

# Report(1993-94)

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# Preface

Under the Constitution of the Islamic Republic of Pakistan, the disbursement from the Provincial Consolidated Fund requires approval by the Provincial Assembly of the Punjab. While authorizing huge sums of the tax-payers' money, the Assembly has a right to reassure itself that the moneys so granted were steered to the intended purpose and were spent prudently and in accordance with law and rules. The Assembly oversees expenditure through its Public Accounts Committees (PACs), on the basis of Appropriation Accounts, Finance Accounts and Audit Reports prepared by the Auditor-General. The said reports are laid in the Assembly under orders of the Governor.

2. As a rule, no money can be spent on any service over and above the money granted by the Assembly for the purpose. Excess expenditure, if any, is viewed seriously. PACs examine, with reference to the facts of each case, the circumstances leading to any excess expenditure, or immoderate savings and make appropriate recommendations.

3. As required under Article 171 of the Constitution of the Islamic Republic of Pakistan, Appropriation Accounts and Finance Accounts of the Government of the Punjab and Reports of the Auditor-General of Pakistan for the year 1993-94 were laid in the Provincial Assembly of the Punjab on 13 October 1997. The Assembly referred the same to Public Accounts Committee-I (PAC-I), for consideration.

4. These, along with the Reports of former and succeeding years remained under consideration of the said PAC-I as well as the *ad hoc* PAC, from 1998 to 2002.

5. PAC-I, constituted on 14 October 1997, consisted of Raja Muhammad Khalid Khan, (*Chairman*), Raja Muhammad Javaid Ikhlās, Mr Usman Ibrahim, Mr Zia Ahmad Khan, Haji Ahmad Khan Haral, Haji Muhammad Sharif, Dewan Mushtaq Ahmad, Ch Talib Hussain, Haji Ehsan-ud-Qureshi and Sardar Awais Ahmad Khan Leghari. This Committee considered the reports in a series of meetings. However, the Assembly was placed under suspension with effect from 12 October 1999 under the Proclamation of Emergency and PAC-I ceased to function.

6. At that time, the defunct Public Accounts Committees had been seized of a heavy backlog of Audit Reports. To clear the unfinished work, Governor of the Punjab, pursuant to the powers conferred under Chief Executive of Pakistan letter No.1(74)SO(C-2)/2000, dated 31 July 2000, read with Article 2 of the Powers and Functions of the Governors Order 19(5 of 1999), constituted an *ad hoc* Public Accounts Committee of the Punjab *vide* Finance Department Notification No.FD/Accts/(A&A)/V-7/69 dated 20 October 2000 (*Annexure*).

7. The Committee initially consisted of eleven members; *viz.* - Mr Riyaz Hussain Bokhari (*Chairman*), Prof (Retd) Dr Khalid Hameed Sheikh, Prof (Retd) Dr Ejaz Ahsan, Major General (Retd) Muhammad Akram, Mr Muzaffar Mahmood Qureshi, Mian Abdul Qayyum, Mr Aftab Ahmad Khan, Ch Muhammad Aslam, Mr Ali Kazim, Mr Muhammad Ahmad Bhatti and Mr Ahmad Raza Khan. However, for personal reasons, Mr Ali Kazim showed his inability to serve on the Committee, and Prof (Retd) Ejaz Ahsan resigned after a few meetings.

8 The Committee decided to finalize the report for the year 1993-94 on the basis of the

decisions taken by the earlier PAC as well as its deliberations on 29 April, 10, 16, 23 and 30 May 2002. The Committee, in its meeting on 29 August 2002, approved the Report.

**9.** This Report is arranged in 24 Chapters. Chapter 1 consists of general observations and recommendations of PAC-I; Chapter 2 contains a summary of the deliberations of the PAC about the Appropriation Accounts. The remaining Chapters deal with the audit paras/observations separately arranged for each Department. A synopsis for each department has been added for ready reference.

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

29 August 2002

**(Dr Syed Abul Hassan Najmee)**  
Secretary  
Provincial Assembly of the Punjab

# Abstract

## APPROPRIATION ACCOUNTS

<b>Total Grants</b>	<b>Grants Finally Settled</b>	<b>Grants Pended</b>
<b>48</b>	<b>23</b>	<b>25</b>

## AUDIT PARAS

<b>Total Paras</b>	<b>Paras Noted</b>	<b>Paras Finally Settled</b>	<b>Paras Conditionally Settled</b>	<b>Paras Pended</b>
<b>2170</b>	<b>103</b>	<b>286</b>	<b>638</b>	<b>1143</b>

# Introduction

Among the tasks entrusted to the *ad hoc* Public Accounts Committee (PAC) constituted in October 2000, is to deal with the unfinished business of the Standing Committees on Public Accounts of the suspended Assembly of the Punjab. The PAC is required to clear the backlog of Audit Reports passed on to it and to submit to the Finance Minister for approval the recommendations made by the previous PACs.

2. The Provincial Assembly's Public Accounts Committee-I considered the Appropriation Accounts and the Auditor General's Report on the Accounts (1993-94) of the Government of the Punjab; however, it ceased to function on the suspension of the Assembly on 12 October 1999.

3. To clear the backlog, the *ad hoc* PAC considered the report on the Accounts (1993-94) in its special meetings. Based on the minutes of the meetings of the previous PAC as well as those of the present *ad hoc* PAC, the Report on the Accounts (1993-94) has now been compiled.

4. In its meeting held on 29 August 2002, the *ad hoc* PAC approved the submission of the Report to the Finance Minister.

5. It is recommended that the Departments and Organizations concerned should take note of the various directives and suggestions in this Report. Appropriate action should be initiated for the improvement of financial discipline and for the enforcement of strict accountability. The monitoring wing of the Finance Department may watch and report on the compliance of the directives.

6. The *ad hoc* PAC avails itself of this opportunity to place on record its deep appreciation of the hard work put in and dedication displayed by the Assembly's Secretariat in assisting the Committee and compiling the Report.

**29 August 2002**

**(Riyaz H. Bokhari)**  
**Chairman**  
***Ad hoc* Public Accounts Committee**

# General Observations and Recommendations

While considering the pending Audit Reports, PAC-I made a number of general observations and recommendations. These are reproduced below:-

**2. *Audit Objections:*** PAC-I viewed with concern the impassive practice of attending to the audit objections/paras only after a meeting of the PAC was fixed. The Committee directed that Government must ensure that the departments –

(a) take action to settle an audit objection at the earliest opportunity; and

(b) review, at regular interval, the progress of all the pending audit paras.

