of clerk by the Inspector-General of Registration, Southern Zone, to clear the arrears without bringing it to the notice of this office.

Rs. 4,805—It was due to the payment of the Registration Allowance to the staff by the Assistant Political Agent, Nasirabad, without bringing to the notice of this office. It was, however, noticed after the submission of 2nd Statement and admitted after the close of the fiscal year.

MUZAFFARGARH

Rs. 2,849—This amount represented the expenditure in the Registration Staff of District Muzaffargarh. The staff was originally

entertained under head "25—General Administration" but was transferred to the head "11—Registration" in the beginning of year 1960-61. The District "authorities," however, continued to pay this staff from the head "25—General Administration". They accounted the expenditure against this head although this expenditure was provided from the head "11—Registration". The result was that there was a saving of Rs. 2,680 from the head "11—Registration". At the close of the year, A.-G., transferred the amount of Rs. 2,849 from head "25—General Administration" to "11—Registration". Hence there was excess.

If the excesses discussed above would have been brought to the notice of this office before the submission of the revised estimates, it could have been accounted for by this office and no appreciable excess would have occurred.

The Department further explained that departmental action is being taken against the defaulters by the Drawing and Disbursing Officers for the appointment of a clerk and payment of registration allowance without provision of funds.

The item was dropped subject to disciplinary action which is already under action by the Department.

(2) *Page 4, Para. 8 read with page 98—Grant No. 4—Stamps—Excess Rs. 2,69,437*—This item was last considered by the Committee at its meeting held on 15th April, 1967 wherein the Committee had accepted the explanation given by the Department for the excess of Rs. 2,67,341. For 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 with the Audit and report the result to the Committee.

As the matter had not yet been settled, the item was deferred to be taken up alongwith the accounts for 1962-63.

(3) *Page 4, Para. 8 read with page 130-10—Other Expenditure financed from Ordinary Revenue -18-II-B-(i)—Works-Incharge of Civil Officer—Excess Rs. 14,598*—The Department explained that the excess of Rs. 14,598 due to the fact that a grant of Rs. 16,000 was sanctioned as Grant-in-aid to Sadana Funds in anticipation of provisions of funds. This amount was placed at the disposal of the Deputy Commissioner, Dera Ismail Khan. The provision for this amount was not made in the Second Statement of Excesses and Surrenders by the Local officers because the head of account to which the expenditure was to be debited was not indicated in sanction conveyed by the Finance Department. The Comptroller, Northern Area, Peshawar requested the Board of Revenue to confirm whether the expenditure was to be debited under the head "10-Other Revenue Expenditure financed from Ordinary Revenue-B-Irrigation Works for which no capital Accounts are kept-Incharge of Civil Officers-Contribution paid to Local Bodies". This reference of the Comptroller,

dated 28th June, 1961 was received on 23rd July, 1961 when the financial year was over. However, the matter was taken up with Finance Department through the defunct Revenue Department to indicate the Head of Account. The Head of Account was intimated to the Board on 15th September, 1961. The excess is due to the fact that neither the local officers nor the Board was in a position to make provision for the expenditure of Rs. 16,000 under the appropriate head for want of classification. This aid is not being granted by the Government every year. Since no provision is made for grant-in-aid either in the regular budget or through the Schedule of New expenditure, the Department as well as the local officers were not aware of the Head of Account to which the expenditure was to be debited.

The Finance Department stated that the head of account was intimated to the Revenue Department in 1958 and that no fresh intimation was necessary.

The Committee directed that the Department should take action against the officer(s) responsible for not obtaining supplementary grant. Subject to this observation, the item was dropped.

(4) Page 4, Para. 8 read with page 165—Grant No. 12-G.A. 16—Commissioner—Excess Rs. 1,04,644—This item was last considered by the Committee at its meeting held on 15th April, 1967 when the Department stated that the excess expenditure was incurred by the Commissioners, Kalat and Peshawar. The reasons for the excess were given as under:—

COMMISSIONER KALAT

The Excess expenditure was due to the following reasons:—

- | | |
|--|--------|
| (i) Payment of Compensatory Allowance Rs. 14,800 | |
| (ii) Fixation of pay of non-gazetted staff in the prescribed revised scale of pay | 6,000 |
| (iii) Postings 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 |

Total	75,698
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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 Official of Commissioner's office had carried out reconciliations of expenditure with the Audit Office during that financial year, the incorrect booking could have been 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 Department now stated that out of the total excess of Rs. 40,800 an expenditure of Rs. 36,824 was incurred with the sanction of the Government. The remaining excess expenditure was incurred during the end of the financial year on account of unexpected Law and Order situation created by the Out Laws and the excess could not be regularised. As regards the excess of Rs. 28,946 the Department stated that it was due to misclassification of expenditure. One increment of the official responsible for reconciliation at appropriate time has been stopped.

The explanation of the Department was accepted and the item was dropped.

(5) *Page 4, Para. 8 read with page 165—Grant No. 12-General Administration - (17)-General Establishment-17(1)-(2)—Other than pay of officers—Excess Rs. 21,18,417—In the meeting held on 15th April, 1967, the Department explained the excesses as under:—*

(a) *Commissioner, Dera Ismail Khan—Rs. 1,28,354—The Department wanted more time.*

(b) *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. Establishment (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.

(c) *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 therefore be made in the original budget. The excess amount was not demanded by the Deputy Commissioners, Muzaffargarh and Multan through an oversight.

(d) *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.

(e) *Commissioner Rawalpindi*—(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 Divisions 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.

(f) *Commissioner Hyderabad*—Rs. 62,938—The local officers were required to under-take 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 Commissioners under training were paid Travelling Allowance while performing duties assigned to them during training period.

(g) 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. 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.

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.

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 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.

Regarding Rs. 2,24,584, the Department required time to get the explanations of both the Commissioners of Bahawalpur and Multan.

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;
 - (c) what was the nature of arrears that were paid:
- and decided that the details should be supplied.

Regarding Rs. 6,324, the Committee directed the Department to produce the copies of the Travelling Allowance Bills and Travelling Allowance registers, and desired that the Accountant General's Office should also try to locate the originals of the Travelling Allowance Bills. The Committee wanted these documents because the Committee was informed that Travelling Allowance 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 Travelling Allowance 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 account for the year 1961-62 are taken up.

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 reconcile 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 Department now explained as under:—

Rs. 1,28,354—The excess was due to defective reconciliation. He has further stated that the misclassification of expenditure under this minor head could not be traced out because the Comptroller, Northern Area has informed him that the suspense slip and Transfer entries pertaining to year 1960-61 under "25-General Administration" have been destroyed. The official concerned responsible for defective reconciliation has been punished.

Rs. 35,415—According to the delegation of powers contained in Finance Department's Circular No. F.D.S.O.I(SR)364/57, dated 2nd December, 1957 the Deputy Commissioner were competent to create temporary posts in the absence of funds in case where there was abnormal pressure of work. The excess expenditure was incurred after the submission of the 2nd Statement of Excesses and Surrenders and the same could not be regularised during that year.

Rs. 71,928—The Deputy Commissioner, Sialkot allowed the staff to continue under Serial No. 70 of Rule 16.1 of the C.S.R. Volume 1. Part 1, under which the Deputy Commissioner had been empowered to create temporary posts in his office when there is abnormal pressure of work. This staff was continuing since long on year to year basis. The Deputy Commissioner moved for the inclusion of this staff in the Schedule of New Expenditure for the year 1960-61 on 14th October, 1959 and the proposal was forwarded to the Finance Department through the Revenue and Rehabilitation Department on 23rd January 1960. The Deputy Commissioner, presuming that the sanction to the continued retension of staff will be received in due course, let the staff draw their payments provisionally prior to the sanction from the Government and he did not move for the allotment of additional funds for this purpose. The

Accountant-General, West Pakistan, Lahore might have objected to the drawal of provisional payment for such a long period of 12 months. The sanction from the Revenue and Rehabilitation Department was received in July, 1961 which was too late. However on the receipt of this sanction the Deputy Commissioner should have regularised the excess expenditure utilized by him but no action was taken by the Deputy Commissioner, Sialkot and as such responsibility lies on Deputy Commissioner's office Sialkot. The Deputy Commissioner has been directed to fix the responsibility on the officials at fault and take action against him/them.

Rs. 44,588—The excess expenditure is due to the fact that the additional funds required by the Districts for payment of compensatory allowances were actually demanded by them in the 2nd Statement of Excesses and Surrenders.

But their statements were received late and their additional requirements were not included in the consolidated statement on 13th April, 1961. The Deputy Commissioners, concerned have been directed to submit the 2nd Statement on due dates and that the officials responsible for delay have been warned and a copy of the warning has been placed on their records.

Rs. 2,24,584—The excess expenditure of Rs. 2,24,584 was due to incorrect booking of expenditure relating to other minor heads against "District Office Establishment". The reconciliation Assistant who was deputed to reconcile the figures of expenditure maintained in the audit office during that year had pointed out the misclassification of expenditure to this counterpart in the audit office for necessary adjustment. In fact the necessary adjustment were not carried out. The Reconciliation Assistant of his office was again sent to Audit Office to locate the discrepancies under the advise of the Board of Revenue but he was informed by the audit office that the relevant record relating to "25-General Administration" was not available as it was said to have been destroyed by fire.

Rs. 1,30,969—(a) According to delegation of temporary enhanced powers contained in Finance Department's circular letter No. F.D.SOL (SR)/364/57, dated 2nd December, 1957 the Deputy Commissioners were competent to create temporary posts in their District Offices in case where there was abnormal pressure of work. The powers were to be exercised by the Deputy Commissioners till integrated rules were framed and delegations made. There were no such instructions in the delegation of powers that the posts should not be created when the funds were not specifically provided for the purpose.

(b) The list of posts was placed before the Committee.

(c) The arrears were paid in Campplpur District to some officials of Deputy Commissioner's office on account of arrears of pay as the result of revision of pay.

Rs. 6,324—Travelling Allowance bills and Travelling Allowance Registers were produced before the Committee.

Rs. 71,838—The excess expenditure was due to payment of Compensatory Allowance, House rent and Medical charges. The Deputy Commissioners have been directed to take action against the officials.

Rs. 9,71,267—The Comptroller, Southern Area Karachi reported that an expenditure of Rs. 28,80,139 had been booked in his accounts in respect of Quetta and Kalat Divisions and requested that acceptance of the expenditure might be conveyed to him.

The figures of expenditure could not be reconciled due to non-availability of relevant records in the Comptroller's office. The Board of Revenue requested the Comptroller, Southern Area that the relevant records should be made available to the representative of the Commissioner, Quetta to enable him to complete the reconciliation work for 1960-61. The representatives of the Commissioner Quetta and Kalat reconciled the figures of expenditure booked in Comptroller's office in 1962 under this minor head and certificates obtained. According to the certificates issued by the Assistant Accounts Officer concerned of the Audit, the total figures of expenditure in respect of these Divisions were as under:—

Quetta	...	8,61,959
Kalat	...	8,58,448
Total	...	17,20,407

On receipt of reconciled figures from the Commissioners, the Comptroller, Southern Area was requested to revise the expenditure figures of Rs. 28,80,139 originally reported by him to Rs. 17,20,407. A copy of this communication was also endorsed to the Accountant General, West Pakistan, Lahore with the request that the reconciled figures of Rs. 17,20,407 should be adopted in the Appropriation Accounts for 1960-61 in respect of Quetta and Kalat Wing. The Accountant General, West Pakistan, Lahore intimated that the expenditure figures of Rs. 28,80,139 already communicated by the Comptroller, Southern Area (Quetta and Kalat Wing), Karachi were being adopted in the Appropriation Accounts. In his demi-official letter dated 26th November, 1963, the Secretary, Board of Revenue requested the Comptroller, Southern Area, Karachi that the reconciled figures of expenditure duly certified by the Accounts Officer for the year 1960-61 were ignored and the incorrect figures of expenditure were reported to the Accountant-General for insertion in the Appropriation Accounts for 1960-61. He was requested to convey correct reconciled figures to Accountant-General under intimation to the Board of Revenue. In reply to this, the Comptroller,—vide his demi-official letter dated 8th January 1964, intimated that the final figures of expenditure in respect of Quetta and Kalat for 1960-61 were

Rs. 31,26,977. He further stated that the excess expenditure over and above the reconciled figures was due to book adjustments. These should be considered as final and the Commissioners, Quetta and Kalat should be asked to furnish their acceptance. The incorrect expenditure figures originally reported to Accountant-General were again revised from Rs. 28,80,139 to Rs. 31,29,977 in 1964. In order, however, to settle the matter once for all, local officers were again requested to re-examine the latest figures of expenditure reported by the Comptroller and to intimate detailed reasons for variations.

The Commissioners, Quetta and Kalat again carried out the reconciliation with the Audit. The figures of expenditure in respect of Quetta Division were revised from Rs. 8,61,959 to Rs. 10,50,424. The Comptroller intimated,—*vide* his letter No. GA-App/60-61/1878 dated 3rd January 1966, that necessary adjustments were made in the accounts maintained in his office. The Commissioner, Kalat after reconciliation reported no change in the original reconciled figures. The total expenditure in respect of both Divisions would be as under:—

		Rs.
Quetta	...	10,50,424
Kalat	...	8,58,448
		<hr/>
Total	...	19,08,872

It would be seen that the figures of expenditure booked in the Comptroller's office were reconciled by the representatives of the Commissioners, Quetta and Kalat. The excess is mainly due to the fact that adjustments on basis of reconciled accepted figures were not made by the Comptroller.

The following decisions were taken by the Committee:—

- (i) Rs. 1,28,354—The item was dropped.
- (ii) Rs. 35,415—The Committee observed that, explanation submitted by the Department in the Working Paper was not correct. The Department itself admitted that the Deputy Commissioner was not competent to create temporary posts in the absence of funds. The Committee decided that action should be taken against the officer (s) responsible for submitting incorrect information to the Committee. Disciplinary action should be taken against the officer(s) responsible for incurring the expenditure without the provision of funds. Subject to these observations, the item was dropped.
- (iii) Rs. 71,928—Subject to action being taken by the Department against the official concerned, the item was dropped.
- (iv) Rs. 44,588—The item was dropped.

(v) Rs. 2,24,584—Subject to reconciliation being done, the item was dropped.

(vi) Rs. 1,30,969—Same remarks as in respect of item (ii) above.

(vii) Rs. 6,324—The Committee decided that suitable action should be taken against the officer (s) responsible for the irregularity of drawing T. A. bills in the absence of provision of funds. Subject to this observation, the item was dropped.

(viii) Rs. 71,838—Subject to action being taken against the officer (s) responsible, the item was dropped.

(ix) Rs. 62,938—The item was dropped.

(x) Rs. 9,71,267—Subject to reconciliation being done, the item was dropped.

(6) Page 4, Para. 8, read with page 165—Grant No. 12—General Administration 17 (2)—Excluded Areas of D. G. Khan—Excess Rs. 544—The Department explained that the excess of Rs. 544 was due to posting of officials drawing higher pay. The item was dropped.

(7) Page 4, Para. 8 read with page 168—Grant No. 12—General Administration-19-4-(xi)—Saving Rs. 43,520—At the meeting held on 15th April 1967, the Department stated that the grant was not utilised because the Municipal Staff was transferred to Notified Area Committee, Gowadur 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 non-surrender of the amount and the action taken against the person responsible should be reported.

The Department now explained that official of the office of Deputy Commissioner, Mekran who was responsible for not surrendering the unspent amount through the 2nd statement of Excesses and Surrenders during the said year has since died. The then Deputy-Commissioner has also retired from Government service. No action is possible at this belated stage against the persons responsible. The item was dropped.

(8) 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 Department submitted the following explanations in continuation of the explanation given on 15th April, 1967:—

A-3. Special Revenue Establishment Rs. 22,024:—

The Revenue Officer, Ghulam Muhammad Barrage was requested to supply the details of the vacant posts as well as the efforts made by the Department to fill in the same. The Revenue Officer intimated that the original papers were not available and requested that copies of the following communications of his office might be supplied to enable him to forward an appropriate reply:—

- (1) Copy of the letter under which extra funds were demanded by him.
- (2) Copy of the letter under which sanction of the staff was sought from Government.

The Supplementary Grant of Rs. 53,850 was obtained by the Land Utilisation Department for appointment of additional staff in connection with the establishment of villages and release of land in Taluka Jetti in Ghulam Muhammad Barrage Project in 1960-61. The Land Utilisation Department was, therefore, requested to supply the relevant record. That Department has intimated that the relevant record pertaining to 1960-61 was transferred to A.D.C. when the G. M. Barrage Project was transferred to that Department. The relevant record has been misplaced in the Agricultural Development Corporation and that the Utilisation Department is not in a position to furnish the required details.

C-Survey Settlement and Record Operations—Rs. 1,97,687—The actual reasons for the saving are given below:—

Rs. 1,15,000—The Commissioner, Bahawalpur has explained that against the final grant of Rs. 4,12,880 an expenditure of Rs. 2,97,880 has been incurred during the year 1960-61. No additional funds through supplementary grant were demanded. The entire available experienced Patwaris could not be employed because the staff available in Districts was also busy in collecting Rabi land revenue demands from April 1961, onwards. The Patwaris already engaged for consolidation operations could not be made available for survey work.

Rs. 82,687—The Commissioner, Rawalpindi reported that construction of Seh-Huddas could not be carried out because no contractor came forward to undertake work despite inviting tenders. The tenders were invited on the following dates:—

- (i) 4th July 1960.
- (ii) 15th March 1961.

In order to assess the actual requirements of the local officers, detailed instructions have been issued to them to forward monthly statements of reconciled figures of expenditure every month to the Board of Revenue. This will enable the Department not only to exercise

check over the expenditure but also to know their excess requirements and surplus amounts.

D-Colonisation Operations—Rs. 2,68,775—Rs. 1,50,875: The Commissioner, Sargodha has explained that an amount of Rs. 1,04,260 could not be utilised due to late receipt of allotment. The additional funds demanded by the Commissioner during that year were included in the Second Statement of Excesses and Surrenders and sent to the Finance Department on 19th May, 1961. The Finance Department, —*vide* U.O. No. BI-21(31)/60 dated 30th May, 1961, advised that an application for additional grant should be submitted after meeting the excess demands of the local officers through the reappropriation. An application for supplementary grant was forwarded to Finance Department on 6th June, 1961. The Finance Department sanctioned the additional funds on the 23rd June, 1961. The sanction received from the Finance Department was conveyed to the Commissioner, Sargodha on 27th June 1961. Due to late receipt of the sanction, the amount was not utilised. The remaining saving of Rs. 46,515 was due to defective budgetting by the Commissioner, Rawalpindi. The Commissioner has been requested to fix responsibility and take suitable action.

*Rs. 29,820—*The Commissioner, Hyderabad has reported that Revenue Surveyors and Survey Tapedars were engaged for rectangulation work in Setharki Minor in Nawabshah District in anticipation of provision of funds. The work was completed in January, 1961. The Director, Settlement and Land Records, Hyderabad, however, did not prepare the revised estimates for 1960-61 correctly and over-budgetted his requirements in respect of rectangulation work in Setharki Minor. The Accountant responsible for asking the supplementary grant has since retired and the officer concerned has also expired. The additional funds were placed at the disposal of the Commissioner, Multan on 23rd May, 1961. The grants were re-allocated by the Commissioner to the Deputy Commissioners on 7th June, 1961. The funds could not be utilised for the following reasons:—

*Rs. 9,000—*Certain arrears bills in respect of pay of establishment were prepared by the Deputy Commissioner, Sahiwal and sent to the Treasury Officer for payment in June, 1961. The bills were misplaced and could not be traced out in the Treasury Office upto the end of financial year.

*Rs. 5,000—*Orders were placed for the purchase of tents and other furniture by the Deputy Commissioner, Sahiwal. These articles were not supplied by the quarters concerned upto the end of the financial year.

*Rs. 5,000—*The provision for Travelling Allowance for the Colonisation Officer and his staff was not utilised as the post of

Colonisation Officer remained vacant. The amount was not surrendered by the Deputy Commissioner, Muzaffargarh because it was thought that the Colonisation Officer would be appointed in due course. The posting was not made as expected.

Rs. 26,246—The Colonisation Officer, Thal Project Colony Bhakkar has reported that the bills on account of rent of building were received by him on 9th October, 1960 from the Sub-Divisional Officer (Construction), Thal Development Authority. Since the bills related to the same building but were for different periods, only one consolidated bill was required to be prepared. The bills were, therefore, returned to the Assistant Colonisation Officer for justification of the recommendation required and he was also advised to obtain 'non-accommodation' and 'reasonability of rent' certificates from the Public Works Department. The matter remained under correspondence with the Assistant Colonisation Officer and the Executive Engineer, Multan Provincial Division upto the end of the financial year and thus the funds could not be utilised.

Rs. 16,725—The Commissioner, Sargodha has reported that the saving of Rs. 9,449 was due to non-payment of arrears. The remaining saving of Rs. 6,516 was due to less touring by the officers and the saving of Rs. 760 was due to posting of staff drawing lesser pay.

Rs. 26,109—The allotment was placed at the disposal of the Commissioner, Bahawalpur on 25th July, 1960. The Commissioner has reported that the following posts remained vacant with effect from December, 1960 on account of transfer of officers and staff to the consolidation operations:—

1. Colonisation Officer	One
2. Colonisation Assistant	One
3. Tehsildar	One
4. Naib Tehsildars	Two
5. Field Kanungos	Four
6. Patwaris	Twenty

The grant in respect of the pay, travelling allowance and dearness allowance and compensatory allowance was not surrendered because the staff was expected to be posted for colonisation operation at any time during the course of the year. The posts were not filled as was expected.

E-2-DISTRICT CHARGES

Against the supplementary grant of Rs. 14,25,740 a saving of Rs. 5,65,218 has been shown under the Sub Head "E-District Charges" subordinate to the Major Head "7.Land Revenue". A grant of Rs. 1,25,740 was sanctioned for payment of Compensatory Allowance to low paid staff. The remaining grant of Rs. 13,00,000 was sanctioned for payment of fees to Revenue staff for copying and preparation of

essential revenue records. The saving of Rs. 5,65,218 occurred out of the supplementary grant of Rs. 13,00,000 as a result of the following factors:—

In August 1960, a scheme for "Revenue Reforms" was launched under directive of the Governor for the streamlining of the revenue administration. One of its fundamental objects was to provide opportunity to the public for an easy access to Revenue records. The Board of Revenue decided that an additional copy of the essential Revenue records should be prepared and placed in the Union Council offices for its free use by the public. In order to implement this scheme, the Finance Department was requested demi-officially on 3rd November, 1960 for the allotment of Rs. 8,00,000. The Finance Department sanctioned Rs. 3,00,000 for this purpose. Since the Head of Account under which the expenditure was to be debited was not mentioned in the sanction, the Finance Department was requested on 5th December, 1960 to intimate the Head of Account. The Finance Department advised on 14th December, 1960 that the expenditure should be debited to the Head "7-Land Revenue-E-Land Records-E-I-Superintendence-Contingencies". It was found that the Head of Account indicated by the Finance Department was incorrect because the local officers were not competent to draw the amount from the said Head of Account. The Finance Department was again requested to change the Head of Account from "7-Land Revenue-E-Land Records-E-Superintendence-Contingencies" to 7-Land Revenue-E-Land Records-E-2-District Charges". In the mean-time it was considered that the amount of Rs. 3,00,000 sanctioned by the Finance Department was inadequate to meet the actual requirements of the local officers. In this connection a meeting was held in the office of the Member, Board of Revenue on 2nd March, 1961. The then Finance Secretary (Mr A.G.N. Kazi, CSP) also participated in this meeting. As a result of the decision arrived at, the Finance Department sanctioned a grant of Rs. 10,00,000—vide U.O. dated 25th March, 1961. On 1st April, 1961, the Finance Department was again requested to indicate the Head of Account. The Finance Department, in their endorsement dated 24th April 1961, intimated the Head of Account already suggested by the Department. It would, therefore, be seen that the provision of funds in fact was finalised only on 24th April, 1961. The grant of Rs. 13,00,000 sanctioned by the Finance Department was allocated to the following officers:—

<i>Local officer</i>	<i>Amount</i>
Director of Land Records, Lahore	Rs. 9,76,070
Commissioner, Khairpur	Rs. 1,06,650
Commissioner, Hyderabad	Rs. 1,82,280
Commissioner, Quetta	Rs. 35,000
Total	Rs. 13,00,000

Rs. 2,41,288—The Director, Land Records has reported that the allotment of Rs. 9,50,000 was placed at his disposal on 3rd May, 1961. This grant was re-allocated to the District offices. The local officers of the Northern Zone could not utilise the entire amount allotted to them for the preparation of Parat Zamindar within the financial year due to short time at their disposal.

Rs. 1,06,650—The Commissioner, Khairpur has reported that the supplementary grant of Rs. 1,82,280 was allotted for payment of fees of Revenue Records. This work was to be done by qualified Patwaris who were not readily available during the period from May to June, 1961. The qualified Patwaris already available on the district establishment were busy in preparing land revenue demand statements for Rabi 1961 and its collection. Hence the staff for the purpose could not be appointed and the amount lapsed.

Rs. —,06,650—The Commissioner, Khairpur has reported that the supplementary grant was placed at his disposal 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 the Patwaris as they were busy in preparing land revenue demand statements for Rabi 1961, and its collection.

Rs. 35,000—The Commissioner, Quetta has reported that the allotment of Rs. 35,000 was received in the middle of May, 1961. The preparation of Parat Zamindara in the various districts could not be undertaken because the experienced available Patwaris were busy in collecting land revenue demands. Hence the saving.

The decisions of the Committee were as under :—

A-3-Special Revenue Establishment—Rs. 22,024—The item was deferred for consideration in the next meeting of the Public Accounts Committee as the Department requested for more time to re-examine the matter.

C-Survey Settlement and Record Operations—Rs. 1,97,687—Rs. 1,15,000—The explanation furnished by the Department did not contain details and it was not clear what action Department had taken to avoid recurrence of such matters in future. The Committee decided to defer the consideration of the item which will come up again with the accounts of 1962-63 when the Department would furnish full information.

Rs. 82,687—The explanation of the Department was accepted and the item was dropped.

D-Colonisation Operations—

Rs. 1,50,875—(a) Rs. 1,04,260—The item was dropped.

(b) Rs. 46,515—Subject to action being taken by the Department, the item was dropped.

Rs. 29,820—The item was dropped.

Rs. 19,000—The explanation given by the Department was not satisfactory. The item was, therefore, deferred to be taken up along with the accounts for 1962-63 when the Department would furnish full details and reasons for which incorrect statement was given during the last meeting.

Rs. 26,246—Deferred to be taken up along with the accounts for 1962-63.

Rs. 16,725—Dropped.—

Rs. 26,109—Dropped.

E-2-District Charges—Dropped.

(9) *Page 99-Item Stores Accounts*—The item was dropped from here and would be taken up with the accounts for 1961-62.

(10) *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 withdrawal	Purpose of withdrawal
	Rs.		
1	3,390	31st March 1958	For payment to labourers.
2	1,000	24th January 1958	Taccavi Loan.
3	400	33th November 1958	D. to.

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.

At the meeting held on 28-1-1967, the explanation of the Department regarding items (2) and (3) was accepted. Regarding item at serial number (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 whereabouts 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:—

(a) Why was the money not disbursed in time and where was it kept?

- (b) Whether muster rolls were prepared and if so they should be produced.
- (c) What was the evidence that the same labourers came back and were paid the money?

The Department now explained that:—

- (i) the concerned labourers left their villages due to scarcity of water and their whereabouts were not known. Hence the money was deposited into Government Treasury, —vide State Challan No. 47 dated 29-6-60 under Head "XVII-Irrigation-Undisbursed";
- (ii) the amount was deposited and as such the question of production of muster rolls does not arise;
- (iii) as stated in item (i) above.

The matter was referred to Finance Department for condonation of the irregularity who made certain queries. Replies thereto were furnished to Finance Department. However, there were some discrepancies in the information supplied by the local officers which are being got reconciled therefrom and reply is still awaited from the Commissioner, Dera Ismail Khan.

The explanation of the Department was accepted and the para. was dropped.

The Audit pointed out that the comments incorporated in column 7 of the Working Paper were, in fact, not their comments. The Committee directed the Department that in future they should not attribute, in the comments, to Audit the words which they had not used.

(11) *Page 56-Para. 81 (iii)*—In this case a sum of Rs. 2,33,100 was originally placed at the disposal of a 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 the 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 avoiding 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 in cash in May 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.

At the meeting held on 28-1-1967, the Department stated that a 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 Buldozer in respect of various Kamars works which were already under execution. The work bills and the completion certificates of Kamars 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 Comptroller 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 it is serious irregularity in terms of paragraph 96 F.R. Volume I read with rule 290 of Treasury Rules, Volume I. 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 indicate as to—

- (i) when the money was drawn;
- (ii) when the money was paid;
- (iii) what was the amount that was paid?

The Department now explained seriatim as under:—

- (i) The money was drawn from the Treasury on 29-6-1960.
- (ii) The money was paid to the Agriculture Department, Dera Ismail Khan on 29-6-1960.
- (iii) Rs. 62,534.

The matter was referred to the Finance Department. Their reply is still awaited. The Commissioner, Dera Ismail Khan has, however, been asked to intimate as to why the acquittance rolls of Rs. 17,939 and Rs. 1,910 paid in cash, were not prepared and reasons therefor? Reply is still awaited.

The Committee deferred the para. to be taken up alongwith the amounts for the year 1962-63.

(12) Page 56, Para. 81 (ii)—In this case the amounts detailed below were drawn from the treasury in advance of the actual requirements:—

<i>Amount</i>	<i>Date of withdrawal</i>	<i>Date of actual payment</i>
Rs. 804	26th June 1960	... 29th August 1960.
1,008	26th June 1960	... 9th February 1961.
321	26th June 1960	... 9th February 1961.
43	26th June 1960	... 9th February 1961.
538	26th June 1960	... 2nd August 1960.
843	21st June 1960	... 29th August 1960.
2,500	30th June 1960	... 18th July 1960.
434	30th June 1960	... 26th October 1960.
3,390	31st March 1958	... 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 undisbursed 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.

At the meeting held on 28-1-1967, 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.

The Department now explained that the Deputy Commissioner, Dera Ismail Khan has reported that out of the nine amounts, the amount of Rs. 2,500 only at serial No. 7 relates to the taccavi loans. This amount was kept undisbursed in good faith for a small period due to late completion of revenue files, etc. As advised by the Audit Department, the Finance Department was requested to condone the irregularity involved in the matter. The Finance Department have

advised that departmental action be taken against the drawing and disbursing officer responsible for drawing the money in advance of requirements to avoid lapse of budget grant before further action is taken by them. The Deputy Commissioner has been asked to take necessary action accordingly. The details of Rs. 16,700 showing the dates of withdrawal and dates of payment were given as below:—

Serial No.	Amount	Date of withdrawal	Date of payment
	Rs.		
1	700	19th December 1960	24th January 1961.
2	2,500	Ditto	7th February 1961.
3	2,400	Ditto	8th February 1961.
4	300	Ditto	9th February 1961.
5	1,800	Ditto	13th February 1961.
6	2,000	Ditto	16th February 1961.
7	500	Ditto	18th February 1961.
8	600	Ditto	25th February 1961.
9	1,400	Ditto	3rd March 1961.
10	500	Ditto	8th March 1961.
11	800	Ditto	15th April 1961.
12	1,200	Ditto	19th May 1961.
13	1,200	Ditto	1st June 1961.
14	800	Ditto	9th June 1961.

The date of payment in each case would show that all the payments were made within the same financial year and that irregular withdrawal of money to avoid lapse of budget grant was not involved. The Department assured that such irregularities would be avoided in future.

The amounts mentioned at serial Nos. 1 to 6 and 9 related to Kamara works which were kept undischarged due to the fact that most of the khatedars left their villages due to scarcity of water and their whereabouts were not known. The Naib-Tehsildar, Irrigation, concerned found them after a great search in whole of the district and even in the other districts of the province. Thereafter payment was made to them. The Commissioner, D. I. Khan has been asked to intimate whether muster rolls were prepared. He has also been asked to reconcile some discrepancies. The amount mentioned at

Serial No. 8 relates to T.A. of Abdur Rashid Khan, *ex-Deputy Superintendent of Police* which was payable to his widow Mst. Shirin Begum. The widow did not turn up in time inspite of repeated calls. On her appearance in the office the amount was disbursed to her on the very date viz. 26-10-1960.

Subject to condonation of irregularity, the para. was dropped.

(13) Page 523, para. 48—During the course of inspection a tehsildar on special duty reported that an amount of Rs. 16,224 was misappropriated by the staff of a tehsil from the Accounts of Cash Rent.

The explanation given in the Working Papers was that the embezzlement of Rs. 18,224 was detected by the police and the following officials were challaned:—

- (1) Ghulam Akbar.
- (2) Rahim Bakhsh.
- (3) Nabi Bakhsh.
- (4) Ghulam Hassan.

Only Ghulam Akbar, accused was convicted while the others were discharged or acquitted. As a result of the departmental action taken all the officials except Nabi Bakhsh, were dismissed from service. Out of the above amount, a sum of Rs. 200/ 13 pertained to the arrears of land revenue which was deposited by the accused official. The remaining amount was misappropriated by way of receiving the cash from the land revenue defaulters. The comments of A.G. were invited, who advised that the deposit of Rs. 200/13 may be got verified from the Audit. The Commissioner, Multan Division has been addressed accordingly. His reply is still awaited.

The representative of the Department orally stated that they had received intimation on the telephone that this was, in fact, not a case of embezzlement but a case of misposting of the recoveries made, which had been credited to a wrong head. There were no documents which could be produced to substantiate their stand.

The Committee, therefore, deferred the para. to its next series of meetings when the Department would produce documents in support of what they had stated and showing chronologically what had actually happened. The Committee noted that if this was a case of misposting of recoveries, obviously, the prosecution of the four men, except for the amount of Rs. 200·13 was unjustified. Anyway, the Department should make a probe into the matter and let the Committee have their final explanation giving full details as to the recoveries.

The para. was deferred to be taken up alongwith the accounts for 1962-63.

(14) *Page 523, para. 49*—A Nazir absconded and when the cash box in his custody was opened by the Nazarat officer, it was found that a sum of Rs. 5,991 had been embezzled.

The Department explained that a criminal case was registered against M. Shah Nawaz, the then Assistant District Nazir who had misappropriated Government money amounting to Rs. 5,991 but he was ultimately acquitted. A revision petition was filed in the High Court against that acquittal and the case was remanded. With the direction of High Court the case was again entrusted to the Special Judge, Peshawar, who filed the proceedings against the official. Against that order the Government declined to file any revision. The Government pleader advised that the only remedy was to sue Mr. Shah Nawaz in a Civil Court for the misappropriation of the amount. This course could be useful only if the accused owned any immovable property, which could be attached and sold in the event of the same ending in decree. The accused owned only 4 kanals of agricultural land valued at about Rs. 1,500. The accused was dismissed from service about 13 years back and no pension was granted to him. Moreover, he has since died. It was recommended by the D. C. that Assistant District Nazir and District Nazir cannot be tried in a court of Law as they were not held responsible by the High Court for loss of the amount in question and there was no choice but to get the amount written off. The comments of A.G. were invited who advised to get the amount written off with the sanction of competent authority. The matter was referred to Finance Department who raised some queries. The information is being collected from Commissioner, Sargodha whose reply is still awaited.

The Finance Department asked the Department to supply them information regarding the maximum amount that the District Nazir could have in his custody at a time and the amount of security that the District Nazir of Sargodha had to furnish. They would also want to know for how long an amount in excess of the amount which he could legitimately have in his custody could remain with him undisbursed and, if the District Nazir was, at that time on leave, whether the Assistant District Nazir, who held charge, and furnished any security and, if so, of what amount?

The Committee were of the view that unless these points were clarified and the write off finally sanctioned by the Finance Department the item would have to come up again with the accounts for the year 1962-63.

(15) *Page 523, para. 50*—In this case fines amounting to Rs. 1,460 were not deposited into the treasury.

The Department explained that the entire amount of Rs. 1,460 on account of less deposit fine recovered from Zulfiqar Ali Shah (Assistant District Nazir) accused was credited into Government treasury on 19-2-1962 under head XXI—Administration of Justice—Judicial Fines. Further more Zulfiqar Ali Shah was convicted and

sentenced to one month's R. I. under Section 409 P.P.C. Simultaneously he was dismissed from the service in departmental enquiry. The para. was dropped.

(16) Page 527, para. 62—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 the 10th February, 1961.
- (ii) Pauper suit, Rs. 4,333 dated 31st January, 1961.
- (iii) Taccavi Loans, Rs. 4,86,613 dated 31st January, 1961 (Plus interest).

The matter was examined by the Committee on 28th January, 1967. 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 Audit.

As regards (iii) the Department explained that 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 and 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 then 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 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 effect should be made to speed up the recovery of the amount of Rs. 21,879 recoverable from the taccavi dues in the district.

As regards (i) the Committee was now informed that entire amount has been recovered. Subject to verification by Audit the item was dropped.

As regards (iii) it was stated that it is not possible to recover this amount from the allottees of the lands who are generally very poor. Besides most of them have left the district after disposing of their lands. An amount of Rs. 15,150 has since been recovered and the balance of Rs. 6,729 is expected to be recovered soon for which efforts are being made.

The Committee directed that the Department should continue its efforts to make recoveries of the balance amount and get it verified by the Audit. Subject to these remarks, the item was dropped.

APPROPRIATION ACCOUNTS 1961-62.

(1) *Page 11, para. 6*—Drawal of amounts at the end of Financial year and crediting the same under "Civil and Criminal Court Deposit" to avoid lapse of Budget Grant—In an office a sum of Rs. 16,154 was drawn in June, 1961, and credited on the same day into a treasury under the head "Civil and Criminal Court Deposits" just to avoid lapse of the budget grant. Out of the above amount Rs. 2,595 were later on withdrawn and the balance of Rs. 13,558 remained undisbursed upto February, 1962. The above procedure of drawal of money to avoid lapse of budget grant and allowing a major amount of the same to remain undisbursed was against the principle of withdrawals from the Public Account.

The Department explained that the following contingent amounts were withdrawn from the Treasury at the close of the financial year 1960-61 and placed in Civil and Criminal Court Deposit:—

Details of the drawal

	Rs.
(1) Fr. Levies (Cost of arms) ...	757-00
(2) 25-GA-Staging Bungalow ...	2,346-13
<i>Contingencies</i>	
(3) 25-GA (Office contingencies) ...	12,801-63
(4) 7-Land Record. ...	250-00
<i>Total</i> ...	16,154-76

From the total amount of Rs. 16,154-76 an expenditure of Rs. 2,596-13 had been incurred before the inspection by the audit party. The balance was drawn from treasury from time to time and on 31-5-1962, there was only a balance of Rs. 3,584-80 which was also drawn from the treasury and disbursed to the quarters concerned on the following date:—

1-1-63	...	2,349-72
19-2-63	...	299-91
27-6-63	...	585-42
17-11-63	...	349-75
Total	..	3,584-80

Leaving nothing in Civil and Criminal Court Deposit. The irregularity of keeping the amount in Civil and Court Deposit has, however, been noted for future guidance. The irregularity has been condoned with the concurrence of the Finance Department.

The explanation of the Department was accepted and the para. was dropped.

(2) *Page 12, para. 7*—Payment of huge amounts of Taccavi advances with no accounts having been maintained to exhibit payment and recovery thereof.

Amounts aggregating Rs. 1,75,000 were paid as Taccavi advances during 1960-61 by an office without maintaining any account to show the recovery thereof. The names of the persons to whom advances were paid and the amount recovered from them were not clear from the records of that office.

The Department explained that this amount of loan relates to the Loralai District of Quetta Division. The accounts showing full particulars of the advances made have been maintained, the details of which are as under:—

Act XIX	...	1,00,000
Act XVII	...	74,920
Total	...	1,74,920

A sum of Rs. 80 was surrendered. Thus the correct amount of advances made comes to Rs. 1,74,920. In view of general famine conditions in Quetta and Kalat Divisions, the recovery of Taccavi Loans remained suspended from the year 1961-62 upto Rabi 1965, as a special case and, therefore, the recovery of these loans could not be effected in full. An amount of Rs. 89,532.53 as principal and Rs. 24,830.16 as interest has, however, been recovered. The local officers have been pressed to recover the balance amount.

The Committee directed that the amount recovered as principal as well as interest, may be got verified from the Comptroller, Southern Area and also the amount of Rs. 80 which has been surrendered. The Department should continue making efforts to recover the balance amount at the earliest. Subject to these observations, the para. was dropped.

(3) *Page 12, para. 8—Outstanding recoveries*—In this case it was observed in an office that Taccavi Loans to the tune of Rs. 8,91,181 were due for recovery at the close of the year, 1960-61. Action to effect recoveries was awaited.

The Department stated that though the amounts shown in the statement are recoverable, but not in the year under report. These (loans) are recoverable in the next ten years according to Taccavi Acts. Due instalments are recovered and new loans are distributed every year.

The para. was dropped.

(4) *Page 12, Para. 9—Embezzlement of Government money*—During 1958-59 and 1959-60 embezzlement of Rs. 11,757 was committed by a Cashier in an office on three different occasions, i.e.,

- (i) Rs. 1,000 on 4-4-1959.
- (ii) Rs. 6,757 on 23-1-1959.
- (iii) Rs. 4,000 on 23-1-1960.

In the first case total payments in the cash book were shown in excess by Rs. 1,000. In the second instance the total of expenditure carried over from one page to the other was shown in excess by Rs. 6,757 and in the last case a bogus entry of Rs. 4,000 was made in the cash book.

The Department explained that while checking the accounts of Nazir's Office it was found that a few pages of the general cash book were missing. Thereupon thorough checking of cash was arranged which showed that there was a difference of Rs. 4,000 on the payment side. A preliminary enquiry was conducted and Mr. Faqir Muhammad Nazir was placed under suspension on the charge of embezzlement of Rs. 11,756.14. Subsequently a report was lodged at Police Station Turbat. The case was completed by the Police and Challed in the Court of the Nazim Mekran. After some time the case was withdrawn by the Deputy Commissioner, Mekran on the advice of the Superintendent of Police Mekran and the case file comprising 2 parts was sent to the Circle officer Anti-Corruption Establishment, Quetta, for fresh investigation. The case is still with the Anti-Corruption Department, Quetta.

The Committee directed that it would like to know further action taken by the Department in regard to the departmental action taken against the persons for not observing the rules and the efforts made for the recovery of the balance amount together with the stage of investigation being carried out by the Anti-Corruption Department. The para. was deferred to be taken up alongwith the accounts for the year 1962-63.

(5) *Page 12, Para. 10—Irregular drawal of Money and execution of work*—In any office a sum of Rs. 48,000 was drawn on 22nd February, 1961 for the construction of Patwarkhana without any budget provision for the same. An amount of Rs. 42,000 (out of the above sum) was paid to a contractor in three instalments without any agreement. Neither any estimate was prepared nor tenders were invited or any security taken from the contractor. No measurement of the work done was taken. There was no completion report to show that the work had been executed at a cost of Rs. 42,000. There was also no evidence to show as to how the balance of Rs. 6,000 was utilized.

The Department explained that a sum of Rs. 48,000 was in the first instance provided in the budget estimates for the year 1958-59, for construction of patwarkhana under the head "7—Land Revenue-J-Works". As no funds were allocated the demand was repeated in the budget estimates for the year 1959-60 and 1960-61. Although no funds were made available, the Deputy Commissioner, Kharan drew the amount on an abstract bill from the Kharan Treasury on

22nd February 1961, for construction of six patwarkhanas in the following circles:—

1. Sar Kharan.
2. To-Mulk.
3. Khudabadan.
4. Besima.
5. Ashuk.
6. Ladghasht.

On the very date the Deputy Commissioner, Kharan paid an advance of Rs. 21,000 to a contractor. The remaining amount was subsequently released to the contractor on the following dates:—

	Rs.
1. 20-2-61	8,000
2. 10-6-61	13,000
3. 8-9-61	3,000
4. 6-12-61	1,500
5. 1-1-62	1,000
Total	26,500

In the financial year 1961-62 Government however, sanctioned a sum of Rs. 27,000 against the demand and that too for repairs to the existing patwarkhanas. In the preliminary enquiry made it was revealed that the Superintendent had misled the Deputy Commissioner, Kharan in this case. He was proceeded against departmentally. The Deputy Commissioner, Kalat is conducting the enquiry and the result is still awaited. Sheikh Rashid Ahmad has, however, been retired compulsorily in another departmental enquiry.

The Department further stated that the 'Patwarkhanas' had actually been constructed although the whole process followed was irregular. The Department has now approached the Finance Department for regularisation of the amount. Subject to regularisation being agreed to by the Finance Department, the para. was dropped.

(6) *Page 12, Para. 11-(a)—Outstanding recoveries*—The Department explained that this para. relates to Home Department and they have been asked to prepare Working Paper for it.

The Committee directed that the Home Department should submit working paper for this item. The para. was dropped so far as the Revenue Department was concerned.

(7) *Page 13, Para. 11 (b)—Un-necessary withdrawals*—In this case a sum of Rs. 3,980 was drawn on 30th June, 1961, on account of Flood Relief but the amount was disbursed to the sufferers as late

as on 27th November, 1961. This needed to be regularised with the sanction of competent authority.

The Department explained that a sum of Rs. 3,980 was allocated to the Tehsildar, Isakhel, for disbursement to the Flood sufferers. The amount was reported to have been drawn from the Treasury on 29th November, 1961 and disbursed on 12th February, 1962. It did not occasion drawal of the amount from the Treasury, to avoid Lapse; as it was expended within the financial year. The record was examined by the Audit Party in June, 1962; but no objection was raised in regard to the late disbursement of this amount. No rule has been infringed.

Subject to verification of the dates of drawal and disbursement of amount by the Audit, the para. was dropped.