**3. *Working Papers:*** Many departments did not assign due priority to the work of the Committee. The working papers for the meetings had, at times, been inadequate as well as sketchy. They were also submitted as late as a day or two before, or even on the day of the meeting. The members of the Committee did not have time to examine the same. The Committee directed that –

(a) the departments/agencies should submit the appropriate working papers at least ten days before the meeting; and

(c) the working papers must contain full facts and latest position of the case; and should be authenticated by the Head of the Department.

**4. *Use of official vehicles:*** The PAC observed that the Government of the Punjab may consider to allow all the Deputy Secretaries to the use of Government vehicles for official purpose in view of the onerous official duties being performed by them.

**5. *Advances given to WAPDA, T&T and Sui Gas Departments:*** The PAC observed that the Punjab Government should take up the matter with the Federal Government for the adjustment of outstanding advances.

**6. *Directives of the PACs and Compliance Paras:*** It was observed that most of the administrative departments had not taken timely action on the directives of the PACs. That inordinately delayed the disposal of the audit paras as well as the finalization of reports. Moreover, in a number of cases, audit paras were settled subject to certain actions to be taken by the concerned departments. Unfortunately, the departments had not cared to take the requisite action, with the result that such paras could not be finally settled. Government should take measures so that the directives of the PACs are implemented expeditiously and in all cases within the time given to the departments. Moreover, the departments should create audit cells from within the existing sanctioned strength effectively to handle the PAC work. The follow up action on the decision of PAC must be completed by the concerned Departments/

agencies before the date of the next meeting.

**7. *Casual attitude before the PACs:*** It was observed that the administrative secretaries either did not appear before the Committee personally, or, even when they attended the meetings, they were not prepared for the same. That is why they brought with them the whole train of officers/officials. During the meetings, they were often obliged to seek the assistance of their subordinates, sometimes at a very low level. The practice was not only inappropriate but it also involved huge public expense in the form of TA/DA. Government must take corrective steps in this behalf. It was further directed that the Administrative Secretaries should reconcile matters with the Audit Department much before the date of the meeting of the Committee.

**8. *Disciplinary Action:*** The Committee observed that the departmental action was not taken even in cases of gross financial irregularity, fraud or defalcation; and, the departments simply slept over the matter after having casually referred such cases to the Anti-Corruption Department or to the Police. Disciplinary action against the defaulting District Accounts Officers and Divisional Accounts Officers, too, had not been taken by the Finance Department/Accountant General in spite of repeated directives of the Committee. The Committee directed the Departments to complete the disciplinary action against the defaulting officers/officials including District Accounts Officers and Divisional Accounts Officers within two months.

**9. *Suspense Account:*** The Committee directed that the Finance Department shall constitute a Committee consisting of D.G. Accounts (Works), Chief Engineer, Irrigation & Power Department, and representatives of Public Health, C&W and Finance Departments. The said Committee shall examine the operation of Suspense Accounts and submit a comprehensive report on the operation and maintenance of this Head to the Committee for further consideration. Additional Secretary, Finance (Monitoring) shall coordinate and arrange the meetings of the said Committee.



# APPROPRIATION ACCOUNTS

(1993-94)

## Overview

Total No. of Grants	Settled	Pended
48	23	25

## Abstract

Status	Number and Title of Grant	Details
<b>Grants Finally Settled</b>  <b>23</b>	<b>1.</b> Opium <b>2.</b> Land Revenue <b>3.</b> Provincial Excise <b>4.</b> Stamps <b>5.</b> Forest <b>6.</b> Registration <b>8.</b> Other Taxes & Duties <b>18.</b> Agriculture <b>19.</b> Fisheries <b>20.</b> Veterinary <b>21.</b> Co-operation <b>22.</b> Industries <b>25.</b> Communications <b>26.</b> H&PP <b>28.</b> Pensions <b>29.</b> Stationery & Printing <b>30.</b> Subsidies <b>32.</b> Civil Defence <b>33.</b> State Trading in Food Grain and Sugar <b>34.</b> Schemes of State Trading in Medical Stores & Coal <b>38.</b> Agriculture Improvement & Research <b>39.</b> Industrial Development <b>Nil</b> –Floating Debt	<b>Table I</b>
<b>Grants Pended</b>  <b>25</b>	<b>7.</b> Charges on account of Motor Vehicles Act <b>9.</b> Irrigation & Land Reclamation <b>10.</b> General Administration (c)+(v) <b>11.</b> Administration of Justice (c)+(v) <b>12.</b> Jails and Convict Settlements <b>13.</b> Police <b>14.</b> Museums <b>15.</b> Education <b>16.</b> Health Services <b>17.</b> Public Health <b>23.</b> Miscellaneous <b>24.</b> Civil Works (c)+(v) <b>27.</b> Relief <b>31.</b> Miscellaneous <b>35.</b> Loans to Government Servants <b>36.</b> Development <b>37.</b> Irrigation Works <b>40.</b> Town Development <b>41.</b> Roads and Bridges <b>42.</b> Government Buildings <b>43.</b> Loans to Municipalities and Autonomous Bodies <b>Nil</b> –Permanent Debt <b>Nil</b> –Repayment of Loans from Federal Government <b>Nil</b> –Interest on Debt and other obligations <b>Nil</b> –Privy Purses	<b>Table II</b>

## TABLE I Grants Settled

The following Grants were settled either because the saving was within the permissible limit or the explanation of the Department for higher saving was accepted –

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
<b>1. Opium</b>	955,780	955,670	(-) 110 (0.01%)	Minutes dated 12-1-1999, issued vide No. PAC (93-94)/99/5994 dated 8-4-1999.
<b>2. Land Revenue</b>	334,676,510	330,543,172	(-) 4,133,338 (1.24%)	Minutes dated 3-4-1998, issued vide No. PAC/93-94/98/9854 dated 1-6-1998.
<b>3. Provincial Excise</b>	42,513,110	40,503,140	(-) 2,009,970 (4.73%)	Minutes dated 12-1-1999, issued vide No. PAC (93-94)/99/5994 dated 8-4-1999.
<b>4. Stamps</b>	17,226,410	16,510,566	(-) 715,844 (4.16%)	Minutes dated 12-1-1999, issued vide No. PAC (93-94)/99/5994 dated 8-4-1999.
<b>5. Forest</b>	301,759,220	300,495,253	(-) 1,263,967 (0.42%)	Minutes dated 11-5-1998, issued vide No. PAC/93-94/98/10039 dated 10-6-1998.
<b>6. Registration</b>	7,669,500	7,116,628	(-) 552,872 (7.21%)	Minutes dated 3-4-1998, issued vide No. PAC/93-94/98/9854 dated 1-6-1998.
<b>8. Other Taxes and Duties</b>	67,756,320	67,687,334	(-) 68,986 (0.10%)	Minutes dated 3-8-1998, issued vide No. PAC/93-94/88/1480 dated 23-9-1988 and Minutes dated 12-1-1999, issued vide No. PAC (93-94)/99/5994 dated 8-4-1999.
	1,037,157,040	998,967,709	(-) 38,189,331	

<b>18. Agriculture</b>	<b>*1,037,157,040</b>	<b>*1,001,831,447</b>	(3.68%) *(-) <b>35,325,593</b> (3.40%)	Minutes dated 2-4-1998, issued vide No. PAC/93-94/98/9700 dated 25-5-1998.
<b>19. Fisheries</b>	62,023,080	57,071,015	(-) 4,952,065 (3.68%)	Minutes dated 11-5-1998, issued vide No. PAC/93-94/98/10039 dated 10-6-1998.
<b>20. Veterinary</b>	487,482,400	464,059,397	(-) 23,423,003 (7.98%)	Minutes dated 3-8-1998, issued vide No. PAC/93-94/88/1480 dated 23-9-1988 and Minutes dated 11-1-1999, issued vide No. PAC/93-94/88/5997 dated 8-4-1999.
<b>21. Co-operation</b>	119,690,770	117,438,419	(-) 2,252,351 (1.88%)	Minutes dated 8-3-1999, issued vide No. PAC/93-94/88/6662 dated 4-5-1999.
<b>22. Industries</b>	128,990,110	122,870,164	(-) 6,119,946 (4.74%)	Minutes dated 3-8-1998, issued vide No. PAC/93-94/88/1480 dated 23-9-1988.
<b>25. Communications</b>	1,210,605,200	1,087,474,287	(-) 123,130,913 (10.17%)	Minutes dated 13-4-1998, issued vide No. PAC/93-94/98/9815 dated 30-5-1998 and Minutes dated 10-3-1999, issued vide No. PAC/93-94/88/6661 dated 4-5-1999.
<b>26. Housing &amp; PP</b>	165,971,110	81,359,692	(-) 84,611,418 (50.97%)	Minutes dated 8-3-1999, issued vide No. PAC/93-94/88/6662 dated 4-5-1999.
<b>28. Pensions</b>	3,369,225,000	2,879,730,335	(-) 489,494,665 (14.52%)	Minutes dated 5-8-1998, issued vide No. PAC/93-94/98/1681 dated 2-10-1998.
<b>29. Stationery &amp; Printing</b>	86,539,110	61,853,091	(-) 24,686,019 (28.53%)	Minutes dated 3-8-1998, issued vide No. PAC/93-94/88/1480 dated 23-9-1988.
<b>30. Subsidies</b>	1,347,340,000	–	(-) 1,347,340,000 (100%)	Minutes dated 10-8-1998, issued vide No. PAC/93-94/88/2027 dated 19-10-1999.
<b>32. Civil Defence</b>	24,064,210	23,260,251	(-) 803,959 (3.34%)	Minutes dated 5-8-1998, issued vide No. PAC/93-94/98/681 dated 2-10-1998.
<b>33. State Trading in Food Grain &amp; Sugar</b>	(c) 468,053,900	455,383,705	(-) 12,670,195 (2.71%)	Minutes dated 10-8-1998, issued vide No. PAC/93-94/88/2027 dated 19-10-1999.
	(v) 13,663,409,910	8,799,436,005	(-) 4,863,973,905 (13.64%)	Minutes dated 10-8-1998, issued vide No. PAC/93-94/88/2027 dated 19-10-1999.
<b>34. Schemes of State Trading in Medical Stores &amp; Coal</b>	113,389,480	100,387,200	(-) 13,002,280 (114.16%)	Minutes dated 12-5-1998, issued vide No. PAC/93-94/98/10386 dated 24-6-1998 and Minutes dated 3-8-1998, issued vide No. PAC/93-94/88/1480 dated 23-9-1988.
<b>38. Agriculture Improvement &amp; Research</b>	19,584,390	15,059,067	(-) 4,525,323 (23.10%)	Minutes dated 2-4-1998, issued vide No. PAC/93-94/98/9700 dated 25-5-1998 and Minutes dated 10-9-1998, issued vide No. PAC/93-94/98/2650 dated 18-11-1998.
<b>39. Industrial Development</b>	2,376,000	10,241	(-) 2,365,759 (99.57%)	Minutes dated 3-8-1998, issued vide No. PAC/93-94/88/1480 dated 23-9-1988.
<b>Nil. Floating Debt</b>	9,747,542,700	8,745,081,910	(-) 1,002,460,790 (10.28%)	Minutes dated 10-8-1998, issued vide No. PAC/93-94/88/2027 dated 19-10-1998.

## TABLE II

### Grants Pended

The following Grants were either partly settled, or settled subject to reconciliation, or pended, or not discussed, as indicated against each –

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
<b>7. Charges on account of Motor Vehicles Act</b>	24,770,910	21,103,812	(-) 3,667,098 (14.80%)	Partly settled. Minutes dated 12-1-1999, issued vide No. PAC (93-94)/99/5994 dated 8-4-1999.
<b>9. Irrigation and Land Reclamation</b>	3,385,384,610	2,372,467,646	(-) 1,012,916,964 (29.92%)	Partly settled. Minutes dated 12-1-1999, issued vide No. PAC (93-94)/99/5994 dated 8-4-1999.
<b>10. General Admn.</b> (v)	2,237,889,330	1,708,143,376	(-) 529,745,954 (23.67%)	Partly settled. Minutes dated 12-1-1999, issued vide No. PAC (93-94)/99/5994 dated 8-4-1999.