(8) Page 27, Para. 17-V—*Delay in disposal of Inspection reports and Audit Notes*—The Department stated that out of 12 outstanding audit notes, 11 had been received and passed on to the Audit. The Audit has yet to examine them. The Committee asked the Department to expedite reply to the remaining Audit Notes. Subject to this observation, the para. was dropped.

(9) Page 126—*Grant No. 33 Miscellaneous—E—Irrecoverable Temporary Loans and Advances written off*—

Final Grant	...	1,13,770
Expenditure	...	91,420
Saving	...	22,350

The Department explained that saving as per their record worked out to Rs. 32,758. The expenditure under this detailed sub-head is of a fluctuating nature and as such it cannot be estimated accurately. The saving of Rs. 32,758 was due to the fact that the remission cases of Taccavi Loans finalized by the Commissioners, Rawalpindi, Sargodha, Multan, Khairpur and Kalat divisions in 1961-62 were less than those originally anticipated by them.

The explanation of the Department was accepted and the item was dropped.

(10) Page 3, Para. 5, read with Page 100—*Grant No. 30—Relief—Saving Rs. 1,17,161*—The Department explained that an *ad hoc* grant of Rs. 7,27,400 was sanctioned by the Finance Department. This grant was sub-allocated by the Relief Commissioner to the Commissioners of affected divisions. The unspent amount totalling Rs. 1,17,161 was reported by the following Commissioners:—

Division.	Amount.
	Rs.
Khairpur	9,113
Quetta	4,093
Hyderabad	26,790
Kalat	25,000
D. I. Khan (D. I. Khan District)	52,165
Total	1,17,161

The amount of Rs. 52,165 was surrendered by the Deputy Commissioner, D. I. Khan after the submission of Second Statement of Excesses and Surrenders on 8th June, 1962, as the amount was not sufficient to complete the Test Relief Works during the same financial year and more funds to the tune of Rs. 1,30,000 were asked for in the next financial year (1962-63). The remaining amounts were retained by the local officers up to the end of the financial year and were not surrendered through Second Statement of Excesses and Surrenders in March, 1962 in view of the fact that the calamities such as Flood, Fire, Famine, Locust, Cyclone, etc., being generally of unforeseen nature and consequently expenditure involved could not be exactly judged by them at the time of submission of Second Statement of Excesses and Surrenders, in March, 1962.

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

(11) *Page 4, Para. 8 read with page 45—Grant No. 4—Stamps—Excess Rs. 1,01,291*—The Department explained the reasons for the excess expenditure as under:—

Rs. 56,130—The Comptroller, Southern Area, Karachi has reported that Karachi was merged in the West Pakistan Province with effect from 1st July, 1961. As the decision was taken at a late stage the expenditure pertaining to the area could not be provided in the Provincial Budget Estimates for 1961-62. The provision made by the Central Government for the Karachi Administration under this head continued to be operated for meeting the expenditure in respect of Karachi Administration. Subsequently the expenditure relating to Karachi Administration was transferred from Central head of accounts to that of Provincial in view of the decision of the Government. This resulted in excess expenditure.

Rs. 45,161—The excess expenditure is mainly due to the increased supply of stamps to the Treasury Officers based on increase in litigation, motor registration, taxation and other bargains. The exact amount could not be anticipated. The expenditure exceeded the additional funds of Rs. 1,47,630 demanded during that year in the Statement of Excesses and Surrenders.

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

(12) *Page 4, Para. 8 read with page 55—Grant No. 12—General Administration—E-17—(1)—District Office Establishment—Other than pay of officers—Excess Rs. 6,21,916*—The reasons for excess were given as under:—

Rs. 32,083—The excess expenditure was due to the payment of arrears of pay to the officials of the District Offices in D. I. Khan Division as a result of fixation of pay in the revised scales. The Commissioner, was requested to intimate why the provision for the arrears of pay was not made in the budget estimates for 1961-62 and

why the excess expenditure was not regularised in the Second Statement of Excesses and Surrenders. His reply is awaited.

Rs. 82,276—The excess is mainly due to booking of expenditure pertaining to the head "34—Frontier Regions" in the Audit Office under the minor head "District Office Establishment". Efforts were made to reconcile the expenditure again and to readjust the wrong expenditure to its proper head but the same could not be done as the relevant file of the audit office containing suspense slips and Transfer Entries pertaining to May, 1962 was destroyed in the audit office. The Commissioner, Peshawar held an inquiry against the official responsible for defective reconciliation. After considering the report of Enquiry Officer he ordered that the official concerned should be reduced to one lower stage in the time scale in which he was at that time. At the request of the reconciliation clerk, he had to reconsider his previous decision obviously due to the fact that the Reconciliation Clerk had no intention to commit such omissions deliberately and that it was due to over-work. Such omissions are bound to occur at times inspite of one's best efforts. He therefore cancelled his previous order and warned the Reconciliation Clerk to be careful in future.

Rs. 5,07,557—The Comptroller, Southern Area, Karachi booked a total expenditure of Rs. 63,06,777 in his accounts under this minor head against the total modified grant of Rs. 57,99,220 placed at the disposal of the Commissioners, Khairpur, Hyderabad, Quetta, Kalat and Karachi Divisions. The Commissioners concerned were requested to intimate the reconciled figures of expenditure under this minor head. The reconciled figures reported by them come to Rs. 50,69,114. According to the reconciled figures of expenditure reported by the local officers there is saving of Rs. 7,30,106. The correct position has been explained to the Comptroller, Southern Area, Karachi and he has been requested to intimate the factual reason for booking of excess expenditure in his accounts during that year. His reply is still awaited.

The Committee decided that the explanations for the excess of Rs. 5,07,557 would be considered at the next series of meetings alongwith the accounts for 1962-63 when the Department will furnish more details. The rest was dropped.

(13) Page 4, Para. 8, read with page 56—Grant No. 12—General Administration—E—18—Sub-Divisional Establishment Excess—Rs. 88,596—The Department explained the excess as under:—

Rs. 8,139—The excess is due to transfer of tehsildars drawing higher pay in place of those drawing lesser pay. Since the transfers were affected after submission of Second Statement of Excesses and Surrenders the excess expenditure could not, therefore, be regularized.

Rs. 4,479—The excess is due to payment of medical charges to the staff. The excess is of unforeseen nature and therefore could

not be anticipated and demanded in the Second Statement of Excesses and Surrenders.

Rs. 52,789—The excess was due to excessive touring by the Remission Mukhtiarkars in various districts in connection with the remission work. The touring had been undertaken during the closing months of the financial year, the exact amount required for Traveling Allowance could not exactly be foreseen.

Rs. 23,189—The excess expenditure under Pay of Establishment and Other Allowances and Honoraria was due to the posting of Tehsildars drawing higher pay against those drawing lesser pay.

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

(14) Page 4, Para. 8 read with page 56—Grant No. 12—General Administration—E—19 (1)—Copying Agency Establishment—Excess Rs. 24,147—The Department explained that the excess was due to defective reconciliation. The Clerk responsible has been reduced to lower stage of the time scale in which he was at that time.

The explanation of the Department was accepted and the para. was dropped.

(15) Page 4, Para. 8, read with page 84—Grant No. 17—Misc.—Department—L—Examination—Excess Rs. 8,510—The Department stated that the Board of Revenue has to explain the excess of Rs. 7,753. The remaining excess of Rs. 757 relates to the Services and General Administration Department. The excess was due to the payments of examination fees to examiners of Patwaris Schools. The provisions in this respect was made in the Second Statement of Excesses and Surrenders. The excess demand was not admitted because the prior sanction of the Government was not obtained for including the excess amount in the Second Statement. The required sanction could not be obtained before the close of the financial year as the time was too short. The official responsible for not taking action at the appropriate time was reprimanded.

The explanation of the Department was accepted and the para. was dropped.

IV. The Committee then adjourned to meet again on 19th December, 1967 at 9-00 a.m.

LAHORE:

The 18th December, 1967.

MUHAMMAD NAWAZ

ACTING CHAIRMAN,

Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING
COMMITTEE ON PUBLIC ACCOUNTS HELD ON 19TH
DECEMBER, 1967 AT 9-00 A.M. IN THE 'TEA ROOM' OF
THE ASSEMBLY BUILDING, LAHORE.**

I. The following were present:—

- | | |
|--|---------------------|
| (1) Chaudhri Muhammad Nawaz, M.P.A. ... | Member. |
| (2) Chaudhri - Muhammad Sarwar Khan, M.P.A. | Member. |
| (3) Rai Mansab Ali Khan Kharal, M.P.A. ... | Member. |
| (4) Mr. Malang Khan, M.P.A. | Member. |
| (5) Syed Akhlaque Hussain, T.Q.A., C. S. P.,
Additional Secretary to Government of
West Pakistan, Finance Department. | Expert.
Adviser. |
| (6) Mr. Arshad Ali Toor, P.A. & A.S., Addi-
tional Accountant-General, West Pakis-
tan. | By Invitation. |
| (7) Mr. Masood Nabi Noor, C. S. P., Secre-
tary to Government of West Pakistan,
Home Department alongwith Adviser
Jails and other Heads of Attached
Departments. | By Invitation. |

Chaudhri Muhammad Iqbal, S.K., 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 elected Chaudhri Muhammad Nawaz, M.P.A. to act as Chairman for the sitting.

III. The Committee then examined the explanations of the Home Department in respect of the items appearing in the Appropriation Accounts for the years 1959-60, 1960-61 and 1961-62.

APPROPRIATION ACCOUNTS—1959-60

(1) *Page 56, Para. 17(c)-VII-Delay in disposal of Inspection Reports and Audit Notes*—In this case the Department had failed to reply to the Audit Notes in time.

The Committee at its meeting held on 16th March, 1964, had asked the Department to reply to the Audit Notes and report the action taken against the officers responsible for the delay.

So far as the disposal of the Audit Notes is concerned, it was stated by the Department at the meeting held on 3rd November, 1966 that the Notes in question had been disposed off.

So far as taking action against officers who were responsible for non-compliance of the Audit Reports is concerned, the Department stated that they were in the process of taking necessary action. The Committee directed that the details of the action taken by the Department against the delinquent officers should be reported.

As necessary action had now been taken against the officials responsible, the item was dropped.

(2) *Page 217, Item No. 23—Shortage of finished goods—Rs. 823*—At the meeting held on 3rd November, 1966 the Department had stated that they could not ascertain as to which Jail the Audit objection pertained.

At the meeting held on 14th April, 1967 it was stated that the objection pertained to Central Prison, Machh. The Assistant Superintendent responsible for the shortage has been charge-sheeted.

The Department now explained that the recovery is being effected from the pension of Mr. Abdul Qayyum who was the man responsible. The Committee was satisfied with the explanation given by the Department.

Subject to verification of recovery by the Audit, the para. was dropped.

(3) *Page 217, Item No. 25—Misappropriation of Government Money—Rs. 2,670*—At the meeting held on 14th April, 1967, the Committee was informed that the matter is pending in the Court of A.D.M., Bahawalnagar.

As the matter is still *sub-judice*, the para. was deferred again to be considered alongwith the Accounts for 1962-63.

APPROPRIATION ACCOUNTS—1960-61

(1) *Page 4, Para. 8 read with Page 162—Grant No. 12—General Administration-C-Secretariat and Headquarters Establishment—12(1) (C)—Excess Rs. 40,627*—At the meeting held on 14th April 1967, the Department stated that the excess expenditure of Rs. 40,627 was due to the implementation of the Section Officers' 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 officers.

The Committee was not entirely satisfied with this explanation and sought the following further information:—

- (i) When was the Section Officers' Scheme introduced in the Department?
- (ii) When were the Revised Estimates for 1960-61 submitted?
- (iii) The number of officers posted in the Department after the submission of revised statements and the salary drawn by them?

(iv) 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 item was deferred.

The Department now explained that the Section Officers' scheme was introduced in the Home Department with effect from 1st September, 1959 and the revised estimates for 1960-61 were submitted on 14th April, 1961. The excess occurred for the reasons other than those given earlier and this oversight is regretted by the Department.

The reasons for the excess of Rs. 40,627 were given as under:—

- (a) Posting of officials drawing more pay than anticipated;
- (b) performance of more touring and home visits by the staff; and
- (c) very heavy telephone charges.

The explanation of the Department was accepted and the item was dropped.

(2) Pages 4-5, Para. 8 read with Page 307—Grant No. 32—Civil Defence—

	Rs.
Final Grant	8,12,220
Expenditure	10,81,530
Excess	2,69,310

At the meeting held on 14th April, 1967, 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 years 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% and calls for no explanation.

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 the corresponding amounts were surrendered in 1951 and 1959 or not. As this information was not forthcoming, consideration of the item was deferred.

The Department now stated that the corresponding amount of funds against which necessary orders/indents for certain goods were placed in 1951-52 and 1959-60 were neither surrendered nor utilised for the purposes other than those for which these were sanctioned, because the Appropriation Accounts for these years do not show any surrenders but conversely indicate heavy savings of Rs. 48,13,958 and Rs. 2,08,742 (Book Debit of Rs. 6,52,788 minus excess

Rs. 4,44,046) in the year 1951-52 and 1959-60 respectively. In the year 1951-52, the indent for the import of 88000 Rft. of Hose Pipe was placed on 7th September 1951 and the consignment was received in May, 1954. In the year 1959-60, the indent for the import of Self Propelled Pumps was placed on 15th August 1959 and the consignment was received on 24th January, 1961 whereas the debits of these two transactions were raised in the year 1960-61 hence excess.

As the Department had not intimated the details of the corresponding amounts which could neither be surrendered nor could be utilised in the previous years, the consideration of the item was deferred to be taken up alongwith the accounts for the year 1962-63.

(3) *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.

At the meeting held on 14th April, 1967, the Department stated that strenuous efforts were being made to realise the outstanding dues 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 goods to any private individual on credit. The total balance left behind was Rs. 1,76,837.79. In the past, the Superintendents of Jails used to allow sales 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 then directed that the recoveries made by the 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.

The Department now placed before the Committee the list of defaulting Departments and private persons and stated that the total balance has now been further reduced to Rs. 1,59,021.78 which is analysed as below:—

	Rs.
Government Offices	1,31,505.79
Jails	25,101.96
Private	2,414.03
Total	1,59,021.78

Strenuous efforts are being made to realise the balance outstanding. The credit sale to Government offices is generally allowed as the same

is permissible under the rules. As regards sale to private individuals, the same is not allowed, but for the sale made previously, the Superintendent Jail of that time is responsible. In case the amounts are not recovered, the same will be made good from the Jail authorities concerned.

The Committee observed that the progress of recovery against B.I. and J. Jail, Bahawalpur, District Jail, Lahore and District Jail, Rawalpindi was satisfactory. The amount recovered should be got verified by the Audit. So far as the Central Prisons, Peshawar and Haripur are concerned, the Committee asked the Department to effect recoveries within a period of six months and if, after the expiry of six months' time, the recoveries were not effected and verified by the Audit, the item should come up again before the Committee alongwith the accounts for the year 1962-63.

(4) *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 Woollen Yarn was purchased on 20th May, 1961 when there was already a balance of 980 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 up of Government capital. It was due to lack of financial control and wrong estimation of the requirements. Remedial measures, if any, taken by the Department to check similar purchases in future had not been reported to the Audit.

At the meeting held on 14th April, 1967, 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 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 then decided that the Department should conduct an inquiry as to whether the purchases were necessary or were in excess of the normal consumption and about the officials who were responsible for these purchases.

The Department now stated that the inquiry had been made. S.M. Saeed, S. Yahya Ali Shah and S. Jehangir Ali Shah, Superintendents Jail were responsible for the purchases in excess of requirements. But they have either retired or expired. The Department further explained that a circular has been issued to all the Superintendents of Jails that they should not block the Government capital in future when they make certain purchases, etc.

The para. was dropped.

(5) *Page 54, Para. 79—Mis-appropriation of Government Money*
—In the copying branch of the Court of a District and Sessions Judge,

it was observed that out of a total of Rs. 5,465 realised on account of copying fee during the period from the 2nd September, 1960 to 31st October, 1960, only a portion thereof amounting to Rs. 1,882 was credited into the treasury. The balance Rs. 3,583 though shown to have been credited into the treasury was misappropriated. At the instance of Audit, however, the misappropriated amount was subsequently credited into the treasury. Similarly, in another case, a sum of Rs. 235 was misappropriated by the official concerned. The amount in question was also subsequently credited into the treasury at the instance of the Audit. The services of the Head Copyist who was responsible for the irregularity were dispensed with and warning issued to the two examiners. The misappropriations in both the cases was facilitated due to non-observance of the rules.

The Department explained that during quarterly inspection of the then District and Sessions Judge, Peshawar (Mr. Justice Muhammad Daud Khan) he found irregularities in the accounts of the copying agency of this Court in 1960. The Comptroller, Northern Area, Peshawar was requested to depute an Audit party to check the said accounts and report the irregularities and defalcation. Consequently the Audit party came on 24th January, 1961 and later on it was found that Rs. 3,582.12, Rs. 235 and Rs. 3.10 were defalcated by the Head Copyist. The amounts were deposited in the Treasury by the Head Copyist under orders of the then District Judge, Peshawar.

Consequently, the system Head Copyist who was the defaulter and working on wages was discharged and a report made to the Police for necessary inquiry and investigation. After due inquiry, the Police cancelled the case through the Assistant Commissioner, Peshawar on 19th July, 1962. The examiners being responsible for supervision were warned and transferred from the post.

Old rules relating to recovery of copying fee in cash from litigants and handling of the same by an employee were defective and as such the higher authorities were moved to reorganise the system and to apply the copying rules and procedure of the old Punjab to the Courts of the District and Sessions Judges in the old N.-W.F.P. under which payment for copying fee is made in court fee stamps instead of cash. After prolonged correspondence, the Government of West Pakistan agreed to the reorganisation of the agency. The old employees on wages have been replaced by regular paid Government servants with effect from the 1st July, 1966 and the fee is now realised in court fee stamps. There is, therefore, no likelihood of any misappropriation at present.

Explanation of the Department was accepted and the para. was dropped.

(6) *Page 170—Note 3—Fraudulent withdrawal of Civil Court Deposit*—A sum of Rs. 20,000 was deposited by a person in a Civil Court on 6th October, 1949 in pursuance of the Court's decree. The

amount was remitted into the treasury on the same day. In February, 1953, the Naib Nazir of the Court prepared a bogus refund voucher for the amount, forged the signature of the Presiding Officer of the Court, affixed the seal of the Court to which he happened to have an access and manipulated to get payment of the amount from the treasury by presenting a faked person whom he got identified by a local Advocate. The fraud was detected in December, 1953 when it had been wrongly credited by contra credit to the proper Head of Account. The case was tried in a Court of Law. The accused, his wife, son and the co-accused were sentenced to various terms of imprisonment and fines or in default of payment of fines to undergo further terms of imprisonment. A recovery of Rs. 8,024 could be made from the accused persons and the balance Rs. 11,976 was written off by the Government. As per Audit Report, the fraud was facilitated due to failure on the part of the Presiding Officer of the Court to keep the Seal in proper custody in contravention of the instructions contained in Finance Department's letter No. 42-Ft-49/2637, dated 24th January, 1949 and the Treasury Officer to detect the forged signatures on the pay order. The accused was dismissed from service by the Department and no other official was held responsible.

The Department stated that the Finance Department's letter referred to above was addressed to all Deputy Commissioners in the Punjab and not to all Heads of Departments. It was not received in Civil Courts. The question to observe the instructions contained therein could not, therefore, arise. The then Senior Civil Judge, Sheikhpura could not and cannot, therefore, be held responsible for the failure on his part to keep the Seal in his custody.

The explanation of the Department was accepted and the para. was dropped.

(7) *Page 176—Notes 7, 8 & 9—Stores Accounts and Financial Statements*—At the meeting held on 14th April, 1967, the Department placed before the Committee a statement showing the latest position of the Stores Accounts and Financial Statements. The Committee desired 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 the Audit and report as to what action had been taken against the persons responsible.

The Department now stated that they have submitted all the accounts. Subject to verification of this position by the Audit, the para. was dropped.

(8) *Page 524, Para. 54(i)—Misappropriation of Government Money—Rs. 2,671*—The Department did not submit any explanation for this item.

(9) *Page 524, Para. 54(ii)—Misappropriation of Government Money*—In this case, certain cases of embezzlements, forgery, fraud and misappropriation had been detected by Audit.

At the meeting held on 14th April, 1967, the Department stated that the case was pending with the Services and General Administration Department. The Committee then directed that the Department should get in touch with the Services and General Administration Department and finalise the matter.

The Department now stated that this case pertains to Mr. G. M. Khuro, ex-Superintendent Office of the Director of Prisons, Central Range, Bahawalpur. The first inquiry against Mr. G.M. Khuro has since been finalised awarding punishment of stoppage of two increments with cumulative effect. The second inquiry has been entrusted to Sh. Ijaz Ahmad, PCS, Additional District Magistrate, Bahawalpur who has been appointed Inquiry Officer.

Subject to the finalisation of the second inquiry, the para. was dropped.

(10) *Pages 525-526, Para. 56*—The para. was deferred for consideration in the next series of meetings of the Committee alongwith the accounts for the year 1962-63.

(11) *Page 525, Para. 57—Loss of Government Property*—In this case the Property Clerk of the Office of the Court of 2nd Extra Joint Civil Judge, on his transfer, did not hand over the property worth Rs. 1,669 to his successor.

The Department explained that Mr. Wazir Hussain Shah, Clerk of Court of 2nd Extra Joint Civil Judge and 1st Class Magistrate Hyderabad, responsible for the loss of case property worth Rs. 1,669 was convicted with imprisonment till rising of the Court and also to pay a fine of Rs. 2,000 or in default to undergo R.I. for twelve months. The fine was paid in the Court. Mr. Wazir Hussain Shah was removed from service on 29th February 1960 even before his conviction. The Department further stated that sanction for the write off of the property has since been accorded.

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

(12) *Page 525, Para. 58(iv)—Misappropriation of Government Money—Rs. 6,391*—In this case, an Accountant of an office of Superintendent of Police, Criminal Investigation Department, had embezzled an amount of Rs. 6,391.

At the meeting held on 12th September, 1967, 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, 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 instruction 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 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 499, Pakistan Penal Code and under section 5(2) of the Essential Services (Maintenance) Act 1958, was registered against Mr. Muhammad Suleman, former Accountant of the Office of the S.P. 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. The Committee directed that the Department should make an inquiry 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.

The Department now explained that the system of internal audit was not in vogue in the former Sind before Integration, therefore, no audit was carried out. After Integration, a Range Auditor has been appointed and the accounts are regularly being audited from 1956 onwards.

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

APPROPRIATION ACCOUNTS—1961-62.

(1) Page 4, Para. 8 read with page 78—Grant No. 15-Police—Excess Rs. 30,69,927—

(2) Page 6, Para. 12(ii)—Surrenders in absence of saving—Grant No. 15-Police—As the Department had not given any explanation in respect of the excess under each sub-head under this Grant, the items were deferred to be taken up alongwith the accounts for 1962-63 when the Department should give full and detailed information under each sub-head.

(3) *Page 4, Para. 8 read with page 61—Grant No. 14-Jails and Convict Settlements—Excess Rs. 3,56,007—*The Department explained that the excess was due to the following reasons:—

In the original Budget Estimates for the year 1961-62, the Department demanded a sum of Rs. 1,91,96,870 against which the Finance Department allotted a sum of Rs. 1,57,31,760. Subsequently the administrative control as well as the financial control of Karachi Jail was taken over by the West Pakistan Prisons Department in the end of the same financial year and the Department put their anticipated revised demand of Rs. 1,99,56,810 (including expenditure of Karachi Jail) but the Finance Department finally sanctioned Rs. 1,86,68,060 i.e. Rs. 12,88,750 less. Moreover, the population of the Jails in West Pakistan increased in 1961-62. The expenditure of the Department is inescapable as the prisoners are to be fed and provided with other necessities of life and the expenditure cannot be postponed to the next financial year.

The explanation of the Department was accepted and the excess recommended.

(4) *Page 4, Para. 8 read with Page 54—Grant No. 12-G-A-C—Secretariat and Headquarters Establishment-12-(1) (C)—Excess Rs. 39,191—*The Department explained that the excess was due to heavy expenditure on telephone trunk calls, installation of new connections, etc. consequent upon the introduction of Re-organisation Scheme in February, 1962. The expenditure could not be anticipated in the revised estimates due to late receipt of telephone bills which were adjusted only in the last month (June 1962). The Department further stated that the figures had not been properly reconciled by the Department and a wrong reconciliation certificate had been given by the Officer Incharge in the Home Department at that time. The Committee decided that the Home Department should move the Services and General Administration Department to take necessary action against the officer who gave reconciliation certificate without first making reconciliation. Subject to this action by the Services and General Administration Department, the para. was dropped.

(5) *Page 25, Para. 46—Non-fixation of Cadre Strength—*The Department explained that the Cadre Strength had been fixed. The para. was dropped.

(6) *Page 26, Para. 17 (III)—Secret Service Expenditure—*In this case the certificate regarding secret service expenditure had not been furnished. The Department explained that the requisite certificate has been furnished. The para. was dropped.

(7) *Page 4, Para. 8 read with page 130—Grant No. 34—Civil Defence—Excess Rs. 96,555—*The Department stated that the overall excess of Rs. 96,555 shown in the Appropriation Accounts for the year 1961-62 comprises (i) Rs. 88,771 excess in Southern Area

Circle, (ii) Rs. 7,960 excess in Accountant-General Circle and (iii) Rs. 176 saving in Northern Area circle.

Out of the excess of Rs. 88,771 there has been a total Book Adjustment of Rs. 72,453 for the previous years. The remaining excess of Rs. 16,318 is due to some wrong adjustments.

The excess of Rs. 7,960 is mainly due to a book debit of Rs. 7,267 on account of Sea/Railway freight charges, raised against this Department at the last moment, i.e. in June, 1962 on the direct advice from the Audit Officer, Industries, Supply and Food, Karachi and partly due to the fact that the expenditure of Rs. 1,493 as leave salary to Mr. A. I. S. Dara, Director, Civil Defence during his stay abroad for training purposes, was incurred against the original grant including Rs. 4,480 as charges in England which remained uncharged till 30th May 1962, when it was superseded by the final grant leaving nil provision on this account. The Department, therefore, could not anticipate necessary funds to cover this expenditure.

The saving of Rs. 176 was due to the reason that some Instructions Staff proposed to be trained in advance Civil Defence Courses could not be spared due to rush of work which resulted in nominal saving of Rs. 176 in T. A.

The Committee accepted the explanations of the Department and decided to recommend the regularisation of the excess.

(8) *Page 22, Para. 36—Fraudulent withdrawal of Government Money*—In this case, in a certain Prison of Southern Range, the Cashier fraudulently drew Government money amounting to Rs. 4,000 by adding a figure 4 to a Contingent Bill passed for Rs. 452. The matter was reported to the Police and charge having been proved, the Cashier was convicted by the Court on 29th June, 1957. No recovery of the amount could be made from the Cashier and the entire loss of Rs. 4,000 was written off by the Government.

The explanation of the Department was accepted and the para. was dropped.

(9) *Page 22, Para. 37—Shortage of stores*—(i) In this case shortage of stores worth Rs. 874 was detected as a result of physical verification of stores for the year 1957-58. As per Audit Report, the party at fault was ordered to repay the loss in easy instalments and a sum of Rs. 108 had been recovered upto June, 1963.

The Department explained that Mr. Kazi who was held at fault paid a sum of Rs. 144 out of Rs. 874 and subsequently made a representation for waiving off the balance of the recovery outstanding against him. The case was, therefore, re-examined by the Director of Prisons, Southern Range, Hyderabad and in consideration of the fact that the loss did not occur due to his negligence or fraud, further recoveries from him were waived off and the remaining amount of Rs. 730 was written off from the books.

The Committee observed that either Mr. Kazi was responsible for causing loss to the extent of Rs. 874 or was not responsible. He could not be held responsible for a part of these losses and not responsible for the other part. The Committee suggested that this case may be reviewed by the Home Department with a view to considering whether (a) recovery of Rs. 144 initially was made after due process, i.e. after determining under the Efficiency and Discipline Rules that the loss had been caused; and (b) whether the orders to write off the balance amount of Rs. 730 were made on the ground that Mr. Kazi was not responsible for any loss. If so, then why the amount of Rs. 144, as already recovered from Mr. Kazi, should not be refunded to him.

Subject to suitable action being taken by the Home Department on this suggestion of the Committee, the item was dropped.

(ii) In this case shortage of stores worth Rs. 1,555 was detected at the time of physical verification for the year 1959-60. No action was taken to make good the loss.

The Department explained that the shortage of Firewood amounting to Rs. 713-12-0 and the cost of remaining shortages amounting to Rs. 817-12-0 after adjustment of the cost on account of excesses, Rs. 24-67 were ordered to be recovered from Mr. M. A. Channa found responsible for the shortages other than Firewood.

The explanation of the Department was accepted and the item was dropped.

(10) *Page 22, Para. 38—Shortage in stock of Shisham Wood worth Rs. 2,275*—In this case 2,000 cft. of Shisham Wood Planks were purchased from Divisional Forest Office. The Representative of Jail Department who was deputed to collect the Plants, measured the planks and sent the same to Jail factory concerned. At a later date when the store was rechecked and measured in the Jail factory, it was found that 191.47 cft. of wood valuing Rs. 2,275 was short. The cost of the entire consignment was accepted and adjusted by the Jail Department and as such the Government had to bear a loss of Rs. 2,275. The representative of Jail Department who initially collected the store and the Store Keeper who took the store in charge shifted the responsibility to one another. The amount of loss, as per Audit Report, had neither been recovered nor written off.

The Department explained that the Director of Prisons, Northern Region, Peshawar appointed Mr. Manzoor Hussain Panhwar as Inquiry Officer to investigate into the causes of shortage of 191.47 cft. of Shisham Wood. He appointed a Committee to get the whole wood remeasured. According to the Inquiry Officer, the shortage was 47.44 cft. and the total loss comes to Rs. 583 for which Mr. Shafi-ud-Din, Assistant Superintendent, has been held responsible and the recovery has been ordered from him.

Subject to verification of the recovery by the Audit, the para. was dropped.

(11) *Page 22, Para. 39—Outstanding Dues*—In this case the position of outstanding dues for the sale of jail products against Government Department and Private parties, as on 30th June 1960, was reported to be as under:—

	Rs.
Government Departments ...	11,14,869
Private parties ...	4,012
	<hr/>
Total ...	11,18,881
	<hr/>

The Department explained that the balance of outstanding amount has been reduced to Rs. 760. Instructions have been issued to clear the outstandings also at a very early date.

The Committee directed that the Department should get the recoveries verified by the Audit and make efforts to recover the balance of Rs. 760.

Subject to these observations the para. was dropped.

(12) *Page 22, Para. 40—Irregular purchase and uneven flow of expenditure*—(a) The Superintendents of Jails are empowered to incur contingent expenditure upto Rs. 500 in each case. The local audit of the accounts of a District Jail revealed that contingent expenditure exceeding Rs. 500 was incurred without obtaining prior sanction of the competent authority.

As the expenditure had been regularised, the item was dropped.

(b) The financial rules require that the flow of expenditure should be evenly maintained throughout the year. It was observed by Audit that out of a budget allotment of Rs. 8,000 a sum of Rs. 4,194 was expended in June 1961, alone.

The Department explained that originally Rs. 3,250 was provided for in the Budget under Head "D—Works". The additional grant of Rs. 4,150 was allotted telegraphically just before the close of financial year as the funds were sanctioned and communicated by the Government in the middle of June, 1961. Therefore, the full additional grant was spent before the close of the financial year as no time was left for the Jail to surrender the additional grant.

The explanation of the Department was accepted and the item was dropped.

(13) Pages 21-22, Para. 35—Retention of Government Money with a Private Person—The Department did not submit any explanation in respect of this item.

IV. Items relating to the Tribal Affairs Wing of Home Department were postponed to be taken up at the next series of meetings.

The Committee then adjourned *sine die*.

LAHORE:

MUHAMMAD NAWAZ

ACTING CHAIRMAN

The 19th December, 1967. Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 2ND MARCH, 1968 AT 9-00 A.M. IN '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) Chaudhri Muhammad Nawaz, M.P.A. ... | Member. |
| (3) Rai Mansab Ali Khan Kharal, M.P.A. ... | Member. |
| (4) Chaudhri Muhammad Sarwar Khan, M.P.A. | Member. |
| (5) Mr. Malang Khan, M.P.A. | Member. |
| (6) Syed Akhlaque Hussain, T.Q.A., C. S. P.,
Syed Imran Shah, C.S.P., Additional
Secretaries and Mr. G. D. Memon, T.K.,
Joint Secretary, Government of West
Pakistan, Finance Department. | Expert
Adviser. |
| (7) Mr. Saeed Ahmed, Assistant Accounts
Officer, Office of the Accountant-
General, West Pakistan. | By Invitation. |
| (8) Malik Abdul Latif Khan, C.S.P., Secre-
tary to Government of West Pakistan,
Education Department. | By Invitation. |
| (9) Mr. Asif Ali Shah, C.S.P., Deputy Secre-
tary to Government of West Pakistan,
Industries, Commerce and Mineral
Resources Department and Mr. S. R.
Poonegar, C.S.P., Director, West Pakis-
tan Small Industries Corporation. | By Invitation. |
| (10) Commander Abdul Latif Khan, Deputy
Secretary to Government of West
Pakistan, Agriculture Department. | By Invitation. |

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

II. The Committee took up consideration of the explanations of the Departments in respect of the items appearing in the Appropriation Accounts.

EDUCATION DEPARTMENT-1961-62.

(1) Page 4, Para. 8, read with page 84-Grant No. 17-Misc. Deptts. N-2-Library-Saving Rs. 25,840—The Department explained that

funds amounting to Rs. 2,15,980 were allotted to the Education Department during 1961-62 under the Budget Head "47-Misc.-N-2-Library". The Region-wise allocation/expenditure of these funds was as under :—

Serial No.	Name of Region	Modified grant for 1961-62	Expenditure in 1961-62	Saving
		Rs.	Rs.	Rs.
1	Director of Education, Lahore ..	1,61,020	1,58,975	2,045
2	Director of Education, Hyderabad ..	54,960	53,360	1,600
	Total ..	2,15,980	2,12,335	3,645

The Director of Education, Hyderabad, has reported that out of the total expenditure of Rs. 53,360 incurred by him under this Budget Head, the amount of Rs. 31,165 was correctly booked under this Head in the Audit Office. The remaining amount of Rs. 22,195 pertaining to Sind Provincial Library, Hyderabad, was wrongly booked in that office under Head "37-Education-H-General-R-Misc." instead of Budget Head "47-Misc-N-2 Library". This wrong booking of the expenditure has resulted in saving of more than ten per cent. The Director of Education, Hyderabad is being asked to find out the person who failed to transfer the wrongly booked expenditure of Rs. 22,195 to the correct Budget Head at the time of reconciliation. He is further being asked to convey the displeasure of Government to the person at fault for this lapse.

During the course of discussion the Department stated that the explanation was based on the assertion of the Audit that it was a case of misposting although the Department contested this assertion. Confronted with certain certificates issued by the Comptroller, Southern Area, the Audit could not say clearly whether it was a case of misposting or not. As there was no clear-cut picture before the Public Accounts Committee, the Committee had to defer the item. The Audit was requested to look into this matter again and be clear whether it was a case of misposting or not, and to verify whether the contention of the Department that there was a saving of Rs. 3,645 only was correct. The Audit should also say clearly on what point the Department's explanation is required. The Department should be informed about it.

The item was deferred to be taken up with the account for the year 1962-63.

(2) *Page 23, Para. 41-Un-Productive Expenditure*—According to Audit Report (i) a Saw Mill in an outlying district was allotted to the Industries Department in 1952 for use of Commercial section of an Industrial School. Its operating cost was estimated approximately at Rs. 1,34,240 per annum as against an anticipated annual income of Rs. 1,47,400 involving an anticipated net profit of about Rs. 13,160 a year. An examination of the annual figures of expenditure and receipt of the undertaking for the past 7 years revealed that instead of gaining profit, Government sustained heavy losses on the working of the concern as indicated below:—

Year	Expenditure	Income	Loss
	Rs.	Rs.	Rs.
1950-51	1,177	..	1,17
1951-52	2,343	..	2,353
1952-53	13,759	..	13,74
1953-54	34,088	1,176	32,912.9
1954-55	27,262	9848	24,414
1955-56	27,200	10,435	16,765
1956-57	44,750	10,663	34,067
1957-58	32,030	18,898	13,132
1958-59	40,047	9,283	30,764
1959-60	48,723	9,740	38,983
1960-61	50,668	5,936	44,702

The loss was mainly due to the employment of unnecessary staff.

(ii) The Commercial section was organized to impart training to 30 apprentices each year but the attendance record of the commercial section revealed that number of trainees never exceeded 7 in a year during the past seven years and that too was only once during 1957-58 as shown below:—

1955-56	...	2
1956-57	...	2
1957-58	...	7
1958-59	...	4
1959-60	...	4
1960-61	...	4

(iii) Costly machinery had been installed in the School premises without adequate arrangements for its protection. It was lying under damaged Kucha Sheds exposed to inclement weather rain, etc. where it was not properly looked after. Most of the time it had to remain idle due to insufficient number of trainees. Evidently the institution was not serving the purpose for which it was established at a considerable cost, and the Government capital had been unnecessarily locked up.

(iv) Two machines costing Rs. 17,000 which operated on A.C. type of electric current were purchased for this institution in 1954. *These machines were so urgently required that these were purchased without proper Government sanction which was accorded in 1956.* The plant however could not be commissioned for use up to January, 1962 as the A.C. current was not available. The Government capital was thus uselessly locked up and due to lack of proper storage facilities the machinery depreciated.

The department explained that an evacuee property named as Hindustan Saw Mill was acquired by the Industries Department in September, 1950 to run it on commercial basis with an anticipated income of Rs. 1,47,400 and expenditure of Rs. 1,34,240 resulting in saving of Rs. 13,160 per annum as per details given below:—

Income as per scheme—

		Rs.
Sawing wood.	...	62,400
Office furniture	...	30,000
Package for military.	...	30,000
Camp equipment for military.	...	25,000
	Total	1,47,400

Expenditure—

		Rs.
Pay of Estt.	...	18,360
Other Allowances & Honoraria.	...	11,000
Contingent Estt.	...	2,640
Raw Material.	...	70,000
Wages to skilled labour.	...	23,040
Oils, etc.	...	2,360
Miscellaneous	...	3,000
Imprest.	...	1,000
	Total	1,34,240

The actual losses sustained by the Government during the period under report comes to Rs. 1,01,013 and not Rs. 2,53,010 as worked out by the Audit. The reasons for the actual losses were as under:—

1. *Sawing of wood-Rs. 62,400*—The scheme provided sawing of 18,60,000 cft. wood yielding an estimated income of Rs. 62,400 per annum whereas the total wood received in Jhelum city as per advice of the Forest Department during the period under report ranged from 1,04,446 cft. to 9,37,081 cft. Besides there were 25/30 private sawing mills in Jhelum and the institution could only get 9,000 cft. to 2,66,600 cft. per annum for sawing. Consequently the estimated income could not be realized during the period under report under this head.

2. *Camp Equipment and Packages for Military-Rs. 55,000*—Military authorities did not place any order for packages and camp equipment during the period in question. As such there was no income on this account.

3. *Furniture-Rs. 30,000 (i)*—A nominal income was received by way of manufacturing of furniture as the machinery was not in working order and needed major repair for which no amount was provided as proposed in the scheme.

(ii) The required number of apprentice trainees could not be admitted during the period under report as no apprentice was forthcoming at the sanctioned rate of Rs. 25/00 p.m. after the completion of two years training in the Industrial schools.

(iii) The machinery was lying under Katocha sheds. Necessary repairs of sheds were made from time to time. In this connection the Rehabilitation Authorities were approached but the sheds were not replaced by permanent covers as the case of permanent transfer of the building to the Industries Department was not finalized during the period under report.

(iv) The machinery is properly cared and is lying under cover in good condition. But due to lack of space for installation the machines could not be put to work.

The Committee desired to know:—

(1) Why was the machinery purchased in such a hurry without proper Government sanction when even the A.C. current was not available and who was responsible for this?

(2) Why were the estimates and the volume of timber so grossly out of proportion especially when the officer who prepared the estimate must have known that there were several sawing mills operating in Jhelum? and

(3) The cumulative loss of several years so far caused to Government.

The Committee asked the Department to give full details. The Department should also fix responsibility on these specific points and

the matter be reported back to the Committee. The Committee directed that the representatives of both the Industries and Education Departments should appear before the Committee when this item is again taken up along with the accounts for the year 1962-63.

INDUSTRIES DEPARTMENT

1959-60.

Page 3, Para. 5, read with page 158-Grant No. 27-Industries-A-Industries-Other than A-3(e)-Saving Rs. 2,82,562 out of Rs. 17,98,369— This item was last considered by the Committee at its meeting held on 11-12-1967 when explanation of the Education Department for the saving of Rs. 2,12,387 out of the saving of Rs. 2,82,562 was accepted. The remaining amount of Rs. 70,175 related to the Carpet Centre, Hyderabad and Cottage Industries Development Centre, Khairpur. The Committee directed that the Industries Department should explain the saving of Rs. 70,175.

The Industries Department explained the saving as under:—

*Cottage Industries Development Centre, Khairpur—*The saving was due to the fact that the raw material and tools were not purchased for Cottage Industries Development Centre during the year as the Centre did not function in full swing.

*Carpet Centre, Hyderabad—*The saving was due to the fact that the cost of wool spinning plant could not be paid in full during the year as the bills had not been received.

The explanation of the Department was considered satisfactory and the item was dropped.

1961-62.

*(1) Page 4, Para. 8, read with page 54-Grant No. 12-General-Administration-12(1) (k)-Excess Rs. 7,124—*The Department explained that the excess of Rs. 7,124 was mainly due to unexpected adjustment of debits on account of 4 additional telephones at the close of the year and there was no time to ask for the additional funds.

The explanation was considered satisfactory and the item was dropped.

(2) Page 4, Para. 8, read with pages 83 & 84—Grant No. 17—Miscellaneous Departments—

(i) Registrar, Joint Stock Companies, Karachi—Excess Rs. 4,368—

(ii) N-3-Charges payable to other Government Department —saving Rs. 10,000—

The Department explained that neither there was excess expenditure of Rs. 4,368 nor saving of Rs. 10,000 as reported by the Audit. The factual position was that against the final allocation of Rs. 10,000, actual expenditure was Rs. 8,668 thereby resulting in

a saving of Rs. 1,332. The saving was due to the fact that one clerical post remained vacant.

The Committee desired that the Accountant-General should get the figures of the Department reconciled from the Comptroller, Southern Area.

The Committee further asked the Department to state as to what attempts were made by the Department to recover the share of payment from the Central Government for the amount of salary paid to the Assistant Registrar, Joint Stock Companies, Karachi and whether the Department had moved the Audit in the matter and if so, when.

The item was deferred to come up again when the Committee considers the accounts for the year 1962-63.

(3) *Page 4, Para. 8, read with page 132—Grant No. Nil—Capital outlay on Industrial Development—Excess Rs. 1,08,268—*The Department explained that since sanction for this expenditure was obtained on the 27th June, 1962, the expenditure could not have been foreseen and, therefore, no provision could have been made.

As the expenditure had properly been sanctioned, the Committee decided to recommend the regularisation of the excess expenditure.

AGRICULTURE DEPARTMENT

1957-58

(1) *Page 34, Para. 5, Losses of Stores—Paddy Seed—239 Mds. 13 seers and 79 Bags—*

(2) *Page 35, Para. 7—*

(3) *Page 36, Para. 11 (ii)—Shortage of Wheat—1959-60*

(1) *Page 3, Para. 5, read with page 208—Grant No. 42—Loans and Advances by the Provincial Government—A—3—Advances to Students of Bahawalpur—Saving Rs. 14,725 out of Rs. 15,925—*

(2) *Page 29, Para. 1—Loss on Sale of Government Stores—*

(3) *Page 216, Item (17)—*

(4) *Page 216, Item (18)—*

(5) *Page 3, Para. 5, read with page 209—Grant No. 42—Loans and Advances by the Provincial Government—Saving under B—4—(7) and B—4—(8)—*

1960-61

(1) *Page 3, Para. 5, read with pages 329—242—Grant No. 22—Veterinary—Saving Rs. 18,79,849—*

(2) *Page 7, Para. 12 (ii), read with pages 239—242—Surrenders made in excess of total saving—Grant No. 22—Veterinary—*

(3) *Page 7, Para. 12 (ii), read with pages 421—423—Surrenders made in excess of total Saving Grant No. 38—Capital Outlay on*

Agricultural Improvement and Research—

- (4) Page 47, Para. 58—
- (5) Page 48, Para. 59—
- (6) Page 48, Para. 60—
- (7) Page 49, Para. 61—
- (8) Page 424, Note 3.

1961-62

Page 4, Para. 8, read with page 84—Grant No. 17—Misc. Department—N—I—Excess Rs. 14,976—The Secretary, Agriculture Department was not present in the meeting. He was reported to be busy some where else. The Committee observed that since a month's notice for today's meeting of the Committee had been given to him he should have kept himself free and attended the meeting of the Committee to explain irregularities pertaining to his Department. The Committee was constrained to observe that the Secretary, Agriculture had not even cared to write a letter to the Committee about his absence. In the opinion of the Committee it was not possible for it to consider the explanations of his Department in the absence of the Secretary as it was an established and accepted principle that the Administrative Secretary should himself be present to represent his Department.

The Committee would like the Finance Department to take up the question of the absence of the Agriculture Secretary with the Chief Secretary and to ensure that the Administrative Secretary is always present when the Public Accounts Committee takes up explanations of a Department in respect of the irregularities pointed out in the Appropriation Accounts.

III. The Committee then adjourned to meet again on 4-3-1968 at 9-00 a.m.

LAHORE:
The 2nd March, 1968.

ZAIN NOORANI
CHAIRMAN,

} Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 4TH MARCH, 1968 AT 9-00 A.M. IN THE 'TEA ROOM' OF THE ASSEMBLY BUILDING, LAHORE.

I. The following were present:—

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|--|-----------------|
| (1) Mr. 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) Syed Akhlaque Hussain, T.Q.A., C. S. P., Additional Secretary and Mr. G. D. Memon, T.K., Joint Secretary, Government of West Pakistan, Finance Department. | Expert Adviser. |
| (7) Rana Muhammad Yasin, P. A. & A. S. Accountant-General, West Pakistan. | By Invitation. |
| (8) Brigadier Sardar Ali, Joint Secretary, Government of West Pakistan, Home Department, Mr. Ashraf Hussain, P.C.S., Deputy Secretary and Mr. Usman Shah, Officer on Special Duty, Home Department, alongwith officers of the Frontier Region. | By Invitation. |
| (9) Malik Lahrasab Khan, P.C.S. Officer on Special Duty, High Court of West Pakistan. | By Invitation. |
| (10) Mr. S. A. Gardezi, P.C.S., Secretary (Settlement), Board of Revenue, West Pakistan. | By Invitation. |
| (11) Mr. Iqbal Moeen, C.S.P. and Nawabzada Muhamad Yaqub Khan, P.C.S., Deputy Secretaries, Services and General Administration Department, Government of West Pakistan alongwith Mr. Shafiullah, P.S.P., Director, Anti-Corruption Establishment, West Pakistan. | By Invitation. |
| (12) Mr. Muhammad Yusaf, C. S. P., Additional Secretary to Government of West Pakistan, Planning and Development Department. | By Invitation. |

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

II. The Committee took up consideration of the explanations of the Departments in respect of the following items appearing in the Appropriation Accounts for the year 1960-61 and 1961-62:—

HOME DEPARTMENT

The Home Secretary informed the Chairman and the Secretary on Saturday that he had to go away in connection with some very important confidential matter and wanted his presence to be excused in the meeting. The Committee accepted his request and decided to proceed with consideration of the paras. relating to the Home Department. The Home Department were represented by the Joint Secretary as well as the Deputy Secretary concerned with the paras.

APPROPRIATION ACCOUNTS 1961-62

(1) *Page 3, Para. 5 read with page 96—Grant No. 26—Development-I-Frontier Regions—Saving Rs. 4,87,499*—The explanation of the Department for the saving of Rs. 4,87,499 was accepted and the para. was dropped.

(2) *Page 12, Para. 11 (a)—Outstanding Recoveries and unnecessary withdrawals—Rs. 1,19,864*—This para. was last considered by the Committee at its meeting held on 18th December, 1967 when the Revenue Department contended that it pertained to the Home Department. The Home Department was, therefore, asked by the Committee to submit explanation in respect of the para. But the Home Department did not own this para. and as such no working paper was prepared by the Home Department. In the meeting to-day the Home Department accepted that the para. related to them. The para. was deferred by the Committee to enable the Home Department to obtain full details and the records of the case. The Home Department may ask the Deputy Commissioner, Mianwali, to be present in the meeting. The para. will now be considered by the Committee at its meeting to be held on 16th April, 1968 at 9-00 a.m.

(3) *Pages 21-22, Para. 35—Retention of Government Money with a private person—Rs. 3,400*—During the course of local audit of the accounts of a Police Office conducted during May, 1962, it was noticed that 1/4th of the bid money as detailed below received on account of sale proceeds of Government Vehicles remained with the Government Auctioneer till the date shown against each:—

Date of receipt	Amount	Date of return
	Rs.	
24th April 1961 ..	900	24th June 1961
24th April 1961 ..	900	24th June 1961
24th April 1961 ..	800	24th June 1961
12th May 1962 ..	800	Not returned till the date of audit

The retention of sale proceeds of Government property with the private person was highly objectionable from financial and audit point of view.

The Department stated that the irregularity was committed by the S.P. Bannu due to ignorance of correct procedure. The amount of Rs. 800 was subsequently recovered.

The Committee accepted the explanation of the Department with the direction to see that their people know the official procedure and do not commit such irregularity in future.

Subject to this observation the para. was dropped.

(4) *Page 26, Para. 17—Secret Service Expenditure*—The Department stated that before integration of the Province certificates regarding secret service expenditure used to be issued under the signature of Governor, N.-W.F.P. After integration this work was successively entrusted to the Secretary, Tribal Affairs Department and thereafter to the Commissioner and Resident in Frontier Regions. On the abolition of the Office of Commissioner and Resident in Frontier Regions, the administration of the Tribal Areas was put under the Control of Commissioner, Peshawar and D. I. Khan Divisions. The work pertaining to Secret Service Funds was also transferred to the respective Commissioners. The record pertaining to this work, which remained till the time of Commissioner and Resident in fact, was disturbed and bifurcated between Peshawar and D. I. Khan Divisions. As a result the entire work went out of gear. The Audit Department at the same time pointed out that the certificates issued by various authorities during the period ranging from 1955-56 (inclusive of the portion of pre-integration period) were wrong. This made the work more confused and difficult. In consultation with the Finance Department/Audit Department which took considerable time in correspondence, the Commissioners were declared as Controlling Officers for the issue of these certificates. The Commissioner, Peshawar, was specially declared Controlling Officer to deal with the cases pertaining to the period from 1955 to 1960 and was asked to clear the arrears including the portion of D. I. Khan Division. The orders enjoining the declaration of Commissioners as Controlling Officers were issued partly in 1962 and partly in 1964. After these orders the necessary material was collected and the certificates issued to the Audit Department. The Audit Department have admitted all the certificates in this behalf.

The explanation of the Department was accepted and the para. was dropped.

APPROPRIATION ACCOUNTS 1960-61

(1) Page 3, Para. 5 read with pages 212—219—Grant No. 16—
Frontier Regions—

	Rs.
Final Grant	= 1,20,20,710
Actual Expenditure	= 1,03,86,355
Saving	= 16,34,355

The Department stated that the saving of Rs. 16,34,355 includes a sum of Rs. 12,15,430 which was withdrawn by the Finance Department. The net saving stood at Rs. 4,18,925 which is 3.88% of the final grant and therefore, no explanation was necessary. During discussion, however, it was revealed that Finance Department had withdrawn Rs. 10,00,000. The surrender of Rs. 15,23,720 which included Rs. 10,00,000 withdrawn by Finance Department was shown in the statement of excesses and surrenders accepted by Finance Department. The saving in any case was less than 10%. The para. was, therefore, dropped so far as the saving was concerned.

The Finance Department desired that the Committee might examine the excess expenditure of Rs. 12,72,500 under sub-head "B-2-Repairs".

The Department stated that the excess was due to the fact that a sum of Rs. 13,24,370 was demanded by the Buildings and Roads Department for the maintenance of strategic roads. The roads could not be left without proper maintenance. But no amount was sanctioned. This is not only so but the sum of Rs. 10,00,000 sanctioned by the Provincial Government during 1960-61 for the purpose was withdrawn at the fag end of the financial year in question. The matter with regard to responsibility to bear the charges on account of strategic roads could not secure finality having remained under correspondence between the Provincial Government and the Central Government.

The Finance Department pointed out that the excess expenditure had been incurred by the Department inspite of the fact that the Finance Department asked the Department while intimating the grant under this sub-head before the commencement of the financial year not to incur any expenditure. The Finance Department had been informed by the Communications and Works Department that funds for the maintenance of these roads had been provided by the Central Government also. The Home Department stated that they were not aware of the funds provided by the Central Government. The Chief Engineer, Buildings Department who was present in the meeting could also not say whether the funds were received from the Central Government or not and if received what happened to that amount.

The Committee observed that there was every likelihood that this amount had been received from the Central Government and

at the same time is being shown in the Provincial Accounts also. If this were so it would be a very serious matter. Therefore, rather than leaving it to the Home Department to make routine inquiries, the Committee desired that the Joint Secretary, Finance, should conduct a thorough inquiry into this matter. The Committee directed that the Home Department as well as the Communications and Works Department, should extend every co-operation to the Joint Secretary, Finance, in conducting this inquiry. The result of the inquiry should be communicated by him to the Home Department and the Assembly Secretary. The Home Department will then prepare working papers.

This part of the para. was deferred to be taken up along with the accounts for 1962-63.

(2) *Page 3, Para. 5 read with pages 337-342—Grant No. 35—Development—I—Frontier Regions—Saving Rs. 19,07,919—*There is a difference in the figures of modified grant as adopted by audit and that reported by the Department. It is due to the fact that the details of the savings transferred to the sub-head "Surrenders and Withdrawal within the Grant",—*vide* Government of West Pakistan. Home Department letter No. 1057-B-I-61, dated 10th June, 1961 were stated to have been supplied by the Commissioner, Peshawar Division, to the Comptroller,—*vide* letter No. 9405/I/400/-FR, dated 22nd June, 1962 but actually the statement containing these details was missing. The Comptroller called for a copy of the same,—*vide* letter No. B. 5 (2)/60-61/127, dated 30th July, 1962 but it was supplied on 20th September, 1966,—*vide* Commissioner's letter No. 13037/I/623/FR and the effect of the surrenders has been taken in the books of the Comptroller, Northern Area.

The explanations submitted to the Committee were based on the Departmental figures.

This para. was partly considered by the Committee at its meeting held on 14th April, 1967 when the items regarding saving under sub-heads I-2 (1), I-2 (2), I-3 (1), I-4 (1), I-4 (2) and I-4 (3) were dropped. Explanations for the remaining items were considered in the present meeting.

(i) *I-4 (4)—Establishment of Fruit Nursery Farm at Mir Ali—Saving Rs. 23,606—*The first explanation given by the Department in the working paper was that the saving was due to non-appointment of staff and non-utilization of the provision under contingencies kept for the purchase of land for the construction of buildings, but due to late receipt of sanction these could not be taken in hand and hence the non-regularisation.

The Department on receipt of audit comments, however, gave the following explanation:—

The details of the saving of Rs. 23,606 are as under:—

		Rs.	
A.	(1) Pay of Establishment	=	300
	(2) Travelling Allowance	=	60
	(3) Other Allowances and Honoraria	=	200
			} Rs. 560

This scheme included the following staff:—

- (1) Field Assistant ... One
- (2) Chowkidar ... One

Due to overall shortage of trained staff, the post of Field Assistant could not be filled in. In the absence of Field Assistant the post of Chowkidar was also not filled in. The Amount sanctioned in the Budget Estimates for 1960-61 on account of above posts and other connected expenditure was surrendered in the Second Statement of Surrenders and Excesses for 1960-61 the amount detailed against items. (1) to (3) representing the pay for two months and connected expenditure was kept reserved in the hope that a suitable candidate will become available. But no suitable candidate was available hence the amount could not be utilized.

B. *Contingencies*—Rs. 23,046—The amount was meant for the purchase of land and construction of buildings thereon. The original sanction which was issued in 1960-61 contemplated the purchase of land. Efforts were made through the Political authorities by the Agriculture Department to purchase the land, but no suitable land could be found where water was available. The Agriculture Department, therefore, made a proposal on 3rd/4th December, 1960 to secure the land on lease. The matter remained under correspondence till February, 1961. The Finance Department advised that it is not desirable to establish a Fruit Nursery Farm at Mir Ali on a leased land. They had suggested that efforts be made to purchase land as originally proposed. Renewed efforts were made but in vain. The efforts to purchase land failed at such a time when it was not possible to surrender the amount.

The Department regretted that incorrect explanation was submitted by them in the first instance and assured the Committee that disciplinary action would be taken against the officer responsible for this.

Subject to disciplinary action the item was dropped.

(ii) 1-4 (5)—*Establishment of Communities Processing Centre at Chitral*—Saving Rs. 19,560—The Department stated that the scheme could not be implemented due to bad weather conditions.

The explanation was accepted and the item was dropped.

(iii) 1-4 (6)—*Scheme for the control of Insect pests and fungal diseases*—Saving Rs. 40,171—The Department stated that the

expected strength of the staff could not be appointed further necessary accessories for vehicles, sprayers and insecticides could not be purchased due to late receipt of sanction. The explanation was accepted and the item was dropped.

(iv) I-4 (7)—*Distribution of Fertilizer in the Frontier Region—Saving Rs. 1,40,589*—The Department explained that the saving was due to the following reasons:—

- (a) The expected appointment could not be made.
- (b) Non-purchase of fertilizers owing to late receipt of sanction.

The Department further explained that the schemes contemplated the distribution of fertilizer amongst the tribal farmers. The amount could not be utilized due to the following reasons:—

- (i) The distribution of fertilizer was the first attempt in the Tribal Areas.
- (ii) The Tribal people were not "fertilizer minded".
- (iii) Owing to their low purchasing power the Tribal Farmers were mostly unable to purchase fertilizers.
- (iv) The scheme contemplated the purchase and distribution of 789 tons of fertilizer but due to less supply the target could not be achieved. Only 614 tons of fertilizer was purchased.

The Committee did not feel satisfied with the explanation furnished by the Department as it did not contain the relevant details. Regarding less purchase of 175 tons of fertilizer the Committee wanted to know the saving on account of this. The Department could not give this information. The item was deferred to come up again before the Committee with accounts for the year 1962-63 when the Department should submit complete details, including the price of fertilizer per ton during this period.

(v) I-4(8)—*Award of Stipends to field Assistant—Saving Rs. 7,680*—The Department explained that against the modified grant of Rs. 13,680 actually an expenditure of Rs. 13,675 was incurred under this Scheme leaving a saving of Rs. 5. The transfer entries of Rs. 7,675 were suggested to the Audit Office by the Deputy Director of Agriculture, but the discrepancies were not rectified.

The item was dropped subject to reconciliation with Audit.

(vi) I-4(9)—*Award of Scholarships to Agriculture Assistants—Saving Rs. 1,153*—The explanation of the Department was that against the modified grant of Rs. 23,280 the actual expenditure was Rs. 14,447. The saving of Rs. 8,833 was due to:—

- (i) Reduction in the rate of scholarships from Rs. 100 to Rs. 85 per mensem.

- (ii) Non-payment of annual grant of Rs. 350 per scholarship holders in the absence of sanction.

The item was dropped subject to reconciliation with Audit.

(vii) *I-5—Other Departments-Forests*—There were difference in the figures printed in the Appropriation Accounts and those for which explanation was given by the Department.

The Committee decided that all the items pertaining to this sub-head should be verified, adjusted and thereafter explanation submitted to the Committee alongwith the accounts for the year 1962-63.

(viii) *I-6-(1)—Village Aid Programme in Frontier Region*—Saving Rs. 270—The item was dropped.

(ix) *I-1(1)—Construction of Buildings for Boys High School Harinar, North Waziristan*—Saving Rs. 25,000—

(x) *I-1(3)—Construction of Buildings for three Middle Schools*—Saving Rs. 56,670—

(xi) *I-5—Constructions of ten primary schools building at Zarwan Piaze Uchwam, Dura Makim and Sokha (South Waziristan)*—Saving Rs. 56,400—

(xii) *I-1(6)—Construction of a Maternity and child welfare centre in Zerghan Khail (Kohat)*—Saving Rs. 3,000—

(xiii) *I-1(7)—Construction of a building for Wollen Centre at Bat Khela*—Saving Rs. 1,00,000—

(xiv) *I-1(8)—Construction of a building for Metal Centre at Kohat Pass*—Saving Rs. 50,000—

(xv) *Contruction of building at Parachinar and Sugar Beat Production*—Saving Rs. 6,000—

As the Department had not prepared proper working papers for the above items, the Committee deferred consideration of these items to be taken up subsequently alongwith the accounts for the year 1962-63.

(3) *Page 529, Para. 66—Arrears of fines*—In this case a sum of Rs. 15,330 was outstanding on 31st March, 1961 on account of certain fines recoverable in the Office of a Political Agent.

The Department explained that the arrears of fines have been recovered.

Subject to verification by Audit, the para. was dropped.

(4) *Page 529, Para. 67—Arrears of fees and fines*—During the course of audit of the office of a Political Agent Audit noticed that a sum of Rs. 2,210 on account of fees and Rs. 9,384 on account of fines was recoverable. The authorities concerned were asked to speed up the recoveries. It was, however, subsequently reported that only a sum of Rs. 934 on account of fee and Rs. 6,843 on account of fines still remained recoverable.

The Department explained that out of the outstanding fines of Rs. 9,384 a sum of Rs. 8,867-62 has been recovered. Out of the outstanding lorry fee of Rs. 934, a sum of Rs. 260 has been recovered. Efforts are being continued to recover the balance.

Subject to verification and recovery of the balance, the para. was dropped.

(5) *Pages 529-30, Para. 68—Abnormal delay in the deposit of money in Government account*—During the course of local audit of the account of a Political Agent it was found that receipts realized on account of fees on the issue of permits were credited into Treasury after long delays.

The Department explained that this relates to the Timber Permit Account of Kurram Agency—

(a) The amount realised from 7th February, 1960 to 23rd September, 1960, amounts to Rs. 45,223-00 which was credited into the Treasury, on 24th September, 1960. The account was being maintained by the Stenographer as there had been no extra staff to maintain these accounts and subsequently it was not possible to credit the amount into Government Treasury immediately after receipts as required by the Rules. This account was in the first instance being treated as Local Fund and Government rules were not, therefore, being strictly followed. The omission is regretted and arrangements have been made to get the amount credited into the Treasury regularly.

(b) Sanction to the imposition of cess was as accorded by the Secretary, Tribal Affairs and the cess recovered was not being treated as regular Government receipts. As the funds realized were to be spent on Development work in Kurram Agency, the then Political Agent did not pass any orders for the regular credit into Treasury and consequently the amount remained in the possession of Political Agent who used to keep the sealed box in the Treasury Chests "Amanat". None can, therefore, be held responsible for the late credits and no action can be taken against any official.

(c) The amount of Rs. 555, Rs. 1,970-50 and Rs. 2,343-50 were shown in the Register against receipts, dated 30th August, 1960 and the amount was credited to Government on 24th September, 1960 and is included in Rs. 45,223, credited into the Treasury,—vide Challan No. 1, dated 24th September, 1960.

The para. was dropped subject to verification by Audit.

(6) *Page 524, Para. 54(i)*—This para. also appeared in the accounts of the year 1959-60 the consideration of which has been

deferred to be taken up alongwith the accounts for the year 1962-63. It was, therefore, dropped from here.

SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

APPROPRIATION ACCOUNTS FOR 1960-61.

*Page 4, Para. 8 read with page 164—Grant No. 12—General Administration-C-Secretariat and Headquarters Establishment-12-(2)-Anti-Corruption Department—Excess Rs. 47,995 out of Rs. 82,328—*This item was last considered by the Committee at its meeting held on 31st January, 1967 when the Department had stated that the actual expenditure was Rs. 17,16,118, and there was an excess of Rs. 10,018 only. The Committee desired that the Audit Department should let the Committee know as to which Department the remaining excess (Rs. 72,310) pertained and intimate the excess to the Department concerned who should submit the necessary explanation to the Committee.

The Accountant-General intimated that as a result of reconciliation carried out by the Department with the Comptroller, Southern Area, it had been found that out of it, an amount of Rs. 34,333 related to the sub-head "B-Legislative Bodies-Election for Legislature" (as verified by the Commissioners, Hyderabad and Khairpur) and the remaining Rs. 37,977 pertained to the Anti-Corruption Department works out to be Rs. 47,995 which is more than 1% of the final grant it is to be explained.

The Department did not accept this position.

The Committee directed the Department to get the figures reconciled with the Comptroller, Southern Area and submit the explanation to the Committee in the light of the reconciled figures. The para. was deferred to come up again before the Committee when it considers the Accounts for the year 1962-63.

APPROPRIATION ACCOUNTS FOR 1961-62

(1) *Page 25, Para. 46—Non-fixation of Cadre Strength of P.C.S., Judicial—*The Department stated that every efforts is being made to finalize this case. The Cadre Strength proposed by the High Court is under active consideration of the Government. The Committee dropped the para. and hoped that Services and General Administration Department will finalize the case at the earliest.

(2) *Page 4, Paras. 8 and 9 read with pages 53 and 57—Grant No. 12—General Administration—*

(i) *A-3—Staff and House-hold of the Governor—Excess Rs. 1,36,917—*

(ii) *A-4—Sumptuary Allowances of the Governor—Excess Rs. 6,011—*

(iii) A-5—Expenditure from Contract Allowance—Saving Rs. 17,435—

(iv) A-6—Tour Expenses—Saving Rs. 16,363—

(v) A-8—State Conveyance and Motors of the Governor—Saving Rs. 10,498—

(vi) G-21—Discretionary Grant by the Governor—Saving Rs. 50,000 (Charged)—

(vii) G-21—Discretionary Grant by the Governor—Excess Rs. 21,591 (Authorised)—

The explanation given by the Department seriatim are as under:—

- (i) The actual expenditure incurred by the Department is Rs. 1,21,219.07. Thus there is a saving of Rs. 12,121 instead of an excess of Rs. 1,36,917 as shown in the audit report. The difference was pointed out to the Accountant-General, West Pakistan, in letter No. MSG-63/1515, dated 19th July, 1963. In order to reconcile the discrepancy the audit office were requested to make available the relevant record but they could not do so.
- (ii) The Sumptuary Allowance drawn is Rs. 20,000. There is neither excess nor saving under this sub-head.
- (iii) The actual expenditure incurred under this sub-head is Rs. 66,000. Thus there is neither excess nor saving under this sub-head.
- (iv) Against the grant of Rs. 45,000 the expenditure incurred is Rs. 38,352 which resulted in the saving of Rs. 4,648 which is due to less touring by the staff.
- (v) Against the grant of Rs. 60,000 the actual expenditure is Rs. 60,040. Thus there is an excess of Rs. 40 only which is nominal.
- (vi) The Discretionary grant of Rs. 50,000 was utilised in full and there was neither excess nor saving.
- (vii) The allotment of Discretionary Grant for the year under review was utilised in full and there was neither any saving nor excess.

The Accountant-General regretted that the difference now pointed out by the Department could not be located in his office due to loss of records on account of fire.

As there was no way of getting the figures reconciled in the absence of the records in the Accountant-General's Office, the explanations of the Department were accepted and the items were dropped.

(3) *Page 4, Para. 9 read with page 59—Grant No. 13—Administration of Justice-Sub-heads A.D.E. and F—Excess Rs. 1,10,969—*
The Department explained that the excess consists of—

- (i) Rs. 24,957 relating to the Accountant-General, West Pakistan, Lahore Circle, due to the fluctuating nature of expenditure of travelling allowance incurred on account of more frequent touring necessitated in the interest of official business;
- (ii) Rs. 94,666 relating to the S.A. Circle which is incorrect. In fact there is a saving to the tune of Rs. 5,173; and
- (iii) Rs. 8,654 relating to the N. A. Circle under Pay of Officers and Establishment which is due to the change of personnel as well as due to some vacant posts.

Subject to verification by the Audit, the item was dropped.

(4) *Page 4, Para. 8 read with page 59—Grant No. 13—Administration of Justice-sub-heads A.D.E. and F—Excess Rs. 2,65,819—*
The Department explained that there was a saving of Rs. 2,66,774 in the S.A. Circle but due to the transfer of expenditure of the Karachi Administration of Rs. 5,91,822 which was previously booked with the Accountant-General, Pakistan Revenue, Karachi, the saving changed into excess. The saving of Rs. 2,66,774 relating to the S.A. Circle is due to a number of posts of Civil and Sessions Judge having remained vacant for a considerable period.

The excess of Rs. 11,102 in the Northern Area Circle is also incorrect. There is in fact a saving of Rs. 15,991 which is due to non-drawal of arrears of pay.

There is a saving in the Accountant-General, West Pakistan Circle which consists of Rs. 37,540 due to certain vacant posts, Rs. 28,251 due to the expenditure and Diet and Road money to witnesses being of a fluctuating nature and Rs. 4,040 due to postponement of certain contingent bills.

Subject to verification by the Audit, the item was dropped.

(5) *Page 4, Para. 8 read with page 84—Grant No. 17—Miscellaneous Departments-N-4-Miscellaneous—Preservation and Translation of Ancient Manuscripts—Excess Rs. 503—*The Department explained that the excess was due to more expenditure for telephone/rent bills.

The explanation was accepted and the item was dropped.

(6) *Page 126 and 128—Grant No. 33—Miscellaneous—*

- (i) C-I-(a)—Official Language Committee—Excess Rs. 1,785—
- (ii) C-I-(b)—Text Book Enquiry Committee—Saving Rs. 1,088—
- (iii) C-I-(d)—Constitution of E.B.D.O. Tribunal—Excess Rs. 164—

(iv) 1-15—*Payment to Contractors on account of pre-partition claims—Saving Rs. 63,793—*

As regards excess under (i) the Department explained that it was mainly due to (a) late receipt of claims of honorarium preferred by Members of the Committee and (b) more meetings of the Committee held by the close of the financial year.

The saving of Rs. 1,088 at Serial No. (ii) was due to the fact that officers did not proceed on tour.

The excess of Rs. 164 at Serial No. (iii) was nominal.

Regarding the saving of Rs. 63,793 at Serial No. (iv) the Department stated that it was due to the following reasons:—

- (a) Most of the claimants did not turn up to collect their payments; or
- (b) Some of the claimants could not produce Tax Clearance Certificate before the close of the year; or
- (c) The decendants of claimants who had died failed to produce the necessary succession certificate entitling them to receive the payments.

The explanation of the Department was accepted and the item were dropped.

PLANNING AND DEVELOPMENT DEPARTMENT—1961-62

Page 4, Para. 8 read with page 54—Grant No. 12—General Administration-C-Secretariat and Headquarters Establishment-12 (1)-(e)—Excess Rs. 2,30,930—The Department explained that after reconciling month-wise figures of expenditure for the year 1961-62 (July, 1961 to June, 1962) with the Accountant-General's Office, the Department finalized the position and pointed out that expenditure amounting to Rs. 2,41,545-55 on account of the cost of an Aeroplane has been wrongly booked against the Planning and Development Department. The Aeroplane was purchased by the Commissioner/Secretary to Government of former Punjab, Agriculture Department. This expenditure should have been adjusted against the Agriculture Department and not the Planning and Development Department. Besides, figure on account of pay of establishment for July, 1961 were also not correct. It should have been Rs. 8,396-13 and not Rs. 1,551-24. These two mistakes were explained to the Accountant-General's office. Finance Department was also apprised of the position who advised the Accountant-General's Office to carry out the adjustments of the said figures of expenditure against the concerned Department but there was no response from Audit Office.

A reply was received from the Audit Office on 16th November, 1962 that the adjustment could not be made at such a belated stage. The Department contended that as the actual saving was less than 10% it called for no explanation.

The Committee desired that the Accountant-General should look into the matter further and try to solve it with the Planning and Development Department and the Agriculture Department and advise the Department concerned and the Public Accounts Committee about it. The para. was deferred to be taken up alongwith the accounts for the year 1962-63.

IV. The Committee then adjourned to meet again on 5th March, 1968 at 9-00 A.M.

LAHORE:
The 4th March, 1968. }

ZAIN NOORANI
CHAIRMAN,
Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 5TH MARCH, 1968 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) Rai Mansab Ali Khan Kharal, M.P.A. ... | Member. |
| (3) Mr. Malang Khan, M.P.A. ... | Member. |
| (4) Chaudhri Muhammad Nawaz, M.P.A. ... | Member. |
| (5) Mr. G. D. Memon, T.K., Joint Secretary to Government of West Pakistan, Finance Department. | Expert Adviser. |
| (6) Rana Muhammad Yasin, P. A. & A. S., Accountant-General, West Pakistan. | By Invitation. |
| (7) Mr. Nuzhat Hussain, P.A. & A.S. Director, Audit and Accounts (Works), West Pakistan. | By Invitation. |
| (8) Dr. Ghulam Bheek, Joint Secretary to Government of West Pakistan, Health Department. | By Invitation. |
| (9) Mr. S. M. Wasim, C.S.P., Secretary to Government of West Pakistan, Basic Democracies, Social Welfare and Local Government Department, alongwith Mr. A. R. Qureshi, Chief Engineer, Public Health Engineering Department and Mr. Muhammad Aslam Khan, Deputy Chief Engineer, Ghulam Muhammad Barrage Project. | By Invitation. |

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

II. The Committee took up consideration of the explanations of the Departments in respect of the items appearing in the Appropriation Accounts.

HEALTH DEPARTMENT.

APPROPRIATION ACCOUNTS—1959-60

Page 3, Para. 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—At the meeting held on 13th September, 1967 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.

At the meeting held on 14th December, 1967 the Department stated that the offices have been asked to get these figures reconciled again. As the matter is very old, officers are feeling difficulty particularly when they have already reconciled the figures. However, they have been again instructed to reconcile the figures as desired by the Committee. The position will be explained after the reconciliation has been completed by all.

The Committee again directed that the figures should be reconciled as quickly as possible.

The Department now explained that most of the offices have now done the reconciliation and submitted certificates from the Audit offices alongwith the reconciled figures of expenditure. It transpired in most of cases that reconciliation was not done at its proper time. In order to punish the defaulter as desired by the Committee, a senior officer has been appointed as Enquiry Officer to proceed in the matter.

The item was deferred to be taken up with the accounts for the year 1962-63. The Department was directed to complete the reconciliation work in the meantime.

APPROPRIATION ACCOUNTS—1961-62.

(1) *Page 21, Para. 33—Opening of accounts with Private Banks—* In this case unspent balance of Rs. 6,378 out of the equipment grant of Rs. 21,000 sanctioned by the Provincial Government in April, 1961 was drawn from the treasury on 30th June, 1961 and deposited into a private bank without the sanction of Government. The amount was utilized in the next financial year upto September, 1961. Similarly a sum of Rs. 28,478 representing the unspent balances of the various grants was drawn and deposited into the same bank on 30th June, 1961. Out of Rs. 28,478 a sum of Rs. 12,246 which could not be expended upto 5th October, 1961 was withdrawn from the Bank and refunded into Government Treasury on 6th June, 1961. The amount was deposited in the Saving Bank Account but no interest was claimed for the deposits. The opening of Accounts with a private bank was not regularised with the sanction of Government.

At the meeting held on 14th December, 1967 the Department explained that before regularization of the case it was necessary to fix the responsibility for irregularities. Explanations of the officers/officials concerned were called for but these did not throw any light on the question. Hence it was considered necessary to ask a senior officer to probe into the matter. The result of the enquiry is awaited.

The Committee then decided that it would like to have a detailed report about the enquiry made in the matter and the action taken by the Department against the officials at fault. The Committee further

desired that the Department should also try and procure from the bank, where the account was unauthorisedly opened, a detailed statement of accounts showing all the Deposits as well as withdrawals and place it before the Committee.

The Department now explained that the matter has been referred to the Finance Department for regularising the irregularity. Simultaneously a senior officer has been appointed to hold the inquiry against the official responsible who is being charge-sheeted.

The Committee noted that no further progress had been made with regard to this item and the same explanation that was furnished earlier had been re-furnished once again with the addition that the Finance Department had been approached on the 1st of February, 1968 to sanction regularisation of placing all these amounts in the private Banks. The Finance Department, however, refuted that any such letter had been sent to them.

The Department also admitted that since the last meeting of the Public Accounts Committee and in view of the observations of the Committee on further enquiry being made it is suspected that there is likelihood of misuse of Government money in this case and as such detailed inquiry is being conducted by a Senior Officer of the Department. Pending finalization of the inquiry the Department would like to have some more time before they could give complete explanation to the Committee. The Committee deferred the consideration of the para. The Committee would like the Department also to explain as to why it has taken them over seven years to decide whether there has been misuse of Government money or not in this particular case. Their attention was also drawn to the other aspect of the matter wherein it was evident that this money was supposed to have been utilised in the next financial year. The Committee would like to have their fullest explanation both with regard to misuse of Government money as stated earlier and also with regard to the utilisation of the same during the next financial year, which is an irregularity in itself.

The para. would come up again before the Committee alongwith the Accounts for the year 1962-63.

(2) *Page 25, Para. 46-Non fixation of Cadre Strength*—The Committee considered the explanation submitted by the Department with regard to this item and noted that the cadre strength with regard to the non-gazetted posts had been fixed by the Finance Department,—vide their letters No. I(PR) 3-3/50 dated 11-5-60 and No. I(PR) 3-3-59 dated 10-10-1960.

As far as the cadre strength of the Gazetted posts is concerned the Department informed the Committee that this had not been fixed as yet as it was under correspondence with the Finance Department and the Services and General Administration Department. At this stage the Finance Department clarified the position *vis-a-vis* Service

Rules and the cadre strength with regard to the Gazetted posts on the Collegiate side and on the general side. Position as explained was acceptable to the Audit and the Administrative Department undertook to furnish details to the Accountant General.

The Committee felt that in view of the observations made by the Finance Department the original audit objection has now been settled and as such the para. was dropped.

(3) *Page 26, Para. 17-II-Audit of Grants-in-Aid*—As the certificate regarding Grants-in-Aid has been furnished to Audit, the item was dropped.

BASIC DEMOCRACIES, SOCIAL WELFARE AND LOCAL GOVERNMENT DEPARTMENT.

APPROPRIATION ACCOUNTS 1961-62.

(1) *Page 4, Para. 8, read with page 54-Grant No. 12-General Administration-12(1) (q)-Excess Rs. 21,102*—The Committee considered the explanation of the Department as well as the observations made by the Audit. It appeared that there was a difference in the figures as claimed by the Department and booked by the Audit, resulting in a difference of about Rs. 6,990.

The Audit pointed out that it was not possible at this late stage to reconcile the figures as the records had since been destroyed. However, the figures that appear in the Appropriation Accounts were reported well in advance to the Department,—*vide* Audit letters No. GAI/Reconl/BD/986, dated 5-6-62, GA-I/Reconl/HM/220, dated 15-6-62 and GAI/I/Reconl/HM/237, dated 3-8-62. These had not been questioned by the Department at the appropriate time.

The Committee was inclined to agree with the observations by the Audit and once again felt a necessity to stress that it was incumbent on the Departments to have the figures of their accounts re-conciled at the first available opportunity, and not to wait for long periods of time before objecting to the figures as booked by Audit.

The Committee also observed that in view of the loss of records due to fire in the Office of the Accountant General it would be necessary for the Committee now to recommend the regularisation of the excess of Rs. 21,102.

(2) *Page 4, Para. 8 read with page 55—Grant No. 12-General Administration-c-(12)—(3)-Development Advisory Council Saving Rs. 27,547*—The Department explained that the saving was due to less expenditure on travelling allowance paid to Members of the Development Advisory Council which was then in the process of being wound up.

The explanation of the Department was accepted and the item was dropped.

(3) *Page 3, Para. 5 read with page 96-Grant No. 27—Development-D-Village Aid and Community Development-Excess Rs. 12,76,292—*The Committee considered the explanation of the Department and noted that it will not be possible to consider this item in detail without the presence of the representative of the Agriculture Department.

The Department informed the Committee that they had written to the Agriculture Department to send their representative along with complete working paper with regard to this item. But on representative of the Agriculture Department was present. As such, the Committee requested the Finance Department to take up the matter with the Agriculture Department and to request them to be present when this item would be considered along with the accounts for the year 1962-63.

(4) *Page 3, Para. 5 read with pages 126-127-Grant No. 33-Miscellaneous—*

(i) *F-3-Consolidated and Development Grants to Local Bodies Saving Rs. 16,565—*

(ii) *F-4-Other Charges-Excess Rs. 1,15,770—*

As the Department contented that the Audit figures were not correct, the Committee directed the Department to reconcile the figures with the Audit. The items were deferred to be taken up along with the accounts for the year 1962-63.

PUBLIC HEALTH ENGINEERING

APPROPRIATION ACCOUNTS 1959-60

(1) *Page 181, Para. 8-Non-recovery of Wharfage and Demurrage Charges from a Contractor—*The Department stated that action has been initiated on the lines suggested by the Public Account Committee at its meeting held on 12-9-67. The Consideration of the para was deferred to be taken up along with the accounts for 1962-63 when the Department shall report the latest position.

(2) *Page 5, Para. 8, read with page 175, Grant No. 31-Civil works-Surrender Rs. 7,92,200—*The para relates to the Drainage Scheme for Hyderabad. In the meeting held on 12-9-67, the Department explained that the detailed designs 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 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 then 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. Upto 1959-60 no one knows what happened to it. In 1959-60 the scheme was prepared by the Additional Chief Engineer, Hyderabad and sent to Chief Engineer, Lahore who, in his turn, did not agree with the proposal of the Additional Chief Engineer, Hyderabad and returned it to him after 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. 2.00 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 lukewarm 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 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 the 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 the consultants and other similar administrative bottlenecks created by the Department do 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.

The Department now stated that on the formation of Public Health Engineering Department in 1961, the Drainage Scheme for Hyderabad was examined and it was found that it needed lot of changes and re-designing. Accordingly the Provincial Government decided in 1961 to appoint Consulting Engineer of International repute for preparation of scheme for submission to the World Bank for loans and aids. The Government, however, decided to give preference to Lahore Drainage Scheme and that for Hyderabad was kept pending as will be clear from Chief Engineer, Public Health Engineering Department's D.O.No. 13-C/61/871-S (1), dated 22-8-62 and eventually M/S Snell Re-public Associate were given the contract in July, 1963 for the preparation of feasibility report for Hyderabad Sewerage and Drainage Scheme. The firm furnished the report in October, 1964 which was submitted to the Provincial Planning and Development Department in November, 1964. Since then the Government has been making strenuous efforts to arrange foreign assistance in the project costing Rs. 3.92 crores (First phase of Rs. 2,57,29,000 and 2nd phase of Rs. 1,34,70,000). The Government has also provided funds to the extent of Rs. 1 lakh in local currency and Rs. 1 lakh in foreign currency for expenditure during 1966-67. In the Planning and Development Working Party Meeting held on 16th and 17th August, 1967 it was decided to rephase the scheme and bring the first phase within the limits of the above revised III plan provision. This has now been done and submitted to the Government. Necessary steps to let out the work will be taken after the scheme is approved.

In spite of the lengthy statement given by the Department, the Committee was still of the opinion expressed earlier by it that an essential scheme of providing drainage in an important city like Hyderabad should not have been handled in a manner whereby it was being shunted between the Department, the Provincial Development Working Party and also the Central Government. The Committee also noted that at one stage about 15 years back, the then Sind Government had appropriated substantial amount of money to start the scheme. But after the integration of Sind into West Pakistan, the Government decided to appoint consultants to have the whole scheme replanned and to implement it after all the formalities had been completed. The Committee felt that perhaps the people of

Hyderabad would by now have had a proper drainage scheme, had the money provided by the Sind Government been utilized in time and had the Department, from time to time, proceeded further rather than playing around with it in the manner in which it is being done. The Committee would once again stress the importance of this scheme for the people of Hyderabad and hope that the Department would ensure that the scheme now having been sanctioned by the Provincial Development Working Party and the first phase having been approved, and sum allocated, all hurdles should be speedily removed and the work taken in hand at the earliest.

Subject to the above observations, the Para. was dropped.

APPROPRIATION ACCOUNTS—1960-61

Page 3, Para. 5, read with page 419, Grant No. 37—Capital outlay on Improvement of Public Health—

(i) *Hyderabad Water Supply Scheme, Saving Rs. 3,03,347*—In the meeting held on 14th December, 1967 the Department explained that there was an allotment of Rs. 10,50,000 for the work of Bulk Water Supply Scheme at Hyderabad and expenditure upto the tune of Rs. 9,92,560 was incurred during the year 1960-61. The main component parts of the scheme were completed by the end of April, 1961. Since the scheme was fully completed by the end of April, 1961 further expenditure during that year was not to be incurred, therefore a saving of Rs. 57,440 occurred. The balance lapse of Rs. 2,45,907 was due to the fact that imported materials were being received for the Project from London through the Pakistan High Commissioner from 1955 to 1960. No debits were, however, received for this material throughout this period. As required under rule 344 and 345 of C.P.W.A. Code, cost of such material was being booked simultaneously with the receipt of material on the basis of estimated cost. The debit for all this stuff was received in 1960-61 which fell short of Rs. 2,45,907 and was adjusted in June, 1961 (II Supplementary Account). This created a minus debit to the work in the year 1960-61. Hence this lapse took place. This was beyond the control of the Department and neither was there any time for surrendering this amount.

The Audit pointed out that the explanation of the Department that saving of Rs. 2,45,907 is the result of acceptance of debit during 1960-61 is incorrect. In fact the Department carried out the adjustment of excessive credits made to purchase during June, 1956 to March, 1958 by debit to work concerned. These adjustments could easily be carried out during June, 1956 to March, 1958. The Department should also get it verified that the credits afforded to this work actually relate to it as the adjustment carried out does not disclose these facts.

The Committee then deferred the consideration of th para. and directed that, in the mean time, the Department should verify it in the light of the Audit comments and submit detailed explanation in the next meeting.

The Department now explained that lapse of Rs. 2,45,907 occurred due to drawal of a T.E.O. No. 9 of October, 1961 adjusted in June, 1961 (II Supplementary accounts). Balances of many items remaining outstanding in the suspense head "purchases" were cleared by affording minus credit to "purchases" and contra minus debit to "Bulk Water Supply Scheme, Hyderabad" to which the cost was originally debited through subsidiary purchase account prepared on probable rates in terms of para. 346 of C.P.W.A. Code. The material was received in the month of June, 1955, March, 1958 and January, 1959. Payment to suppliers was to be made by the High Commissioner for Pakistan in U.K. and Accounts Officer, Industries, Supplies and Food, Karachi according to the terms of contract by debit to stock through Director, Audit and Accounts (Works), West Pakistan, Lahore who on receipt of debit had to pass on the debit to the concerned Division for final adjustment. Certain debits were not received from Director, Audit and Accounts (Works), West Pakistan, Lahore.

The Department contended that it noticed the difference of cost in May, 1961 whereafter no more debts were anticipated and for this reason the Department had to adjust the remaining balance as per para. 346 of C.P.W.A. Code. This adjustment when carried out caused a saving of Rs. 2,45,907 on the work of Bulk Water Supply Scheme, Hyderabad. This could not be avoided being the requirement of rules. The department could not foresee these differences before May, 1961 because the Audit office did not intimate the actuals before this month. The Department also could not defer the adjustment till 1961-62. The Codal rules require the adjustment to be carried out as soon as known, hence its postponement would have rendered the department liable for the disregard of codal requirements viz. rendering the account of work as unrealistic. A reference to the monthly accounts of June, 1956, March, 1958 and January, 1959 will reveal that the material was charged to various component parts of Hyderabad Bulk Water Supply Scheme phase-I (Debit to Bulk Water Supply Scheme, Hyderabad Phase-I and credit to purchases). The fact that these balance actually pertain to this work is also proved from the copy of schedule of purchases supplied to the Audit as well as the account of payments made by the High Commissioner for Pakistan in U.K. and Accounts Officer, Industries, Supplies & Food, Karachi.

The Audit pointed out that the adjustment of items which resulted in saving of Rs. 3,03,347 were lying unadjusted since June,

1956 to March, 1958. The provision for their clearance should have been made in the Budget estimates.

The Committee accepted the explanation subject to the remarks that in future all such schemes should, as far as possible, be included in the manner as prescribed. The para. was dropped.

(ii) *Drainage work at Hyderabad—Saving Rs. 2,00,000*—The Department explained that there was a total grant of Rs. 15,00,500 out of which a sum of Rs. 13,00,500 was surrendered through the 2nd list of Excesses & Surrenders, keeping back Rs. 2,00,000 for payment to consultants. But the amount could not be spent as the consultants could not be appointed till the end of the financial year. This resulted in the lapse of Rs. 2,00,000. The full history of the case of Drainage Scheme Hyderabad has been explained under the relevant para. for the year 1959-60 wherein it has been explained that the appointment of consultants for this work had to be postponed till the consultants for Lahore Water Supply and Drainage Project were appointed. This had been done in July, 1963, and their report was submitted in April, 1964.

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

(iii) *Drinking Water Supply in Ghulam Muhammad Barrage Area—Saving Rs. 6,58,598*—

(iv) *Tools & Plant Pro-rata—Saving Rs. 38,800*—These items were considered by the Committee at its meeting held on 14th December, 1967 when the Department contended that the work had been executed by A.D.C. and the funds were placed directly with them. The Committee then decided that the saving should be explained by the Agricultural Development Corporation. The Department now stated that the Deputy Chief Engineer (Irrigation) Ghulam Muhammad Barrage had been apprised of the decision of the Public Accounts Committee and he had been requested to explain the saving to the Committee through proper representative but A.D.C. neither submitted any working papers nor deputed any representative to the meeting. The items had to be deferred to be taken up at the next meeting of Committee to be held on 17th April, 1968 when the Agricultural Development Corporation should submit the working papers through the Public Health Engineering Department.

(v) *Total Surrender, Drainage Scheme at Hyderabad—Surrender Rs. 13,18,870*—The Department explained that the Central Development Party who was to clear the Hyderabad Drainage Scheme decided in March, 1961 that the Scheme prepared by the Department be dropped and that the scheme should be re-drawn with proper technical appraisal and consultants report. The amount had, therefore, to be surrendered.

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

(vi) *Hyderabad Water Supply and Drainage Scheme—Less Recovery Rs. 5,57,089*—As the recovery has been made and included in the Appropriation Accounts for 1964-65, the item was dropped.

(2) *Page 4, Para. 8, read with page 234—Grant No. 12—Public Health, Excess over Authorised grants Rs. 23,48,864—*

(3) *Page 7, Para. 12, read with page 234—Surrender Rs. 58,790—* The matter was last considered by the Committee at its meeting held on 14th December, 1967, when the Department had explained that the Communications and Works Department had been moved for the transfer of the record.

The Department now explained that the matter of collection of the relevant record from the Communications and Works Department has been vigorously pursued with that Department and after a great deal of efforts the Communications and Works Department has stated that the record in question relates to the year 1960-61 when the subject was dealt with by the Ex-Chief Engineer, West Pakistan, Buildings and Roads Department, Lahore i.e. as old as 6 years and that they have not been able to trace out the relevant record. The Department has again requested the Communications and Works Department to make another effort to trace the records.

The consideration of these paras. was deferred to be taken by the Committee at its meeting to be held on 17th April, 1968 at 9.00 A.M.