	(c)	72,110,680	59,643,489	(-) 12,467,191 (17.29%) <b>*4,614,341</b> (7.18%)	Minutes dated 8-3-1999, issued vide No. PAC/93-94/88/6662 dated 4-5-1999 and Minutes dated 8-1-2001, issued vide No. <i>Ad hoc</i> PAC/2000/265 dated 20-1-2001.
		<b>*64,257,830</b>	<b>*59,643,489</b>		
<b>11. Admn. of Justice</b>	(c)	104,971,430	101,612,114	(-) 3,359,316 (3.20%)	Minutes dated 10-3-1999, issued vide No. PAC/93-94/88/6661 dated 4-5-1999.
	(v)	268,990,140	255,416,789	(-) 13,573,351 (5.05%)	Partly settled. Minutes dated 12-1-1999, issued vide No. PAC (93-94)/99/5994 dated 8-4-1999.
<b>12. Jails and Convict Settlements</b>		330,194,840	314,923,666	(-) 15,271,174 (4.62%)	Partly settled. Minutes dated 12-1-1999, issued vide No. PAC (93-94)/99/5994 dated 8-4-1999.
<b>13. Police</b>		4,170,006,620	3,976,318,250	(-) 193,688,370 (4.64%)	Partly settled. Minutes dated 12-1-1999, issued vide No. PAC (93-94)/99/5994 dated 8-4-1999.
<b>14. Museums</b>		6,823,310	6,223,987	(-) 599,323 (8.78%)	Not discussed.
<b>15. Education</b>		14,249,623,110	13,247,347,495	(-) 1,002,275,615 (7.03%)	Partly settled. Minutes dated 1-9-1998, issued vide No. PAC/93-94/98/2102 dated 23-10-1998 and Minutes dated 13-2-1999, issued vide No. PAC/93-94/98/5996 dated 8-4-1999.
<b>16. Health Services</b>		3,892,375,010	3,275,965,139	(-) 616,409,871 (15.84%)	Partly settled. Minutes dated 1-9-1998, issued vide No. PAC/93-94/98/2102 dated 23-10-1998 and Minutes dated 13-2-1999, issued vide No. PAC/93-94/98/5996 dated 8-4-1999.
<b>17. Public Health</b>		338,848,410	295,117,676	(-) 43,730,734 (0.01%)	Partly settled. Minutes dated 1-9-1998, issued vide No. PAC/93-94/98/2102 dated 23-10-1998 and Minutes dated 13-2-1999, issued vide No. PAC/93-94/98/5996 dated 8-4-1999.
<b>23. Miscellaneous</b>		421,874,560	371,067,007	(-) 50,807,553 (12.04%)	Partly settled. Minutes dated 1-9-1998, issued vide No. PAC/93-94/98/2102 dated 23-10-1998 and Minutes dated 13-2-1999, issued vide No. PAC/93-94/98/5996 dated 8-4-1999.
<b>24. Civil Works</b>	(v)	852,353,110	691,219,573	(-) 161,133,537 (18.90%)	Partly settled. Minutes dated 1-9-1998, issued vide No. PAC/93-94/98/2102 dated 23-10-1998 and Minutes dated 13-2-1999, issued vide No. PAC/93-94/98/5996 dated 8-4-1999.
	(c)	3,000,000	1,694,684	(-) 1,305,316 (43.51%)	Minutes dated 13-4-1998, issued vide No. PAC/93-94/98/9815 dated 30-5-1998.
<b>27. Relief</b>		18,729,900	18,540,277	(-) 189,623 (1.01%)	Not discussed
<b>31. Miscellaneous</b>		735,129,910	602,778,572	(-) 132,351,338 (18.01%)	Partly settled. Minutes dated 3-4-1998, issued vide No. PAC/93-94/98/9854 dated 1-6-1998 and Minutes dated 3-8-1998, issued vide No. PAC/93-94/88/1480 dated 23-9-1988.
<b>35. Loans to Govt. Servants</b>		5,000	—	(-) 5,000 (100%)	Not discussed
<b>36. Development</b>		3,765,911,410	2,943,348,307	(-) 822,563,103 (21.84%)	Partly settled. Minutes dated 3-8-1998, issued vide No. PAC/93-94/88/1480 dated 23-9-1998, Minutes dated 11-11-1999, issued vide No. PAC/93-94/99/5997 dated 8-4-1999 and Minutes dated 2-3-1999, issued vide No. PAC/93-94/99/7027 dated 18-5-1999.
<b>Forest</b>		58,964,600	57,415,027	(+) 1,549,573 (2.62%)	Pending. Minutes dated 11-5-1998, issued vide No. PAC/93-94/98/10039 dated 10-6-1998.
<b>37. Irrigation Works</b>		621,469,000	684,109,091	(+) 62,359,909 (10.03%)	Partly settled. Minutes dated 5-10-1998, issued vide No. PAC/93-94/98/3126 dated 4-12-1998.
<b>40. Town Development</b>		2,100,000	4,452,818	(+) 2,352,818 (112.03%)	Pending. Minutes dated 4-1-1999, issued vide No. PAC/93-94/98/5966 dated 7-4-1999.
<b>41. Roads and Bridges</b>		1,779,900,010	1,971,414,503	(+) 191,514,493 (10.76%)	Partly settled. Minutes dated 13-4-1998, issued vide No. PAC/93-94/98/9815 dated 30-5-1998.
<b>42. Government Buildings</b>		3,018,818,010	1,555,696,732	(-) 1,463,121,278 (48.47%)	Partly settled. Minutes dated 13-4-1998, issued vide No. PAC/93-94/98/9815 dated 30-5-1998.
<b>43. Loans to Municipalities, Autonomous Bodies</b>		848,551,690	772,794,941	(-) 75,756,749 (8.93%)	Partly settled. Minutes dated 13-4-1998, issued vide No. PAC/93-94/98/9815 dated 30-5-1998.
<b>Nil. Permanent Debt</b>	(c)	106,914,000	95,955,270	(-) 10,958,730 (10.25%)	Partly settled. Minutes dated 13-4-1998, issued vide No. PAC/93-94/98/9815 dated 30-5-1998.

<b>Nil. Repayment of Loans from the Federal Govt.</b>	(c) 1,157,663,000	1,156,749,514	(-) 913,486 (0.07%)	Not discussed.
<b>Nil. Interest on Debt &amp; other obligations</b>	(c) 11,881,590,000	11,945,094,715	(+) 63,504,715 (0.53%)	Partly settled. Minutes dated 5-8-1998, issued vide No. PAC/93-94/98/681 dated 2-10-1998.
<b>Nil. Privy Purses</b>	(c) 9,600,000	—	(-) 9,600,000 (100%)	Not discussed.