(4) *Page 21, Para. 25—Expenditure incurred in excess of Deposit received—*The Department requested for more time to be given to them to enable them to furnish detailed explanation to the Committee. The Committee acceded to the request of the Department. The Para. was deferred to come up again when the Committee considers the accounts for the year 1962-63.

APPROPRIATION ACCOUNTS—1961-62. (PUBLIC WORKS GRANTS)

(1) *Page 2, Para. 5, read with page 106—Grant No. 36—Capital Outlay—Saving Rs. 12,71,530—*

(2) *Page 3, Para. 8, read with Page 91—Grant No. 28—Civil Works—Saving Rs. 2,69,216—*The Department in the first instance explained that the total grant of Rs. 52,79,000 and the total expenditure of Rs. 40,07,470 is inclusive of the T & P charges of

Rs. 2,69,216. The actual position of expenditure under the work head and T & P head is, therefore, as under:—

	Final Grant	Expenditure	Saving
(a) Works	44,79,000	31,76,698	10,02,314
(b) T&P <i>Pro-rata</i>	2,00,000	5,30,784	2,69,276
Total	52,79,000	40,07,470	12,71,530

The Committee then considered the work-wise explanation of the saving of Rs. 10,02,314. at (a) above.

(i) *Hyderabad Water Supply and Drainage Scheme—*

Allotment=Rs. 5,00,000.

Expenditure=Rs. 1,35,891.

Saving=Rs. 3,64,109.

The item was deferred to come up again alongwith the Accounts for 1962-63

(ii) *Basic Survey for Urban Water Supply Scheme—Saving Rs. 13,415,—*

(iii) *Lahore Drainage and Sewerage Scheme—Saving Rs. 1,262,—*

(iv) *Basic Survey for Rural Water Supply Schemes—Saving Rs. 3,992,—*

Saving in above cases being within prescribed limit, the items were dropped.

(v) *Water Supply Scheme, Kazi Ahmed—Saving Rs. 71,193—*

The Department explained that the lapse in this case was due to the fact that the Civil Authorities could not acquire the land from its owners who were to give it as a gift to the Department because one of the conditions of aid for establishment of the Rural Water Supply Scheme was that the Local contribution will be in the shape of free land. Unless the possession of land was taken funds for construction could not be utilized. Delay in acquiring land was perhaps due to the fact that Mr. Dost Muhammad Khan, who had agreed to give the land as gift was subsequently not found to be the real owner of the land. Therefore, the land could not be acquired earlier. Arrangement of land was the function of Civil authorities and not of this Department. Efforts were made to get hold of previous correspondence with the Civil authorities on the

subject but unfortunately no records could be made available. The amount, however, was not surrendered as it was expected that possession of land would be given and immediately thereafter funds could be utilized.

The Department further stated that expenditure of Rs. 23,607 was made on the purchase of pipes.

The explanation was found satisfactory and the item was dropped.

(iv) *Water Supply Scheme, Tando Jam—Saving Rs. 98,601—* The Department explained that the estimate was technically sanctioned on 6th September, 1961 and tenders were invited on 11th January, 1962 and again on 18th April, 1962. No suitable contractor came forward to undertake the work and moreover the land was acquired on 23rd July, 1962. Therefore, full funds could not be utilised in 1961-62. The funds were not surrendered in the hope that a good contractor would be available and possession of land would be transferred in time and funds utilized.

The Committee felt that further details should be supplied to the Committee with regard to two tenders, which were invited for this very job and subsequently cancelled. The rates quoted in the two tenders by the various tenderers as well as the rates finally accepted for carrying out the work and the method by which this was done should be supplied to the Committee at the next meeting. The Committee would also like to have details of the efforts made by the Department to procure the land within the year so as to see whether efforts for procurement of land were in hand at the time when the tenders were initially invited. The item was deferred to be taken up alongwith the accounts for 1962-63.

(vii) *Water Supply, Tando Muhammad Khan—Saving Rs. 82,231—* The Department explained that the piece of land for Water Supply, Tando Muhammad Khan could not be acquired during 1961-62, therefore, the funds could not be utilized in full. After trial boring at a number of sites a piece of land was selected and immediately thereafter correspondence was started in January, 1962 between Public Health Engineering Department, Civil Authorities and the owner of the land. The Additional Deputy Commissioner, Hyderabad informed the department that the piece of land already decided upon was taken away under Martial Law Regulation No. 64 and advised this Department to approach Chief Land Commissioner, West Pakistan for purchase of land direct. As this intimation was received too late the funds could not be surrendered.

The Committee failed to understand as to how out of a total amount of Rs. 2,83,990, a sum of Rs. 2,01,759 could have been spent on the scheme when the land had not been acquired by the Department

Furthermore, it was not clear from the explanation submitted by the Department as to whether the amount to be paid for the purchase of land was included in the amount of Rs. 2,83,990 which had been allotted for scheme. The oral contention of the Department that the land was to be received free by way of gift, was not acceptable to the Committee as the copy of the letter No. 9573, dated 15th February, 1962 from the Additional Deputy Commissioner, Hyderabad to the Department, as well as the Department's own written explanation, made it abundantly clear that the land was to be purchased. The Committee would, therefore, like the Department to furnish a detailed explanation on these points alongwith the break-up of total expenditure incurred for consideration when the accounts for the year 1962-63 are taken up by the Public Accounts Committee.

(viii) *Water Supply Scheme, Jamesabad—Saving Rs. 2,24,858—* The Department explained that the funds lapsed due to the fact that the land required for the scheme was not handed over by the Assistant Director, Basic Democracies, Mirpur Khas. It was expected that immediately on acquisition of land construction will be started and full funds utilized but as possession of land could not be taken, part of funds lapsed. The funds were not surrendered in the hope that work will be started as soon as possession of land is received.

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

(ix) *Water Supply scheme, Rato Dero—Saving Rs. 42,819—* The Department explained that the work could not be completed due to non-receipt of pipes from abroad and as the material was expected within the financial year, the funds could not be surrendered.

The Committee observed that here the Department stated that pipes were not available for this particular scheme when in an earlier explanation (Water Supply Scheme, Kazi Ahmed) the Department had stated that pipes were available. Since this also pertains to the same period, the Department should furnish detailed explanation to the Committee as to how pipes were available for one scheme and not available for the other. The item should come up again before the Committee when it considers the Accounts for 1962-63.

(x) *Water Supply Scheme, Tajori—Saving Rs. 57,862—* The Department explained that as the land was not arranged by Revenue authorities, construction could not be made and hence funds lapsed. The funds could not be surrendered as land was expected to be made available during the financial year.

The Committee directed the Department to furnish details of expenditure of Rs. 23,768 under this Scheme. The item was deferred to be taken up alongwith the accounts for 1962-63.

(xi) *Water Supply Scheme, Lalamusa—Saving Rs. 4,745—*

(xii) *Water Supply Scheme, Mirpur Khas—Saving Rs. 144—*

(xiii) *Water Supply Scheme, Qamar Munshi—Saving Rs. 62—*

The saving being within prescribed limit, the items were dropped.

(xiv) *Water Supply Scheme, Mochi Wala—Saving Rs. 37,515—*

The Department explained that when the variation was noticed in the early stages the revised estimate was got sanctioned before incurring any liabilities against such items. The funds were not surrendered in the hope that these formalities will be completed in time and the work executed. The Executive Engineer concerned has, however, been warned to be more careful in future over such matters.

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

(xv) *Improvement of Drinking Water Supply in Civil Saria Miran Shah—Saving Rs. 24,954—*The Department explained that this work was executed by the Communications and Works Department and the reasons for the saving have been asked for from that Department.

The Committee deferred the consideration of this item to the next meeting when the Accounts for the year 1962-63 are considered.

(xvi) *Water Supply Scheme, Khadrabad—Saving Rs. 753—*

(xvii) *Water Supply Scheme, Warburton—Saving Rs. 8,011—*

(xviii) *Water Supply Scheme, Lulliani—Saving Rs. 6,453—*

(xix) *Water Supply Scheme, Uch Sharif—Saving Rs. 155—*

(xx) *Water Supply Scheme, Sher Sultan—Saving Rs. 4,176—*

(xxi) *Water Supply Scheme, Khangah Dogran—Excess Rs. 716—*

(xxii) *Water Supply Scheme, Fazilpur—Saving Rs. 447—*

(xxiii) *Water Supply Scheme, Katcha Khuh—Excess Rs. 650—*

Savings nad Excesses in the above cases being nominal, the items were dropped.

(xxiv) *Water Supply Scheme, Paroa—Saving Rs. 48,643—*

The Department explained that the work could not be completed due to non-receipt of pipes from abroad and as the material was expected within the financial year the funds could not be surrendered.

The Committee asked the Department to give full details about the work. The item was deferred to be taken up alongwith the accounts for 1962-63.

- (xxv) *Water Supply Scheme, Lawa—Saving Rs. 1,290—*
 (xxvi) *Water Supply Scheme, Naryab—Excess Rs. 2,020—*
 (xxvii) *Water Supply Scheme, Qazian—Nil—*
 (xxviii) *Drinking Water Supply Scheme in Ghulam Muhammad Barrage area—Excess Rs. 4,705—*

The savings and Excesses being nominal, the items were dropped.

(b) *Tools and Plant Pro-rata (Grant No. 28 Civil Works)—Saving Rs. 2,69,216—*The Department explained that the expenditure under T & P is booked on the basis of *pro-rata* distribution. Since the actual expenditure booked on the schemes lapsed due to the reasons explained above, there was naturally a saving under T & P because this is to be in proportion with works expenditure.

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

(3) *Page 37, Para. 130—Excess payment—*In this case an agreement to execute a work was drawn by the contractor which included an item of work to be done at Rs. 33 per 1000 cft. Subsequently the rate of this item of work was enhanced to Rs. 130 per 1000 cft. through an extra item statement sanctioned by the Additional Chief Engineer. According to the terms of the agreement the extra items statement was to include only those items which were not specified in the agreement. By allowing the increased rate of Rs. 130 an excess payment of Rs. 8,191 was made to the contractor.

The matter was last considered by the Committee at its meeting held on 14th December, 1967 when the Committee directed the Department to hold a joint enquiry with Audit and the Finance Department. As no progress has been made, the consideration of this item was deferred to the next meeting when the Accounts for 1962-63 are considered.

(4) *Page 3, Para. 5 read with Page 18 (Appropriation Accounts—other than P.W. Grants) Grant No. 27—Development—M. Public Health—Saving Rs. 37,961—*The Department explained that this item pertains to the Communications and Works Department and not the Public Health Engineering Department. The Committee decided to refer the item to the Communications and Works Department.

IV. The Committee then adjourned to meet again on Wednesday the 6th March, 1968 at 9.00 A.M.

LAHORE:

ZAIN NOORANI

CHAIRMAN,

The 5th March, 1968 } Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING
COMMITTEE ON PUBLIC ACCOUNTS HELD ON 6TH
MARCH, 1968 AT 9-00 A.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 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) Syed Imran Shah, C.S.P., Additional Secretary to Government of West Pakistan, Finance Department. | Expert.
Adviser. |
| (7) Mr. Nuzhat Hussain, P.A. & A.S., Director, Audit and Accounts (Works), West Pakistan. | By Invitation. |
| (8) Mr. Ahmed Hassan, P.S.E.I., Secretary to Government of West Pakistan, Irrigation and Power Department along with Chief Engineers of Various Zones. | By Invitation. |
| (9) Mr. Sarshar A. Khan, C.S.P., Chief of Agriculture Division, Planning and Development Department. | By Invitation. |
| (10) Mr. Amir Ahmed Khan, Secretary to Government of West Pakistan, Agriculture department along with Chief Engineer of Agricultural Development Corporation. | By Invitation. |
| (11) Mr. Nasir Ahmed Virk, Deputy Secretary, Board of Revenue Land Utilization Department along with Mr. Shahdad Khan, P.C.S., Revenue Officer, Ghulam Muhammad Barrage Project. | By Invitation. |
| (12) Mr. M.A. Rashid, T.Pk., C.S.P., Member Finance, WAPDA. | 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 resumed consideration of the Financial Review of the Lower Sind Barrage appearing in para. 17 (a) 89 (i) of the Appropriation Accounts for 1960-61 which was last

considered by the Committee on 4—6th May, 1967 when the Committee had made its observation on the following points:—

- (1) Increase in cost of the Project;
- (2) Productivity of the Project;
- (3) Fall in revenue; and
- (4) Pace of colonization operation alongwith provision of Irrigation facilities in the area;

The Committee had also made certain suggestions regarding:—

- (i) grant of subsidy or loans for building of houses by the colonists;
- (ii) providing mobile workshops paying regular visits to the farms where machanised cultivation is being done for attending to the minor repairs of machines on the spot;
- (iii) grant of tax holiday for agricultural operations;
- (iv) standardization of agricultural machinery;
- (v) production of small tractors;
- (vi) providing more means of transport and communications;
- (vii) setting up of regular 'chaks' in the Barrage area and to provide adequate educational and medical coverage for the population;
- (viii) absentee landlordism;
- (ix) Allotment of economic holdings in new barrage areas to the people living upon below subsistence and uneconomic holdings in the older districts of the province.

The Committee noted that representatives of the Irrigation and Power Department, Agriculture Department, Agricultural Development Corporation, Planning and Development Department and Land Utilization Department were present.

Regarding the first point whether the Drainage Project of the Scheme sanctioned separately at a cost of Rs. 15 crores should be taken as a part of the main Project in which case the total cost of the Project would be much higher, the Irrigation and Power Department stated that the Drainage Scheme Phase I, was an outcome of subsequent thinking after the development of the Irrigation Project and therefore, to consider the scheme as a part of the original Ghulam Muhammad Barrage Project would not strictly appropriate. Further if Department agrees with the contention of the Audit that the cost of the Drainage Scheme should be included in the main project because by introducing the Drainage system in the Ghulam Muhammad Barrage area the condition of land would improve with a consequent improvement in the produce of various crops, then the following

connected operations being undertaken by the Agriculture/Co-operative Department should also be included in the Project : —

- (i) Intensive use of fertilizers.
- (ii) Change of cropping pattern as suited to certain areas.
- (iii) Plant protection.
- (iv) Extension services including training centres and other facilities to settlers.
- (v) Co-operative societies and loans from banks.
- (vi) Construction of mandi towns, communications and supply of seeds, etc., etc.

This matter is however to be examined by the Finance Department as decided by the Committee and it would be for that Department to take further action in the matter.

As regards the second point the Irrigation and Power Department stated that the Department could not offer any comments till the reconciliation of figures of revenue and expenditure between the Audit, Agricultural Development Corporation and the Board of Revenue was completed which has not been done so far.

As regards the third point regarding fall in assessment when the area under cultivation was increased the Irrigation and Power Department stated that it could be explained by the Board of Revenue. The Department further stated that the question of recovery of arrears from the defaulters, was also a concern of the Board of Revenue which is entrusted with the task of collection of revenue. The Irrigation Wing of the Agricultural Development Corporation has, however, referred the question of re-verification of the areas released for cultivation to the quarter concerned and these figures are under verification by the Deputy Chief Engineer, Ghulam Muhammad Barrage.

As regards the fourth point regarding colonization operations the Irrigation and Power Department stated that it concerned the Agricultural Development Corporation which has a Colonization Officer under the control of Project Director, Ghulam Muhammad Barrage. The Agricultural Development Corporation Irrigation staff is collecting the actual figures of the Nakabuli released area which are receiving irrigation facilities under the canal system.

The Director, Audit and Accounts (Works), West Pakistan, pointed out that provision for Drainage was as under in the successive financial forecasts :—

		Rs.
Original Financial Forecast	...	96,01,100
1st Financial Forecast	...	1,08,27,000
2nd Financial Forecast	...	1,26,40,686
3rd Financial Forecast	...	1,26,95,000

In the fourth revised financial forecast provision for drainage has been made in respect of the following Canals:—

	Rs.
1. Kalri Bhagar	11,39,800
This provision has been excluded from the following Canals:—	
(1) K. B. Feeder System.	
(2) Pinyari.	
(3) Fuleli.	

In the 3rd financial forecast the provision for drainage was also made on the following Canal:—

	Rs.
1. Kalri Bhagar	1,26,95,000

It has been stated that the question of Salinity Control was being tackled on West Pakistan basis and Messrs. Hunting Technical Services were appointed to prepare a report on this problem. It has further been stated that the question is under consideration of WAPDA. The Hunting Technical Services estimated that Rs. 3,46,39,000 would be the Capital cost of drainage for the Ghulam Muhammad Barrage area,—vide page 46 of their Report Volume II. It has been stated in the Project Director's D.O., dated 26-2-1968 that in the 5th Financial forecast Rs. 15.26 crores have been provided for Drainage. It is not clear whether this amount of Rs. 15.26 crores is to be spent by the Agricultural Development Corporation or by WAPDA. It is also not clear whether this is the overall expenditure to be incurred on the drainage scheme throughout West Pakistan or only in the Ghulam Muhammad Barrage because the figures of Rs. 15.26 crores is nearly five times higher than the figures of Rs. 3.46 crores given by the Hunting Technical Services Limited. Audit considers that the cost of Drainage cannot be excluded from the total cost of the Project on the plea that the question of salinity and Water-logging is being tackled on West Pakistan basis. The question of Salinity Control and Water Logging is being tackled on West Pakistan basis because it has assumed alarming proportion and effective steps are necessary to check Salinity and Water Control. In the context of construction of the Barrage, the fact that question of Salinity Control and water-logging is being tackled on West Pakistan basis, does not justify the exclusion of its cost from the Barrage. The two issues are quite separate and Audit is insisting that cost of Drainage be included in the cost of the Barrage in order to determine whether the standard of productivity would be achieved by the Barrage or not. The financial aspect is not to be linked with the technical question of Control of Salinity and Water logging on West Pakistan basis.

The Committee decided that as decided by the Committee at its last meeting.

(i) The Finance Department should expedite the examination of the question whether the cost of Drainage Project should be taken as a part of the main Project;

(ii) The Finance Department should see how they are going to pay the annual interest charges on capital investment till such time as the Project becomes remunerative and the Departments concerned and the Audit should reconcile their figures of revenue and expenditure;

(iii) The Board of Revenue and the Finance Department should look into the question of fall in assessment and the recovery of arrears of revenue.

As regards the fourth point, the Revenue Officer, Ghulam Muhammad Barrage Project, Hyderabad stated:—

“(1) The discrepancy in the figure of the released area has been reconciled with the Irrigation Department. The up-to-date figure of the released area as agreed upon by both the Irrigation and Colonization Departments comes to 12,87,399 acres. It will thus appear that there is a difference of 75,000 acres in the previous and the present figure if the previous figure of the released area as supplied by the Revenue Officer is taken into consideration. There will be a difference of 1,19,000 acres if the figure of the Irrigation Department is taken into consideration. In the figure of the released area as previously supplied by the Revenue Department an area of 32,000 acres of Inland Forest was not taken into consideration because the Colonization Department is mainly concerned with the figures of Nakabuli (Government) Land. The figures in respect of about 6,000 acres released on Phuleli Head Works were also not received from the Irrigation Department. Thus the total short fall in the previous figure of the released area as supplied by the Colonization Department comes to 37,000 acres which is due to the mistakes in compilation of the details of the contiguous area of 1,31,000 acres released in 1959-60. The details of the disposal of released area of 12,87,000 acres are as under:—

	Rs.
Total released area in round figure	12,87,000
Area involved in Huntings report where disposal is banned.	87,000
Net available released area for disposal.	12,00,000
Area disposed of upto 1965	10,21,000
Area disposed of during 1967	31,000

	Rs.
Area included in the new schedules for future disposal.	98,000
Area reserved for categories who have not shown interest to take up the land which is at present being disposed of on three years' lease.	50,000

From the above it would appear that the Colonization has not lagged behind the Irrigation Programme. On the contrary in view of the earlier instruction of the Board of Revenue contained in their endorsement No. 2650/61-2-II-GMB, dated 19-8-1961, an area of 2,02,000 acres was disposed of during 1960-61 out of the unreleased area.

The disposal of land stopped during 1965-66 and re-started in June, 1967 but was subsequently postponed from 4-10-1967 to 15-5-1968 on the ground that Ghulam Muhammad Barrage area was declared as calamity affected and the local abadgars had no money to compete in auctions or otherwise purchase the land. The disposal of land will again start after 15-5-1968. Out of the area of 50,000 acres which is reserved for Government Servants, Mangla Dam displaced persons, Ruling Chiefs of Kathiawar States, President's special recommendees etc., 17,000 acres have been given on 3 years' lease to bring the area under cultivation and it is expected that some more area will be leased out during March and April, 1968.

(2) The cultivation figures on Agricultural Development Corporation side are supplied by the Irrigation Department. The cultivable area under the command of Ghulam Muhammad Barrage is 28, 06,800 acres out of which 11,53,520 acres are kabuli and 16,53,280 acres are nakabuli. The total area of 14,45,645 acres brought under cultivation during 1965-66 is from kabuli and nakabuli area and therefore this figure can not be compared with the figures of allotment. There might be instances of unauthorized cultivation on Government land also, but such cases are dealt with by the Revenue Department (i.e. Taluka Muhkhtiarkars and Deputy Commissioners of the District)."

With regard to nine suggestions made by the Committee the Departments explained as under:—

(i) It is true that the Colonization does not mean the disposal of land only but also the proper settlement and well being of the settlers. It is also true that some financial assistance to the settlers particularly the peasant class may be given to stand on their footings. The Government have provided enough facilities to the settlers in Ghulam Muhammad Barrage for obtaining loan/credit. They can have loan from the Agricultural Bank against the initial deposit and the

amount repaid in instalments and they can also have Taccavi loan from the Deputy Commissioner of the District. Taccavi loan of Rs. 1,000 is advanced to a settler (hari grantee) after the land is allotted to him for utilization as under:—

- Rs. 400 for construction of houses;
- Rs. 300 for purchase of Bullocks;
- Rs. 100 for purchase of seed;
- Rs. 100 for purchase of fertilizer; and
- Rs. 100 for food stuff.

(ii) It is a fact that colonists are facing difficulties in getting their tractors repaired in absence of technically sound mechanics in the area and the dearth of Workshops. There are about 450 wheel type tractors privately owned and managed by the land-lords in Ghulam Muhammad Barrage area and they are spread over in the Project area. The visits of mobile Workshop to each and every tractor would mean heavy cost. Instead, it was suggested that we should have properly trained mechanics available at various Centres who, on demand from Zamindars could proceed to visit the sites on public conveyance, check the tractors and carry out repairs on the spot where the replacement of parts is not involved, but only minor repairs and adjustments are required. In case the replacement of parts was involved or some parts needed repair, the mechanic could draw out the list of the spare parts for the Zamindars to procure. However, liaison could be kept in between the firm and the Zamindar to help the Zamindar in procurement of the parts. If the tractors needed major repair, where the workshop facilities were required, these could be brought to the nearest workshop for necessary repairs. This way the Zamindars would get cheap services. Under this arrangement Zamindars would be required to register the particulars of the tractors owned by them in the nearest Workshop. Repair facilities to the tractors of Zamindars would be available to them on cost basis.

(iii) The Tax Holiday concession is allowed in Ghulam Muhammad Barrage area for a period of 3 years. A grantee of the new area which has not been brought under cultivation or has remained un-cultivated continuously for 8 harvest seasons in the past is exempted from the payment of Land Revenue, water rate, etc., for a period of 3 years and in fact he has nothing to pay to Government for any cultivation raised on that land during 3 consecutive years. The grantees are also allowed 4 years grace period for the payment of Malkana instalments on the land acquired by them. They are also allowed concession in deserving cases for postponement for shifting of the instalments.

(iv) Government have already standardized some wheel type tractors for the Agriculture purposes in our country. When we get different Aids/Loans where we have to buy the Agriculture Machinery

manufactured by the Aid giving countries, it is difficult to impose restriction on the import of the equipment other than already standardized. There is an Assembly plant for Massey Ferguson tractors in Karachi and the establishment of Assembly plant for Zadrugar tractor is under the active consideration of Government. In absence of steel mill we can not manufacture most of the components but have to depend on the imports. In case of establishment of Assembly Plants, the parts will be easily available but it is a good idea to make it compulsory that the fast moving spare parts to the extent of 20% be imported alongwith the tractors and 10% every year in the subsequent years for the estimated economical life of the tractors.

(v) In the command of the Ghulam Muhammad Barrage area the soil is very heavy and there is hardly any scope for the small tractors to become popular. Mainly they will not be able to break through the soil efficiently. The small tractors could be usefully employed under conditions where the soil for most of the year is moist and the working conditions require less draft on the plough, just as in East Pakistan. The peasants of small holdings should be encouraged to pool their resources and work on co-operative basis so that the collective holdings justify the expenditure involved under mechanization.

(vi) The roads in Ghulam Muhammad Barrage Project were transferred to Agricultural Development Corporation in the year 1961-62. At the time of taking over of this road construction programme by Agricultural Development Corporation 122 miles of roads were existing. As per programme taken up by Agricultural Development Corporation 351 miles of pucca roads and 396 miles of katcha roads were to be constructed during the first phase i.e., years 1960-65. The katcha roads which were to be constructed in the first phase (during 1960-65) were to be made pucca during the 2nd phase i.e. years 1965-70. In this programme 19 pucca and 19 katcha roads were to be constructed. Besides this, two more roads were approved by the Government to be constructed as pucca roads which were not included in the original Road Master Plan. The length of these two roads being 29.5 miles, the total mileage of roads taken up by Agricultural Development Corporation became 380.5 miles katcha. The progress of the work done so far is as under:—

Total mileage	Pucca roads		
	380.5 miles	425.5 miles	
Length of roads completed upto 31st December 1967.	215.5	263.0	
Roads in progress (included in A.D.P. 1967-68 and 1968-69).	47.0	10.0	*The difference in length is due to change in mileage of certain road
Balance work under programme after 30th June 1969.	12.58	158.5	
Total length of roads	*390.5	*431.5	

The road programme is not keeping pace with the targets fixed as per approved P.C.I. *pro forma*. The main reason for this is that funds are not allocated by the Government as per demands of the Department. The figures given below will clearly show this position:—

Year	Funds demanded by Department	Funds allocated by Government
	(In lacs of Rs.)	(In lacs of Rs.)
1961-62	N. A.	57.24
1962-63	104.14	68.00
1963-64	100.00	75.00
1964-65	93.81	85.00
1965-66	177.39	45.00
1966-67	115.88	45.28
1967-68	215.10	38.00
1968-69	200.97	45.00

(vii) According to the Master Plan, 330 chaks are to be established in Ghulam Muhammad Barrage area for settlement of the Colonists. Out of them 222 chaks have already been established. The Education and Health Departments are not under the administrative control of the Agricultural Development Corporation. On the request of the Agricultural Development Corporation the Education Department had opened schools in 85 chaks and the Health Department had opened 10 Rural Centres at Mandi Town in Ghulam Muhammad Barrage area. The chaks are mostly inter-connected with each other and ultimately with big towns and Mandi Centres where educational and other facilities are available.

(iii) The land disposal policy is framed by the Board of Revenue (Land Utilization Committee) and the terms and conditions of the grant to each category are also framed by them. According to the terms and conditions attached to the grant other than peasants, the

grantee has to reside permanently in the village abadi. He has to build a residential house within 12 months of the date of execution of the agreement or delivery of the possession of the land. If the grantee is reside there permanently. Beside the grantees have to bring the entire land of their grants under cultivation within 3 years. Similarly the hari grantee has to reside in the chakabadi permanently within 6 months of the date of grant of land and has to bring entire land of his grant under cultivation. In case of infringement of the conditions of the grants, action for their cancellation is being taken after issuing show cause notice and hearing the grantee concerned. About 30,000 acres have been made available as a result of cancellation on account of infringement of conditions. The Land Utilization Committee, Board of Revenue, West Pakistan in its meeting held on 3-11-1967 have allocated 50,000 acres more area for landless haries (Peasants). The original allocation of this category was 2,58,000 acres and it had now been increased to 2,62,342 acres. The question of removing of restriction for purchase of land by owner (Muhagdar) is under consideration with the Land Utilization Committee.

The Committee regretted to note that the Board of Revenue did not place before the Committee their views on the Committee's suggestion regarding allotment of economic holdings in new barrage areas to the people living below subsistence and un-economic holders in older districts of Province. The Committee hoped that the Government will give due consideration to the Committee's suggestion.

Subject to the above observations the para. was dropped.

III. The Committee then considered the explanation of the Irrigation and Power Department in respect of the following items:—

APPROPRIATION ACCOUNTS 1958-59

(1) Page 30, Para. 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 23-1-1967 when the Department requested for more time for further examination in the Department itself. According to the Department the facts of the case are as follows:—

The tractors were to complete guaranteed operation of 100 hours but they started giving trouble from the very start. A Committee was appointed by the Chief Engineer, Irrigation West Pakistan to investigate the causes for the failure of these tractors which attributed the cause of the failure to their inherent defects and their being suited for use only in the cold countries. On receipt of the Committee's report the supplier agreed to undertake the repairs of these tractors but according to the Audit instead of using their own spare parts the

but according to the Audit instead of using their own spare parts the supplier consumed spare parts worth Rs. 66,886 belonging to the Department. Thus Audit took two objections one regarding the wastage of foreign exchange worth Rs. 63.2 lacs in purchasing the Vickers tractors which did not prove successful in Pakistan and Secondly non-recovery of the cost of the spare parts worth Rs. 66,882 used by the supplier in subsequent repairs to the tractors. On receipt of the Audit objection the Department scrutinized the records again and found the following priorities were laid down in the original indent placed by Chief Engineer, Irrigation, West Pakistan through Secretary to Government of West Pakistan, Development and Irrigation Department in December, 1956 on the Director-General, Supplies and Development, Government of Pakistan, Karachi:—

- (1) Cater-Pillar.
- (2) International.
- (3) Vickers.

The Vickers being of relatively smaller capacity, a note was inserted in the indent that if these were indented the numbers should be enhanced to 117 against 90 numbers for other tractors. At the same time another note appeared in the indent which read as under:—

“Type of machines to be purchased in the order of priority are
 (1) Cater-Pillar; (2) International Harvester and
 (3) Vickers. Director-General, Supply and Development cannot be allowed to enable purchase without having been agreed to the type of machine to be used”.

In January, 1957 a revised indent was submitted by the Secretary to the Government of West Pakistan, Development and Irrigation Department after a telephonic conversation with the Director-General, Supply and Development Secretary to Government of West Pakistan, Development and Irrigation Department letter No. 4/21 (N)FS/56, dated 19-1-57 makes a clear mention of the telephonic conversation which took place between the Director-General, Supply and Development and him. As a result of this discussion the indent for machinery was revised but the notes similar to those mentioned in the original indent continued to appear in the revised indent and the priorities of various makes remained unchanged. In the Public Accounts Committee meeting held on 23-1-1967 the contention of the Audit was that No. 1 priority was assigned to the Vickers tractor by the Department in the revised indent,—vide Secretary to Government of West Pakistan, Development and Irrigation Department's letter, dated 19-1-1957, referred to above. But the record did not support this view and even Director, Audit

and Accounts (Works) in his letter No. PAC(P)/17(a)29/58-59/2105, dated 11-1-1957 to the Department did not make a mention to the Priorities having been changed. Some parts were supplied from the stores of the Department for maintenance and repairs cost of which was recoverable from the firm. This matter was taken up with the Central Government and finally the Central Government in the Department of Investment Promotion and Supplies wrote to the Chief Engineer,—vide letter No. BA-1/47071/57-K, dated 24-7-1963 that the firm had already supplied free of cost spares costing Rs. 3,75,000 and therefore nothing was due from them against this item against the claim of the indenter.

The calculations of the Investment Promotion and Supplies Department were as follows:—

	Rs.
Total claim of the Department against the indenter	6,26,820
Deduct cost of spares for normal working during the period in question.	2,85,295
Balance	3,41,525
Value of spares supplied by the firm.	3,75,000

The Superintending Engineer, Mechanical who did not accept this position in his letter No. MC/G141/208/2932, dated 18th August, tractors from Government Stores. According to the Superintending and Supplies Department, Government of Pakistan, maintained that satisfactory working of the machinery for at least 1000 working hours was the responsibility of the firm and any part which they supplied to meet this requirement was not to be taken into account in defraying the cost of the parts utilised for the repairs of these tractors from Government Stores. According to the Superintending Engineer, Mechanical an amount of Rs. 3,55,000 was recoverable from the firm. This position however was not accepted by the Central Government and in his letter addressed to the Chief Secretary the Vice-Chairman, Investment Promotion Bureau adhered to the original stand of his Department, and informed that the matter had been considered at the highest level in the Central Government after which it had been decided to finally settle claim of the firm on the basis of his calculations. This was done, despite protest from the Irrigation and Power Department not to finally settle the claim of the firm. In August 1965 in letter No. V-A-I/47071/K/57, the Director-General Supply, informed the Secretary, Irrigation and Power Department that the case had been finalised. The last paragraph of this reference from the Central Government to the Provincial Secretary, Irrigation and Power runs as under:—

"It may be noted that the contract was between the Central Government and the firm and it was for the Central

Government to take the decision if any claim was to be met by the firm. The matter has been examined at the highest level and the release of firm's commission after so many years has been allowed after very keen consideration and examination. As no fresh ground for claim has been indicated by the Department of Irrigation and Power, West Pakistan Government, the case stands finalised."

The gist of the matter now is that 40 Vickers tractors were purchased. The contract was signed with the firm by the Central Government. The purchase was made by the Central Government and their final claims were settled by the Central Government. No papers are available on record of the Department to show that prior concurrence of Provincial Government was obtained by Director-General Supplies and Development before placing indent for an article which was placed at priority No. III by the indenter, although a provision in the indent existed that prior approval in such cases from the indentors would be necessary. Another point which the Audit took up during the course of their examination was that in April, 1957 a report of the then Superintending Engineer Mr. Keelan had brought to the notice of the Department that the Vickers tractors had not been functioning properly and the Department had placed orders for these tractors despite the report of the Superintending Engineer. On verification of records it has come to light that the revised indent was placed in January, 1957 and by February, 1957 the Vickers were on their way to Pakistan. Therefore any report made by the Superintending Engineer in April, 1957 could not have become instrumental in withholding the despatch of tractors which had been shipped in fully by the end of March, 1957. Under the circumstances the Department contended that no one Department and no one individual were involved in the whole affair. The Provincial Government, the Central Government, Chief Engineer, Irrigation, West Pakistan, Secretary, Development and Irrigation Department, Director-General Supply and Development Department and the Vice-Chairman, Investment Promotion Bureau in the Central Government were at one or other times involved in this case. The responsibility of the Irrigation Department lies only as much as the placing of the indent was concerned, and even this indent was revised after a telephonic conversation which took place between Director-General, Supply and Development and the Secretary Development and Irrigation. The remaining part in this case was played mostly at Centre and if the Public Accounts Committee desired that a complete examination of the case which led to the purchase and finalization of this deed be brought to their notice, then the Department would suggest that the officers then concerned in this case might be summoned to throw further light on the matter and the concerned Department of the Central Government might also be fully associated in the examination.

The Director, Audit and Accounts (Works), West Pakistan, Lahore pointed out that the explanation of the Department that the Director-General, Supply and Development placed the indent for Vicker Tractors without prior approval of the Irrigation Department was not based on facts. The indent was revised by the Department on 19th January, 1957 wherein a condition was stipulated that in case of Vicker Tractors the number is to be increased from 30 to 50. It implied that priority was given to Vicker Tractors. In case the number was increased due to Vicker Tractor being of smaller size, even then it is clear that the Department had agreed to accept Vicker Tractors. Moreover the copy of the Indent placed by the Director-General Supply and Development on 25th January, 1957 was endorsed to the Irrigation Department. Had the Department any objection for the supply of Vicker Tractors, this should have been pointed out at the same time. These facts substantiate that the indent placed by Director-General Supply and Development had received the approval of the Department. As regards report of Mr. Keelan, S.E., who pointed out that the Vicker Tractors are not useful in this country, it was received in reply to reference made to him in April, 1957. The Department should have waited for his report before placing the indent. As regards payment for spare parts, the Inspection Note was signed by the Department, on which basis the final payment had been released to the firm. Moreover the claim of the Department was rejected by the Director-General Supply and Development as no fresh grounds were indicated by the Irrigation Department.

The Committee was of the opinion that no one Department and no one individual could be held responsible for the loss sustained by the Department. The Chief Engineer Irrigation Department, Secretary to Government of West Pakistan Development and Irrigation Department, Director-General Supply and Development Department and the Vice-Chairman, Investment Promotion Bureau in the Central Government were at one time or the other involved in this case.

The Committee was of the opinion that as the contract was between the Central Government and the firm and the Central Government had taken a decision in favour of the firm, further examination of the matter by the Provincial Public Accounts Committee would not be desirable, although it appeared to the Committee that some one has been responsible for serious bungling. The Committee recommends that the Provincial Finance Department should move the Central Finance Minister to get this case examined in that Ministry and refer it to the Central Public Accounts Committee, if it is possible to do so.

With these observations the para. was dropped.

(2) Page 23, Para. 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 1959 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 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 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 19th April, 1967 when the Department explained the para. as under:—

- “1. The explanation of one Executive Engineer now Superintending Engineer, two Assistant Engineers now Superintending Engineers and one Assistant Engineer now Executive Engineer have been received, Charge sheets are being framed against them. Replies of an Executive Engineer, another Executive Engineer (now Section Officer) and an Assistant Engineer (now Superintending Engineer) have not been received so far. Director, Audit had been written to take action against 8 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
 - (b) Adjusted and verified by Audit = 14,795/89
 - (c) Further adjusted and verified by Audit. = 10,786/80
 - (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
- | | | |
|--------------|---|-----------|
| Total amount | = | 36,315/26 |
|--------------|---|-----------|

As no more recovery is possible, estimates for losses of stocks have been framed as follows:—

Sent to Secretary Irrigation and Power	=	27,993
Under Scrutiny	=	1,96,730
Total		<u>2,61,039</u>

(3) A Committee was formed consisting of messers:—

(1) Sh. Zahurul Haq, S.E., Mech: Circle, Lahore. ... Chairman.

(2) Mr. R.K. Anwar, Executive Engineer, Stores Division ... Member

(3) Ch. Ismat Ullah, Executive Engineer, 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 one upto 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 then 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 Department now explained that the explanations of the Executive Engineers and Assistant Engineers were obtained and examined. Finally five Executive Engineers were selected for Charge-sheeting them as their explanations were not satisfactory. This case has been submitted to the Minister Irrigation/Governor for final orders. The report of the Departmental Committee framed for investigation and reasons for surpluses was forwarded

to the Director Audit and Accounts (Works) West Pakistan, by the Chief Engineer, Irrigation, Lahore Zone. The Audit office Lahore has sent their further observations on the said Report of Departmental Committee which is being examined by the Superintending Engineer Mechanical Circle, Lahore for replying to each of the points raised by the Audit.

The Committee directed the Finance Department and the Audit Department to watch the progress till the finalization of the case. Subject to this remark, the para. was dropped.

(3) *Page 261, Para. 17(a)19(6)—Misappropriation 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 Department explained that Mr. A.K. Sheikh, Executive Engineer (Stores Controller, M.P.O. WAPDA) has been called upon to make good the loss to Government or produce documentary evidence from the Government record to support the un-accounted expenditure as having been incurred on Government purpose. He has further been informed that if he makes good the loss then the informal warning will be issued to him and in case he does not avail of this opportunity then the case will be proceeded further to inflict the punishment.

The Committee directed that the Audit and the Finance Department should watch the progress till the finalization of the case.

Subject to these remarks the para. was dropped.

(4) *Page 30, Para. 17(a)27—Loss of Foreign Exchange—*In this case, tractor spare parts worth Rs. 20 lacs 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 23rd January, 1967 when the item was deferred as it was also pending with the Central Public Accounts Committee.

The item was again deferred and would be taken up alongwith the Accounts for 1962-63.

APPROPRIATION ACCOUNTS FOR 1959-60

(1) *Page 34, Para. 17(a)26(1)(i)—Infructuous expenditure—*Certain equipment required in connection with the erection of gates and gearing were ordered on Government Workshop. On receipt of the machinery however 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 equipments free of any defect and complete in all respects. Thus the additional expenditure was a loss to the Department.

The Committee at its meeting held on 26th October, 1966 recommended a joint inquiry by Administrative Department, Finance Department and Audit.

The Department now explained that the joint Inquiry Committee assembled and heard the Department on 18th October, 1966 and 7th-8th March, 1967. The Inquiry Committee wanted to consult more record which had been sent by the Chief Engineer, Irrigation, Bahawalpur Zone, Bahawalpur. The Inquiry Committee had not yet fixed the date of its next meeting.

The para. was deferred to be taken up alongwith the accounts for the year 1962-63.

(2) *Page 37, Para. 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 an Irrigation Division of the Southern Zone it was noticed that a debit amounting to Rs. 35,761/7 on account of work done and supplies made on behalf of another Division was advised through the head "Transfer Between Public Works Officers" in the month of December, 1949 for adjustment and incorporation in the accounts of the latter Division.

The debit has not so far been accepted and incorporated in the accounts by the concerned Public Works Division.

As the recoveries have been made and adjustments carried out by the Department and verified by the Audit, the para. was dropped.

APPROPRIATION ACCOUNTS FOR 1960-61

(1) *Page 10, Para. 17(a)18—Expenditure on works in anticipation of technical sanction to estimates*—The matter was last considered by the Committee at its meeting held on 25th January, 1967 when 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 prepared and reconcile a list of the outstanding estimates upto 30th June, 1961 and its progress reports. The Director Audit and Accounts (Works) West Pakistan, Lahore, had supplied a list of a 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 Efficiency and Discipline Rules, 1960.

The Committee then 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 para. comes up before the Committee, the Department should furnish full explanation when the total amount involved in each case should be given.

The Department now explained that they are making their best efforts to clear the outstanding estimates. The reports received from Lower formations indicate that a number of unsanctioned estimates have been got sanctioned and cleared and some of the estimates are at their final stages. The Department placed before the Committee a statement showing full history of each item and its present stage and stated that the Chief Engineers are pursuing the cases where disciplinary action is required. Three officers of Quetta Irrigation Zone have been warned. Disciplinary action against 10 Class I Officers who have been held responsible for incurring expenditure on works and without technical sanctions to estimates and Budget allotments, has since been initiated and finalised at this end. The cases are being submitted to the Minister/Governor for final orders.

The Finance Department pointed out to the Committee that though the contention of the Department all along has been that these works were of an emergent nature and it was not possible to obtain the technical sanction in advance of the execution of the works, at least the following works executed by the Department without technical sanction were not of emergent nature:—

- | | |
|---|----------|
| 1. Constructing seven No. Senior Clerk ... | 81,961 |
| Quarters at Gujranwala. | |
| 2. Constructing Sub-Divisional Officers ... | 18,972 |
| Residence at Kundian. | |
| 3. Constructing of twelve No. Junior ... | 1,07,324 |
| Clerks Quarters at Sahiwal. | |
| 4. Constructing of six No. Senior ... | 1,06,261 |
| Quarters at Sahiwal. | |
| 5. Constructing of S.A.S. Quarters and ... | 22,476 |
| Dispensary at Qutabpur. | |

6. Constructing of Gud Loop Bund in ... 4,65,758
Larkana Sub-Division.

The Committee agreed with the Finance Department and desired that the Department should consider this as a serious matter and take proper and appropriate action against the officers concerned.

It was also observed by the Committee that there was a difference between the figures of Audit and the Department in respect of Sargodha Zone, which required reconciliation. The Committee observed that it was obvious that similar situations kept on arising every year. It is in the interest of the Department, once and for all, to take stock of the situation and to lay down a policy whereby, particularly in view of the advances made in communications in the present days, it becomes essential as far as possible that sanction even of works of an emergent nature should be obtained from the appropriate authority excepting in very rare cases where it is humanly impossible to obtain sanction.

In the case of construction of Gud Loop Bund in Larkana, costing Rs. 4,65,758 the Department's contention was that the work was carried out under the orders of the Indus River Commission. The Indus River Commission being a high-powered body, there should have been no difficulty in getting technical sanction within six months.

Subject to these observations, reconciliation by the Audit and disciplinary action to be taken against the officers concerned, which should be reported to the Audit and the Finance Department, the para. was dropped.

(2) *Page 29 Para. 17(a)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 Rates 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.

The matter was last considered by the Committee at its meeting held on 25th January, 1967 when the Committee directed the Department to take a clarification from the Standing Rates Committee.

The Department now explained that the Standing Rates Committee in their 58th meeting held on 30th March, 1967 dealt with this subject in connection with another reference. The Committee decided that "For handling of all types of material for short lead including upto 3 chains, nothing is to be paid extra. Where handling and carriage involves an extra lead beyond 3 chains, carriage for whole of the distance should be paid".

Subject to the Department's producing a copy of the decision of the Standing Rates Committee to the Audit and its verification by them, the para. was dropped.

(3) *Page 29, Para. 17(a) 39(7)—Excess Payment*—As this case was under arbitration, the para. was deferred to be taken up along with the accounts for the year 1962-63.

(4) *Page 30, Para. 17(a) 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 "Misc. P. W. 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 out 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 matter was last considered by the Committee at its meeting held on 25th January, 1967 when the matter was deferred.

The Department now explained that a sum of Rs. 1,842.37 has since been recovered but only verification of Rs. 450.37 has been got done from Audit. Verification of the balance is in hand. The position of amount yet to be recovered is as under:—

- (a) The official who accepted the shortage of Rs. 95.25 has only paid Rs. 25.25. He is now working as Overseer, Municipal Committee Shorkot. The Deputy Commissioner, Shorkot has been contacted to effect the recovery of the balance amount.
- (b) The carriage contractor has deposited the full amount in April 1967.
- (c) The shortage of Rs. 1,182.00 against the official of Buildings and Roads was not accepted by Buildings and Roads since the official has left service. It has now been decided to recover the amount from the discharged Overseer through Civil authorities as arrears, under Land Revenue Dues Recovery Ordinance, 1962. The matter has been referred to the Collector, Bahawalpur on 16th October, 1967 for effecting recovery.
- (d) All efforts to trace out whereabouts of two officials responsible for shortage of Rs. 215 have failed. The amount is to be written off for which preliminary proceedings are in hand.
- (e) Write off proceeding in respect of Rs. 71.37 has not been finalized as yet.

The Committee observed that the amount since recovered should be got verified. Efforts should be made to expedite further recovery and as soon as they are recovered, it should be reported

to the Audit and got verified. Disciplinary action also should be expedited.

Subject to these remarks the item was dropped.

(5) *Page 30, Para. 17(a)40(2)—Shortage of Stores*—In this case a shortage of 1,650 lbs. 10 ozs. 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 reminders neither the result of the stock-taking nor the details of the shortage amounting to Rs. 19,724 were intimated to Audit.

The matter was last considered by the Committee at its meeting held on 25th January, 1967 when the Committee was informed that the result of the enquiry was awaited.

The Chief Engineer, Sukkur now explained that he had passed orders on 27th February for the recovery of the amount from the Sub-Divisional Officer concerned at the rate of Rs. 100 per month; the Sub-Divisional Officer is to retire in 1987. His increment has also been stopped for two years. Subject to verification of recovery by the Audit, the para. was dropped.

(6) *Page 30, Para. 17(a)40(3)—Shortage of Stores*—In this case Store articles worth Rs. 14,292 were found short as a result of physical verification of stores conducted in 3/55 by the A.E.N.

The matter was last considered by the Committee at its meeting held on 25th January, 1967 when the Committee observed that progress towards the finalization of the case was very slow and needed to be accelerated.

The Department explained that preliminary enquiry was conducted by Mr. A. M. Soomro, Superintending Engineer on the basis of which the Charge-sheets were issued to M/s. Anwar and Abdullah. Mr. M. H. Memon, Superintending Engineer Headquarters of Irrigation, Sukkur Zone was appointed as Inquiry Officer,—vide order No. 52/59-S. C.V(E)/65, dated 29th March, 1967. The Inquiry Officer submitted enquiry report to the department which was examined at this end and the case has been submitted to the Minister/Governor for final orders.

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

(7) *Page 30, Para. 17(a)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 position of the case was as under:—

- (i) For the shortages worth Rs. 9,406.50 Mr. Abdul Aziz Mangi, the then sub-Divisional Officer Warah Sub-Division was held responsible. After observing the usual procedure under the Efficiency and Disciplinary Rules 1960, Mr. Mangi was held responsible and the amount is being recovered in the monthly instalments of Rs. 50 per month. The order for the recovery were issued in October, 1966. As per latest report from Executive Engineer, Warah Division a sum of Rs. 2,100 has already been recovered from Mr. Mangi. The balance amount will take about 11 years to be recovered.
- (ii) A shortage of Rs. 1,202.50 in Miro Khan Sub-Division is recoverable from Mr. Muhammad Ibrahim Khan Tunio, the then Sub-Divisional Officer and necessary orders for the recovery of this amount in monthly instalment of Rs. 100 were issued by the Chief Engineer, Irrigation, Sukkur Zone Sukkur in October, recovery of this amount will be completed in one year's course.
- (iii) Shortages worth Rs. 3,125.50 representing cost of 482 Cement bags has since been reconciled. The cement was actually consumed on work but the issue was not accounted for in the stock accounts. The Executive Engineer Warah Division as requested to produce the relevant records before Audit to verify the factual position. Relevant record was produced before the Audit and that Department needed some other records connected with the Enquiry into this shortage for which the Division has been expedited.

The Committee observed that the recovery has already stated in one case and in the case of other two, the matter is yet under consideration. The para. was deferred to be taken up again with the accounts for the year 1962-63. In the meanwhile the discrepancy should be got reconciled by the Audit.

(8) Page 31, Para. 17(a)40(5)—*Shortage of Stores*—The Department stated that the position of this case was the same as in case of para. 17(a)40(3).

The para. was deferred to be taken up alongwith the Accounts for the year 1962-63.

(9) Page 31, Para. 17(a)40(6)—*Shortage of Stores*—In this case shortage of 1,519 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 matter was last considered by the Committee at its meeting held on 25th January, 1967 when 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 Department now explained that since the recovery of an amount of Rs. 11,582 on account of misappropriation of stores constituted a major penalty under Efficiency and Disciplinary Rules, 1960 the Official responsible for misappropriation viz. Mr. Muhammad Saeed, Overseer was charge sheeted. The reply to charge sheet furnished by the said Overseer was considered and found to be unsatisfactory. Mr. Muhammad Iqbal, Sub-Divisional Officer, Loralai has been appointed as Enquiry Officer to record his report within the stipulated period.

(10) *Page 31, Para. 17(a)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 informed the Committee that the adjustment has been made and accepted by the Audit and now there is no shortage.

The para. was dropped.

(11) *Page 31, Para. 17(a)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 matter was last considered by the Committee at its meeting held on 19th April, 1967 when the Department explained that the amount of Rs. 27,859 represented the cost of Tools and Plants articles found short against Fazal Haq Khan, Mechanical Overseer. An amount of Rs. 20,700 for the cost of 7 Nos. Pumping Sets returned in kind by the Overseer had been withdrawn from "Misc. P. W. Advances" in August 1964. The relevant record had been got verified in Audit Office from 12th-17th December, 1966. 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 then 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 Department stated that he wanted to reconsider the whole matter to decide once for all whether the Tools and Plants 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 for 1961-62 when the Department should furnish complete information in regard to 7 Pumping Sets and other articles found short.

The Department now stated that the report of the enquiry officer has been received, wherein the responsibility for recovery of Rs. 8,143 instead of Rs. 7,159 from Fazal Haq, Mechanical Overseer has been fixed. charge-sheet has been sent by Superintending Engineer, Lind Circle to Executive Engineer, Mustang Division for service upon to the Overseer to effect recovery from him under the West Pakistan Government Servants Efficiency and Disciplinary Rules, 1960.

The record bearing receipt of pumping sets costing Rs. 29,700 shown short against Fazal Haq, Overseer has been got verified from Audit by the Divisional Office.

As the Department has not yet taken any decision as proposed by the Department in the previous meeting, the para. was deferred to be taken up alongwith the Accounts for the year 1962-63.

(12) *Page 32, Para. 17(a)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 matter was last considered by the Committee at its meeting held on 19th April, 1967 when the item was deferred.

The Department now explained that the amount of Rs. 3,437 on account of cost of shortage of stores against various officials has since been reduced by the Audit to Rs. 1,444/63. The position of recovery is as under.—

(1) *Muhammad Ashraf, Overseer—Rs. 314-37*—The matter has been taken up with the Collector, Rawalpindi. The Executive Engineer, Chaj Drainage Division has reported that the said case containing reports of local officers has been misplaced in Collector's office. However the recovery will be made by the Collector, Rawalpindi as arrear of Land Revenue, after tracing out the said missal.

(2) *Mohammad Nazir Overseer—Rs. 675—*

(i) The estimate of losses of stock worth Rs. 75 is under sanction.

- (ii) The Executive Engineer, Chaj Drainage Division has been directed to submit another estimate of losses of stock for Rs. 600 on account of unserviceable material (20 Tons Coal Dusts which was wrongly named as coal slack).

(3) *Muhammad Rafiq, Overseer—Rs. 455.25*—The amount of Rs. 301 from M. Mohammad Ilyas, Contractor, real defaulter has been recovered by Executive Engineer, Chaj Drainage Division in December 1966 and the balance amount of Rs. 154.25 was recovered, —*vide* Receipt No. 27/4923 dated 16th January, 1967. The recovery has since been confirmed by the Audit Office.

Subject to verification by Audit both of the recovery as well as the write off, the para. was dropped.

(13) *Page 33, Para. 17(a)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 matter was last considered by the Committee at its meeting held on 19th April, 1967 when the Committee was informed that the Head Clerk who was held responsible for the loss had filed a writ petition in the High Court. As the case has not yet been decided by the High Court, no further action has been taken.

The para. was deferred to be taken up alongwith the Accounts for 1962-63.

(14) *Page 34, Para. 17(a)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 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 and over and above the estimated amounts of the work done was not upto expectations.

As adjustment of Rs. 64,645 has already been made by the Department and verified by the Audit, the para. was dropped.

(15) *Page 34, Para. 17(a)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% 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% above the Basic Schedule of Rate. As a result of the carelessness shown by the departmental office in losing the tendered documents the Government had to incur an extra expenditure to the extent of Rs. 58,358.

The matter was last considered by the Committee as its meeting held on 19-4-1967 when 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% above basic schedule was approved by competent authority with due consideration of the old tendered rate, viz. 245% above basic schedule received a year earlier.

From the explanation given by the Department 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% above basic schedule which worked out to 188% above construction schedule, be accepted. However, the Superintending Engineer not agreeing with him, suggested that as an incentive, rate should be increased to 200% 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 Canal Construction Circle and the Engineers there decided to re-invite tenders. The lowest rate quoted now being 260% above basic schedule of rate corresponding to about 200% above construction schedule.

The Committee wanted the Department to explain as to why the Engineers in 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, para. was deferred to be taken up alongwith the accounts for 1961-62 when the Department should 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 names 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 such contingencies could be avoided.

The Department now explained the position as under:—

1. Superintending Engineer, Lahore Drainage Circle, Lahore submitted the relevant record and statements pertaining to the payments received by the various contractors in connection with the work cited as subject. It has been found to be a decided fact that the original file of the office of the Chief Engineer, Irrigation, West Pakistan (Defunct) containing the first tenders and the comparative statement as submitted by Superintending Engineer, Drainage Circle, Lahore to the Chief Engineer, Irrigation, West Pakistan (Defunct)—*vide* his letter No. 1988/31-A/L/D/58, dated 5-11-1959 is not traceable in the record. These tenders were called on 17-10-1959 and seven Nos. tenders were received. The final sanction to these tendered rates was not accorded and Superintending Engineer, Lahore Drainage Circle was asked by Chief Engineer, Irrigation, West Pakistan (defunct),—*vide* his letter No. 761/R&DII/59/1118, dated the 28th December, 1959 to ascertain whether it was possible for the Department to carry out the work at 188% above the construction schedule of rates (This is incorrectly shown as basic schedule of rates in Chief Engineer, Irrigation, West Pakistan (defunct) letter, dated 22-12-1959 mentioned above through an oversight) which conforms to 245% above basic schedule of rates. Due to closing of the Drainage Circle, Lahore this letter was marked as passed on to Superintending Engineer, Upper Chenab Canal Circle on 24-12-1959 without any despatch number with the result that Superintending Engineer, Upper Chenab Canal Circle showed its receipt in his file on 22-2-1960 when it reached him and sent this letter to Executive Engineer, Lahore Drainage Division for comments on 23-2-1960 i.e., after a period of two months from the date of its issue. Apparently this letter remained mixed up in the letters for disposal of the defunct Upper Chenab Canal Circle. During the period of two months Executive Engineer, Lahore Drainage Division had naturally no intimation as to the fact of the tenders submitted for sanction by Superintending Engineer, Drainage Circle, Lahore to Chief Engineer, Irrigation, West Pakistan (defunct). The following action was taken by Executive Engineer, Lahore Drainage Division for not starting the work although its urgency existed:—

(i) Letter No. 46/12/A, dated 19th January, 1960 requesting Superintending Engineer, Upper Chanab Canal Circle to arrange for the early sanction of tendered rates for tenders received on 17th October, 1959 so that the work could be taken in hand;

(ii) Letter No. 45/12-A, dated 19th January, 1960 was issued to Superintending Engineer, Upper Chenab Canal Circle wherein he

quoted references to Deputy Chief Engineer, Irrigation, Lahore Region's order dated 18th January, 1960 desiring that the work should be started as soon as possible. He (Executive Engineer, Lahore Drainage Division) explained that the original tenders called for on "construction schedule of rates" were lying in higher office and their approval was not received. As the basic schedule is applicable to works in Upper Chenab Canal Circle, approval may be accorded to invite fresh tenders on "basic schedule of rates" so that the work may be started accordingly.

(iii) In view of Superintending Engineer, Upper Chenab Canal Circle Letter No. 682/31-A/D, dated 21st January 1960, to the address of Executive Engineer, Lahore Drainage Division with copy to Deputy Chief Engineer, Irrigation, Lahore the commencement of work was postponed till the calling of fresh tenders on "basic schedule of rates" and their final acceptance by the competent authority. The work could not, therefore, be started by the Executive Engineer in 1/60 as well.

(iv) All this correspondence clearly shows that Superintending Engineer, Upper Chenab Canal Circle and Deputy Chief Engineer, Irrigation, Lahore Region had no knowledge of the Chief Engineer, Irrigation, West Pakistan's letter No. 761/R&DII/1118, dated 22nd December 1959, issued to Superintending Engineer, Drainage Circle. The fresh tenders were also submitted by Superintending Engineer, Upper Chenab Canal Circle, to Deputy Chief Engineer, Irrigation, Lahore Region on 5th February 1960,—vide his No. 273/31-A, dated 5th February 1960 for sanction in anticipation of receipt of the observations contained in Chief Engineer, Irrigation, West Pakistan's letter No. 761/R&DII/59/1118, dated 22nd December 1959, in Circle office (Upper Chenab Canal Circle). The second tender (8 Nos.) were submitted to Chief Engineer, Irrigation, West Pakistan by Deputy Chief Engineer, Irrigation, Lahore Region,—vide his letter No. 564/WII/LR/60/4841/25/1960, dated 11th February 1960, wherein rate of 250% above "basic schedule of rates" was recommended as against the rate 260% above, keeping in view the general rate of 250% already sanctioned for flood works in Upper Chenab Canal Circle.

(v) Executive Engineer, Lahore Drainage Division took prompt action on receipt of Chief Engineer, West Pakistan's observations on the first tenders contained in his letter No. 761/R&DII/59/1118, dated 22nd December 1959, copy of which was received by him under Superintending Engineer, Upper Chenab Canal Circle endorsement No. 2004/31-A/L/D, dated 23rd February, 1960. Executive Engineer, Lahore Drainage Division, Lahore,—vide his letter No. 171/12-A, dated 24th February 1960, requested the Superintending Engineer, Upper Chenab Canal Circle that after the case of second tender rate of 260% above "basic schedule of rates" having

been submitted to Deputy Chief Engineer, Irrigation, Lahore Region by Superintending Engineer, Upper Chenab Canal Circle, the first tenders called for the work and submitted by Deputy Chief Engineer, Irrigation, Lahore Region in the first instance may be treated as cancelled and action on the fresh tenders only be taken. Accordingly Superintending Engineer, Upper Chenab Canal Circle also asked Chief Engineer, Irrigation, West Pakistan,—*vide* his letter No. 962, dated 18th April 1960, copy of which was also endorsed to Deputy Chief Engineer, Irrigation, Lahore Region, that no action was required to be taken on Chief Engineer, Irrigation West Pakistan's observation on the first tenders contained in his letter No. 761/R&DII/59/1118, dated 22nd December 1959, in view of the fact that fresh tenders had been called for and submitted to Deputy Chief Engineer, Irrigation, Lahore Region for approval.

(vi) Subsequently Executive Engineer, Lahore Drainage Division issued Canal Wire No. 884, dated 8th April 1960, to Superintending Engineer, Upper Chenab Canal Circle/Deputy Chief Engineer, Irrigation, Lahore Region/Superintending Engineer, Drainage that the contractors were not willing to accept any rate lower than the tendered rate of 260% above basic schedule of rates. The Chief Engineer, Irrigation West Pakistan accordingly agreed and returned 8 Nos. tenders to Deputy Chief Engineer, Irrigation Lahore Region,—*vide* his letter No. 1562/D/60/513, dated 27th April 1960, for according the sanction to the rate locally as he considered Deputy Chief Engineer to be competent to accord such sanction. Deputy Chief Engineer, Irrigation Lahore Region, however, further requested Chief Engineer, West Pakistan, Lahore,—*vide* his letter No. 1718/WII/60/19117/Sub/302/57, dated 22nd June 1960, to issue formal orders for commencement of the work. Chief Engineer, Irrigation West Pakistan further intimated,—*vide* his letter No. 8031/D/60/1120/852/55/60, dated 9th July, 1960 that as explained in his letter No. 1562/D/60/513, dated 27th April 1960, it should be considered that sanction to execute the work at the rate of 260% above basic schedule of rate had been accorded on 27th April, 1960 and the work should be allowed to progress further and the estimate for the said work should be submitted soon.

(vii) As regards the issue whether the work was put to tender with wide publicity and whether the existing system required some modification, the existing practice of calling tenders in Irrigation Department is that copies of N. I. T. are supplied to various sister Divisional Officers for publicity by posting the N. I. T. on their notice boards for the information of local contractors. Copies of blank tender forms are supplied to them on request by the Divisional Head Clerk. As the system of carrying out work on "work order basic" in Irrigation Department in former Punjab is working satisfactorily it needs no amendment. The N. I. T. in both the cases

were issued by Executive Engineer, Lahore Drainage Division and these were duly brought to the notice of the then local contractors. Chairman, Public Accounts Committee also desired to know the names of the contractors who tendered for the work and who actually executed the work. In this connection a statement showing the desired information was furnished to the Committee which showed that the sanction of 260% actually represented ceiling rate and due to the urgency, the work was got done from the intending local contractors as the contractors whose rates were the lowest were not recommended both times by Deputy Chief Engineer. The rate of 260% was, however, accepted long after the work was taken in hand in 1/1960 on the verbal order of Chief Engineer, dated 1/1960 confirmed in his letter, dated 9th July, 1960. The list of contractors who actually executed the work revealed that only petty contractors who could be available (other than tenderers) had been allotted work as the tenderers never cared to represent why work was not allotted to them because the rate of 260% above was not so remunerative.

The Audit pointed out that the original tenders were though invited on 9th October, 1959 on the basis of construction schedule of rate, but the lowest rate of 245% above was quoted on the basic schedule of rate.

The Executive Engineer, Drainage Division, Lahore while referring the case to Superintending Engineer, Upper Chenab Canal Circle,—vide his No. 45 of 19th January, 1960 did not disclose these facts whereupon Superintending Engineer,—vide his No. 682 of 21st January, 1960 allowed to call for fresh tenders. On one hand Divisional Officer misrepresented the facts and on the other hand instead of taking the action on the original tenders that were available in Superintending Engineer's Office, orders for calling fresh tenders were issued.

N. I. T. for the second time was issued on 21st January 1960. the last date of receiving the tenders was fixed as 27th January, 1960. No tenders were received on 27th January, 1960 and the date of receipt of tenders was extended upto 2nd February, 1960. The time being short to substantiate the wide publicity was not given to the tenders.

The second rate of 260% above Basic Schedule of Rates was sanctioned on 9th July, 1960 and the original tenders of 245% Basic Schedule of Rates came to the notice of the Superintending Engineer on 23rd February 1960 (If not earlier). Action should have therefore been taken on original tenders instead of fresh tenders.

The Committee examined the original files of the Chief Engineer's Office and felt that it could not accept the explanation given by the Department. The Department had not able to satisfy the Committee above the genuineness of the reasons as to why the first tenders were not accepted and the work carried out according to

them. This would have saved the Government from subsequent loss. The Department could also not satisfy the Committee as to the reasons why ultimately when the second tenders were called, the lowest tenders were eliminated and the job entrusted to certain other contractors who were specially brought in the field for this purpose. The contention of the Department that it had become necessary to re-invite tenders because the original tenders were lost or misplaced, seemed to be an 'after-thought'. Even if this were so, it was itself a serious matter of negligence on the part of the person or persons responsible for this. The Committee was convinced that the matter had been very badly looked after and felt that the strictest possible action under Government Servants Efficiency and Discipline Rules, should be taken against all the officials responsible for this. The Committee stressed that action should be taken not only against the junior staff found responsible but also against those officer or officers who were involved and were responsible for this.

The Committee observed that it would be in the interest of Government if the Department were to consider once for all, doing away with the "works order" system. This system, though it may have its own advantages, is a sure method by which manipulation, bribery and corruption are made easy. The advantages of this system can never be considered to out-way its defects.

The Committee further decided that the Department should report to the Committee when the Accounts for the year 1962-63 are taken up, the disciplinary action taken in the matter and give also the names and designations of the officials found responsible for the irregularity.

16. *Page 38, Para. 17 (a) 44 (2) Infructuous expenditure*—The Audit objection was as follow :—

- (1) There was a proposal to transfer two Irrigation Workshops to another place in the Province for constructing a Central Workshop 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 waterlogged and the drinking water available at that place was not fit for human consumption. The workshop was, however utilised for some time for manufacturing the gates and gearings for Taunsa Barrage Project. Even this was done merely to utilize the Workshop because a Workshop was already available at Taunsa in which gearings could have been manufactured. This defective planning resulted in a wasteful expenditure of Rs. 21,05,422

for which even the sanction of Government was not accorded before the commencement of the work.

- (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 waterlogged 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 sit.
- (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 mis-management in the matter of huge investment of public money. The expenditure incurred without proper sanction also remains to be regularised. The responsibility for infructuous expenditure is still to be fixed and disciplinary action against the officials at fault also remains to be taken.

The matter was last considered by the Committee at its meeting held on 9-9-1967 when the Committee desired that records should be produced before them 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 as under :—

- (1) The Department made hectic efforts to search out the old records and the following information has come to light :—
 - (i) *Vide* letter No. 23654/S, dated 14-5-1953, a Committee was formed by the Chief Engineer and Secretary to the Government of the Punjab to go into the question of manufacturing gates and gearings for Taunsa Barrage.
 - (ii) *Vide* letter No. 828/159/W, dated 1-6-1953, the Committee recommended that the hole work be done at site by constructing a new workshop.

(iii) D.O. No. 281/172-W, dated 8-11-1954 indicates that 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,—*vide* his letter No. 46658/S/927/54, dated 10-8-1955 for an amount of Rs. 22,90,091 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. The above correspondence showed that the workshop at Bhalwal was constructed as a separate unit for the manufacture of gates and gearings and other connected equipment.

(2) The following correspondence showed that the question of shifting of Mechanical Irrigation Workshop to Bhalwal was taken up subsequently:—

(i) *Vide* Secret letter No. 5948-DCD-57/4634, dated 15-10-1957 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 Mechanical Irrigation Workshop to Bhalwal as a security measure was dropped for the time being after due consideration by the Government as per decision contained in Secret letter No. 5-50/57 (VII-Irr-), dated 16-5-1958.

(iii) After 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,—*vide* his letter No. 798/M/S/ 266/50, dated 20-8-1959.

(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 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,—*vide* U.O. letter No. 62-S.O(I)/61, dated 13-4-1961, advised that the case may be got cleared from the Development Working Party. Thereafter due to re-organization of Government Departments the case does not appear to have been approved by the competent authority.

(3) The records of the Department were consulted to find out whether any grant was sanctioned by the Finance Department for shifting of the Moghalpura Irrigation Workshop to Bhalwal. It showed that the expenditure on construction of Bhalwal Workshop which opened for fabrication of gates and gearings for Taunsa Barrage was charged to the allocations of Taunsa Project upto 30-6-1969, and for the year 1959-60 the expenditure was sanctioned by the Finance Department in connection with Bhalwal Workshop under Major Head C.C. 68—Capital-A(I)-Productive—Open Canals, with effect from 1-7-1959. The Finance Department conveyed its sanction to charge the expenditure of Bhalwal Workshop against the major head of Revenue *viz.* XVII—Working Expenses rather than the Capital Head,—*vide* 847-BV-60, dated 15-12-1960. Thereafter the expenditure had been charged under the Revenue Head of Account for the workshops at Bhalwal which are still functioning under the Executive Engineer till today.

The Department further stated that no funds were given by the Finance Department for the purpose of shifting Mechanical Irrigation Workshop to Bhalwal nor was expenditure incurred at Bhalwal in this connection. The Finance Department's advice on the subject also supports this view because without approval of the scheme by the Development Working Party Finance Department could not have possibly agreed to release funds for the shifting of the Moghalpura Irrigation Workshop.

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

The Committee then adjourned to meet again on 7th March, 1968 at 9-00 a.m.

LAHORE:

ZAIN NOORANI

CHAIRMAN,

The 6th March, 1968

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 7TH MARCH, 1968 AT 9-00 A.M. IN THE 'TEA ROOM' OF THE ASSEMBLY BUILDING, LAHORE.

The following were present :—

- (1) Mr. Zain Noorani, M.P.A. ... Chairman.
- (2) Chaudhri Muhammad Sarwar Khan, Member.
M.P.A.
- (3) Rai Mansab Ali Khan Kharal, M.P.A. ... Member.
- (4) Mr. Malang Khan, M.P.A. ... Member.
- (5) Chaudhri Muhammad Nawaz, M.P.A. ... Member.
- (6) Mr. Tajummul Hussain, P.M.A.S. ... Expert
and Mr. Imran Shah, C.S.P., Secretary Advisor.
and Additional Secretary to Government
of West Pakistan, Finance Department.
- (7) Mr. Nuzhat Hussain, P.A. & A.S., ... By Invitation.
Director, Audit and Accounts (Works),
West Pakistan.
- (8) Mr. Ahmed Hassan, P.S.E.I., Secretary ... By Invitation.
to Government of West Pakistan, Irriga-
tion and Power Department along-
with Chief Engineers of various Regions
and Chief Engineer of Ghulam Muhammad
Barrange Project.
- (9) Mr. M. A. Rashid, T.Pk., C.S.P., Member By Invitation.
WAPDA alongwith Operational Manager,
WAPDA.

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

II. The Committee resumed consideration of the following items of the Irrigation and Power Department appearing in the Appropriation Accounts for the year 1960-61 :—

(1) Page 34, Para. 17(a) 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 contractor whose tendered rates had already been approved by the Department. The rates approved for the second time were too high although the same 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 matter was last considered by the Committee at its meeting held on 19th April 1967, when 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 tender was forwarded by the Executive Engineer to the Superintending Engineer and was 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 done 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 the second tenders.

(e) Reasons for not accepting the lowest tender at the time of second tenders.

(f) Who was awarded the work.

The Department now explained as under:—

(a) The Executive Engineer and Accountant claim to have received only two tenders. The third tender of Mr. Abdullah which was the lowest was found with the case in Circle Office as it was neither entered in the tender Register of Divisional Office nor mentioned in the forwarding memo. of the Divisional Office. This was pointed out by the Superintending Engineer, and the case referred back to the Executive Engineer for reconsideration. On this reference the Executive Engineer recommended the lowest tender without indicating the source of its receipt. The lowest tender recommended by the Executive Engineer was approved by the Superintending Engineer.

(b) Neither the sanctioned estimate nor permission to start the work in anticipation to the sanction of estimate existed. Grant amounting to Rs. 16,000 had, however, been received for this part work prior to the invitation of first tenders during the year 1958-59 for the first time. The work was not actually started during 1958-59, but only building material costing Rs. 13,162 was arranged and booked against this work.

(c) The Superintending Engineer, issued orders to the Executive Engineer on 19th February, 1960 to start the work in anticipation of the sanctioned estimate. The Executive Engineer had joined the Division on 1st

January, 1960. On receipt of these orders he invited the tenders. He being new to the Division did not know that any tenders for this work had previously been approved. This appeared to have not been brought to his notice by the Divisional Accountant.

- (d) The lowest tender was again from M. A. Abdullah, but the Executive Engineer, did not recommend these rates for the reasons recorded on page 16 of the Tender Register, which are reproduced as under:—

Serial No.	Name of Contractor	E. Work	Masonry	Carriage
1	M. Abdullah ..	200%	90%	175% above BSR
2	Allah Ditta ..	200%	100%	200% above BSR
3	Chiragh Din ..	200%	120%	200% above BSR

- (f) The work was executed by M. Chiragh Din Contractor.

The explanation of the Executive Engineer, the Divisional Accountant and the Accounts Clerk of the Circle Office who opened the first tenders and dealt with the case of sanction were asked for to throw light how the tender of M. Abdullah contractor found place in the Circle Office when no submission was reported from the Division. The three officials have not been able to explain the matter satisfactorily. They are, therefore, being charge-sheeted and the matter will be decided on merits.

It appeared to the Committee that a series of irregularities had been committed in this case. First, tenders were invited in February, 1959 without there being proper estimates or the permission to start the work although the funds were available. This was the first irregularity. The second irregularity which came to light was that two tenders were originally entered in the register and were sent to the Superintending Engineer and Executive Engineer. However, the Superintending Engineer claimed that he received three tenders although two had been entered in the register. The third 'mysterious' tender was supposed to be the lowest one. After some correspondence, this third tender was accepted as the lowest tender. The work was not carried out for over a year and in 1960, a new Executive Engineer who had taken over in the meantime, was asked to go ahead with the work. He invited fresh tenders for the same job taking the plea that he was not aware that tenders were called for that job a year earlier. However, the same Executive Engineer who was not aware that the tenders had been called earlier for this

job, was at that time well-versed with the reputation and the standing of the party that happened to be the lowest tender among both the first tenderers and the second tenderers, and did not recommend him for the execution of the job which was given to the second lowest tenderer. It appeared to the Committee that this mis-handling of work had not only led to a chain of irregularities being committed by the Department but also had put the Government to a loss and that a systematic attempt was also made to victimise one of the contractors who again happened to be the lowest tenderer. The Committee recommends that the Department should call for the explanations of all those persons responsible for committing this chain of irregularities and take necessary action against them. The action taken against these persons ultimately should be reported both to the Audit as well as the Finance Department.

Subject to the above observation, the para. was dropped.

(2) *Page 37, Para. 17(a) 43 (4)*—In this case, a sum of Rs. 20,406 was outstanding against a Sub-Divisional Officer since March, 1968 which represented cost of certain machines, stock material burnt in fire.

As not much progress has been made in this matter since its last consideration by the Committee on 19th April 1967, the Committee deferred consideration of the para. to be taken up again alongwith the accounts for 1962-63.

(3) *Page 37, Para. 17(a) 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 matter was last considered by the Committee at its meeting held on 19th April 1967, when the Department explained that the Enquiry Officer after detailed proceedings found that the entire expenditure was legitimate and regular and there had been no loss to Government. The Audit had 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 Department now explained that in his report the Inquiry Officer had noticed that initially the expenditure was charged to the final head of account, but after 2 months, the concerned Executive Engineer, got a brain wave to raise objection and transferred the expenditure to suspense head "Misc. P. W. Advances" as recoverable from the concerned Assistant Engineer. The concerned Executive Engineer, was not heard by the Enquiry Officer and the Audit Department wanted to know the reasons of omission of such an important person of the case.

The inquiry Officer sent the following reply to the Director, Audit and Accounts (Works), West Pakistan on 16th November, 1967:—

"Reference your letter No. PAC/(p)/F-31/IB/60-61/2923, dated the 3rd May, 1967 on the subject noted above addressed to me and copy among others sent to Chief Engineer, Irrigation, Sukkur Zone, Sukkur.

The record has been sent back to the concerned offices and it is not possible for me once again to rake out the canal wires from the record and have copies sent to the Audit.

I am entrusted with the enquiry by the Government as a responsible officer of the Irrigation Department. When I have quoted the numbers and dates of the Canal Wires and also mentioned in my report the gist of these Canal Wires. It should ordinarily be believed by the Audit. I do not see any reasons for the audit to have considered the necessity for calling for the copies of Canal Wires from me.

I did not find it necessary to spend good government money to call late Mr. Mahmoodally Memon, Executive Engineer for recording his statement when every thing that I wanted could be had from the record available with me. All that I have said in my Enquiry Report is said after consulting the record. In my opinion, it was not all necessary to have recorded the statement of late Mr. Mahmoodally Memon, Executive Engineer. Unfortunately, Mr. Mahmoodally Memon is since dead. God bless his soul. The question of recording his statement at this stage therefore does not arise."

The Committee deferred the para. to come up again alongwith the accounts for 1962-63 and directed that next time, the Enquiry Officer should be personally present in the Committee meeting alongwith the documents and original canal wires on the basis of which he had given his report.

(4) Page 37, Para. 17(a) 43(6)—*Wharfage and Demurrage Charges*—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 matter was last considered by the Committee at its meeting held on 19-4-1967 when the Department informed the Committee that the matter had been inquired into by an Enquiry Office who exonerated the concerned Assistant Engineer. The Audit pointed out that the copy of enquiry report has not been supplied to them. The

Committee then directed that a copy of the enquiry report should be sent to the Audit for verification of the factual position. The Committee further directed that the Department should determine who was responsible for the supplying copy of the Report to the Audit for such a long time and what action the Department intend to take against that officer.

The Department now explained that the Inquiry Officer had pointed out in his report that immediately after arrival of the machine at the destination, Mechanical Engineer, Lower Sind Mechanical Division had made a reference to the Railway authorities for the lease of Railway premises where the machine was to be re-assembled in order to avoid payment of high wharfage and demurrage charges. The case was not pursued by the Mechanical Engineer after the original reference was made. The Enquiry Officer had therefore concluded that either the irregular payment be charged to the final head of account or placed under Miscellaneous Advances against the then Mechanical Engineer, Lower Sind Mechanical Division who failed to pursue the case with Railway authorities. A reference was made to Finance Department for allotment of funds for proper booking of the expenditure of Rs. 5,087/94 to the final head of account, but that Department did not agree and desired that the other alternative to recover the amount from the then Mechanical Engineer, Lower Sind Mechanical Division be adopted. Mr. D. G. Esker the then Mechanical Engineer, Lower Sind Mechanical Division (who has since retired as Superintending Engineer, Mechanical Circle) was accordingly asked to pay up to the amount. He desired to examine the relevant record and his explanation is awaited. The Chief Engineer, Irrigation, Sukkur has been directed to take steps for speedy realization of dues from Mr. Esker as per Finance Department's advice. A copy of the Inquiry Officer's report was supplied by the Chief Engineer, Irrigation, Sukkur,—vide his letter No. PAC/DP-159/Nasir/60-61/36, dated 17-9-1966 addressed to the Director, Audit and Accounts (Works), West Pakistan, Lahore.

The Department further stated that they intend to charge-sheet the then Executive Engineer, who is on leave preparatory to retirement.

The Committee directed that the Department should expedite the recovery of this amount, and in case the Executive Engineer is to be charge-sheeted necessary formalities should be completed well in time. The para. was deferred to come up again before the Committee when the accounts for the year 1962-63 are being considered.

(5) *Page 37, Para. 17(a)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 recarriage which could have been easily avoided.

The Department explained that the record relating to this para. has recently been traced out from the various offices by the Superintending Engineer, Thal Circle. On perusal of the record, it has been found that Ch. Maqbool Ahmad, Overseer (Now Sub-Divisional Officer) is responsible for carriage of 96,050 No. Pacca Bricks to the work named "Constructing D.R. Bridge at R.D. 18200 Escape Channel" and subsequently re-carriage to the stock. The above named Overseer has cleared his position in the explanation, extract of which is reproduced:

"The excessive issue of 96,050 bricks was for shuttering purpose hence those were carried to the site of work. These have again been taken on Stock. For this extra item necessary provision already exists in the sanctioned estimate".

The matter was referred to the Director of Audit and Accounts (Works), West Pakistan, Lahore in August, 1967 for verification. However a representative of the department attended the Audit Office on 2nd November, 1967 but he was not entertained.

The Audit pointed out that representative of the Department attended the Audit Office but no records were produced by him to show that the amount involved was not infructuous expenditure.

The Committee recommended that the Department should recover Rs. 1,296 from the person concerned and take necessary disciplinary action early. The action taken as well as the report of the recovery should be intimated to Audit and the Finance Department.

Subject to these observations, the para. was dropped.

(6) Page 40, Para. 17(a)45(2)—*Fictitious Stock adjustment*—According to Audit note 400 cement bags and 192 tons 19 cwt. 3 Ors. 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 carted to the Divisional godowns during October to December, 1959 i.e., after one and half year of their account 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 provision 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 cwt. 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 "Misc. Public Works Advances" nor was any intimation sent to Audit as required under the rules.

The matter was last considered by the Committee at its meeting held on 9th September, 1967 when 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 Godown after one and a half years. The receipt was, therefore, purely fictitious and was made for utilizing 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 Public Works Advances.

The explanation for the irregularities was stated to be as follows:—

“(i) *Fictitious receipt made to utilize Budget grant*—Indus Bridge Division was created in 1/53 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 requirement 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 4000 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 accountal to suspense head*—As a result of enquiries, Mr. Muhammad Anwar Sheikh the then S. D. O. 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 had 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 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 4000 bags of cement one in March and the other in May, but that the Audit had pointed out the transaction relating to 4000 bags received in March.

The Committee then felt that the Department should have produced, before the Audit and also 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 the 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 and to inquire as why the S.D.O. alone was being held responsible. He should also find out whether any one 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.

The Department now explained that 4000 bags of cement were received from Remodelling Division and accounted for in Indus

Bridge Division in the month of March, 1958. Audit had pointed out that cement was awaited in the Remodelling Division from Factory even up to May, 1958 and as such stock adjustment was fictitious. This impression was created from a letter dated 3rd May, 1958 written by Executive Engineer Indus Bridge Division to Engineer Remodelling Division was requested that 4,000 cement bags when received from Factory may be kept in his Godown for utilization on works of Indus Bridge Division. It was explained that the letter dated 3rd May, 1958 related to the 2nd indent and had no bearing on the first supply of 4,000 cement bags which was actually received in March, 1958. Relevant record of Indus Bridge Division in support of this statement was produced to Audit and that Department was satisfied, but it was proposed by the Audit Department that the relevant record of Remodelling Division may also be shown on 2nd November, 1967 which was done. The Audit Office has called for further details and record which is being collected and shall be produced soon. The Sub-Divisional Officers are directly under the supervision of their Divisional Officers who are also responsible for proper supervision and control in all matters of the Sub Division. The concerned Divisional Officer was asked to clarify his position.—*vide* Chief Engineer, Irrigation Sukkur's letter No. PAC/DP-17/(45)(2)/IB/60-61(41), dated 21st September, 1967 addressed to Superintending Engineer, Thatta Sujawal Road Bridge Circle who in turn has now reported that Mr. Anwar Shaikh has furnished his reply through Advocate which is being examined by the Executive Engineer, Indus Bridge Division pending submission of his comments.

The Committee observed that the para. as far as it related to fictitious stock adjustment has now been settled with Audit. With regard to the shortage of steel, the Department has informed the Committee that one of their former Sub Divisional Officers, who is now no more in Government service, was responsible for it, and that the Department was proceeding in the matter and would make recoveries as arrears of land revenue, in consultation with the Law Department. The Committee decided that progress on this should be reported to the Committee when this para. comes up again along with the accounts for the year 1962-63.

(7) Page 41, Para. 17(a) 46(1)—*Fictitious Payments*—The explanation of the Department was accepted, and the para. was dropped.

(8) Page 41, Para. 17(a) 46(2)—*Fictitious Payment*—In this case an amount of Rs. 11,320 was found to have been paid to a contractor on account of stacking of 15,09,275 cft stone while actually the stone was lying in a haphazard manner and in fact no stacking had been done. This fictitious payment was facilitated by the

dereliction of duty on the part of the Sub Divisional Officer in not conducting check of measurements before allowing payments as provided by the rules.

The Department explained that adjustments have been made and there is no shortage.

The para. was dropped subject to verification by the Audit.

(9) *Page 43, Para. 17(a)47(2)—Mis-appropriation of Government Material*—The para. was deferred to come up before the Committee along with the accounts for the year 1962-63.

(10) *Page 42, Para. 17(a) 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 assured the Committee that necessary action would be taken against the officials concerned in the near future. The Committee directed the Department to communicate the action taken by them to the Finance Department as well as the Audit.

Subject to these observations, the para. was dropped.

(11) *Page 44, Para. 17(a)53-Excess issue of material*—The explanation was found to be satisfactory and the item was dropped.

(12) *Page 44, Para. 17(a) 54—Irregular withdrawal of Government Money* According to the Audit objection, the former Government of Sind permitted the re-imbusement of pay of malis engaged on the maintenance of gardens attached to the 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 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 the date of integration. Orders to the officers of Irrigation Department to put an end to this irregular payment were issued by the Irrigation and Power Department on 12th December, 1959. Another sum of Rs. 783 was also drawn by the officers of the Irrigation Department even after the date of issue of these Government orders.

The matter was last considered by the Committee at its meeting held on 9th September, 1967 when 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 directed the Department to have its contention cleared with the Audit and the Finance Department.

The Department now explained that orders of the Irrigation and Power Department were based on the Finance Department's advice dated 10th July, 1959 which indicated that although the concession of engaging Malies continued only for as long as Headquarters of ex-Sind Government continued at Karachi, but there is nothing mentioned about the recovery to be effected from the officials concerned for the period from 14th October, 1955 to 12th December, 1959—when the final orders to discontinue with the Malies were issued by the Department. It was also mentioned in the advice issued by the Finance Department on 10th July, 1959 that steps were being taken to regularise the matter i.e. regularisation of the expenditure incurred from 14th October, 1959 to 12th December, 1959. The contention of the Department was that the concession of engaging Malies by the officers at their residences stood withdrawn only after the issue of the orders of the Government on 12th December, 1959 and as such the expenditure which was incurred in good faith on that account needed to be regularised.

Finance Department was of the view that the amount prior to the date of issue of orders by the Department on 12th December, 1959 could be regularised, but that part of the amount which related to the period subsequent to the date on which the letter was issued should be recovered from the persons concerned. The Committee agreed with the Finance Department and recommended that the Department should proceed accordingly.

Subject to regularisation and recovery as recommended above and its verification by the Audit, the para. was dropped.

(13) *Page 63, Para. 17(a)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 works 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 at 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 stores and 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 Department's contention was that neither the expenditure incurred on the project had gone to 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 Government should satisfy the Audit as to the disposal of the machinery involved. If these were transferred to other Divisions their acceptances should be shown. Subject to these observations the para. was dropped provided that if the Audit was not satisfied with regard to the transfer of machinery, the matter should come up again before the Public Accounts Committee.

The Department now placed before the Committee a statement showing the details of machinery worth Rs. 27.94 lacs rendered surplus, due to abandonment of the Project and quoted the various letters in record of Executive Engineer, Kalabagh Division, according to which the receipt of the Machinery was acknowledged by the receiving Division/Organization concerned and stated that the original acknowledgment would be shown to Audit by Executive Engineer, Kalabagh Division. As for adjustment of cost of the Machinery, the Department stated that this would be done in due course i.e., after an allotment of minus grant to the Lower Jhelum Canal Circle under the sub-Head "C.C. 81 Capital-1-Works" for which application of funds was being sent and corresponding plus grant under the sub-head "C.C. 68 Capital-1-Works" in responding Circles.

The Audit admitted that the transfer of machinery worth Rs. 25,60,754 has been verified leaving a balance of machinery worth Rs. 5,09,209. The Department informed the Committee that necessary papers with regard to the transfer of this machinery would also be produced before the Audit in the near future.

The Committee observed that this should be done at as early a date as possible. Subject to verification of the same by Audit, the para. was dropped.

(14) Page 64, Para. 17(a) 91—*Expenditure on Deposit Works in Excess of Deposits received*—Audit had 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 had earlier 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 finalised between K.D.A. and Irrigation Ghulam Muhammad 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 learn that Superintending Engineer, Bulk Water Supply and the Chief Engineer, K.D.A. have recommended the case to their higher authorities 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., Ghulam Muhammad 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%. 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% of Audit charges for works regarding constructing the Haleji Scheme. Accordingly, the rate of 13½% 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. 23,54,500.00 has already been recovered. The outstanding balance for the said period and at the said rate of departmental charges (*i.e.* 13½%) 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%. 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 + Rs. 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 had 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.

The Department explained that the records were not available. As regards the first work, the Committee then 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% to be recovered from the Karachi Joint Water Board (whose successor are the K.D.A. in place of 30½%);
- (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.

As regards *Naranji Scheme* the Committee then 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.

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 latest position of these cases was now reported to be as under:—

(1) *Water Supply to K. D. A.*—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 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 is finalised between K.D.A. and Irrigation G.M.B. Project. The delay in finalisation of the said Draft agreement is 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 had occurred so far lies on the part of K.D.A. However the Superintending Engineer Bulk Water Supply and the Chief Engineer, K.D.A. recommended the case to their higher authorities for payment of said dues. The K.D.A. now insists that certain paras. of the agreement may be modified and Draft Agreement is under consideration with the A.D.C. Headquarters.

The points raised by the Public Accounts Committee were explained as under:—

- (i) The *Ex-Sind Government's* original letter No. 332 (M) (i), dated 30-1-1948 fixing the departmental charges at concessional rate of 13½% (12½% Departmental Charges plus 1% Audit charges) is not forthcoming either with this Administration or the K.D.A. It appears that on the eve of formation of One unit, the *Ex-Sind P.W.D.* Secretariat file containing the said letter did not come into the possession of this Administration. Since there are repeated references to this concessional percentage on the sides of both this Administration and the K.D.A. over a number of years, it is reasonable to accept this percentage for Haleji Reservoir Schemes work executed by this Administration on behalf of K.D.A.

- (ii) Actually there is nothing to substantiate the figures of 30½% mentioned in this query of the Public Accounts Committee. *This figure was erroneously given and the oversight is regretted.* The fact is that beside the position explained in reply to query No. (1) above there was another work of the K.D.A. viz. "Pontoon Scheme" which was executed by this Administration on behalf of K.D.A. at the concessional rate of 25% fixed by the P.W.D.,—vide their letter No. 7356-I(2), dated 15-5-54.

Thus there were two works of the K.D.A. executed by this Administration at the concessional percentage charges of 13½% and 25%, respectively. The statement showing the details about the amount recoverable and recovered so far, from the K.D.A., on account of both of them indicates that a total amount of Rs. 6,98,621/63 is now recoverable for both of the said works.

- (iii) The Draft Agreement is under consideration with the A.D.C. Headquarters because the K.D.A. insists that certain paras. of the Agreement do not suit them and that the same should be modified.