# Agriculture Department

## Overview

Total Paras	Civil	Commercial
<b>117</b>	<b>49</b>	<b>68</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  <b>48</b>	The paras were noted because these contained statement of Accounts.	<b>Commercial:</b> 3, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43, 44, 45, 47, 48, 49, 50, 51, 54, 55, 56, 58, 59, 60, 61, 62, 63, 64, 66, 67, 68, 70, 71, 72, 73, 75, 76, 77, 79, 80, 81.	<b>48</b>
<b>Paras Finally Settled</b>  <b>34</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 1.1, 1.3, 1.4, 1.6, 1.8, 1.11(ii), 1.11(iii), 1.13, 1.15, 1.17, 1.19, 1.20, 2.1(1), 2.1(2), 2.3(1), 2.3(2), 2.4(1), 2.4(2), 2.4(3), 2.4(4), 2.4(5), 2.4(6), 2.4(8), 2.4(9), 2.4(10), 2.4(11), 2.4(12), 2.4(13), 2.5, 2.6(1), 2.6(2), 2.7, 2.8, 15.1( <i>Transferred from Irrigation</i> )	<b>34</b>
<b>Paras Conditionally Settled</b>  <b>35</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 1.2, 1.5, 1.7, 1.9, 1.10, 1.11(i), 1.12, 1.14, 1.16, 1.18, 1.21, 1.22(1), 1.22(2), 2.2, 2.4(7).	<b>15</b>
		<b>Commercial:</b> 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 38, 46, 52, 53, 57, 65, 69, 74, 78,	<b>20</b>

**Discussed on 2 April, 11 May, 10 September 1998, 29 April and 30 May 2002**

## Civil Audit

### 1. Para 1.1: Page 32 – Overpayment of Rs.224,175 on Account of Incorrect Rate of Loose Stone Walls

Audit had observed: “The Director, Soil Conservation, Rawalpindi, approved the rate of

100-cft of loose stone wall @ Rs.385 vide his letter No.2020-22, dated 21st February, 1991. But the payment was made @ Rs.585 per 100 cft and @ Rs.765 per 100 cft for hard soil without any authority in the schedule of rates as a result of which the overpayment to the above extent was made.”

**2-4-98:** A Committee consisting of representative each of Audit, Finance Department and Administrative Department, to probe into the matter and submit its report to the Public Accounts Committee in the next meeting. The para was kept pending.

**10-9-98:** The Department explained that as per decision of PAC I dated 2-4-98 the Departmental Committee consisting of representatives from Audit, Finance Department and Administrative Department probed into the matter and concluded that overpayment of only a sum of Rs.4,941 and Rs.444 was made. The same had been recovered and deposited with the Government. The said Committee had also recommended the para for settlement. The Public Accounts Committee accepted the recommendations of the Committee and **settled the para.**

## **2. Para 1.2: Page 32 – Misappropriation of Rice & Maize Worth Rs.88,173**

Audit had observed: “17189 KG rice and 5014 KG maize were stored in godown. After locking the store/godown the storekeeper absconded. Store was opened on 8th November, 1992 in the presence of the Magistrate. 13071 KG rice and 4147 KG Maize valuing Rs.88,482 were found short. The loss needs to be made good from the Storekeeper and the Officer Incharge, and disciplinary action taken against them”.

**10-9-98:** The Department explained that the concerned storekeeper Mr. Zaffar Ullah had absconded since long along with all the store books. His services were terminated during his absence. The store was got un-locked in the presence of a Magistrate and the rice paddy recovered from the store was auctioned for Rs.19,565. FIR had also lodged with the police. The accused storekeeper had not so far been arrested. Departmental inquiry was also conducted which concluded that the then Deputy Director (Retd), Sahiwal and Rana Javed Extra Assistant Director, Agriculture were also responsible for negligence in proper supervision. The Government had formed a Committee to probe into all such issues. Action against these officers would be taken on receipt of the report of the inquiry Committee. The Public Accounts Committee kept the item pending with the direction that inquiry may be completed and action be taken against the Deputy Director and Extra Assistant Director Agriculture concerned within two months.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **3. Para 1.3: Page 33 – Misappropriation of Surplus Material of Previous Year Not Received Back Worth Rs.34,862**



Audit had observed: “The surplus material valuing the stated amount after the finalization of civil works issued on watercourses during the year 1992-93, completion report of which was verified by NESPAK Engineers was neither received back nor value recovered. As such construction material issued on watercourses in excess of actual requirement/consumption was not available at site and had been misappropriated. Recovery is stressed.”

**2-4-98:** The Department explained that material valuing Rs.26,722 had been received back. The cost of remaining un-traceable material valuing Rs.8,140 had been recovered from the water users Association and deposited into Government Treasury. The Committee directed the Department to produce the relevant record to Audit for verification. The para was however, settled subject to verification.

**10-9-98:** The Department explained that material worth Rs.25,810 had been received back and recovery of Rs.9,052 had also been effected. The position had also been verified by Audit. The Public Accounts Committee accepted the explanation and **settled the para.**

#### **4. Para 1.4: Page 33 – Misappropriation of Rs.40,545 on Account of Installation of 20 Nakkas Due to Incorrect Volume**

Audit had observed: “As per PC-I, the criteria for the construction of watercourses as published in the hand book of the Ministry of Food & Agriculture on June 1980 was to be followed. In PC-I the calculation of volume of 20 Nakkas was shown as 0.52 for which no document for adopting this volume was produced except a field book purchased from the open market which did not bear any official authority. The Ministry of Food & Agriculture in their Field Manual Vol-V published in December 1980 had laid down volume of this nakkas as 0.441, therefore, PC-I should have been based on this volume instead of 0.52. The Department in the completion report of watercourse No.44888/R relating to Water Management Specialist, Sangla Hill had claimed the volume of this size of Nakkas equal to 0.46 which is indicative of the fact that the volume of these Nakkas as adopted by the Food & Agriculture Ministry is correct and workable in the field, hence value for Rs.40,545 were claimed in excess of permissible rates.”