(2) *Naranji Flow Irrigation Scheme*—The scheme was implemented by Irrigation Department on behalf of District Council Mardan. Its cost was estimated to Rs. 47,700 which was paid by the District Council. This amount was exceeded due to (i) increase in the cost of land beyond the provision in the estimate (ii) side slips during construction which meant handling increased quantity of work than that provided in the estimate and (iii) Desertion of the original contractor which necessitated retendering of the work at a higher rate. The cost of the scheme rose to Rs. 1,15,000 which included the amount of Rs. 22,500 for compensation. The District Council Mardan found itself unable to finance the expenditure. 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. The maintenance of the scheme since its completion is being done by Irrigation Department while the revenue derived from the scheme is also credited to Government. Special application for funds was sent to Finance Department to allocate 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. It was explained to the Finance Department that the stoppage of work at the stage, expenditure reached the limit of deposited amount would have entailed total loss of amount already expended as the incomplete work would have been washed away by the floods. The completion of the work in the circumstances was fully warranted. This case is still under correspondence.

(3) *Construction of Road inside Premier Sugar Mill*—The work of constructing and concreting road inside the Premier Sugar Mill was taken in hand in the month of July, 1950 in compliance with the verbal instructions of the Chief Minister Ex. N.W.F.P. as a deposit work to be paid for by Premier Sugar Mill Mardan. The Sugar Mill agreed to pay as soon as funds become available with them after the commencement of the working season 1950-51. The work was completed at a cost of Rs. 4,50,351 (W.O. 3,67,037 and D.C. 83,314) Vigorous efforts have been made, at various levels, to effect the recovery of the balance of Rs. 1,79,225 without success. The matter was also reported to the Government of West Pakistan, Industries Department, for effecting the recovery from the bill of the Mill payable by Industries Department. The case remained under correspondence for three years but no recovery could be effected. The matter was thereupon taken up in March, 1966 with civil authorities to effect the recover as arrear of land-revenue on the strength of Notification No. 7321-65/3587/LBB, dated 16-10-1965 (West Pakistan Ordinance XXIII of 1962). Several reminders were issued to the D. C., Mardan by the Executive Engineer, Mardan and Superintending Engineer, Northern Irrigation Circle, Mardan but no recovery has yet been effected. In the meantime the Mill authorities approached the Superintending Engineer for the waiving of Departmental charges of Rs. 83,314 and expressed their willingness to pay the balance of Rs. 95,911 if the departmental charges are waived. The proposal was referred by Chief Engineer to Government of West Pakistan, Irrigation and Power Department, Lahore. The case has now been referred to Secretary, Board of Revenue by the West Pakistan, Irrigation and Power Department, Lahore,—vide letter No. 18/S.O. T&D (P)/64, dated 25-9-1967 requesting him to direct the Deputy Commissioner, Mardan, to effect the recovery from the Mill immediately. Board of Revenue has been reminded.

(1) *Water Supply to K.D.A.*—The Committee observed that there was a basic dispute between the Department and the K.D.A. with regard to the rate at which departmental charges are to be recovered from the K.D.A. This matter has been pending for a long time and it appears that it would not be finally settled between the Department and the K.D.A. unless the Finance Department takes interest in this and tries to sort it out. The Committee, therefore, asked the Finance Department to get this issue settled.

(2) *Naranji Flow Irrigation Scheme*—The Committee asked the Department to expedite the case.

(3) *Construction of Road inside Premier Sugar Mill*—The Committee noted that the work for the construction of the road was started as a deposit work without appropriate sanction. The Department maintained that this had been done under orders of the then Chief Minister of N.W.F.P. A sum of Rs. 3,14,000 has been

recovered. This leaves a balance of Rs. 1,36,351 to be recovered. The Mill authorities have agreed to pay the balance of Rs. 53,037 which covers the work outlay, but have disputed the payment of Rs. 83,314 which covers the departmental charges. Their contention is that they should not be asked to pay this amount as the work was done in public interest. The Committee failed to understand how the construction of road within the area of a Mill could be considered to have been done in public interest. Further more, from examination of the letter of the Mill authorities dated 4-3-1968, produced by the Department, it appeared that the Administration of the Mill have taken it upon themselves to decide that the work was done in public interest and arbitrarily refused to make this payment. The Committee felt that Department should make all efforts at the earliest to take necessary action to recover not only the balance of Rs. 53,037, which covers the work outlay but also amount of Rs. 83,314 being the departmental charges. The Committee also felt it worthwhile to point out that in quite a few cases, it has been observed that the Departments are placed in an embarrassing position when the administrators at various levels not empowered to give directives of this nature, order the Engineers and others to execute jobs without proper sanction. This places them in a false position and many serious irregularities are committed on the plea that oral instructions of the administrator, though unauthorised, have been carried out.

The para. was deferred to be taken up alongwith the accounts for 1962-63.

(15) *Page 77, Para. 17(a)99-Expenditure on pay and allowances of Government Servants acquitted by Court of Law*—The explanation was found satisfactory and the item was dropped.

(16) *Page 512, Item No. 5(ii)-Excess Payment*—As the item has been converted into para. 59 (i) of Appropriation Accounts for 1963-64, it was dropped from here.

(17) *Page 512, Annexure Para. 9, Wasteful expenditure*—The para. was deferred to come up again alongwith the accounts for the year 1962-63 when the Department should furnish full facts of the case and the latest position.

(18) *Page 513 Para. 11-Loss due to defective Designing of Spill Weir Rs. 1,32,855*—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 matter was last considered by the Committee at its meeting held on 9-9-1967 when 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) Spill weir at Nawabi near Takwara in D. I. Khan District.

(2) Spill weir at Warruki in D. I. Khan District.

The Departmental inquiry was held to investigate into the causes of the damage done to the two spill weirs at Nawabi and Warruki and to fix responsibility. In the opinion of the Court of Enquiry the spill weirs 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 could not be altogether eliminated. The loss which is admitted did not occur due to malafide intention or irregularity. The case was examined, by the Departmental Accounts Committee in their meeting held on 5th and 6th July, 1966 when it was explained that the design adopted for spill weir was an experiment with a view to effect saving in cost of construction of such works. The experiments which were costly, however did not succeed.

The Audit pointed out that the copy of the Enquiry Report has not been supplied to them.

The Committee then 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 alongwith the relevant documents.

The Department now explained that the report of the Enquiry Officer was sent in original by the Department to the Secretary to Government of West Pakistan, Communications and Works Department, Lahore,—vide letter No. E-1/48-S.O.II(E)/62, dated 18-5-1964. The Secretary to Government of West Pakistan, Communications and Works Department, Lahore has been requested to supply an attested copy of Enquiry Report direct to the Director, Audit and Accounts (Works), West Pakistan, Lahore as well as to the Department for placing it before the Standing Committee on Public Accounts as desired, but the copies have not been received from Communications and Works Department.

The Committee noted that despite the directive of the Committee given in the meeting held on 9-9-1967 that the Department should supply the copy of the Enquiry Report to the Audit and also that the same should be produced before the Committee at its present meeting, this has not been done during the past six months. The Department is once again directed to supply a copy of the Enquiry Report to the Audit within one month.

Subject to verification by Audit of the same the para. was dropped.

19. Page 4-5, Para. 8-Grant No. Nil, Other Revenue expenditure Connected with Electricity Scheme—

	Rs.
Expenditure	1,31,445
Excess	1,31,445

The Department explained that excess expenditure of Rs. 1,31,445 represents expenditure on account of payment of claims of arrears of pay and allowances without budget provision. On enquiry from the Director Audit and Accounts (Works), West Pakistan, Lahore, it was clarified by the Government of West Pakistan, Irrigation, Communications and Works Department, Lahore,—vide their No. 5/20-SCI (E)/2/58, dated 21-10-1961 issued with the concurrence of the Finance Department that the re-imbursement of arrears of pay to WAPDA when claimed will appear in the Government account under head "52-A-Other Revenue Expenditure connected with Electricity Schemes-Establishment charges" and budget provision for the same will have to be made in due course. It was further decided that if any amount appears in Government accounts for the year 1959-60 or 1960-61, it shall have to be left un-covered. As no clear instructions with regard to the budget provision to be made for payment of arrears of pay for the year 1959-60 or 1960-61 existed before the issue of these Government orders, no funds for the purpose were catered for by the Government. It may also added that the budget provision was duly made for the following years.

The Committee accepted the explanation of the Department and recommended regularization of the excess expenditure.

The Committee then adjourned to meet again on 8-3-1968 at 9-00 a.m.

LAHORE:

ZAIN NOORANI
CHAIRMAN

The March, 1968.

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 8TH MARCH, 1968, AT 9-00 A.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 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. Imran Shah, C.S.P., Additional Secretary to Government of West Pakistan, Finance Department. | ... | Expert Adviser. |
| (7) Mr. Nuzhat Hussain, P. A. & A. S., Director, Audit and Accounts (Works), West Pakistan. | ... | By Invitation. |
| (8) Mr. Ahmed Hassan, P. S. E. I., Secretary to Government of West Pakistan, Irrigation and Power Department, alongwith Chief Engineers of various regions. | ... | By Invitation. |
| (9) Mr. M. A. Rashid, T. Pk., C. S. P., Member, Finance, WAPDA. | ... | By Invitation. |
| (10) Mr. M. U. Arain, P. S. E. I., Chief Engineer, Ghulam Muhammad Barrage Project. | ... | By Invitation. |

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 Irrigation and Power Department in respect of the following items appearing in Appropriation Accounts:—

APPROPRIATION ACCOUNTS FOR THE YEAR, 1960-61.

Page 4, Para. 8 read with page 130—Grant No. 10—Other Expenditure financed from Ordinary Revenue—

	Rs.
Original Grant	53,45,010
Modified Grant	51,05,310
Expenditure	1,88,60,706
Expenditure	1,88,60,706
Excess	1,37,55,396

Item L = Excess of Rs. 3,84,560.

Item N = Reconciliation of figures

The consideration of these two items was deferred to be taken up alongwith the Accounts for 1962-63.

APPROPRIATION ACCOUNTS FOR THE YEAR, 1961-62.

(1) *Page 3, Para. 5 read with page 49—Grant No. 8, under head "13—Other Taxes and Duties—F—Charges under the Electricity Act"—*

	Rs.
Original grant	3,38,200
Actual Expenditure	2,90,651
Saving	47,549

The Department explained the saving as under:—

- (1) The Modified Grant should have been Rs. 3,27,570 because an amount of Rs. 10,630 was placed under sub-head "Surrenders and withdrawals within the grant" by the Finance Department,—vide their U.O. No. BVII-7 (54)/61-1154, dated 30th June, 1962, which was not taken into account by the Audit Office = Rs. 10,630.
- (2) Due to non-availability of technical staff some posts of qualified Electric Inspectors and Electric Sub-Inspectors etc., remained vacant till the close of the financial year. Surrender could not be made as these posts were expected to be filled up any time = Rs. 30,321.
- (3) The examination of Electrical Supervisors and Wiremen was not conducted during the year as no Licensing Board was constituted by Government till the close of the Financial Year. Surrender could not be made as the Board was expected to be constituted any time = Rs. 2,500.
- (4) Due to non-purchase of testing instruments on account of return of these instruments from Electricity Department which originally belonged to Electric Inspector, Hyderabad = Rs. 4,098.

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

(2) *Page 3, Para. 8 read with page 96—Charges on Electricity Establishment—Excess Rs. 2,227—As the working paper in respect of this para had not been sent by the Department to the Audit previously, the consideration of this para. was deferred to 20 April, 1968.*

(3) Page 3, Para. 8 read with page 74—Grant No. 9—Irrigation Working expenses—

	Rs.
Grant	5,13,81,900
Expenditure	6,42,72,189
Excess	1,28,90,289

The Department explained that the original grant was Rs. 5,13,81,900. The Department asked for more funds in the lists of Excesses and Surrenders. Instead of providing more funds Finance Department imposed a cut of Rs. 4,52,990 reducing the grant to Rs. 5,09,28,910. The Department spent Rs. 1,33,43,279 in excess of the modified grant. The excess expenditure was due to the following reasons:—

- (1) The excess of Rs. 60,80,565 in Sukkur Region was due to the fact that the channels in Southern Region required extensive maintenance work especially in respect of Silt Clearance, groynes raising and strengthening of banks, etc., because as a result of Grow More Food Campaign the demand of water for irrigation purposes had abnormally increased. The supply of water to meet the requirement of the cultivators from partly silted channels was not possible. Therefore, in order to meet the situation the demand under Sub-head maintenance and repairs was increased in the 2nd List on practical grounds but was not sanctioned by Government and by the time the Modified Grant was communicated to the Chief Engineer, Sukkur, the expenditure on M. and R. had already exceeded the allotment.
- (2) The excess expenditure of Rs. 16,33,070 is reported by the Chief Engineer, Remodelling on the most essential works in respect of (i) B. R. B. D. Link, (ii) M. R. Link, and (iii) B. S. Link, which were absolutely necessary for safe running of the Links to its full authorized discharge. The demand for these works was made in the 2nd List of Excesses and Surrenders with full justification but no additional grant was allotted.
- (3) The Chief Engineer, Sargodha has reported excess of Rs. 16,91,634 as under:—
 - (i) Rs. 4,78,372 in Rasul Tubewell Project, is due to the fact that against Original Grant of Rs. 10,00,000 a demand of Rs. 54,48,800 was made in the 2nd List. By the time the grant of Rs. 43,00,000 was received the expenditure of Rs. 47,78,372 had already been incurred in anticipation of acceptance of full demand. The incurrance of the expenditure was on running of Tubewells and as such was in the interest of Grow

More Food Campaign. Had the authorities tried to exercise any further economy the Grow More Food Campaign would have received a serious set back.

(ii) The excess of Rs. 8,69,269 in Lower Chenab Canal West is due to the following reasons:—

- (a) A huge quantity of stone was dumped at Khanki Head Works to replanish the washed away aprons in weir bays and other river training works. The expenditure was unavoidable for the safety of Head Works which is feeding a large tract of fertile area. These works could not possibly be postponed.
- (b) The excess was due to liquidation of certain liabilities on different works lying in Schedule of Misc. P. W. Advances on account of works done by Mughalpura Irrigation Workshop Division.
- (c) The conditions of channels due to non strengthening of banks etc., had deteriorated to such an extent that they could not be run with full supply discharge unless repaired immediately. As such repairs were carried out being most essential and unavoidable.

(iii) The excess of Rs. 3,43,933 in respect of Upper Jhelum Canal was incurred because huge repair works had to be carried out during its closure. Closure works are an annual feature on all canals, but Upper Jhelum Canal had a closure after 9 years and a large number of works needed repairs and attention.

(4) Against the grant of Rs. 63,27,470 the actuals reported by the Chief Engineer, Bahawalpur are Rs. 90,35,773, thus there had been an excess of Rs. 26,08,303. The reasons for the excess are as under:—

- (a) The debits for the work of providing gates for Degi-escape in Dallas Division were received late in Supplementary Accounts from the Mughalpura Irrigation Workshops Division. As the liability had already been incurred hence it could not be avoided and the debit was accepted.
- (b) The submergence of the bridges of various channels had resulted in abnormal rise in full levels. The heading up caused by such bridges resulted in upsetting the rigime of channels. The work of raising Bridges, adjusting outlets and regarding of channels had to be taken up as an emergency measure.

- (c) The river down stream Trimmu headworks had come in dangerous proximity of canal Colony and the Haveli Main Line at R.D. 20,000. In order to arrest the dangerous tendency of the river an elaborate scheme of D/S protection costing Rs. 32,00,000 was approved by the Government later on. In the meantime temporary protection works were constructed to hold up the river to save Canal Colony and Haveli Main Link. These works were being efficiently maintained. The river action during summer, 1962, became offensive against the works and if these works were not properly repaired and extended there was every possibility of washing away the works and Haveli Main Line, which is in fact the life line for the Irrigation in Haveli Circle. As the situation was becoming explosive the important works had to be executed in the Public interest and to save Government from huge loss in the shape of damages to works and consequent loss of Revenue.
- (d) The work of raising and strengthening Channels was taken up according to the five years' programme. The reaches so taken up were over-due for repairs and required immediate attention in the smooth running of channels. Moreover the work of silt clearance was also done without which the channels could not run in Lodhran Division as Mailsi Canal carried a big charge of silt, which in turn finds its way into the off-taking channels.

	Rs.
(5) Central Bari Doab Canal ...	2,80,016
Upper Chenab Canal ...	1,83,657
Lower Bari Doab Canal ...	1,35,280
Nilibar Circle ...	4,43,320
Mughalpura Irrigation Workshop	29,535
Total ...	10,71,808

- (a) The expenditure was incurred on most important works of the above-mentioned canals which were of unavoidable and inescapable nature and were absolutely necessary for operational purposes.
- (b) Pay of work-charge establishment had increased but the allotment remained unchanged.
- (c) Electric charges for running pumps for lift Irrigation Schemes were increased from 6.5 paise per unit to 18 paise per unit.

- (6) The Chief Engineer, Irrigation, Quetta has shown an excess of Rs. 1,97,903 stating that during July, 1962, there were heavy rains in Quetta Circle, due to which certain works were badly damaged while the others were in need of emergent and special repairs and could not be postponed to next year. Necessary repairs were therefore carried out to safe-guard the public works/structures/buildings, etc.
- (7) The Deputy Chief Engineer, Ghulam Muhammad Barrage has reported an excess of Rs. 59,906 which is due to the reason that some debits relating to previous years were received for clearance.

The Committee observed that the Department's explanation is that they had been asking for more funds through the Statements of Excesses and Surrenders but Finance Department did not provide funds. The Committee drew the attention of the Department to the Punjab Budget Manual wherein it is clearly laid down that the Statement of Excesses and Surrenders is not the means of obtaining additional funds. Obviously the incurrence of this expenditure in excess of the budget allotment was irregular.

As regards the dumping of stones at Khanki Headworks, Audit had pointed out that dumping of stones is an annual feature and the Department should have been able to anticipate the quantity of stone which was required to be dumped. Audit wanted to have the figures and the quantity of stone dumped so that they could see whether it was necessary.

There is no going away from the fact that instead of getting more funds allotted for works, the Department just went on spending and incurring excess expenditure of Rs. 1,33,43,279. If there were certain works where the necessity for spending had arisen on account of any emergency, the procedure laid down in the Public Works Department Code was clear and it was open to the Department to have approached the Finance Department and informed the Audit about the incurrence of expenditure to meet the emergency, but this was not done. Obviously this is a case of laxity of control over the incurrence of expenditure. All that the Public Accounts Committee at this stage can do is to recommend regularization of the excess of Rs. 1,28,90,289 and to impress upon the Department that they should not use the Statement of Excesses and Surrenders as a means of obtaining funds but should obtain further allotment of funds in the proper manner if increased expenditure on certain works becomes necessary.

The Public Accounts Committee would impress upon the Department that disciplinary action should be taken against those officers who spent in excess of the allotted funds or in cases of emergent nature did not inform the Audit and follow the necessary procedure for obtaining funds for the works.

(4) Page 3, Para. 8, read with page 78,—Grant No. 10—Other Irrigation expenditure financed from ordinary Revenue. I—Works in charge of Public Works Officers—

	Rs.
Original Grant	72,62,300
Modified Grant	62,96,250
Expenditure	1,15,68,107
Surrender	9,66,050
Excess	52,71,857

The Department explained that the total grant under Budget Head 18—ORE for the year, 1961-62, communicated by the Finance Department was Rs. 72,62,300 which also included Rs. 9,66,050 being the grant for the maintenance of Bund Works in Ghulam Muhammad Barrage. As the Ghulam Muhammad Barrage area was transferred to the Agricultural Development Corporation, Rs. 9,66,050 was also transferred to the Agricultural Development Corporation by the Finance Department.

The excess expenditure of Rs. 52,71,857 was explained as follows:—

- (1) The liabilities against Tubewell Circle in Lyallpur Region on account of expenditure for the year, 1960-61 outstanding as unresponded debits under minor head suspense were cleared during, 1961-62, which resulted in excess of Rs. 30,000 over the modified grant.
- (2) Due to issue of more quantity of cement to work etc., which was lying in the stock of Waziristan Irrigation, Peshawar Division. Modified grant under suspense stock—Rs. 1,00,000—Actual—Rs. 1,84,369.
- (3) Due to heavy wave wash, works during the abkalani (flood seasons) of 1961, as well as heavy repair works were carried out to bunds to safeguard the public property in Sukkur Region—Modified grant—Rs. 2,89,640—Actual Rs. 44,01,048. Excess works out to Rs. 1,11,408.
- (4) Against grant of Rs. (—) 3,500 the actuals reported by the Chief Engineer, Irrigation, Sukkur are Rs. 1,71,731 (excess of Rs. 1,75,231) but in the record of the Audit the Actuals of Rs. 9,95,579 are reported. The Chief Engineer, Irrigation, Sukkur has been requested to reconcile these figures and report the correct position (excess Rs. 9,99,079). The Chief Engineer, Sukkur, will explain the position in the meeting of the Public Accounts Committee.
- (5) The Soil Reclamation Board (Now Land and Water Development Board) was allotted a sum of Rs. 23,670 Grant-in-Aid. Against this amount the actuals shown

by the Audit are Rs. 2,99,185. The Secretary, Land and Water Development Board has, however, intimated actual expenditure of Rs. 2,03,069 against Rs. 2,99,185 shown by Audit. Detailed Expenditure given by their organization is as follows:—

- (a) The accounts record of the defunct Soil Reclamation Board has been further examined to find out the correct position of funds allocated as Grant-in-Aid and expenditure incurred there-against during the year, 1961-62, under Budget Head "18—ORE". In fact the Soil Reclamation Board was allocated an amount of Rs. 3 lacs as Grant-in-Aid during, 1961-62, and based on this allocation, the total funds were paid to the Board,—*vide* Cheque No. 466817/04669, dated 14th October, 1961, by the Deputy Director, Land Reclamation, West Pakistan. This amount was received in the Cash Book of the defunct Board on 17th October, 1961. Later, however, while submitting 2nd List of Excesses and Surrenders for the year, 1961-62, the Board observed that the entire amount of Grant-in-Aid, the major portion of which consisted of Publicity Equipment and Transport Vehicles could not be utilised fully as originally contemplated for want of Foreign Exchange allocation. It was accordingly decided to provide Rs. 23,670 in the 2nd Revised Estimates surrendering the balance to the Government. The Irrigation and Power Department,—*vide* their Circular letter No. 24-BO II/62, dated 5th/9th June, 1962, communicated the revised grant of Rs. 23,670 during, 1961-62.
- (b) Subsequently on a reference made for the allocation of Foreign Exchange, the Finance Department,—*vide* their letter No. EF-2(34)/61, dated 2nd May, 1962, informed that as the functions of the Soil Reclamation Board would be taken over by the Agricultural Development Corporation, no separate provision for the next financial year could be made at this stage. However, as regards the year, 1961-62, the Agricultural Development Corporation who had been allocated Rs. 50 lacs in Foreign Exchange might be contacted in the matter. The Agricultural Development Corporation on being requested placed at the disposal of the Board foreign exchange equivalent to Rs. 1,21,000,—*vide* their Memo. No. F(B)-I/6, dated 25th May, 1962 and necessary indents for the purchase of publicity Equipment and Transport Vehicles were, therefore, placed with the Director of Industries, West Pakistan. A letter of Credit No.

Inland-I, dated 9th June, 1962 for Rs. 1,87,872 was simultaneously opened with the United Bank Limited, Lahore. The Director of Industries (Supply Wing) subsequently placed order with various contractors on 23rd June, 1962. This change in the utilization of Grant-in-Aid over the revised grant of Rs. 23,670 was brought to the notice of Chief Engineer, Irrigation, Lahore Zone,—vide letter No. 2-A/1961-62/3775, dated 19th June, 1962, copy endorsed to the Secretary, Irrigation and Power Department,—vide No. 2-A/1961-62/3775, dated 19th June, 1962 requesting him to apprise the Finance Department also of this position.

- (c) Based on the position stated above the expenditure incurred during 1961-62 against the Grant-in-Aid of Rs. 3 lacs is as under:—

	Rs.
1. Cash-expenditure on Pay, Allowances and Contingencies	= 15,196.34
2. Amount of Letter of Credit No. Inland-I, dated 9th June, 1962	= 1,87,872.00
Total expenditure during 1961-62	= 2,03,068.34

- (d) The above expenditure does not include a sum of Rs. 30,000 spent during 1963-64 against the balance of Grant-in-Aid by opening a Letter of Credit No. 21146, dated 12th July, 1967 to import equipment for setting up a Soil Evaluation Laboratory. Indents for this equipment also were placed with the Industries Department. The equipment on receipt by the Board was, however, later transferred to Director, Land Reclamation, West Pakistan on cash payment.
- (6) Chief Engineer, Quetta had explained that the excess of Rs. 5,48,387 in Quetta Region. (a) Rs. 5,07,927 was due to the wrong Booking of expenditure by Audit because of the fact that expenditure on repairs of machinery and its spare parts was charged to T & P grant instead of "Suspense" hence the excess.
- (b) The excess of Rs. 40,460 was due to the expenditure under R & C of T & P in Division of Kalat Circle because of the facts that survey and mathematical instruments were required urgently and immediate repairs, which could not be postponed for want of funds, carried out.
- The explanation furnished by the Chief Engineer, Quetta is not acceptable, as the Modified Grant was as follows:—

	Rs.
(1) 18.O.R.E.A(1)(b) Tubewell Investigation M&R	2,00,000
(2) 18. O.R.E.A(2) Misc; Expend: T & P	52,920

Total:— ... 2,52,920

The grant under Suspense pertaining to Quetta Region was nil. Chief Engineer, had been asked to re-examine the case and furnish correct explanation for the huge excess. The Chief Engineer will explain in the meeting of Public Accounts Committee.

(7) The excess of Rs. 26,32,084 is due to the fact that the allotment for Upper Sind Mechanical Division under the Minor head Suspense was sanctioned by the Government under the Major Head "68-Capital" where as expenditure as per Director, Audit and Accounts, Works, Lahore's letter No. SA-III/USM/II/382, dated 30th September, 1960, was booked under the Major head "18-ORE".

(8) The difference between allocation and actuals against Sub-head A(2)(2) M&R as reported by the Chief Engineer, Irrigation, Peshawar, the Director Hydrology and Audit and Accounts (Works), is as under:—

reported by	Modified Grant	Actuals	Difference
	Rs.	Rs.	Rs.
Chief Engineer, Peshawar	1,59,110	1,57,809	+7,699
Director Hydrology	1,000	880	-120
Total	1,51,110	1,58,689	+7,579
Audit and Accounts (works)	1,15,110	8,45,691	+6,94,581

The Chief Engineer, Peshawar and Director Hydrology have been requested to get the expenditure figures of actuals reconciled and report correct position. They will explain the position in the meeting of Public Accounts Committee.

The Committee made the same remarks as in the case of item No. 3 above.

II. Works in charge of Civil Offices—

	Rs.
Original grant	2,00,000
Expenditure	2,16,130
Excess	16,130

The Department furnished no explanation for the excess expenditure of Rs. 16,130. The item was deferred to be taken up at the next meeting on 20th April, 1968.

(5) Page 3, Para. 8 read with page 97—Grant No. 35—
Irrigation Capital—

	Rs.
Original Grant	14,31,59,200
Modified Grant	13,09,96,430
Expenditure	18,51,67,914
Surrender	1,21,62,770
Excess	5,41,71,544

As the Department asked for some more time to explain the excess expenditure, the consideration of this para. was deferred to be taken up in the next meeting on 20th April, 1968.

(6) Page 7, Para. 14 read with Page 105, Note 10 under grant No. 35—Irrigation Capital, Re-appropriation order issued after the close of the financial year—

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

(7) Page 39, Para. 17(a) 135—Excess Payment—In this case an over-payment of Rs. 6,512 was made to Contractors by allowing them premium at 150 per cent, above the scheduled rate in case of earth works costing less than Rs. 200 for which tenders were not required to be called for. The contractors were, however, allowed premium at 195 per cent, to 200 per cent, above the scheduled rate resulting in an overpayment of Rs. 6,512 to the contractors and consequent loss to the Government.

The Department explained that the tenders for earthwork to be carried out under Annual M&R during the year 1951-52 were called by the Executive Engineer, Sheikhpura Division and the lowest rate tendered by contractors was 190 per cent above the Schedule of Rates. These rates were sent to Superintending Engineer, Upper Chenab Canal Circle for approval by the Executive Engineer. The former asked the latter to call fresh tenders. Fresh tenders were called by the Executive Engineer and the lowest rates were 200 per cent above the schedule of rates. They were recommended by the Executive Engineer to the Superintending Engineer, Upper Chenab Canal Circle for approval. The Sub-Divisional Officers, Khan Fazal Haq Khan and Mian Abdur Rashid have stated in their explanation that these rates had been approved by the Superintending Engineer, Upper Chenab Canal Circle but that reference is not available in the office record. To regularise the matter, after the objection was raised by the Audit, the Superintending Engineer incharge of Upper Chenab Canal Circle in 1963 after giving due consideration to the rates on other Estimates involving earthwork paid during 1951-52, issued a postfacto sanction,—vide his letter No. 5412/27A dated 14th Augst, 1963 approving a premium of 200 per cent above the basic schedule of rates. The postfacto sanction thus accorded was not accepted by the Audit. As such the three Sub-Divisional Officers viz., Khan Fazal

Haq Khan, Mian Abdul Rashid and Mr. Shafiq Ahmad who made these payments without authority are being served with charge sheets for recovery and disciplinary action.

The Committee noted that the Department admits the irregularity and that they were going to charge sheet the Sub-Divisional Officer concerned. The result of the action taken against the above Sub-Divisional Officers be communicated to the Audit and the Finance Department. Subject to this observation the para. was dropped.

(8) Page 39, Para. 17(a)136—*Excess Payment*—

(9) Page 39, Para. 17(a)137—*Excess Payment of Rs. 1,32,583*—

(10) Page 39, Para. 17(a)138—*Excess Payment of Rs. 37,718*—

(11) Page 39, Para. 17(a) 139—*Excess Payment of Rs. 4,388*—

Explanation of the Department in respect of the above paras. was accepted by the Committee and the paras. were dropped.

(12) Page 40, Para. 17(a) 140—*Shortage of Stores*—In this case a sum of Rs. 36,007 was recoverable from an Overseer since June, 1959 on account of Stock Articles found short against him.

The Department explained that the para. pertains to the shortages of certain articles of stores against various officials. The amount of Rs. 36,007 has since been reduced to Rs. 8,147. Following two items have since been cleared:—

1. Rs. 1,260 (cost of 45 Cwt, L-Iron) adjusted,—*vide* transfer entry No. 20 dated 27th February, 1967.
2. Rs. 1,225 (cost of Delivery Hose and Hose Suction), adjusted—*vide* transfer entry No. 19 dated 4th December, 1963 (Total amount Rs. 5,082/50).

The remaining amount of Rs. 5,662 will be recovered when the case of Fazal Haq Khan, Mechanical Overseer is decided. He has been served with a charge sheet during September, 1967. The Overseer at present is working in Quetta Region. He asked for consultation of some record. In reply he was asked to attend Executive Engineer, Pasrur Link Division, Sialkot's Office for the needful. He has been finally informed by a postal wire to attend the office of Executive Engineer, Pasrur Link Division, Sialkot on 25th January positively failing which *Ex-party* decision will be taken.

The Committee noted that the sum of Rs. 2,485 has been adjusted and verified by the Audit. The balance of Rs. 5,662 is to be recovered. The Department further stated that they have charge-sheeted the Overseer concerned and disciplinary action is proceeding against him.

Subject to recovery and verification of the same amount and intimation of disciplinary action taken against the Overseer concerned to Audit and Finance, para. was dropped.

(13) Page 40, Para. 17(a)141—*Shortage of Stores*—In this case a sum of Rs. 5,326 was found outstanding since March, 1950 against an Overseer and Sub-Divisional Officer on account of shortage of stores which stands debited to the suspense head "Miscellaneous Public Works Advances".

The Department explained that Stores worth Rs. 5,326/25 was declared short against the non-Muslim officials in 1950 on their transfer from this Division. They have since migrated to India and their whereabouts are not known. These cases are being dealt with at Government level. These amounts have already been reported to Third Party Claims Committee and the decision in such cases will settle the case.

The para. was dropped subject to the observation that Audit should keep a watch over further progress in the matter.

(14) Page 40, Para. 17(a)142—*Shortage of Stores*—In this case stores worth Rs. 3,194 were found short against some Overseer. The shortage had come to light in March, 1952 and was reported by the Sub-Divisional Officer to the Divisional Officer in May, 1954 but was not reported to Audit Office as required by rules. The amount of the shortage was also not placed under "Misc: Public Works Advances" to watch recovery.

The Department explained that the shortage of stores to the tune of Rs. 3,194 has been taken up,—vide para. 14(a)(b) of Audit Inspection Report of Sheikhpura Drainage Division for the year 1954-55 which has now been covered into draft para. No. 17(a)142 for 1961-62.

Serial No.	Name of Articles	Quantity	Amount	
			T Cwt. Qr. Lbs.	Rs. A. P.
1	E.C. Bags ..	529 Nos.	...	196 9 0
2	Steel Pipe, 1" dia. ..	22 Nos.	...	22 0 0
3	M. Steel 24" gauge ..	..	1 2 0 8	905 0 0
4	Steel Black 3/32" ..	1 No.	...	15 0 0
5	M.S. Angle 23/8 x 2/8 ..	..	0 0 1 7	883 6 6
6	Ditto ..	..	0 2 0 8	
7	M. S. Fleet 1 1/2 x 1/4 ..	..	0 2 1 22	
8	M.S. Fleet 2 x 3/8 ..	..	0 2 2 7	
9	M.S. Fleet 5 1/2 x 1/4 ..	..	0 3 1 22	
10	M.S. Fleet 5 x 1/4 ..	..	0 8 1 18	

B. TMP articles shortage against Muhammad Shafi, Overseer—

Sl. No.	Name of Articles	Quantity	Amount
1	Commod.	1 No.	25 0 0
2	Sts 1 To. oki 50'	2 Nos.	50 0 0
3	Choularis w/o bamboos	3 Nos.	750 0 0
4	Slage Machines	1 No.	5 0 0
5	L. & E. Materials	2 Nos.	10 0 0

C. Stock Articles short against M. Ghulam Nabi, Overseer—

1. M.S. Bars 1½" dia. 0-14-3-6 444/-/-

D. Stock articles short against Mr. M.R. Arshad, Overseer—

Fuel Wood. 158 Mds. 98/2/-

The Stores under 'A' and 'B' above were handed over short by Mr. Muhammad Shafi, Overseer while handing over charge on 1st March, 1952 to Mr. Muhammad Khan, Overseer. Further scrutiny shows that material worth Rs. 1,921/7/- had either been consumed on works or made good by the Overseer concerned but not accounted for. Therefore the Executive Engineer, Upper Gugera Division who was initially dealing with this case has been asked to collect and produce the relevant record so as to arrive at the correct decision. At the same time the Chief Engineer, Irrigation, Lahore Zone, Lahore has also been requested to consult the record of Rechna Drainage Divisional Office and find out the exact position of this case. Till then the para. may stand on the agenda.

The Committee noted that as yet the Department is not very clear as to whether the material worth Rs. 1,921/42 has been consumed on the work or not. The Committee observed that it was very difficult for the Public Accounts Committee to consider speculative explanation of this nature. The Committee was also disturbed to note that although this irregularity was pointed out in the year 1954, the recovery has not been finalized nor any disciplinary action has been taken. The Committee asked the Department to expedite settling of this matter at the earliest and also to report to the Committee what action it intends to take against the person/s concerned, who have been responsible for the lapse of such a long period of time to settle this matter. The para. is deferred to come up again alongwith the accounts for the year 1962-63.

(15) Page 40, Para. 17(a)143—*Shortage of Stores*—As the shortage has since been adjusted and verified by the Audit, the para. was dropped.

(16) Page 40, Para 17(a)144—*Shortage of Stores*—In this case stores worth Rs. 63,730 were purchased during the years 1954 to 1958 for subsequent issue to other Divisions of the Department.

These stores have not been issued to any other Division and are lying idle with the result that they have deteriorated in quality and have also blocked Government capital for a long time. The stores were purchased without being indented for by any Public Works Division and purchased in excess of actual requirements in contravention of rules.

The Audit has verified the consumption of stores worth Rs. 40,320. The Department stated that the stocks worth Rs. 23,410 have also been consumed. This may be got verified by the Audit. Subject to this observation the para. was dropped.

(17) Page 40, Para. 17(a)145—*Shortage of Stores*—The para. was deferred to come up before the Committee alongwith the accounts for the year 1962-63.

(18) Page 40, Para. 17(a)146—*Shortage of Stores*—

(19) Page 41, Para. 17(a)147—*Shortage of Stores*—

As these shortages have since been settled, the paras. were dropped.

(20) Page 41, Para. 17(a)148—*Shortage of Stores*—In this case an irregular payment of Rs. 6,516 was made to contractors on account of wetness allowance. According to Chief Engineer's orders, wetness allowance could be paid only after prior sanction of the Superintending Engineer and after his inspection of the soil to be excavated. Payment of Rs. 6,516 was made to the contractors without obtaining prior sanction of the Superintending Engineer and was therefore irregular.

The Committee considered the explanation of the Department and noted that out of an amount of Rs. 6,516 objected to by the audit for being irregular payment on account of wetness allowance, the necessary certificate of sanction for an amount of Rs. 4,635/47 was produced and accepted by audit. This leaves a balance of Rs. 1,880/53 for which the Department would produce the relevant evidence from the persons concerned and get it verified by Audit and inform the Finance Department.

Subject to this observation, the para. was dropped.

(21) Page 41, Para. 17(a)149—*Shortage of Stores*—The para. was deferred to be taken up alongwith the accounts for the year 1962-63.

(22) Page 41, Para. 17(a) 150—*Infructuous Expenditure*—The Department explained that the expenditure was not infructuous. The explanation was found to be satisfactory and the item was dropped.

(23) Page 41, Para. 17(a)151—*Infructuous Expenditure*—In this case Rs. 5,824 were paid to the Railway as wharfage and demurrage during the year 1952 apparently due to the failure of the departmental officials to take delivery and to remove the material from the Railway premises within the stipulated time.

The Department explained that out of Rs. 5,824, Rs. 3,754 have been recovered and verified by Audit. This left a balance of Rs. 2,070. Out of this amount, the Department maintained that a sum of Rs. 1,735 will have to be written off since the persons concerned are dead thus, leaving a balance of Rs. 335 to be recovered.

Subject to the verification of the recovery and the write off by the Audit, the para. was dropped.

(24) Page 42, Para. 17(a)152—*Infructuous Expenditure*—The para. was deferred to be taken up alongwith the Accounts for the year 1962-63.

(25) Page 42, Para. 17(a) 153—*Infructuous Expenditure*—The explanation was found to be satisfactory and the para. was dropped.

(26) Page 42, Para. 17(a)154—*Unauthorized Payment*—In this case an un-authorized payment of Rs. 13,858 was made on account of extra allowance for wet earthwork without the sanction of the competent authority, though according to the departmental orders, such extra allowance could be paid only with proper sanction of the Superintending Engineer specifying the depths and particular reaches in which such an allowance was to be paid.

The Department explained that these payments relate to the work done in connection with (1) construction of Inundation Links for Dipalpur Canal (2) Constructing Tulleqi Spur off-taking from Pakpattan Canal R.D. 33540 (S. Remittance Sulemanki Division) executed in 1950-51 and 1951-52. Sanction of the then Superintending Engineer is not forthcoming for wetness allowance. To regularise the payment of wetness, Superintending Engineer, Depalpur Canal Circle issued *ex-postfacto* sanction on 11th April, 1964, which was not entertained by Audit. Disciplinary action is called for against the officers concerned.

The Committee noted that *ex-postfacto* sanction was issued about twelve years later which was contrary to the rules and was not in order. The Department should make efforts to recover the amount of Rs. 13,858 from the persons concerned who had originally made this payment and also suitable action be taken against the person who issued the certificate for the wet earthwork allowance 12 years after the incident took place.

Subject to these observations and the verification of the recovery by the Audit, the para. was dropped.

(27) Page 42, Para. 17(a) 155 (i) *Unauthorized Payment*—

(28) Page 42, Para. 17(a)155 (ii) *Unauthorized Payment*—

(29) Page 42, Para. 17(a)155 (iii) *Unauthorized Payment*—The Department explained that in these cases no loss was caused to Government. Subject to the Department's satisfying the Audit that these were not the cases of double payments, the paras. were dropped.

(30) *Page 42, Para. 17(a)156—Excess Payment*—The Department informed the Committee that out of a sum of Rs. 8,450 which was to be recovered; a major portion of it had been recovered leaving a balance of Rs. 158 which was yet to be recovered. Subject to the verification of the recovery by the Audit, the para. was dropped.

(31) *Page 43, Para. 17(a)157—Excess Payment*—The para. was deferred to be taken up along with the accounts for the year 1962-63.

(32) *Page 43, Para. 17(a)158—Excess Payment*—The para. was deferred to be taken up along with the accounts for 1962-63.

(33) *Page 43, Para. 17(a)159—Excess Payment*—The explanation was found to be satisfactory and the item was dropped.

III. The Committee then adjourned sine die.

ZAIN NOORANI

CHAIRMAN,

LAHORE:

The 8th March, 1968.

Standing Committee on Public Accounts.

PROCEEDINGS OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD ON 17TH APRIL 1968 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) Rai Mansab Ali Khan Kharal, M.P.A. | ... | Member. |
| (5) Qazi Muhammad Azam Abbasi, M. P. A. | | Member. |
| (6) Mr. Malang Khan, M.P.A. | ... | Member. |
| (7) Rais Haji Darya Khan Jalbani, M.P.A. | ... | Member. |
| (8) Syed Akhlaque Hussain, T.Q.A., C.S.P.,
Additional 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. Nazir Ahmed Chaudhri, P.A. & A.S.,
Director, Audit and Accounts (Works),
West Pakistan. | | By Invitation. |
| (11) Mr. Masud Nabi Noor, S. K., C. S. P.,
Secretary to Government of West
Pakistan, Home Department. | | |
| (12) Mr. Iqbal Moeen, C. S. P., Deputy Secre-
tary, Services and General Administra-
tion Department alongwith Estate
Officer. | | |
| (13) Mr. Amir Ahmed Khan, Secretary to
Government of West Pakistan, Agricul-
ture Department alongwith Mr. Muham-
mad Mohsin, C.S.P., Member, Finance,
West Pakistan Agricultural Develop-
ment Corporation. | | By Invitation
(at the time
of Considera-
tion of items
relating to
their respec-
tive Depart-
ments) |
| (14) Mr. Farid-ur-Rehman, C.S.P., Deputy
Secretary, Basic Democracies, Social
Welfare and Local Government Depart-
ment alongwith Mr. A. R. Qureshi, Chief
Engineer, Public Health Engineering
Department and Mr. M. Aslam Khan,
Deputy Chief Engineer (Irrigation),
Ghulam Muhammad Barrage. | | |
| (15) Mian Saeed Ahmed, Director-General,
Highways Department and Mr. M. A.
Waheed, Director-General, Buildings
Department. | | |

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

II. The Committee took up consideration of the explanations of the Departments in respect of the items appearing in the Appropriation Accounts.

HOME DEPARTMENT

APPROPRIATION ACCOUNTS FOR 1961-62

Page 12, Para. 11 (a)-Outstanding Recoveries and Un-necessary withdrawals—In this case fines aggregating Rs. 1,19,864 imposed by various courts were reported to be outstanding on 31st March, 1962.

The Department explained that the fines to the extent of Rs. 81,052 were written off as the convicts underwent imprisonment and the amount could not be recovered even though efforts to recover the same were made, fines to the extent of Rs. 7,992 have since been recovered and fines to the extent of the Rs. 30,820 were remitted in appeals.

The Audit wanted to see the records to verify the contention of the Department that fines were written off after making sufficient efforts to recover the same. The Department undertook to show a few cases to the Audit. Subject to this the para was dropped.

AGRICULTURE DEPARTMENT

APPROPRIATION ACCOUNTS FOR 1957-58

(1) *Page 34, Para. 5-Losses of Stores*—In this case eight cases of irregularities had been reported. The Committee at its meetings held on 31st October, 1966 and 28th January, 1967, dropped all the items except the shortage of Paddy Seed-239 Maunds and 13 seers and 79 bags.

The Department at the meeting held on 31st October, 1966, had stated that 79 bags were not short and out of 239 Mds. and 13 seers of Paddy Seed, 56 Mds. had been written off. The Department had also produced a letter dated the 19th August, 1966 from the Director of Agriculture to the Deputy Director of Agriculture, Hyderabad, asking him to recover the cost of 183 Mds. from the concerned official. The Committee then observed that the recovery could not be made without holding a formal enquiry and fixing the responsibility on some official. This order itself was faulty as the Director should have ordered the Deputy Director of Agriculture 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 then directed that the Department should ask the Director of Agriculture, Hyderabad to modify his orders.

At the meeting held on 28th January, 1967, the Committee was informed that the Deputy Director of Agriculture, Hyderabad, has

been instructed to conduct enquiry in terms of the above observation of the Committee.

The Committee directed that the enquiry should be completed as soon as possible and its result placed before the Committee.

As no further progress was reported during the present meeting, the item was deferred to be taken up alongwith the accounts for the year 1962-63.

(2) *Page 35, Para. (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-7 Mds. and 20 seers*—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 and he would probably be well within his rights to do so. The Committee had advised the Department to hold a formal inquiry and after fixing responsibility recover the amount.

At the meeting held on 28th January, 1967, the Committee was informed that the formal enquiry was continuing and the action taken in terms of observation of the Committee would be reported as soon as the matter was finalized.

(ii) *Wheat-26 Mds.-17 Srs.—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 the Comptroller, S. A., Karachi and settle the matter.

At the meeting held on 28th January, 1967 the Department stated that the Comptroller, Karachi had supplied an extract of the para. on which the Extra Assistant Director of Agriculture, Nawabshah, had started verification which could not be finalized for want of relevant records being in the court. Further development would be reported in due course of time.