**2-4-98:** The Department explained that according to PC-I and other project documents the criteria for construction of watercourses contained in “National standard specification and practices of Ministry of Food and Agriculture June 1980 would be followed in execution of Civil Works. According to PC-I duly approved by ECNEC the volume of 20 “Nakkas” could be up to the level of 0.54 cm The actual volume was to be calculated as per physical verification to be conducted by NESPAK Engineers. The volume as verified by consultants had since been claimed which was also on the lower side i.e. 0.52 instead of 0.54 on actual basis. As such there was no deviation of standards & specification. The volume was claimed on actual basis and the same was also verified by the NESPAK Engineers. As such no misappropriation was involved. The explanation of the Department was accepted and **the para was settled.**

## **5. Para 1.5: Page 34 – Misappropriation of Rs.32,930**

Audit had observed: “The stated amount was drawn from the Government Treasury and paid to the persons, whose appointment orders were found bogus”.

**10-9-98:** The Department explained that bogus appointments of Beldars were detected who were paid their salaries up to 28.2.93. The bogus appointees were handed over to the police. Later on they were released on bail. The Public Accounts Committee kept the para pending and directed the Department to conduct a thorough inquiry and fix responsibility as to who was responsible for the bogus appointments. The defaulter may be proceeded against under E & D Rules. Moreover total amount of Rs.32,929 which was drawn fraudulently from the Government Treasury may also be recovered from the defaulters, after due process.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **6. Para 1.6: Page 35 – Recovery of Rs.1,495,185 From Punjab Seed Corporation, Lahore on Account of Expenditure Incurred on Purchase of Seeds**

Audit had observed: “The stated amount was released out of National Oil Seed Development Project to Punjab Seed Corporation during 1990-91 to 1992-93 for purchase of seeds fertilizer and pesticides etc. The seeds were processed in Punjab Seed Corporation Office Sahiwal and sold to farmers on profit. Sale proceeds were deposited into Corporation accounts instead of Government accounts. As clarified by the National Oil Seed Development Project Food & Agriculture Division Islamabad in their letter No.IF11-1/90-OSC dated 3rd February, 1994 the amount should have been deposited into Government Treasury.”

**2-4-98:** The Department explained that according to the revised PC-I of National Oil Seed Development Project a sum of Rs.3,881,000 was provided for seed procurement and placed the said sum of Rs.38,81,000 (including the amount of Rs.1,495,185 under objection) at the disposal of Seed Corporation for procurement of seed for the project period and the sale proceeds were to be utilised as working capital for further procurements of seeds after the project period by the PSC and the same was not to be returned to the Government as contended by Audit. The explanation was accepted by the Committee and **the para was settled.**

## **7. Para 1.7: Page 35 – Excess Expenditure Over and Above the Budget Allocation – Rs.368,175**



Audit had observed: “Expenditure to the above extent was incurred in excess of budget allocation for 1992-93 in violation of the provisions of Rule 17-15 of PFR Vol-I”.

**10-9-98:** The Department explained that actual excess expenditure was Rs.345,175 out of which excess of Rs.103,247 pertained to the head pay and allowances. It occurred due to filling of posts by transfer of officers/officials who were drawing higher salaries than those calculated in the P.C-I of the project. The excess of Rs.237,370 had occurred due to the fact that against the actual requirement of Rs.3,27,800 the Finance Department released only a sum of Rs.62,780 while the expenditure had already been incurred in anticipation of the release of actual funds. The Public Accounts Committee kept the para pending and directed the Department to move a case to Finance Department for regularization of excess expenditure.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998 by 30 September 2002, and report compliance to the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **8. Para 1.8: Page 36 – Expenditure of Rs.1,386,300 on Pay and Allowances Incurred in Excess of Budget Provisions of 1992-93**

Audit had observed: “Oil Seed Development Project is a World Bank Aided Project and being implemented by Government of Pakistan, Ministry of Food & Agriculture, Islamabad.

The budget for pay and allowances for the staff employed in the project at Punjab is released by Federal Government which is deposited against Punjab Provincial Government Account.

Administrative approval for the same account is issued by the Government of Pakistan, Finance Department during 1992-93. Expenditure of Rs.1,386,300 was incurred in excess of budget provision.”

**2-4-98:** The Department explained that an amount of Rs.4,308,873 (including the amount of Rs.1,386,300) which was over drawn from the Government had since been deposited into the account of Government in consultation with the Finance Department. The contention of the Department was endorsed by Audit. The Committee accepted the explanation and **the para was settled.**

## **9. Para 1.9: Page 37 – Un-Justified Reappropriation of Funds During 1992-93 Worth Rs.119,340**

Audit had observed: “The re-appropriation of the stated amount was made by the Agriculture Chemist (SF), Bahawalpur vide his letter No.563-Budget, & No.564 dated 14th June, 1993. In accordance with S.No.5(18) of Delegation of Financial Powers Rules, 1990 it was specifically mentioned that no reappropriation will be made out of budgetary allocation under head “Electricity, POL, Gas & Telephone charges” without the prior approval of Finance Department. Both the orders of the Agriculture Chemist were irregular and unjustified

which needs to be got regularized from the Finance Department”.

**10-9-98:** The Department explained that D.D.O. concerned had been reverted from the post of A.C. (SF). The case was under investigation by an officer to fix responsibility for the irregularity. The PAC kept the para pending and directed the Department to complete the inquiry at the earliest and fix responsibility. The defaulter may be proceeded against for disciplinary action under the rules.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **10. Para 1.10: Page 37 – Irregular and Un-Justified Payment to Daily Paid Labour Worth Rs.145,190**

Audit had observed: “The stated amount was paid to daily paid labor from 1989-90 to 1992-93, against “NIL” budget in Code-03700-Contingent Staff. The year-wise break-up was as under:-

1989-90	Rs.17,206
1990-91	Rs.30,231
1991-92	Rs.48,080
1992-93	Rs.49,672

Moreover, Finance Department vide their letter No. EXP(G) 11-22/92, dated 25th August, 1992, imposed complete ban on appointment of contingent paid staff during 1992-93. However, Agriculture Chemist somehow maneuvered to get the bill passed probably by incorporating fictitious appropriation of budget in the bills”.

**10-9-98:** The Department explained that D.D.O. concerned had been reverted from the post of A.C. (SF). The case was under investigation by an officer to fix responsibility for the irregularity. The PAC kept the para pending and directed the Department to complete the inquiry at the earliest and fix responsibility. The defaulter may be proceeded against for disciplinary action under the rules.

**29-4-02:** On consideration of the facts of the case, **the committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**11. Para 1.11 (i): Page 38 – Less Deposit of Sale Proceeds of Farm Produce Worth Rs.278,665 (This item Rs.220,085)**

Audit had observed: “A sum of Rs.1,434,711 was realized by the Incharge Agriculture Farm, Sahiwal during July 1990 to June 1993 as sale proceeds of Wheat, Bhoosa and Rice, a sum of Rs.1,156,045 has been deposited into Government Treasury. The remaining balance of Rs.278,665 had not been found deposited into Government treasury violating the Rule 4.1 of P. F.R. Vol-I. The amount be recovered and appropriate action taken against the persons held responsible.”

**10-9-98:** The Department explained that an amount of Rs.72,594 had been recovered and deposited into the Government treasury. The balance of Rs.147,491 had been adjusted against the cost of seed of different crops received from Punjab Seed Corporation. The Public Accounts Committee **settled the para subject to verification of adjustment of Rs.147,491 by Audit.**

**12. Para 1.11 (ii): Page 38 – Less Deposit of Sale Proceeds of Farm Produce Worth Rs.278,665 (This item Rs.51,101)**

For Audit observation, *see* Sr.No.11 above.

**10-9-98:** The Department explained that total amount of Rs.51,101 had been recovered and got verified by Audit. The PAC **settled the para.**

**13. Para 1.11 (iii): Page 38 – Less Deposit of Sale Proceeds of Farm Produce Worth Rs.278,665 (This item Rs.6,979)**

For Audit observation, *see* Sr.No.11 above.

**10-9-98:** The Department explained that total amount of Rs.7,779 had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**14. Para 1.12: Page 38 – Advance Drawal of Rs.34,685**

Audit had observed: “The stated amount was drawn in advance in contravention of provisions of Rule 2.10(b) (5) read with 17-19 of PFR Vol-I from code 51300-POL and 52200-Telephone respectively without the sanction of the Competent Authority.

The expenditure of the stated amount was incurred on P.O.L. against the budget allocation of Rs.10,000 which was violation of instructions of Finance Department issued vide their letter No.EXP(G)11-22/92 dated 25 August 1992 in which it was specifically mentioned that consumption of P.O.L. was to be economized”.

**10-9-98:** The Department explained that D.D.O. concerned had been reverted from the post of A.C. (SF). The case was being investigated by an officer to fix responsibility for the irregularity. The PAC kept the para pending and directed the Department to complete the

inquiry at the earliest and fix responsibility. The defaulter may be proceeded against for disciplinary action under the rules. Finance Department was also directed to proceed against the District Accounts Officer concerned for not exercising the proper Audit check.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**15. Para 1.13: Page 39 – Payment of Rs.53,388 for Pay & Allowances to Tubewell, Machine & Tractor Operators Without Work**

Audit had observed: “Under PC-I of the Punjab Agriculture Ext. and Adoptive Research Project Phase-II, Establishment of Agriculture Farm was planned at D.G. Khan and for this purpose office of the Deputy Director (SS) Agronomy at D.G. Khan was set up with the posts of Tubewell Operator, Machine & Tractor Operators for the maintenance of agriculture farm.

The holders of these posts were paid Rs.53,388 as pay and allowances during 1991-92 inspite of the fact that no agriculture farm existed and the officials remained without work”.

**10-9-98:** The PAC accepted the explanation of the Department and **settled the para.**

**16. Para 1.14: Page 39 – Irregular Repair of Vehicle No.LHH-3549 – Rs.41,236**

Audit had observed: “The stated amount was received by Mr Muhammad Sarwar on account of repair of vehicle No. LHH-3549 on 17th June, 1993. All the 20 actual payees receipts were not available on record, as required vide Rule 8.5 of PFR Vol-I. Against the budget allocation of Rs.5000 an amount of Rs.41,236 was incurred without getting it re-appropriated.

The estimates submitted by firms were converted into cash memo.

The repair in excess of Rs.1,500 was not got vetted in contravention of Services General Administration and Information Department circular letter No.TR(SO-11)9-2/75, dated 11 March 1980. The quotations were not available in record. The alteration in figures was also noticed. Matter needs investigation and fixing of responsibility under intimation to Audit”.

**10-9-98:** The Department explained that D.D.O. concerned had been reverted from the post of A.C. (SF). The case was being investigated by an officer to fix responsibility for the irregularity. The PAC kept the para pending and directed the Department to complete the inquiry at the earliest and fix responsibility. The defaulter may be proceeded against for disciplinary action under the rules.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998

by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **17. Para 1.15: Page 40 – Irregular Expenditure of Rs.1,071,275**

Audit had observed: “The stated amount was spent on account of pay and allowances for officers and the field staff, sanctioned for development on Fish Nursery Units yet to be established in eight Administrative Divisions of the Punjab. Posts were filled in by appointment of staff on adhoc basis.

The matter requires investigation disciplinary action against the officers responsible for such type of appointments. Necessity for regularization of expenditure is stressed.

Recruitment of staff in anticipation of functioning of the units, resulted in wasteful expenditure.”

**11-5-98:** The Department explained that staff was appointed on the Fish Nursery Units strictly according to the approved PC-1 of the project with the clearance by the Finance Department. Also the appointment of the staff was the requirement of Asian Development Bank who sponsored the project and provided matching grant.

Explanation of the Department was accepted and **the para was settled.**

#### **18. Para 1.16: Page 40 – Purchase of Furniture Worth Rs.134,575**

Audit had observed: “The purchase of furniture and refrigerators to the above extent was made which was not admitted in Audit due to following reasons:-

(i) The NOC in respect of furniture was not obtained from Government Wood Work Centre, Gujrat.

(ii) Sanction of the Competent Authority Agriculture Chemist, Soil & Water Testing Laboratory being an officer of category-IV was competent to sanction expenditure up to Rs.1,000 only.

(iii) Department was liable to observe the financial rule while spending the government money. Expenditure beyond competency was a serious financial indiscipline.

The expenditure was to be got regularized from Finance Department”.

**10-9-98:** The Department explained that Departmental action against the D.D.O. concerned was under process. The PAC kept the para pending for regularization of irregular expenditure and action against the D.D.O. concerned.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998 by 30 September 2002, and report compliance to the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.



**19. Para 1.17: Page 41 – Non return of surplus Material valuing Rs.381,285**

Audit had observed: “The surplus material valuing the stated amount after renovation of watercourses was neither received back in store nor the cost thereof was recovered after lapse of period of more than a year.”