As regard (i) the Department now explained that Deputy Director of Agriculture, Khairpur had asked Mr. Z. A. Mirza to verify the relevant records personally but he did not comply with this. So far as disciplinary proceedings are concerned, a formal charge-sheet has been prepared by the Director, Agriculture, Hyderabad and submitted to the Department for service on Mr. Z.A. Mirza, who is now working as District Soil Conservationist, Mardan at Nowshera. Necessary action in this respect is being taken by the Department.

Regarding (ii) it was stated that the records are still lying with the Anti-Corruption Department.

The para. was deferred to be taken up alongwith the accounts for the year 1962-63.

(3) *Page 36, Para. 11(ii)—Shortage of Wheat—2403 Mds. 14 Srs. 8 Chs*—At the meeting held on 31st October, 1966 the Department stated that recovery of cost of 62-20 Mds. had been made. This part of the sub-item was dropped subject to verification by Audit.

As regards remaining 2340-34-8 Mds. the Department stated that they had written off 973-mds. and 24 seers and responsibility for the balance of 1367-10-8 mds. 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 at the meeting held on 28th January, 1967 stated that the question of write off of 973-mds. and 24 seers was under the active consideration of Government. So far as fixing of responsibility for the balance of 1367-10-8 mds. was concerned, the Department stated that Deputy Director of Agriculture, Hyderabad is making every effort to finalize the case, but the cases comprising this item pertain to different quarters such as Deputy Director of Agriculture, Ghulam Muhammad Barrage, Revenue Authorities and Deputy Director of Agriculture, Khairpur and information whatsoever 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 then observed that the Department had made no progress in the case of write off of 973 mds 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 1367-10-8 Mds. 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 then directed that this matter, both with regard to regularising of the write off as well as the recovery of the cost of 1367-10-8 Mds. and fixing the responsibility for the same, must be finalised without fail and reported to the Committee.

The Department now explained that out of 973 Mds. 24 Seers, 216 Mds. 26 Seers had already been written off with proper sanction

Necessary sanction for the write off of the remaining 756-38 maunds has also been issued. As regards finalization of 1367 Mds. 10 Seers and 7 Ch. wheat shortages, the Director of Agriculture, Hyderabad has further written off 62-36-6 Mds. leaving a balance of 1304 Mds. 14 Seers 2 Ch. The position of this balance was stated to be as under:—

Action taken	Quantity involved		
	Mds.	Seers.	Ch.
(i) Officially charge-sheeted for fixing responsibility for recovery of shortages.	1011	35	0
(ii) Recoveries effected.	104	16	0
(iii) Shortages repeated twice (in two audit reports) inadvertently by the audit.	{ 45 57	{ 0 0	{ 0 0
(iv) Shortages pertaining to Ghulam Muhammad Barrage (A.D.C.) Area still being pursued.	30	10	0
(v) Shortages under investigation	55	33	2
Total	1301	14	2

The para. was deferred for consideration when the Accounts for 1962-63 are being considered. In the meantime the Department should get the write off as well the recoveries effected, verified by the Audit and also make further attempts to recover the balance amounts.

APPROPRIATION ACCOUNTS 1959-60.

(1) Page 3, Para. 5 read with page 208-Grant No. 42-Loans and Advances by the Provincial Government-A-3-Advances to students of Bahawalpur-Saving Rs. 15,925—Explanation for the saving of Rs. 1,200 had been accepted by the Committee at its meeting held on 30-1-67. As regards the remaining saving of Rs. 14,725 the Department stated that it 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 then directed that the Department should make further efforts to trace the records and furnish detailed explanation.

The Department now explained that strenuous efforts have again been made to trace the record but no further information is available except that the remaining saving of Rs. 14,725 was due to the fact that sanction was not received during the year.

The item was dropped.

(2) Page 39, Para. (1)-*Loss on sale of Government Stores*—Four hundred and forty-three Mds. of Bhoosa was auctioned for Rs. 167.25 in March, 1958 @ -/6/3 per Mds. as against the prevailing market rate ranging from Rs. 2 to Rs. 2/50 per md. Thus the Department suffered a minium 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 off at reduced rates.

At the meeting held on 30-1-1967 the Department stated that 443 mds. 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 Dera Ismail Khan proper and no one was willing to purchase the same in view of heavy transporation charges, at the prevailing Tehsil rates viz. Rs. 1 per Mds. hence there was no other alternative but to store in *Bhoosans* (local method of storing Bhoosa at the thrashing floor) 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 become 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 directed 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 files 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 Department now explained that the Deputy Director of Agriculture, Dera Ismail Khan had been appointed as enquiry officer to conduct a fresh enquiry into the sale of damaged Bhoosa of Rakh Manghan (D.I. Khan). The findings of the Enquiry Officer revealed that the damage or loss was due to the natural calamities and there was no negligence on the Part of any body.

The Committee examined the relevant papers and considered the explanation given by the Department with regard to this case and decided that the explanation submitted by the Department be accepted and para. be dropped.

(3) *Page 216, Item No. (17)-Shortage of Articles of dead Stock*
Rs. 1,051—

(4) *Page 216, item No. (18)-Shortage of stores—Rs. 2,587—*

These item were considered by the Committee at its meeting held on 22-4-67 when the Department had stated that the E.A. D.A. Bahawalpur investigated the matter and found Mr. Muhammad Amin, Junior Clerk, responsible for the shortage. Mr. Muhammad Amin left service during 1960. Thereafter, his services were terminated with effect from 26-3-1963 due to his wilful absence from duty. However, when this fact came to light, a show cause notice was served on him by the Deputy Director of Agriculture, Bahawalpur on 15-7-1964, 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 then directed the Department to continue their efforts and report the progress.

The Department now explained that the case has been filed by the Police for lack of evidence. Action is being taken to write off the loss.

The explanation was accepted and the items were dropped.

(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; B-4-(8)-Loans to cultivators for Multiplication of Cotton Seed—*

	Rs.
Final Grant	2,20,800
Saving	2,20,507

This item was last considered by the Committee at its meeting held on 30-1-1967 when explanation for the saving of Rs. 5,500 out of the grant of Rs. 20,800 pertaining to the Department was accepted. No explanation was given in respect of the balance of Rs. two lakhs. The Department now explained that Rupees two lakhs were drawn by the Secretary, Kalri Lake Development Board on 4-2-60 and as such the saving shown by the Audit was not correct.

The explanation of the Department was accepted and the item was dropped.

APPROPRIATION ACCOUNTS FOR 1960-61

(1) *Page 7, Para. 12 (ii) read with pages 421-423-Surrenders made in excess of total saving—Grant No. 38-Capital outlay on Agricultural Improvement and Research—*

	Rs.
Saving	10,31,109
Surrender	44,02,490

At the meeting held on 14-9-67 the Department gave explanation for surrender of Rs. 44,02,490 & saving of Rs. 10,31,109. 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 had explained the saving of Rs. 10,31,109. The Department 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 then directed that the Department should reconcile this matter with the Audit and report the result to the Committee.

The Department now explained that out of the original grant of Rs. 7,65,74,000 a sum of Rs. 44,02,490 was surrendered leaving a sum of Rs. 7,21,71,510. Against this grant an expenditure of Rs. 7,55,42,901 was incurred; thus there was an excess of Rs. 33,71,391. This excess was due to the debit raised by the Accountant-General, West Pakistan, on account of cost of fertilizer received from the Central Government during the previous years. The explanations given earlier were regretted by the Department.

The explanation was found satisfactory and the item was dropped.

(2) Page 47, Para. 58-Outstanding Government Dues—

In this case Rs. 15,096 relating to the year 1952-53 were reported to be outstanding against two contractors.

At the meeting held on 14-9-67 the Department explained that the outstanding amount was Rs. 13,096. It was due from:—

	Rs.
(1) Malik Bahadur Khan	7,995-00
(2) Syed Fazal Hussain Shah	5,101-00
Total	13,096-00

Malik Bahadur Khan was a contractor but neither the contractor nor his surety had any moveable or immovable property in their names. Under such circumstances the outstanding amount could not be recovered. Syed Fazal Hussain had died a few years back. The Commissioner, Bahawalpur Division, fixed 6 equal instalments payable in the month of August every year. The said instalments are being paid by his son (Syed Faiz Hussain). He had by then paid Rs. 2,000. The Committee then observed 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 enquiry 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 Para. was then deferred to come up again with a full and detailed explanation on all these points and any further information which the Department could produce.

The present position of the outstanding of Rs. 13,096 was stated to be as under:—

<i>Name of Contractor.</i>	<i>Total Amount.</i>
	Rs.
(1) Syed Fazal Hussain Shah	5,101
(2) Malik Bahadur Khan	7,995
Total	13,096

<i>Actual paid.</i>	<i>Balance to be paid.</i>
	Rs.
1. 3,000	2,101
2. ...	7,995
3,000	10,096

The contractor at serial No. 1 above, Syed Fazal Hussain Shah is dead and the outstanding is being paid by Faiz Hussain Shah, the son of the deceased in annual instalments of Rs. 1,000 each under the orders of the Commissioner, Bahawalpur Division. There is only a balance of Rs. 2,101 now which will be recovered in two annual instalments in the next two years. As regards the outstanding against contractor No. 2 half share of the Khar Contract in the Cholistan Area was auctioned to him for Rs. 11,992 in 1952-53 by Mr. Meer Muhammad, the then Cholistan Development Officer. The contractor paid Rs. 3,997 only leaving a balance of Rs. 7,995 against him. Since then the balance of Rs. 7,995 remained outstanding against the contractor. During this period of 12-13 years the Revenue Authorities could not recover the outstanding

from the contractor or his surety even with their full competency to recover the outstanding as arrear of land revenue. The case was tried by the Deputy Commissioner, Multan and the defaulter was kept in Jail for 40 days by the Tehsildar Khanewal but there being no moveable or immoveable property in the name of the defaulter he could not recover the outstanding amount. Afterwards the surety Mr. Khuda Bux was tried at the request of Forest Department and it was reported that he too has become insolvent now and nothing can be recovered from him. The case was again referred to the Collector Bahawalpur on 23rd November, 1966. After obtaining the advice from the Public Prosecutor, the Collector, Bahawalpur,—*vide* his endorsement No. 1452, dated 12th December, 1966 stated that since the defaulter and his surety had no moveable or immoveable property there was no way to effect recovery and it would be advisable from legal point of view to write off this outstanding. With regard to the fixation of responsibility for non recovery of outstanding it was reported that the then Cholistan Development Officer, instead of cancelling the sale for which no dues were remitted by the Purchaser during the stipulated period, confined his action to merely issuing reminders to the surety. The purchasers hailed from Multan District which was beyond the control of Bahawalpur State. The sale could have been cancelled for non-fulfilment of the terms of agreement. This was a logical and realistic approach under the circumstances. Further more the surety Mr. Khuda Box who was equally responsible for the payment was solvent at that time and he would have paid the amount had he been pressed to do so by the Tehsildar or the Assistant Collector. But the surety was always let off by the Collector by giving extensions to produce the defaulters. This aspect of the case provided chances to the surety to transfer his immoveable property measuring 57 kanal situated in Bahawalpur Tehsil to his wife on 10-2-1964 and thus he got himself declared as insolvent from the Court of Civil Judge, Bahawalpur. On the other hand the share of property due to Malik Bahadur Khan was transferred in the name of his grand sons by the father of Malik Bahadur Khan to save it from any attachment for non-fulfilment of agreement conditions by his son. Thus both the defaulter and surety having no property in their name at present have been declared as insolvent and the concerned Collectors have shown their inability to effect recovery from them.

On examining the case further, the Committee found that in the case of surety, the property which he owned, was subsequently transferred by him to some other name after about 6 years. During this period numerous adjournments were given. This meant that the said Development Officer facilitated the transfer of property from the name of the surety directly or indirectly thus resulting in a situation being created whereby Government dues could not be recovered. In

the opinion of the Committee, this matter required looking into further so as to arrive at a conclusion as to why proper efforts were not made to recover Government dues in time. As such the Committee would like to ask the Collector Bahawalpur to be present at the next meeting of the Public Accounts Committee alongwith all the relevant records and files when this para. comes up before the Committee with the Accounts for 1962-63. The Committee felt that in the meantime the Department should take proper steps to have the amount of Rs. 7,995 written off.

(3) *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 months 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. 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 at the meeting held on 14th September, 1967 explained that the balance amount of Rs. 4,846 had been written off but the Department was not able to produce document to substantiate that the writing off of Rs. 4,846 had been done in consultation with the Finance Department.

The Committee then 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 action against him. The Committee 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.

The Department now produced the file with regard to the sanction accorded by the Finance Department for the write off of Rs. 4,846 and stated that a fresh inquiry is being conducted by the Director A.R.I. Tando Jam as directed by the Committee. The file revealed that a clerk who had been entrusted with the money for depositing the same in the treasury embezzled the amount. He was sentenced by the Court to six months rigorous imprisonment. The Committee felt that adequate precautions had not been taken in leaving a large sum of money, viz. Rs. 5,200, with a mere clerk for being deposited. The Department contended that the Sind Government Rules permitted that even a peon could be entrusted with the task of depositing a sum upto Rs. 200. Two persons, the Department further stated, could be sent together to deposit the amount beyond Rs. 200. They relied on rule 40 (c) of the Sind Financial Rules of the former Province of Sind. The Committee found it difficult to believe that such a rule could exist in any organized form of Government and requested the Finance Department to look into the matter and to advise the Committee as to whether this was a correct picture as reported by the Department and whether in this case the responsibility of the higher officers had been examined in Finance Department thoroughly before agreeing to write off. Pending report from the Finance Department, the matter was deferred to come up again with the accounts for the year 1962-63.

The Department was asked to submit to the Committee at the next meeting, the results of the fresh inquiry and also to state the nature of the enquiry.

(4) *Page 48, Para. 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. Tomato Juice 2716 tins.	3,225.00
2. Tinned Grapes 401 tins.	702.00
Total:—	<u>3,927.00</u>

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.

At the meeting held on 14th September, 1967 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 was also directed to substantiate that publicity was done over Radio Pakistan and that it was done prior to the tins having been declared unfit for human consumption and also to state whether thorough enquiry was made, before sanction of the write off, to ascertain whether the write off became necessary due to negligence on the part of some one or not.

The Department now stated that the total production of tomato juice and tinned grapes was 5046 tins out of which 1929 tins were sold leaving a balance of 3117 tins.

The Director, Agricultural Research Institute, Tando Jam visited Quetta in July, 1965 and inspected the above mentioned products which were in the state of decomposition. The whole store room was smelling badly and juice were oozing out from the tins which had burst due to decomposition. The products stored were unfit and not safe for human consumption, therefore, he wrote off the products after counting their number. There is no fault of any staff member for the loss. After integration the administration went under many changes and due to lack of decision the products remained undisposed of.

The Department further explained that Food Technological Laboratory is meant for conducting experiments with the local fruits and vegetables to find out the feasibility of canning and preserving the local produce and the laboratory is also charged with evolving suitable methods for processing. The sale of the products is not the object of the laboratory. Some time the products have to be kept at different temperatures and climatic conditions to find out the preserving qualities. The products of the laboratory are exhibited at several shows and exhibitions which are held in the country to acquaint those who are interested in the industry.

Due to the above reasons the products remained undisposed of in the store. In 1960 Radio announcement was made about its disposal, but no body was ready to purchase the same; hence the write off.

The Committee considered the explanation of the Department with regard to this item. It appeared that in this experimental fruit canning unit, over a number of years, 2716 tins of Tomato Juice and 401 tins of Grapes were lying in the stores and had deteriorated to such an extent that in some cases the juice was oozing out of

the tins and it was the opinion of the Department that the juice had become unfit for human consumption. The Department contended that on coming to this conclusion they made efforts to dispose of this quantity of fruit juice by inviting tenders. At one stage it was also claimed that a radio announcement was made for the disposal of this. However, on examining the records made available by the Department and according to the oral explanation submitted by the Department, it appeared that no one is clear in his mind as to whether the attempts to dispose of the tins containing fruit juice were made prior to their having been declared unfit for human consumption or after, as claimed in the Working Paper. If the latter contention was correct, then it was a very serious matter that a Government organization should make an attempt to dump on the people of the country a product which, in its own opinion, was unfit for human consumption. This amounted to playing with the lives of the people and the Department should take all precautionary measures in future that this practice, if at all in operation, as stated in the Working Paper, should immediately be discontinued. The only proper method of getting rid of such tinned product, which has gone spoiled and bad, would be to inform the relevant authorities, including the Finance Department, of their having become unfit for human consumption and have the same destroyed and the amount written off. Had the Department succeeded in finding any one to tender for this lot, it is obvious that the rotten tinned fruit would have ultimately found its way into the common market resulting in, no one knows, how many deaths or serious illnesses. In the opinion of the Committee, loss of even one single human life would value far more than the total amount involved in this case.

The Committee once again stressed upon the Department that prior to submitting Working Paper to the Public Accounts Committee, and prior to appearing before the Committee with their oral explanations, all efforts should be made to ascertain the true facts of the matter and to present a correct picture of the situation before the Committee. Fabricated explanations containing half-truths do not help either the Department or the Committee.

Subject to these observations, the para. was dropped.

(5) *Page 49, Para. 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 at the meeting held on 14th September, 1967 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 upland. 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 Committee was of the view that 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 was asked to make full enquiry afresh in this matter and get their findings verified by the Audit and report back to the Committee.

The Department now contended that the account had not been opened in a private bank in the personal name of the officer concerned but that it was opened in his official capacity. The Audit and the Finance Department objected to it and maintained that no officer of the Government was entitled to open such an account in any bank and that Government money should always be kept in the Government Treasury. The Department then went on to state that this was done in good faith so that the amount should not lapse at the end of the year and that this could serve as a revolving fund. The Audit pointed out that in the first instance the amount should have been placed in the personal ledger account in the Treasury to over-come this difficulty and, secondly, in the year 1958 the Finance Department had categorically issued instructions that no account could be opened by any official of the Government in any bank whatsoever without the express consent of the Finance Department and that inspite of these instructions the account continued to remain in the private bank. The Department then pointed out that it was a very old practice and that the amount was kept in the bank up to 24th February, 1961. The time lapse between September, 1960, when the Audit, had pointedly objected to this practice, and the date on which the amount was drawn from the

Bank was only four months. The Committee felt that there was no justification for the account of this nature being opened in a private bank and that the Department should at least have followed the instructions issued by the Finance Department in 1958. However, in order that the Committee could come to a proper conclusion as to whether the amount was actually spent for the purpose for which it was entrusted to the Department, the Department should produce before the Committee a proper and certified Bank statement of the account of money placed in the private bank showing the day-to-day transactions in the same. A copy of this statement should also be submitted to the Audit and the Finance Department in advance. The para. should come up again before the Committee when the accounts for the year 1962-63 are under consideration alongwith the comments of the Audit and the Finance Department.

(6) *Page 424—Note 3—Pro-forma Accounts*—In this case *pro-forma* accounts of seed had not been furnished to Audit.

At the meeting held on 14th September, 1967 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. Anyhow, 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 then placed before the Committee.

The explanation now submitted by the Department was as under:—

1. *Central Region*.—The Deputy Director of Agriculture Rawalpindi, is making efforts to consult the record with the Anti-Corruption Department. As soon as the files and record are made available by the Anti-Corruption Department the Profit and Loss Accounts will be prepared and submitted to the Audit Department for verification.

2. *Southern Region*.—Instruction have been issued by the Director, Agriculture, Hyderabad to all Deputy Directors of Agriculture concerned to constitute special parties for preparation of the remaining *pro-forma* accounts. The delay in preparation of the accounts is mainly due to the fact that the relevant records are with the Anti-Corruption Department and Courts and not on account of negligence on the part of any official. The item was deferred to be taken up alongwith the accounts for the year 1962-63.

(7) Page 3, Para. 5, read with pages 239—242—Grant No. 22—Veterinary—Saving Rs. 18,79,849—

(8) Page 7, Para. 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 of Surrender	26,58,300

At the meeting held on 14-9-1967, 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 re-conciliation 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% 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 re-conciliation work. The Committee was further informed by the Department that the official concerned was the re-conciliation clerk. The Committee were at a loss to understand that if the fault of the re-conciliation 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 re-conciliation 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 then 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 re-conciliation worked out to be more than 10%, the item regarding saving would come up again. If the saving was less than 10%, no explanation would be necessary.

As the figures had not been reconciled by the Department with the Audit, the para. was deferred to come up again alongwith the Accounts for the year 1962-63.

APPROPRIATION ACCOUNTS 1961-62

Page 4, Para. 8, read with page 84—Grant No. 17—Miscellaneous Departments—N—I—Excess Rs. 14,976—The Department regretted its inability to furnish any explanation in furtherance to what was given in the Appropriation Accounts itself as the relevant record had been ruined under the debris of fallen roofs of rooms.

The item was dropped.

**SERVICES AND GENERAL ADMINISTRATION DEPARTMENT
APPROPRIATION ACCOUNTS FOR THE YEAR 1959-60**

Page 26, Para. 17(a) 13—Loss of Revenue—In this case 414 quarters out of 1000 constructed for Government servants at Lahore remained vacant for long periods resulting in non-receipt of rent amount to Rs. 1,17,936 for the period from 1st January, 1957 to 30th April, 1957. In addition to this Loss of revenue Government had to incur further expenditure in the form of separation allowance which was being paid to the staff who had not been provided with residential accommodation. No explanation for non-occupation of the quarters was furnished to Audit by the Department.

The matter was last considered by the Committee at its meeting held on 26-1-1967 when the Committee desired that the Department should reconcile the figure and statements then furnished by the Department with the Audit. The Committee further directed that 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 alongwith the dates of allotment of quarters from each lot, showing the dates from which recovery of rent of each quarter started and also to 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.

The Department now explained that further search for the old record of 1956-57 was made with the help of those officials who were working in the Estate Office in those days. After long labour, papers relating to non-occupation of quarters in Wahdat Colony in 1956-57 were traced from the Office of the Executive Engineer, Buildings Division where the accounts work was transferred on the reorganization of the Estate Office in January, 1965. It has been found that 700 quarters were handed over to the Estate Office on 30th November, 1956 out of which 33 quarters were retained by the Public Works Department for other purposes and the remaining 667 were all allotted out. Only 341 were actually occupied as reported by the Additional Chief Engineer, Central Zone (Mian Abdul Aziz) in his D O. letter No. 503-W-3, dated 5th March, 1957 to the Additional Chief Secretary. On the report of the Additional Chief Engineer that due to non-occupation of quarters by allottees Government was under-going a financial loss, the matter was examined by the Chief Secretary and in consultation with Finance Secretary and Additional Finance Secretary it was decided on 4th April, 1957 that:—

(i) All the allottees who have not occupied quarters should be served with a final notice that if they fail to occupy the quarters by 1st May, 1957 their allotments would be cancelled and they would not be allotted any quarter thereafter.

(ii) Rent should be charged with effect from 1st May, 1957 for all accommodation hitherto provided.

As such the recovery of the rent of quarters up to 30th April, 1957 was actually written off Government. As these facts came to light after the old record was dug out by the old staff working in the Estate Office in 1956-57, whose services were requisitioned for the purpose, the fact that the loss was already written off by Government could not be placed before the public Accounts Committee in previous meetings. On the strength of the Government orders passed on 4th April, 1957 a fresh formal sanction of the Finance Department to write off of the loss of Rs. 1,17,936 has been obtained (as shown to the Audit Office) and a formal Government order to that effect has been issued as desired by the Audit Office.

The Committee desired to know whether the Finance Department had considered all aspects of the case before agreeing to the write off. The Additional Finance Secretary wanted time to examine the relevant file of the Finance Department which was not available. He assured the Committee that Finance Department would re-examine the write off. Subject to this action by Finance Department, the para. was dropped.

APPROPRIATION ACCOUNTS FOR THE YEAR 1960-61

Page 4, Para. 8, read with page 162 and 164—Grant No. 12—General Administration—Election for Legislature—Excess Rs. 54,822 (Rs. 34,333 + 20,489)—

APPROPRIATION ACCOUNTS FOR THE YEAR 1961-62

Page 4, Para. 8, read with page 53—Grant No. 12—General Administration—Elections for Legislature—Excess Rs. 7,162—

As no Working Papers for these items were furnished by the Department, consideration of these items was deferred to be taken up alongwith the accounts for the year 1962-63.

AGRICULTURE DEPARTMENT—AGRICULTURAL DEVELOPMENT CORPORATION

APPROPRIATION ACCOUNTS FOR THE YEAR 1958-59

Serial No.	Para. No. of Appropriation Accounts	Brief particulars
1.	17(a)3(9)	Shortage of material worth Rs. 2,922.
2.	17(a)4(4)	Un-due financial aid to Contractor worth Rs. 79,200.

3. Item No. 10 (vi) Un-due financial aid to Contractor
Annexure. worth Rs. 1,51,751.

APPROPRIATION ACCOUNTS FOR 1959-60

1. 17(a)3(5) .. Shortage of stores worth Rs. 14,934.
2. 17(a)3(8) .. Shortage of stores worth Rs. 9,714.
3. 17(a)4(6) .. Mis-appropriation of stores worth Rs. 30,846.
4. 17(a)9(1) .. Loss of cement worth Rs. 19,340.
5. 17(a)9(2) .. Loss of cement worth Rs. 3,533.
6. 17(a)16 .. Mis-use of powers Rs. 2,100.

The above noted items came up before the Committee on 14th December, 1967. The Member, Finance, Agricultural Development Corporation informed the Committee that as the officials concerned were now working with the Communications and Works Department, it would make the matter easy if the Secretary, Communications and Works Department was present. The Committee agreed with this suggestion and deferred these items to be taken up alongwith the items pertaining to the Communications and Works Department. The Committee further directed that a copy of the Working Paper in respect of each of the above items be supplied by the Agricultural Development Corporation to the Communications and Works Department in advance of the next meeting.

A copy of the minutes of the said meeting alongwith a copy each of the Working Paper was sent to the Communications and Works Department and they were asked to send their representative to appear before the Committee in to-day's meeting. But the only person who appeared before the Committee to represent the Communications and Works Department was a Section Officer. The Committee did not consider a Section Officer a proper and duly authorised Officer to appear before the Public Accounts Committee, on behalf of the Department. The Committee took a serious view of the fact that the Communications and Works Department did not depute a senior Officer to appear before the Committee, in case the Secretary himself was not in a position to attend. The Committee had to defer the consideration of these items to the next series of meetings to be taken up alongwith the items of the Communications and Works Department.

APPROPRIATION ACCOUNTS FOR 1961-62.

(1) *Page 32, Para. 17(a) 105—Non-recovery of Government Dues—* In this case a sum of Rs. 5,909 was outstanding against a contractor against two different works let out to him during 1947-48 and 1949-50 respectively. This amount included Rs. 536 on account of rent of shop etc., since November, 1952.

The Department explained that a sum of Rs. 1,776/62 being the security Deposit of contractor lying in this Division for the work of improvement to Hyderabad Badin Road has now been adjusted against the total amount of Rs. 5,909. The balance of Rs. 4,132/38 is to be adjusted accordingly. The work of Tando Mohd Khan-Jhok Road was done by the Contractor and it is not yet ascertained whether final payment of the contractor has been made after receipt of the decision from the Government. Due to territorial changes and closure of Division/Sub-Division and change of staff the record is not traceable at present. However, efforts are being made to trace out the old record and clear the outstanding dues lying against the contractor. Regarding balance recovery the Executive Engineer, Jacobabad Roads Division has been requested to withhold the amount and pay to this office to clear the balance amount against the contractor, as it has been learnt that sufficient amount of this contractor is lying in that Division.

Subject to recovery by the Department and verification of the recoveries by the Audit, the para. was dropped.

(2) *Page 59, Para. 17(a)iv (a) 4—Audit Notes and Inspection Reports—* According to Audit 25 Audit Notes and Inspection reports had not been finally disposed off.

The Department explained that the Director, Audit and Accounts (Works), West Pakistan, Lahore has been requested to communicate the Division wise break up of the pending inspection reports (if any) so that immediate action for their disposal could be taken and on receipt of this information from the Director further action would be taken. The Audit pointed out that 21 inspection reports were outstanding and require early clearance.

The Department assured the Committee that the remaining reports would be produced to the Audit. Subject to the clearance of the outstanding reports, the para. was dropped.

**BASIC DEMOCRACIES, SOCIAL WELFARE AND LOCAL
GOVERNMENT DEPARTMENT
(PUBLIC HEALTH ENGINEERING)**

APPROPRIATION ACCOUNTS FOR 1960-61

(1) *Page 3, Para. 5, read with page 419, Grant No. 37—Capital outlay on Improvement of Public Health—(i) Drinking Water-Supply in Ghulam Muhammad Barrage Area—Saving Rs. 6,58,598—*

(ii) Tools and Plant pro rata Saving Rs. 38,800—

The matter was first considered by the Committee on 14-12-1967 when the Department contended that the work had been executed

by A.D.C. and the funds were placed directly with them. The Committee then decided that saving should be explained by the A.D.C. In the next meeting held on 5-3-1968 the Committee noted that A.D.C. did not submit any working papers. Moreover no Officer of the A.D.C. appeared before the Committee when this item was taken up by the Committee to explain the default. The Committee had to defer consideration of the item.

The A.D.C. now explained that the programme of works/site for the work for construction of Drinking Water Tanks in Ghulam Muhammad Barrage Area was given by the Revenue authorities in December, 1960/January, 1961. Due to short time left and magnitude of work for its completion of these tanks, the work was allotted to the M.P.O. for its expeditious implementation. The matter regarding their rate etc., remained unsettled during the year 1960-61. Therefore the full payment could not be made, which resulted in the saving in question. No grant for Tools and Plant was placed at the disposal of the A.D.C. and no Tools and Plant was used/charged by the Department for executing this work.

In elucidation of the statement that payment to the Machinery Pool Organization could not be made during the year 1960-61 for want of settlement of rates, it was stated that it was in their U.O.R. No. 1464-F.D. (w)/61, dated 7th November, 1961. The Finance Department communicated the minutes of high level meeting held with the representatives of the parties concerned, directing *inter alia* that the actual expenditure incurred by the M.P.O. be paid to them for all the earth work done by them in the Ghulam Muhammad Barrage area. Accordingly there could be no question of making the payment in this connection during the financial year 1960-61, because the matter related to year July, 1960 to June, 1961 and the Finance Department's decision regarding rates was received in November, 1961.

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

(2) Page 4, Para. 8, read with page 234—

(i) Grant No. 20 Public Health—Excess Rs. 23,48,864—

(ii) Page 7, Para. 12, read with page 234—Surrender Rs. 58,790—

The matter was last considered by the Committee at its meeting held on 5-3-1968 when the Department explained that the matter of collection of the relevant record from the Communications and Works Department has been vigorously pursued with that Department and after a great deal of efforts the Communications and Works Department has stated that the record in question relates to the year 1960-61 when the subject was dealt with by the Ex-Chief Engineer, West Pakistan, Buildings and Roads Department, Lahore, i.e., as old as 6 years and that they have not been able to trace out the

relevant records. The Department now explained that the Communications and Works Department has supplied the relevant extracts of the correspondence carried out by that Department with the Accountant-General, West Pakistan and its Regional Heads in connection with explaining the variations taken up in the Appropriation Accounts for 1960-61. This confirms the view point of this Department, that the variations pointed out in the Appropriation Accounts for 1960-61 actually relate to the Communications and Works Department and that Department has been explaining the same to the Accountant-General, West Pakistan, Lahore from time to time and has been taking up this matter with its Regional Heads too.

The position in this regard is fully explained in D.O. 11/1-20/60-61-458, dated 22-11-1963 from the Accountant-General, West Pakistan, Lahore to the address of the Secretary, Communications and Works Department. The Accountant-General, West Pakistan has clearly decided that this Head for 1960-61 relates to Communications and Works Department and if they did not supply the information by the end of November, 1963 then the Communications and Works Department will have to explain the variation before the Standing Committee on Public Accounts.

This Department came into existence in August, 61 i.e., after the close of the Financial year 1960-61. In 1960-61 the Head "39—Public Health" was operated upon by the Buildings and Roads Department. On the formation of this Department only the works were transferred to this Department and the establishment remained with the Communications and Works Department, and that establishment is still with the Communications and Works Department. The grant was also meant for the establishment of Communications and Works Department.

In view of the above it is the Communications and Works Department which has to explain the variations before the Committee and this Department does not come in picture at all.

The above factual position of this case has been explained in detail to the Communications and Works Department and that Department has been requested to explain the above variations before the Committee.

The Committee noted that final working papers for this item had not been prepared, in view of the fact that the records lying with the Communications and Works Department had not been made available to the Public Health Engineering Department.

The Director-General of High Ways and Buildings Departments who appeared before the Committee at this stage stated that all efforts would be made to trace the records and that they were confident that in a very short time they would be made available. This item was deferred to come up again on the day on which items of the Communications and Works Department would be taken up by the Committee. However, working paper would have to be prepared

by the Public Health Engineering Department and they would also be present. In the meantime the Communications and Works Department should trace out all records and co-operate with the Public Health Engineering Department in preparing a final explanation with regard to this item.

COMMUNICATIONS AND WORKS DEPARTMENT

Memo. No. DP-1/10-64(PAC), dated the 30th March, 1968 from the Secretary, Communications and Works Department, requesting for the postponement of the consideration of the items relating to Communications and Works Department to some time in August, 1968, was placed before the Committee. Endorsement No. PAC(P) 11-1/Agenda/6233, dated the 4th March, 1968 from the Director, Audit and Accounts (Works), West Pakistan, forwarding a copy of his Memo., dated 3rd April, 1968 to the Finance Department was also placed before the Committee. In this Memo. to the Finance Department, the Director, Audit and Accounts (Works) stressed that the Public Accounts Committee had not allowed the Director-Generals of Buildings and Highways Departments to submit the Working Papers direct to the Audit. The Committee had only allowed the preparation of separate Working Papers for the two new attached Departments.

The Committee again noted that the Secretary, Communications and works Department was not present in the meeting when his request for postponement of consideration of the items relating to his Department was under consideration. The Committee stressed that the Administrative Secretary concerned, and in case he was not in a position to attend the meeting for any valid reasons, a senior officer of the Department should be present to represent the views of the Department. The two Director-Generals were, however, present in the meeting and they pointed out to the Committee their difficulties for the delay in the preparation of the Working Papers. The Committee decided to postpone the consideration of the items of the Communications and Works Department to some time in early August next and desired that the Communications and Works Department should submit Working Papers to the Committee by that time.

The Committee further decided that as the Administrative Secretary of the Department had to explain the items relating to his Department before the Public Accounts Committee, the Working Papers prepared by the Director-Generals should be seen and approved by him before their submission to the Audit for their comments for consideration of the Committee.

III. The Committee then adjourned to meet on 18th April, 1968 at 9-00 a.m.

LAHORE:

ZAIN NOORANI
CHAIRMAN,

The 17th April, 1968.

} Standing Committee on Public Accounts.

**PROCEEDINGS OF THE MEETING OF THE STANDING
COMMITTEE ON PUBLIC ACCOUNTS HELD ON 18TH
APRIL, 1968 AT 9-00 A.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 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) Qazi Muhammad Azam Abbasi, M.P.A. | ... | Member. |
| (7) Rais Haji Darya Khan Jalbani, M.P.A. | ... | Member. |
| (8) Mr. A.H. Ghauri, Deputy Secretary to Government of West Pakistan, Finance Department. | ... | Expert.
Adviser. |
| (9) Mr. N.A. Chaudhri, P.A. & A.S., Director, Audit and Accounts (Works), West Pakistan. | ... | By invitation. |
| (10) Mr. Ahmed Hasan, P.S.E.I., Secretary to Government of West Pakistan, Irrigation and Power Department alongwith Chief Engineers of various Regions. | ... | By invitation. |
| (11) Mr. M.A. Rashid, T.PK., C.S.P., Member Finance, WAPDA. | ... | By invitation. |
| (12) Mr. M.U. Arain, P.S.E.I., Chief Engineer, Ghulam Muhammad Barrage Project. | ... | By invitation. |

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 Irrigation and Power Department in respect of the following items appearing in the Appropriation Accounts for 1961-62.

(1) *Page 3, Para. 8, read with page 96—charges on Electricity Establishment—Excess Rs. 2,277*—The Department explained that the expenditure of Rs. 12 out of Rs. 2,277 was not actually incurred during 1961-62 but the amount lying in suspense Head of the Comptroller, Northern Area, Peshawar was adjusted during the year 1961-62 debited to Electricity Department. As regards remaining amount of Rs. 2,265 the Comptroller, Southern Area, Karachi reported that the expenditure related to Electricity Undertaking Hyderabad and was drawn at Sukkur Treasury. The relevant record for the year 1961-62 of the Electrical Undertaking

Hyderabad as well as that of Sukkur show that no such expenditure under head 52-A Electricity Scheme was incurred. The Comptroller Southern Area, Karachi has now requested the Director, Audit and Accounts (Works), West Pakistan, Lahore to supply the details of Rs. 2,265/42 on account of Establishment charges under the Major Head 52-A Electricity for the year 1961-62 relating to pre-WAPDA period, passed on through work Audit Suspense, as the same were not readily available in his office. Comptroller, Southern Area, Karachi has also asked the Treasury Officer, Sukkur to furnish necessary details of the payment.

The item was deferred to be taken up with the Accounts for 1962-63, and the Director of Audit and Accounts (Works) was requested to make special efforts to ask the Comptroller, Southern Area to furnish necessary information to the Department.

(2) *Page 3, Para. 8, read with page 97—Grant No. 35—Irrigation Capital—*

		Rs.
Original grant	=	14,31,59,200
Modified grant	=	13,09,96,430
Expenditure	=	18,51,67,914
Surrender	=	1,21,62,770
Excess	=	5,41,71,544

The matter was last considered by the Committee at its meeting held on 8-3-1968 when the Department asked for more time to explain the excess expenditure.

The Department now explained that an amount of Rs. 453.27 lacs was paid to M.P.O. by Stores Division and placed in the Miscellaneous P.W. Advances during 1961-62 under 68-Capital. As it could not be cleared during the year it caused the corresponding ultimate excess over the grant under 68-Capital for that year. Eventually the item was cleared in 1965-66 when the Government in Finance Department decided to treat the amount as loan to WAPDA. A sum of Rs. 98 lacs relates to similar transaction between A.D.C. and M.P.O., WAPDA.

The explanation was found to be satisfactory. The Committee recommended that the excess expenditure may be regularised.

(3) *Page 3, Para. 8, read with page 78—Grant No. 10 other Irrigation expenditure financed from ordinary Revenue—*

(ii) Works in charge of Civil Officers.

		Rs.
Original grant	=	2,00,000
Expenditure	=	2,16,159
Excess	=	16,159

The Department stated that as the excess was under "Works in-charge of Civil Officers" which exclusively pertain to the Deputy

Commissioner/Commissioner, the explanation was to be given by the Deputy Commissioner/Commissioner through the Board of Revenue.

The Committee decided that the item should remain with the Irrigation and Power Department but intimation should be given to the Board of Revenue to be present with the necessary explanations when this item is next taken up. The para was deferred to be taken with the accounts for 1962-63. On the date on which this para is taken up, both the Irrigation and Power Department and the Board of Revenue should be present.

(4) (i) Page 43, Para 17 (a) 160—

(ii) Page 43, Para 17 (a) 161—

(iii) Page 44, Para 17 (a) 162—

(iv) Page 44, Para 17 (a) 163—

The excess payment having been satisfactorily explained, these paras were dropped.

(5) Page 44, Para 17 (a) 164—*Excess Payment*—The original para stated that a contractor was paid for the carriage of 30,65,779 tiles as against 24,35,540. Further it was pointed out that the number of tiles required originally was 20,53,072. Hence payment had been made in excess for about ten lakh tiles amounting to Rs. 3,072.

The Department explained that this was not the correct situation as it was a miscalculation. Actually a quantity of 86,697 No. of tiles were carried (Page 46 Measurement Book 215/L) whereas the Audit Party has taken it as 8,66,974 No. Thus accounting for excess No. of tiles to $(8,66,974 - 86,697) = 7,80,277$. Total No. of tiles required for the work as per estimate should have been No. 20,53,072 against which 22,85,512 No. of tiles were issued causing excess issue of 2,32,440 No. of tiles for which Rs. 1,131 is now to be recovered.

The Department further stated that one Chaudhri Muhammad Rafi, Officiating Sub-Divisional Officer, Lahore Zone has been found responsible for this amount and that he has been asked to explain the matter.

The Committee repeats its earlier observation that this matter has remained unsettled and Government dues have remained unrecovered for over ten years. It cannot be denied that this has been within the knowledge of the Department for all this period and it is not necessary that attempts should be made to recover Government dues only after the paras. have been considered by the Public Accounts Committee. The Department is supposed to proceed in the matter and fix responsibility for losses to the Government immediately after it is informed of such things. Placing all subjects like these in cold storage, awaiting the finding of the Public Accounts Committee is not a very healthy practice. However, the

Committee feels "gratified" that at least after a lapse of ten years the Department has at least made up its mind to increase its efforts for the recovery of this amount and to report the progress.

Subject to these remarks the para. was dropped.

(6) (i) Page 44, Para. 17 (a) 165—*Shortage of Stores*—

(ii) Page 44, Para. 17 (a) 166—*Shortage of Stores*—

The items were deferred to be taken up along with the Accounts for 1962-63.

(7) Page 44, Para. 17(a) 167—*Shortage of Stores*—In this case a sum of Rs. 10,234 was outstanding as recoverable from an overseer on account of stocks found short against him during January, 1959.

The Department explained that this is a case of shortage of Rs. 10,234 against Mr. Niamtullah, Overseer. The Executive Engineer, Chaj Tubewell Division has reported that out of the reported shortage of Rs. 10,234 against the Overseer Rs. 9,371 have been shown as cleared and these are under verification by the Audit. There is thus only a balance of Rs. 863 on account of iron washers etc., which are also stated to have been transferred to Jaranwala Tubewell Sub-Division and taken on return of that sub-Division. This is also under verification.

The Department further informed the Committee that Chaudhri Niamat Ullah, Overseer, had been charge-sheeted and efforts were being made to recover the amount.

Subject to the recovery of this amount and disciplinary action, which should be intimated to the Audit, the para. was dropped.

(8) Page 45, Para. 17 (a) 168—*Shortage of Stores*—In this case stock material worth Rs. 8,220 was found short against an Overseer at the time of handing over charge in March, 1952. But neither a report was made to the Audit Office nor was the amount placed in Miscellaneous P.W. Advances to watch the recovery.

The Department explained that Rs. 1,047/75 out of Rs. 8,220 have been recovered. The balance amount of Rs. 7,172/25 is recoverable from one Mr. Abdul Ghafoor, Overseer whose services had been terminated on 21-6-1952. Since the present whereabouts of the Overseer could not be ascertained hence the balance amount of Rs. 7,172/25 could not be recovered. The details of Rs. 7,172/25 have been located recently and the estimate of losses of stock is under preparation which will be got sanctioned from the competent authority and the item will be written off.

Subject to the verification of the recovery of Rs. 1,047.75 by the Audit and subject to the verification of the write off of Rs. 7,172.25 with the permission of the competent authority, the para. was dropped.

(9) (i) 45, Para. 17(a) 169—*Shortage of Stores*—

(ii) Page 45, Para. 17(a) 170—*Shortage of Stores*—

The items were deferred to be taken up alongwith the Accounts for 1962-63.

(10) Page 45, Para. 17(a) 171—*Shortage of Stores*—The explanation was found to be satisfactory and the item was dropped.

(11) Page 45, Para. 17(a) 172—*Shortage of Stores*—In this case stores worth Rs. 6,144 were found short in July, 1957 and were placed under the suspense head "Miscellaneous Public Works Advances" pending recovery from the Store-Keeper.

The Department explained that the shortage was against Mr. Muhammad Jamil, Store Keeper whose services have been terminated. The Superintending Engineer, Tubewell Circle, Lahore, has informed that the Collector of the District is being requested to recover the amount in question from ex-store keeper under West Pakistan Government Dues Recovery Ordinance, 1962.

The Department further explained orally that since the submission of the explanation in writing, the person accused had filed a case in the court on the 6th March, 1968 which was yet to be decided. As such, pending final decision of the case by the court, no progress could be made with regard to the recovery. During discussion of this para, the Committee found that cash security which a storekeeper was required to furnish was only Rs. 300. Similarly an Overseer was supposed to furnish cash security of Rs. 300 whereas the Defedars were expected to furnish cash security of Rs. 100 only. It appeared that the amount of cash security was fixed in the P.W.D. Code more than fifty years back and although the Code had been modified from time to time, the amount of securities to be required of the persons who handle either large sums of money in cash or were responsible for stocks and materials running into quite big sums remained the same and had not been enhanced. The Committee recommended that Government should immediately look into matter of substantially increasing the amount of cash securities required of these persons or, better still, to obtain fidelity bonds. The Committee also felt that stores should be entrusted to the charge of permanent incumbents and, as far as possible, attempts should be made to avoid handing over charge of stores to temporary hands.

The para. was deferred to come up again before the Committee alongwith the accounts for the year 1962-63.

(12) Page 45, Para. 17 (a) 173—*Shortage of Stores*—In this case a sum of Rs. 9,061 was found outstanding since June, 1960 against an Overseer on account of shortage of stores which stands debited to the suspense head "Miscellaneous Public Works Advances".

The Department explained that the connected charge papers had been taken away by the Superintendent of Police Establishment

Rawalpindi in connection with case F.I.R. No. 30/55 dated 20-6-1963 which could not be located. A copy of the same was obtained from the Overseer and after investigation it was found that Chaudhri Muhammad Sharif the then Overseer (Mech) was responsible who had accepted the same in charge papers. The said Overseer (Mech) has since been dismissed and is undergoing seven years rigorous imprisonment in a fraud case. The Superintending Engineer, is however being directed to recover the amount under Dues Recovery Ordinance 1962 from his property if any.

The Committee directed the Department to consider whether there was any possibility of making any recovery in this matter failing which to move the proper authorities for the write off.

Subject to these observations the para. was dropped.

(13) *Page 46, Para. 17 (a) 174—Loss to Government*—According to the Audit Note Government was put to a loss of Rs. 5,706 by allotting work to contractors other than those who tendered for the work and paying them at a rate higher than the lowest tendered one. Thirteen competitors tendered for the execution of the works of constructing a distributory at rates ranging from 149 per cent to 174.5 per cent above the scheduled rates. The work was, however, given to contractors other than those who had tendered rate of 149 per cent and against the provision of 150 per cent in the estimate. The work was also allotted to one of the competitors and he was allowed premium at 175 per cent although he had tendered at 155 per cent. Payment of premium at higher rates resulted in an extra expenditure of Rs. 5,706 which was a loss to the Government.

The Department explained that the tenders received in connection with the requisite work were discussed with the then Chief Engineer and Secretary West Punjab on 4-11-1951 by the then Superintending Engineer, Upper Jhelum Canal Circle when he inspected the alignment of 15-R Distributory. In view of the urgency of the work the Chief Engineer and Secretary, Irrigation verbally accepted a premium of 175% above the basic schedule of rates. The petty contractors who had tendered rates ranging from 149.4% to 174.5% were not considered to be able to do this big work at the rates tendered by them. It was, therefore, decided by the then Superintending Engineer, Upper Jhelum Canal Circle with the concurrence of Chief Engineer and Secretary Irrigation to allow premium of 175% above the basic schedule of rates and distribute the work among as many contractors as could possibly be employed so that the work could be finished in time. This was within the competency of the Superintending Engineer as per para. 2-72 P.W.D. Code and article 6-1(7) of Irrigation Manual of Orders. It was by an oversight on the part of the then Superintending Engineer Upper Jhelum Canal (Khan Mohammad Aslam Khan) that one Contractor who had originally tendered at 155% premium was also

allotted the work at the general premium 175%. The Superintending Engineer retired in December 54 and after a few years died.

The Committee noted that as far as the job was concerned, thirteen competitors tendered for the execution of the work of constructing a distributory at rates ranging from 149 per cent to 174.5 per cent above the scheduled rates. The work was, however, given out by the Department at 175 per cent and that too to a number of contractors out of which only one was from amongst the original contractors who had tendered for the job. The Committee further noted that this one contractor, who was given part of the work, had originally quoted 155 per cent but he was also given the rate fixed at 175 per cent.

The Committee would, once again, stress upon the Government the evils of the "Work Order System" already commented on by the Committee earlier. In the opinion of the Committee no organised Government should tolerate the existence of this system where a number of people were asked to quote for a particular job but after quotations were received, it was left to the discretion of the Department to fix a rate which might be higher than the rates quoted and to give contract to one or more persons who need not have quoted for the job. This, in other words, meant that the person /persons incharge for giving out contracts could very easily oblige their favourite contractors who need not even quote for a particular job. In this way, after other persons had taken the trouble of quoting for a particular job, the "blue-eyed" contractors could very easily and quietly creep in and carry out the jobs and derive the benefits. All this could happen under the protection and shadow of the rules governing the Work Order System. In the opinion of the Committee there was no earthly reason to believe that as long as jobs were executed under this system, cases of misapplication of government money would not keep on arising. The Committee was strongly of the view that earliest steps should be taken by Government to see that this system was immediately discontinued.

Subject to these observations, the para. was dropped.

- (14) (i) Page 46, Para. 17(a) 175—
- (ii) Page 46, Para. 17(a) 176—
- (iii) Page 46, Para. 17(a) 177—
- (iv) Page 46, Para. 17(a) 178—
- (v) Page 47, Para. 17(a) 179—

Explanations were found to be satisfactory and the items were dropped.

(15) Page 47, Para. 17 (a)180—*Misappropriation of Stores*—In this case a Divisional Officer issued, during the year 1951-52, tiles and cement much in excess of the requirements of the work actually

executed. These excessive quantities were neither returned to stock nor was their disposal shown otherwise. Material worth Rs. 53,674 thus appears to have been misappropriated.

The Department explained that a quantity of 1,78,528 Cft. was executed. According to rate percentage of estimate at 5.25 CWT per % Cft, the quantity of cement required comes to 9372.7 Cwt and not 937.3 Cwt as worked out by Audit. The total cement required on the work of lining M.L.L.R.D. 2,13,500-22,5000 comes to 32,714 Cwt and not 24,729 Cwt. Against it a quantity of 33,781 Cwt was issued causing excess of 1,067 Cwt. This excess issue has been written back and received on stock by the Overseer during 6,7 and 8/51. There is now no difference. The matter has been referred to Audit office and as soon as reply is received from there, record will be produced for verification. As regards tiles, 22,95,250 No. tiles have been issued to the work instead of 24,35,540 as shown by the Audit Office. The difference from actual requirements shown by Audit viz., 20,53,072 now comes 2,42,178 No. Tiles instead of 3,81,000. The defaulters have been written to attend the office of Executive Engineer, Bhakkar Division to explain the excessive issue. The Audit office has also been written to verify the No. of Tiles as actually issued and as soon as reply is received, record will be produced for verification. The cost of 2,42,178 Tiles at rate of Rs. 38 per % comes to Rs. 9,196. Raja Sikandar Khan Overseer who is now working as Sub-Division Officer in WAPDA Camp at Kot Adu is responsible for issue of excess Tiles. The payment was made to M/s Abdul Munaf Khan and Taj Muhammad Khan Contractors etc., whose whereabouts are not known. Therefore, the recovery is proposed to be made from Raja Sikandar Khan Overseer who has already been written,—vide Executive Engineer, Bhakkar Division No. 65/A/85-A dated 13-1-1968 and reminder was issued on 18-2-1968 to clear his position by attending office of Executive Engineer, Bhakkar Division where the relevant record exists.

Subject to the Department's producing the record to Audit for verification in respect of the cement and bricks and subject to disciplinary action, the para. was dropped.

(16) (i) Page 47, Para. 17(a) 181—

(ii) Page 47, Para. 17(a) 182—

The items were deferred to be taken up alongwith the accounts for 1962-63.

(17) Page 47, Para. 17(a) 183—Non-accounting of Stock—In this case a sum of Rs. 21,823 was outstanding as recoverable from an Overseer on account of material issued to him during June, 1961. The Department explained that out of a total amount of Rs. 21,823 material worth Rs. 17,964 was said to have been booked from Moghalpura Railway Station to Quetta. The Department hopes to have it further investigated and sorted out before the next meeting

of the Committee. With regard to the balance amount, the Department stated that the person (s) responsible have been charge-sheeted.

The Department was asked to expedite settlement of this para. at an early date. Subject to these remarks, the para. was deferred to come up again with the accounts for the year 1962-63.

(18) Page 47, Para. 17(a) 184—*Irregular Purchases*—In this case an irregular purchase of material worth Rs. 1,53,923 was made during April, 1952 to October, 1952. Shingle of various sizes worth Rs. 1,53,923 at rates ranging between Rs. 6.25 and Rs. 30 per hundred Cft., was purchased without calling for tenders and without obtaining Superintending Engineer's approval of the rates. Supply of shingles being a non-scheduled item purchase should have been made only after getting the approval of Superintending Engineer to the rates and after calling tenders. The transaction was, therefore, irregular.

The Department explained that it is correct that the above rates were not fixed as a result of calling fresh tenders and the then Executive Engineer, Kalabagh Division (Mr. S. K. Samiani) who retired from the Department on 25th October, 1953 was guided by the rates already approved by the Chief Engineer, Irrigation for Works which were tendered by M/s. Muhammad Hayat Muhammad Abdullah. The rates approved by Chief Engineer in 11/51 and those allowed during the period April, 1952 to October, 1952 are as below :—

*Approved by Chief Engineer
including loading into
wagons*

*Rates paid during April 1952
to October 1952 including
loading plus leads/condition
noted against each item*

			Rs. A. P.	
1.	2"	6/11/6	6 4 0	With 5 chains lead.
2.	1½"	7/11/9	6 11 9	Up to any lead.
3.	1"	10/11/0	..	
4.	¾"	11/7/9	11 0 0	Up to 15 chains lead.
5.	½"	12/12/0	18 0 0	Up to 15 chains lead.
6.	⅜"	14/0/0	30 0 0	F.O.R. Mari Indus Railway Station and including Malkana.
7.	¼"	19/15/9		

The rates paid by Executive Engineer were less than the approver rates of 11/51 in case of material of single size 2", 2½" and 3/4". In case of shingle of 1/2" and 3/8" however the rates are

more by Rs. 5/4 and Rs. 16/- per cft. respectively. According to the above excessive rates the amount comes to Rs. 8,632 only as per detail given below:—

	Rs
(i) 3/6" size shingle, 49686 cft. at Rs. 16 ...	7,950
per % cft.	
(ii) 1/2" size shingle, 12898 cft. at Rs. 5/4 ...	682
per % cft.	
Total ...	<u>8,632</u>

The Audit according to latest objection dated 16th April, 1964 has asked for justification of this Excess only.

As for the excess payment of Rs. 682 in case of 1/2" size shingle there is nothing on record to ascertain why it was fixed higher by Rs. 5/4.

As for the excess payment of Rs. 7,950 this material was to be supplied to Executive Engineer, Tahir Division of C.B.D.C. who was then constructing the lower reach of B.S. Link, and wanted this material urgently. The concerned Sub-Divisional Officer of Kalabagh Division informed the Executive Engineer that 3/8" shingle was not available in the departmental quarry and will have to be arranged from private land and that one contractor has quoted a rate of Rs. 30 % cft. which will include malkana charges and carriage of material from the private quarrying land upto Mari Indus Railway Station and that the supply would be arranged if he accepted the rate. The Executive Engineer, Tahir Division accepted this rate which was verbally approved by the Superintending Engineer and thereafter the supply was arranged at this rate. Executive Engineer, Kalabagh should have obtained written approval of the Superintending Engineer. According to last observation of Audit it does not accept that the rates sanctioned by the Chief Engineer on 20th November, 1951 could be adopted for supply in question because the Chief Engineer had approved those rates for M/s. Muhammad Hayat Muhammad Abdullah only and that supply was to be made on agreement basis. Audit has also asked why supply was arranged on work order basis and has remarked that in any case excess payment of Rs. 8,632 as detailed above is not justified. The circumstances in which the Chief Engineer's approved rates were adopted as a guideline and a rate of Rs. 30 per % cft. for 3/8" shingle was adopted have already been explained.

As for adopting work order system it is added that the supply was urgently needed and there was no time for calling tenders and for executing the agreement with one party. The Executive Engineer in order to expedite despatches was guided by the approved rate of November, 1951 and issued Work Order to as many contractors as could quickly make the supply.

The Committee decided that the technical irregularity committed by the officer concerned of crossing the financial limit within his powers, should be got condoned by the competent authority and the matter reported to audit for verification. Subject to this the para. was dropped.

(19) *Page 48, Para. 17(a)185—Excess payment*—In this case an overpayment of Rs. 7,215 was made to two contractors by allowing higher rates for bed clearance of canals and minors than was actually due. Bed clearance being of the nature of silt clearance, the payment should have been made as such but it was treated as solid earthwork the rate of which was higher.

The Department explained that detail of excess payment has been traced out after consulting old Measurement Books, Bill Books, Cash Books etc. The correct amount recoverable comes to Rs. 7,434/77. This amount is due from the contractors of Deraiat Circle. The amount of Rs. 3,471/12 has since been recovered. The balance amount of Rs. 3,963/65 is still recoverable. Efforts are being made to recover the amount from the contractors.

Subject to verification of these amounts by the Audit and also the recovery of the balance amount of Rs. 3,963/65 the para. was dropped.

(20) *Page 48, Para. 186—Excess payment*—In this case an excess payment of Rs. 40,974 was made to contractors by allowing them rates higher than the lowest tendered and accepted by the Department. Tenders were invited by the Executive Engineer, in October, 1950. One contractor tendered at 175% above the scheduled rate and his tender being the lowest, was accepted by the Superintending Engineer in November, 1950. The Chief Engineer in the meantime sanctioned premium at 200% and the work was allotted to contractors other than the one who had tendered at 175% and they were paid premium at 200%. This led to an excess payment of Rs. 40,974 to contractors and consequent loss to Government.

The Department explained that damages during very high floods of 1950 were colossal resulting in untold miseries, loss of crops etc and it involved crores of cft. earthwork in restoring and repairing breaches. Besides services of resourceful contractors, one Division of the army was employed in this National calamity. The accepted tender of a contractor at 175% were not taken into consideration as he was not a resourceful one and it was not possible for him to cope up with the emergent heavy work. Consequently under the sanction of the competent authority and with the concurrence of the Chief Engineer, the work was distributed among several contractors at 200% above. The rate of 200% above were paid throughout the flood effected area of the (defunct Punjab).

The Committee considered the explanation of the Department and felt highly dissatisfied with the state of affairs. This is one more

instance where the prevalent works order system had been used to manipulate the awarding of contracts to contractor other than the one who had quoted the lowest rates and whose tender had been accepted. The Committee has again and again stressed that the continuance of awarding of contracts under the works order system amounts to encouraging nepotism and jobbery. In the opinion of the Committee, not only are the officers concerned who have been utilising their discretion given to them under the rules governing this system to give contracts to contractors of their choice irrespective of the fact whether they have quoted for the particular work or not and whether their rates are the same as the lowest rates quoted, responsible for serious monetary loss to the Government but all those persons and authorities who are not taking steps to immediately discontinue this system are equally responsible for loss of lakhs of rupees of public money. The Committee felt that even the Government of a medieval country without any proper organised administration, would not feel very happy with this system nor would it ever try to justify the existence and continuance of it.

Subject to these observations, the para. was dropped.

(21) (i) Page 48, Para. 17(a)187—

(ii) Page 48, Para. 17(a)188—

These items were deferred to be taken up alongwith the accounts for 1962-63.

(22) Page 48, Para. 17(a)189—*Misappropriation of Stores*—In this case a sum of Rs. 4150 was paid in advance to a company for the supply of cement. The firm despatched two wagons of cement the delivery of which was taken by the representatives of the department. They, however, did not take the cement on stock. The cement worth Rs. 4,150 therefore appears to have been misappropriated.

The Department explained that two wagons cement was received by Overseer Jajja of Malkana Sub-Division and Overseer Rahimyar Khan of Rahimyar Khan Sub-Division during the month as noted against each. Overseer Jajja took 440 Cwt. Cement on return in account for April, 1951 and 20 Cwt in May, 1954 which can be verified from the stock Register of Jajja Section. Cost of Cement received by Overseer Jajja was adjusted in the monthly account for March, 1955 1st Supplementary,—vide T. E. No. 3, dated 24th April, 1955. Overseer Rahimyar Khan took 450 Cwt cement on 8th May, 1951 as per record entry at page 185 of Measurement Book No. 599. The Cement was, however, accounted for in September, 1951 which can be verified from the Stock Register of Rahimyar Khan Section. Section Cost of cement received by Overseer Rahimyar Khan was adjusted in the monthly account of March, 1952 1st Supply,—vide T.E. No. 8 dated 26th April, 1953. Thus no misappropriation was involved.

Subject to verification by Audit the item was dropped.

(23) *Page 49, Para. 17(a)190—Misappropriation of Stores*—In this case one diesel engine costing Rs. 4,000 was received from another P.W. Division and issued to a work. Thereafter its whereabouts were not available in the Divisional Records.

The Department explained that the said diesel Engine was returned on 20th June, 1954 to the S.D.O. Mechanical Sub-Division, Madhoki of the Excavator Division, Lyallpur. The transaction was accounted for in the monthly account of July, 54 of Excavator Division.

Subject to verification by Audit, the item was dropped.

(24) *Page 49, Para. 17(a)191—Loss to Government*—The item was deferred to be taken up alongwith the accounts for 1962-63.

(25) *Page 49, Para. 17(a)192—Unauthorised Financial Aid to Contractors*—In this case miscellaneous stores worth Rs. 5,626 were issued to various contractors during 1947-48 and 1948-49. Although a period of more than twelve years has elapsed yet no recovery has so far been effected from the contractors. This amounted to an unauthorised financial aid to the contractors and also loss of Government money to the above extent.

The Department explained that the verification of the initial records has revealed that the amount of Rs. 4,887.17 has been recovered but has been credited to Stock instead of crediting it to Miscellaneous P.W. Advance. The misclassification is being corrected in the accounts of the months in hand. The verification of the balance amount of Rs. 778.17 is in hand.

Subject to verification by Audit, the item was dropped.

(26) *Page 49, Para. 17(a) 193—Unauthorised financial Aid to Contractors*—In this case an advance payment amounting to Rs. 5,008 was made to a firm during March, 1956 for the supply of cement. Neither the cement was received from the firm nor the recovery of the said amount has so far been made.

The Department explained that this is a case of recovery from M/s. Mird and Co. who have liquidated their business and M/s. A.C.C. were appointed as their successor Agency. The successor agency is under the control of Government of West Pakistan. Out of Rs. 5,008 a sum of Rs. 4,109.58 has been adjusted,—vide T.E. No. 4, dated 19th February, 1962. Matter is under correspondence between the Director, Audit and Accounts (Works) and the Director of Industries and Commerce, Lahore for the recovery of Rs. 899.00.

Subject to verification of the recoveries made and balance amount of 899 to be recovered, the para. was dropped.

(27) (i) *Page 49, Para. 17(a)194—*

(ii) *Page 49, Para. 17(a)195—*

Explanations were found to be satisfactory and the items were dropped.

(28) *Page 50, Para. 17(a)196—Excess payment*—In this case an agreement was executed with a contractor for "Earthwork" at 5/50 per cent below the scheduled rate. An examination of the payments made to the contractor revealed that the rate actually paid for "Earthwork" was 24% above the schedule rates. This resulted in an overpayment of Rs. 2,448 to the contractor which came to notice in March, 1961 at the time of local audit inspection. The irregularity was pointed out to the authorities concerned but neither recovery was made nor action taken against the person at fault inspite of reminders.

The Department explained that certain doubt existed about the correct rate of earthwork applicable to earthwork on canals and drains. The then Chief Engineer, P.W.D., N.W.F.P. ordered that the rate in section III (excavation) should be applied to earthwork in building and masonry works on Canals and drains and earthwork Section IV (Roads Work) should be applied to earthwork on canals and drain etc. These orders appear to have been misinterpreted and premium quoted by contractor for masonry work was paid even for earthwork. Efforts are being made to affect the recovery of overpayment due to this misinterpretation.

Subject to verification of the recoveries by the Audit and the disciplinary action against the defaulter the para. was dropped.

(29) *Page 50, Para. 17(a)197—Excess payment*—The item was deferred to be taken up alongwith the accounts for 1962-63.

(30) *Page 50, Para. 17(a)198—Shortage of Stores*—The Department explained that the overseer responsible for the shortage has been removed from service. Department proposes to write off the loss.

Subject to verification of write off by Audit the para. was dropped.

(31) *Page 50, Para. 17(a)199—Shortage of Stores*—In this case shortage of stores and Tools and plants articles to the extent of Rs. 10,702 were detected in July, 1959 and December, 1959 when a Store-keeper took over and also during the physical verification done by a S.D.O. The amount was debited to the suspense head "Miscellaneous Public Works Advances" in the accounts for August, 1960 and November, 1961 respectively as recoverable from the Store-keeper. A departmental enquiry was held to investigate the causes of the shortage and also to fix responsibility. The result of the enquiry was submitted to the Superintending Engineer concerned in June, 1961 for necessary action. Since then neither steps have been taken to effect the recovery nor any disciplinary action has been taken against the officials responsible for the shortages.

The Department explained that out of the amount of Rs. 10,701/75 originally debited to Miscellaneous Public Works Advances, stores worth Rs. 3,194/19 were subsequently found out

and were adjusted under intimation to Audit, in the Account in May, 1964 leaving a balance of Rs. 7,507/56.

The case was also handed over to Anti-corruption Department who arrested the official concerned. The case was however returned by the Anti-corruption Department with the advice that departmental action be taken as the case was judicially weak.

As a result of departmental proceeding the Store-keeper was held responsible and the following penalties were imposed upon him:

(a) the whole cost of the stores and T&P amounting to Rs. 7,507.56 be recovered from him.

(b) His annual increment be stopped for three years with cumulative effect.

Recovery is being made for the shortage at 1/3rd of his pay equal to Rs. 42 per month.

The Store-keeper is involved in 4 other cases of misappropriation of stores. The amount of recovery of misappropriation in all the five cases amounts to Rs. 22,671/34. It is not possible to effect recovery of the total amount even if the store-keeper is left in service.

Subject to verification of the recoveries being made by the Audit, and disciplinary action taken, the para. was dropped.

(32) (i) Page 50, Para. 17(a)200—

(ii) Page 50, Para. 17(a)201—

(iii) Page 51, Para. 17(a)202—

(iv) Page 51, Para. 17(a)203—

Explanations were considered satisfactory and the items were dropped subject to outstanding recoveries.

(33) Page 51, Para. 17(a)204—*Shortage of Stores*—In this case Stock worth Rs. 5,789/31 was found short against an S.D.O. as a result of physical verification of stores. The amount was placed in Miscellaneous P.W. Advance in June, 1960 (Supplv) pending recovery from the official at fault. The loss was neither reported to Audit nor details of the stores found short were furnished.

The Department explained that Mr. Muhammad Bux Brehri, the then S.D.O. Usta Muhammad Sub-Divisional was found responsible for the shortages worth Rs. 5,789/31 shown in the Draft Para. Disciplinary action was taken against him in accordance with the E&D Rules, 1960 and as a result of inquiry conducted against him, the recovery of Rs. 5,789/31 has been ordered from him in instalments of Rs. 100 per month.

Subject to the verification of the amount recovered so far, and subject to satisfying the Audit with regard to the order of recoveries in equal instalments the para was dropped.

(34) (i) *Page 51, Para. 17(a)205—*

(ii) *Page 51, Para. 17(a)206—*

Explanations were found to be satisfactory and the items were dropped.

(35) *Page 51, Para. 17(a)207—Loss to Government—*The item was deferred to be taken up alongwith the accounts for 1962-63.

(36) *Page 52, Para. 17(a)208—Irregular payments—*Department explained that the sanction of the competent authority to regularise the expenditure has been obtained.

Subject to the verification by the Audit, the para. was dropped.

(37) *Page 52, Para. 17(a)209—Irregular payment—*The item was deferred to be taken up alongwith the accounts for 1962-63.

(38) *Page 52, Para. 17 (a) 210—*The explanation was found to be satisfactory and the item was dropped.

(39) *Page 52, Para. 17 (a) 211—Non-recovery of Government Dues—*The item was deferred to be taken up alongwith the accounts for 1962-63.

(40) *Page 53, Para. 17 (a) 212—*The explanation was found to be satisfactory and the item was dropped.

(41) *Page 53, Para. 17 (a) 213—Unauthorised payment—*The item was deferred to be taken up alongwith the accounts for 1962-63.

(42) *Page 53, Para. 17 (a) 214—*The explanation was found to be satisfactory and the item was dropped.

(43) *Page 53, Para. 17 (a) 215—Irregular Purchase—*The Department stated that this matter relates to the Communications and Works Department and has therefore been transferred to that Department.

(44) *Page 54, Para. 17 (a) 216—*The explanation was found to be satisfactory and the item was dropped.

(45) *Page 54, Para. 17 (a) 217—Infructuous Expenditure—*The item was deferred to be taken up alongwith the accounts for 1962-63.

(46) *Page 54, Para. 17 (a) 218—Infructuous Expenditure—*In this case wasteful expenditure amounting to Rs. 24,339 was incurred on the construction of three tubewells from December, 1953 to July, 1956, but the scheme was ultimately abandoned after July, 1956 due to little income as compared with heavy running expenses. Moreover, the disposal of pipes and machinery costing Rs. 9,900 procured after abandonment of the Scheme was also not forthcoming. Those pipes and machinery also appear to have been misappropriated. The wasteful expenditure which was the result of defective planning and incorrect preparation of financial forecast of the scheme was pointed

out to the Department alongwith the misappropriation of machinery and pipes in October, 1961 but neither disciplinary action against the officials responsible for wasteful expenditure has been taken nor the machinery and pipes have so far been accounted for.

The Department explained that—

(1) The boring for installation of 3 Nos. Tube wells in Gidder Area was carried out by the U. N. O. Team under the aid of F. A. O. during 1952-53. Subsequently 3 small pumps of above 5 H. P. were fixed during 1954-55 and a sum of Rs. 15,936 was incurred by the defunct B. S. U. authorities as per completion report. The amount of Rs. 15,936 was incurred against an estimate of Rs. 27,000 sanctioned by the Wazir-e-Azam,—vide No. 5/Dev/Kalat/CMF, dated 17th April, 1955. As stated in the estimate the amount of Rs. 15,936 is exclusive of the cost of pumping sets amounting to Rs. 9,900 which if included will increase the expenditure figure to Rs. 25,836. There was thus no excess over the estimate.

(2) There was no defective planning and incorrect preparation of the financial forecast of the scheme. The Expenditure in question was incurred in good faith and solely for the development of the area and in fact it was an exploratory scheme. These pumps were installed as an experimental measure under the director of the F. A. O. team with two motives in view (a) to assess the water resources of the area, (b) if sufficient water is found these pumps may be utilized for irrigation purposes. Since there was lack of interest on the part of the cultivators of the area and the operational charges were high it was considered advisable to remove these pumps. Evidently there had been neither any mis-appropriation of the machinery nor poor planning. The Government of Ex-B. S. U. as is best known Rs. 5,888 originally spent on the collection of materials for the site originally proposed as mentioned above. No doubt an estimate amounting to Rs. 1,43,696 was sanctioned in the first instance for the construction of Boulder bund on the first site but before execution of any work the site was changed and concrete weir was constructed at the second site within the estimate and thus no infructuous expenditure as interpreted by the Audit was incurred.

The revised scheme costing Rs. 4,81,000 prepared on actual work done basis has since been administratively approved by the Government—vide No. 6/146.S.O (Proc)/63, dated 9th September 1967, the estimate is under scrutiny and will be sanctioned very shortly.

Subject to verification by Audit, the item was dropped.

(47) Page 54, Para. 17 (a) 219—The explanation was found to be satisfactory and the item was dropped.

(48) Page 54, Para. 17 (a) 220—Unaccepted Debits—In this case stores worth Rs. 10,187 were issued to another Public Works Division and the amount was placed in the Schedule of "Miscellaneous Public Works Advances" in the month of January, 1958.

sending receipt of acceptance from the Public Works Division concerned.

The Department explained that A. T. D. for Rs. 10,186 was raised against the Executive Engineer, Irrigation Division, Fortsandeman during September, 1962 and was accepted by the Executive Engineer in September, 1963-1st Supplementary Account,—vide Acceptance No. 19, dated 9th September, 1963. The question of mis-appropriation of the Government money to the tune of Rs. 10,186-87 does not arise. A. T. D. has since been accepted by the Executive Engineer, Fortsandeman Division so the question of mis-appropriation of Governmenth stores does not arise.

Subject to verification by Audit the para. was dropped.

(49) (i) Page 55, Para. 17(a). 221—Excess payment—(ii) Page 55, Para. 17(a) 222—Excess payment—These items were deferred to be taken up alongwith the accounts for 1962-63.

(50) Page. 55, Para. 17 (a) 223—Mis-appropriation of Stores—In this case materials worth Rs. 11,761 received from suppliers were not taken on stock. Moreover 1,000 cement bags worth Rs. 5,500 issued by the sub-division to another sub-division of the same division were also not accounted for by the receiving Sub-Division.

These materials worth Rs. 17,261 appear to have been mis-appropriated.

The Department explained that the amount of Rs. 17,261 on account of cost of material stated to have been mis-appropriated comprises of the following items. The reply in seriatum is given as under:—

Credit Note No. and Date	Quantity of Material received	Value Rs.As. Ps.
4854 of 8-4-59	One Tark of light Diesel Oil or 5904 Gallons.	2,253-12-0
4862 of 23-10-58	4 Ncs. Tyres and one Tube	1,625-0-0
4872 of 13-4-59	50 Barrels of light Diesel	1,787-8 0 522-8-0
4873 of 13-4-59	Ditto.	2,310-0-0
	Total	11,198-12-0

(i) 1000 cement bages transferred to pishin from Quetta Sub-Division. 5,000-0-0

III Cost of 200 sample bages. 565-8-0
(A)Total (i)+(iii) =11,198/75
562/50

Total 11,761/25

(B) Total (i) 5,500/00

Grand Total 17,216/25

(i) 1000 bags of cement costing Rs. 5,500 were issued by the S.D.O., Irrigation, Quetta, to the S.D.O., Irrigation, Pishin, during January, 58 and were shown as "Receipt" by the S.D.O. Irrigation, Pishin on the following dates. The actual date of receipt of materials:—

22-1-1958	...	150 bags
23-1-1958	...	150 bags
24-1-1958	...	150 bags
25-1-1958	...	250 bags
26-1-1958	...	150 bags
27-1-1958	...	150 bags

The above quantity of cement was erroneously shown as "Issued on 24th February, 1958 and therefore could not be linked by the Audit Inspection Party. Otherwise there is no mis-appropriation. It is only accounting mistake made by the S.D.O., Irrigation, Quetta.

(ii) Light Diesel Oil received,—vide Credit Note No. 4854, dated 8th April, 1959, No. 4872, dated 13th April, 1959, and No. 4873 dated 13th April, 1959 was received for Malezai Pumping plant and directly charged to the work. As such the material was not taken on stock.

4 Nos. Tyres and one no tube. received vide credit Note No. 4862, dated 2nd October, 1958, has been taken on stock during November, 58 and entries are available at page 564 and 565 of stock Register.

(iii) 2000 sample bags were received by the Drilling Superintendent Syed Muhammad Bashir Shah. The bags are in use of Tubewell Boring stores for collecting samples of Strata, etc. The Drilling Superintendent has been directed to account for the material properly.

Subject to recovery and verification by Audit the para. was dropped.

(51) page 55, para 17 (a) 224—The explanation was found to be satisfactory and the item was dropped.

(52) Page 55, Para, 17(a). 225—Non accounting of Government dues—In this case store valuing Rs. 40,552 were issued by a Public Works Division to another Division. The debit for the value of stores was accepted by latter Division in anticipation of the actual receipt of material and the amount was placed in "Miscellaneous Public Works Advances" in August, 1960 in contravention of financial rules.

The Department explained that the history of the case is that following articles of stock were indented by the Loralai Irrigation Division on Taunsa Canal Division, D.G. Khan. The said Division demanded an advance acceptance in lieu of advance A.T.D. No. 1, dated 1st August, 1960, for the following material and amount.

1. Cement 5000 cwt.	...	=33,750
2. Deodar Wood 400 cft.	...	=6,600
3. Storage charges	...	=202

Total	...	40,552
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Accordingly advance acceptance was given by debiting the amount to suspense Head "Misc: P.W. Advances". The material was actually received during 8/60, 9/60, 10/60 and 12/60 but it continued to be credited to the suspense Head "Purchases" thus allowing the amount to continue to stand in the Misc: P. W. Advances. Subsequently another A. T. D. No. 60 for the material which in fact had already been accounted for was also received from Taunsa Canal Division. This was accepted by the Division concerned. This double acceptance i.e. one advance and the other on actual receipt of material was given for the same material. The amount of Rs. 40,552 representing double acceptance has, however, been standing in the Schedule of P. W. Deposit, as the credit of advance acceptance of Rs. 40,552 given by Loralai Irrigation Division by debit to Misc: P.W. Advances was not linked in the broad-sheet of Audit Office due to the fact that advance A. T. D. of Executive Engineer, Tansa Canal Division was not passed by that Division through its schedule of debit to remittance.

Thus the amount of Rs. 40,552 taken under draft para. on account of losses on stores has finally been adjusted by Loralai Irrigation Division,—vide T.E. No. 3, dated 10th August, 1965, (1st Supply—6/65 account) and cleared by debit to P.W. Deposit as such Audit Office Schedule of P. W. Deposit has already been submitted by the Executive Engineer, Loralai Irrigation Division.

Subject to recovery/adjustment and its verification by Audit, the para was dropped.

(53) Page 56, Para. 17(a) 226—*Doubtful expenditure*—In this case an expenditure of Rs. 7,447 was incurred upto October, 1956 on the construction of springs without any estimate. On enquiry about the sanction to estimate it was revealed that neither any such work had ever been done nor any record pertaining to the work was available in the Division.

The Department explained that the work was started in September, 53 against a sanctioned Estimate of Rs. 12,800 and completed in February, 55 at a cost of Rs. 9,949-19. In support of the existence of the work at the site, the then Executive Engineer, has forwarded a copy of the Inspection Note of the Wazir-e-Azam issued by him,—*vide* No. 2564, dated 13th December, 1954.

Subject to verification the item was dropped.

(54) *Page 56, Para. 17(a) 227*—The explanation was found satisfactory and the para. was dropped.

(55) *Page 56, Para. 17(a) 228—Loss to Government*—In this case a special audit of the payments made to a contracting firm for electrification of satellite towns in the former Punjab Area was carried out in April and May, 1960. Complete records were not produced by the Electricity Division concerned and thus complete audit could not be conducted. The records produced for audit revealed a large number of serious irregularities *viz.* overpayments, stores issued in excess of actual requirements and not returned to the Department etc. of the approximate value of Rs. 18,18,050. The amount is expected to be increased if the wanting records are also produced to audit and final bills of the contractors which were not previously submitted are also checked. The report indicating the irregularities was sent to the Department in July, 1960. Though a large number of reminders were issued to the Department by the Audit for furnishing replies to the report and the matter was pressed with the highest departmental authority but no final reply to the report was received by the Audit.

The representative of the WAPDA stated that in his D.O. No. WM(P)/4-5/Elec: /3162, dated 11th May, 1960 to Khan Ghulam Sadiq Khan the then Chief Engineer, Electricity, West Pakistan, Lahore, the Director, Audit and Accounts (Works), desired that in order to arrive at the exact amount recoverable from the Contractors or payable to them, a complete and authentic record of all the stores issued to the contractors, recoveries already effected and balances recoverable be furnished to Audit. It was further pointed out in Director, Audit and Accounts (Works), D. O. No. WM (P)/4-5/3428, dated 4th June, 1960 that the delay in finalizing the special Audit was that the Contractors had not submitted their final bills for the work done by them in Sargodha, Gujranwala and Montgomery Division. Mr. R. N. Battra the then Regional Manager (West) Multan was entrusted with the work of measurement of the quantities of the materials actually used on site by the contractors in the presence of their representatives, and also to arrive at the quantity of material drawn, used and returned. On receipt of a complete report from Mr. R. N. Battra the then Regional Manager (West), Multan, it was decided by the Authority that the case be referred to Government for clarification as to whether the contract

be treated as a lump sum or an item rate contract. The relevant records will be produced to Audit when a final decision on the point at issue be received from the Government.

The Committee observed that this para. had been examined at various levels and has remained unsettled over a number of years. The F. D. is requested to supervise finalisation of this para. It is suggested that the Finance should call a meeting of the representatives of the various Departments concerned and have the matter settled once and for all.

Subject to these remarks the para was dropped.

(56) *Page 79, Para. 3—Loss to Government*—The explanation was found to be satisfactory and the item was dropped.

(57) *Page 103, Para. 5(i)—Non-recovery of Government dues*—In this case stores worth Rs. 14,864 were sold on credit during the period September, 1957 to December, 1958 to various firms, contractors and private individuals. Though several years have elapsed the money due to the Government has not been recovered.

The Department explained that the original amount of the Draft para. has since been reduced to Rs. 4,045.88; recoveries of some other items amounting to Rs. 976.26 have also been made. There are only 3 items recoverable now as detailed below:—

1. Malik Muhammad Altaf, Divisional Accountant has deposited Rs. 40 against the recovery of Rs. 70. He has further been asked to deposit the remaining amount.

2. Muhammad Akram, Overseer, has been constantly reminded through Project Director, Scarp-I to deposit the amount of Rs. 722.13. He has been charge-sheeted on 20th January, 1968 as there was no response from him. Necessary action will be taken on receipt of the charge-sheets.

3. An amount of Rs. 2034.49 is recoverable from Mr. Shah Din Overseer. He has made an appeal against this recovery, which is under examination in the office of Chief Engineer, Remodelling Organization. The case will be finalized soon.

Subject to further recovery and verification of recovery by the Audit and disciplinary action the para. was dropped.

(58) *Page 103, Para. 5(ii)*—The explanation was found to be satisfactory and the item was dropped.

(59) *Page 103, Para. 5(iii)—Non-recovery of Government dues*—In this case stores worth Rs. 21,897 were sold on credit to Government employees during the period from July 1948 to January, 1960 and the items were placed under the suspense head "Misc: Public Works Advances" pending recovery.

The Committee considered the explanation of the Department that out of the total balance of Rs. 21,897 the adjustment of Rs. 17,846.74 has been verified by the Audit. The balance recovery of Rs. 4,057.76 is yet to be verified by the Audit. The recovery may be got verified by the Audit.

Subject to this the item was dropped.

(60) *Page 103, Para. 5 (iv)—Non-recovery of Government dues*—The item was deferred to be taken up alongwith the Appropriation Accounts for 1962-63.

(61) *Page 103, Para. 5(v)—Non-recovery of Government dues*—In this case a certain quantity of coal was procured at a cost of Rs. 4,150 including Railway freight, etc. The material was debited to the work. It was later on found that the material paid for was of poor quality and could not be used on Government work. It was decided in May, 1955 by the Superintending Engineer that the cost of the said material be recovered from the officials responsible for accepting the defective material.

The Department explained that recovery of Rs. 915 is being made from the pension of an official whose pension is under sanction. An other official responsible for the recovery of Rs. 3, 225 could not deposit the amount, he is already paying 1/3rd of his pay towards a shortage in another case.

Subject to watching of recoveries by the Audit the item was dropped.

(62) *Page 104, Para. 5(vi)—Non-recovery of Government Dues*—In this case it was pointed out that a sum of Rs. 14 455.81 was outstanding since March, 1956 as recoverable from Rehabilitation Department on account of conversion of Tube wells Workshop from D.C. to A.C.

The Department explained that the amount in the Draft para. is on account of conversion from D.C. to A.C. in Tube-well Workshop which is located in evacuee building at Sanda Road. As per approval of the estimate by Chief Engineer, Irrigation, West Pakistan, November, 1955, this expenditure was to remain a charge against the evacuee property. Since the Rehabilitation Department is not being paid any rent by the Irrigation Department, it is not possible to recover the expenditure on account of converting D.C. to A.C. from that Department. The amount can be adjusted only when any rent is paid to that Department. Part of the building has been used as residence by officials of Irrigation Department and the rent amounting to Rs. 7,112 has been recovered from them. Advice of the Director, Audit has been asked for whether the amount credited to the Revenue Head of account "Rent" will be

available for re-adjustment against the expenditure incurred on converting from D.C. to A.C. The Executive Engineer, Rechna Tubewell Division letter No. 7610/2/258/3, dated 15th November, 1967, in this connection has not yet been replied by the Audit. The matter is being pursued with them. If Audit agrees, the recovery of Rs. 7,112 on account of rent from officials of Irrigation Department will be adjusted against the outstanding expenditure. The portion of the building occupied by the Workshop is liable to pay rent chargeable to office contingencies. That amount will also be adjusted against the expenditure which will thus be cleared.

Subject to verification of either adjustment or recovery by the Audit, the para. was dropped.

(63) *Page 104, Para. 6(i)—Non-recovery of Travelling Allowance Advance*—The explanation was found to be satisfactory and the item was dropped.

(64) *Page 104, Para. 6(ii)—Non-recovery of Travelling Allowance Advances*—In this case an amount of Rs. 1,267 was paid to different officials on account of Travelling Allowance Advance during the period May, 1947 to June, 1958 from the Divisional chest and debited to the suspense head "Miscellaneous P.W. Advance". These advances should have been shown by presenting bills at the treasury and should not have been paid from the Divisional chest.

The Department explained that out of the total amount of Rs. 1,267 shown in the para. a sum of Rs. 662-92 has since been recovered. The concerned Ex-Engineer has been directed to effect the remaining recovery of Rs. 605/05 and get entire amount verified from the Audit.

Subject to verification by the Audit the item was dropped.

(65) *Page 104, Para. 7(i)—Loss to Government*—The explanation was found to be satisfactory and the item was dropped.

(66) *Page 104, Para. 7(ii)—Loss to Government*—In this case Stock material worth Rs. 8,233 was stated to have been issued to Military Authorities during August, 1952. The cost was not recovered from them but the amount was merely debited to the suspense head "Miscellaneous Public Works Advances" pending its recovery.

The Department explained that a sum of Rs. 6,064-44 out of Rs. 8,233 was adjusted during March, 1963.—*vide* T. E. No. 6, dated 30th March, 1963. The Military authorities totally refused to deposit the balance amount of Rs. 2,170-50.

Therefore the case for write off of the balance amount was prepared. The Chief Engineer and Advisor has sought advice of the Audit in this connection. The other aspect of this case is that the adjustment of Rs. 6,062-44 made by the Department was not admitted by the Audit. The Audit made certain observation on this

adjustment in October, 1966. The detailed replies to these observations were submitted by the Department in November, 1966. The Audit asked for copies of certain letters which have since been supplied.

Subject to verification of recoveries/Adjustment by Audit, the item was dropped.

(67) (i) Page 104, Para. 8—

(ii) Page 104, Para. 9—Explanations were found to be satisfactory and the items were dropped.

(68) (i) Page 116, Item 9—

(ii) Page 117, Item 13(i)—The items were deferred to be taken up alongwith the Accounts for 1962-63.

(69) Page 117, Item 13(ii) (Annexure)—Excess Payment—In this case excess payment of Rs. 757 was made to contractor by allowing excessive rates for a work.

The Department explained that the rate 12.46 per X cft. allowed—vide Vr. No. 15, dated 27th April, 1962 for the item of work and 77 M.E.S. Schedule of rates, 1948, reprint 1955 as amended up P.C.C. 1:3:6 with separate aggregate cast in situ is quite correct and the same was admissible to the contractor as per item No. 69 to amendment No. 313, as per following details:—

Item No. 69: P.C.F. with separate aggregate =
9.16 per X cft.

Item No. 77: Extra over poured concrete for =
3.30 X cft.

concrete cost in situ in various
solid articles listed in item No.
61 including formwork, fair
faced i.e. Channels in this
case.

12.46 per

Total

X cft.

Apparently the copy of the schedule of rate which was referred to by Audit at the time of checking of the voucher was not corrected up-to-date. Originally the rate printed in the schedule of rate cited above, against item No. 77 was 3.00 per X cft. but the same was later amended from 3.00 per X cft. to 3.30 per cft.—vide General Headquarters Engineer-in-Chief Branch Rawalpindi No. 6832/E-6, dated 22nd February, 1956, under Amendment No. 198.

Since the rate of 12.46 per X cft. was correctly allowed according to the schedule of rate concerned, no excess payment was made and question of recovery does not arise.

Subject to verification by the Audit the para. was dropped.

(70) *Page 117, Item 13(iii) Annexure—Excess payments*—In this case excess payment of Rs. 4,956 was made to a contractor by allowing him excessive rate.

The Department explained that the correct position is that the rate of Rs. 1.38 for Material and Labour given in item 176 of the schedule of Rate, 1950 is not applicable in this case as it contemplates the use of "Boulders" and not quarries "Stones". There exists no specific description of work in the schedule of Rate for supply of quarries stones and labour charges for pitching in wire crote apron bunds. Therefore the contractor was allowed the rate for supply of material and labour as follows:—

	Rs.
Item 182 supply of Stones	1.89
Item 178 Labour only	0.21
...	2.10

No over payment is involved.

Subject to verification by Audit, the item was dropped.

(71) *Page 117, Item 13(iv)—Excess payment*—The explanation was found to be satisfactory and the item was dropped.

(72) *Page 117, Item 14(i)—The explanation* was found to be satisfactory and the item was dropped.

(73) *Page 117, Item 14(ii)—Shortage of Store*—The item was deferred to be taken up alongwith the Accounts for 1962-63.

(74) *Page 117, Item 14(iii)—Shortage of Stores*—A pumping set worth Rs. 5,000 was stolen. A report was lodged with the police. The Department propose to write off the loss.

Subject to write off and its verification by the Audit, the item was dropped.

(75) (i) *Page 117, Item 14(iv)—Shortage of Stores*—

(ii) *Page 117, Item 15—Loss due to fire*—The items were deferred to be taken up alongwith the Accounts for 1962-63.

(76) *Page 117, Item 16—Irregular payment*—In this case a sum of Rs. 2,000 was paid by a Sub-Divisional Officer to the Senior Civil Judge for payment of compensation to the heirs of a deceased Beldar. The payment was held irregular as the claim was not got pre-audited by Audit Office before payment. Moreover there was no sanction of the higher authority for the payment of the claim.

The Department explained that an amount of Rs. 2,000 was paid to the legal heirs of Musa, beldar (DROWNED while he was on duty) in consultation with the Law Department. The Audit Office

later on advised that he was actually entitled to the payment of Rs. 1,800. Therefore Rs. 200 was recovered in Basira Sub-Division of Kot Adu Division,—vide receipt No. 73/1048, dated 16th March, 1966.

Subject to verification of factual position by the Audit the para. was dropped.

(77) (i) Page 118, Item 17—Overpayment—

(ii) Page 118, Item 18—Misappropriation of Government Stores—

(iii) Page 118, Item 19—Un-economical purchases—The items were deferred to be taken up alongwith the Accounts for 1962-63.

(78) (i) Page 8, Para. 17(a)(1)—

(ii) Page 57, Para. 17(iii)—

(iii) Page 59, Para. 17(iv) a—

(iv) Page 62, Para. 17(v) a—

(v) Page 65, Para. 17(c)—

(vi) Page 66, Para. 17(e)—

Explanations were found to be satisfactory and the paras. were dropped.

(79) Page 96, Note 3—Shortage of Stores—The item was deferred to be taken up alongwith the Accounts for 1962-63.

III. The Committee then adjourned ~~since~~ die.

LAHORE:	}	ZAIN NOORANI
The 18th April, 1968.		CHAIRMAN,
		Standing Committee on Public Accounts.