**2-4-98:** The Department explained that actual amount involved was Rs.5,62,034 instead of Rs.3,81,285 as reported by Audit. Anyhow, the concerned farmers were liable to transport back the surplus material left over at the site of work. All out efforts were made to collect back the surplus material in good condition from 58 watercourses and to recover the cost of material not traceable or damaged at site of work from the farmers. As result either the material was received back or cost thereof was recovered as detailed below:

(i) Accountal of Material	Rs.	130,067
(ii) Cost recovery	Rs.	45,227
(iii) Material Consumed and verified	Rs.	386,740
<b>Total:</b>	<b>Rs.</b>	<b>562,034</b>

Audit apprised the Committee that the Departmental authorities had reduced the quantity of bricks valuing Rs.125,000 by over-writing made in the original entry of the record. This reduction in quantity of bricks was required to be explained as the Department had not been able to support the over-writing with documentary proof.

The Committee took serious notice of over-writing and held that it tantamounted to tampering of record. The Department was directed to inquire into the matter of overwriting and fix responsibility and take action against the defaulter. The Department was also directed to get the recovery of Rs.45,227 verified by Audit. The para was kept pending.

**10-9-98:** The Department explained that matter with regard to over writing was probed into by a Departmental Inquiry Committee which concluded that no overwriting was made in payment vouchers and payment was made according to actual receipt of bricks. The overwriting was made in the stock register to correct the figures in accordance with the actual receipt of bricks. The amount of Rs.45,227 had also been recovered and deposited into Govt. Treasury. The position had also been verified by Audit. The PAC accepted the explanation **and settled the para.**

**20. Para 1.18: Page 42 – Purchase of Medicines Worth Rs.70,000 Without Immediate Requirement**

Audit had observed: “Project Director purchased Ovaprim 10 MP Vials as detailed below from M/s Khakan Enterprises, Lahore.

(i) 50 Vials on 25th May 1993 @ Rs.700 each	Rs.	35,000
(ii) 50 Vials on 29th August 1993 @ Rs.700 each.	Rs.	35,000
	<b>Rs.</b>	<b>70,000</b>

The purchase was made without immediate requirement as the same remained un-used for more than one year. Apart from this, huge balance of 327 vials was available in stock

which was imported from Canada under U.N.D.P. The purchase was therefore, contrary to the provision of Rules 15.18 of P.F.R. Vol-I.

Matter requires investigation and regularization of expenditure from Finance Department.”

**11-5-98:** The Department explained that ovaprim “a hormone” being an absolutely essential drug for induced breeding of fish was procured as per total requirement of fish nursery units in the Punjab. The drug was manufactured by a Canadian firm and there was only one sole agent in Pakistan for its import. In view of such a position the drug was purchased.

The Department was directed to produce the consumption record along with other relevant record to Audit for verification. The para was **settled subject to verification of record by Audit.**

## **21. Para 1.19: Page 42 – Outstanding Recovery of Rs. 62,640 on Account of Supply of Motor Cycles (Hire Purchase Basis) to Officers of the Project (Extension)**

Audit had observed: “The stated amount is outstanding against the Officers who obtained the motor cycles out of project funds under hire and purchase system. Recovery has been stopped due to the reasons, because of their transfer to other offices/proceeding abroad or on Ex-Pakistan leave etc.”

**10-9-98:** The Department explained that the outstanding amount of Rs. 62,640 had been recovered and verified by Audit. The PAC **settled the para.**

## **22. Para 1.20: Page 43 – Outstanding Amounts Against Tenants – Rs.31,445**

Audit had observed: “A scrutiny of Tenant’s Ledger revealed that the stated amount was outstanding against tenants since long. The amounts made to be recovered from the concerned without further loss of time.”

**10-9-98:** The Department apprised the Public Accounts Committee that total amount of Rs.31,445 had been recovered and verified by Audit. The PAC accepted the explanation and **settled the para.**

## **23. Para 1.21: Page 43 – Doubtful Purchase of Stock Articles Worth Rs.58,829**

Audit had observed: “The stock entries of various stock articles for the stated amount were not made which is in contravention of provision of Rule 15.4(a) PFR Vol-I. The payments of Rs.25,750, Rs.47,809, Rs.23,683 and Rs.4,615 received by Mr Muhammad Sarwar, Agriculture Chemist, DDO. In case there were bona fide other parties to whom the payment was to be made, receipts should have been obtained from such parties as required under Rule 8.5 of PFR Vol-I”.

**10-9-98:** The Department explained that D.D.O. concerned had been reverted from the post of A.C. (SF). The case was being investigated by an officer to fix responsibility for the irregularity. The PAC kept the para pending and directed the Department to complete the inquiry at the earliest and fix responsibility. The defaulter may be proceeded against for disciplinary action under the rules.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**24. Para 1.22 (1): Page 44 – Non-Deduction/Less Deduction of Income Tax – Rs.57,477 (This Item Rs.21,805)**

Audit had observed: “According to the instructions issued by the Board of Revenue from time to time the authority making payments out of public funds for contracted goods or services rendered within a financial year, was required to deduct income tax at prescribed rate i.e. 3% from contractors and 2.5% from general suppliers under Sr. No.2 contained in Column No.3 of the Summary of Income Tax in Section 50(4) of Income Tax Ordinance 1979. Contrary to this Provision, Income Tax in some cases was not/less deducted. This was pointed out during audit of accounts for the year 1992-93. Necessity for recovery of Income Tax is stressed.”

**10-9-98:** The Department explained that a sum of Rs, 17,428 (13413+1810+2205) had been recovered. Advance tax of Rs.1,468 was not recoverable as the payment was less than the prescribed limit. Advance tax of Rs.2,909 was not recoverable as the supplier firm had produced an exemption certificate from the Central Board of Revenue. The PAC **settled the item subject to verification of record by Audit** relating to deduction of Income Tax through contingent bills.

**25. Para 1.22 (2): Page 44 – Non-Deduction/Less Deduction of Income Tax – Rs.57,477 (This Item Rs.35,672)**

For Audit observation, *see* Sr.No.24 above.

**10-9-98:** The Department explained that a sum of Rs.13,426 had been recovered. Efforts were being made to recover the balance of Rs.22,246. The Public Accounts Committee kept the para pending for balance recovery and verification of the entire recovery by Audit.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.



**26. Para 2.1(1): Page 46 – Non Deduction/Less Deduction of Income Tax – Rs.131,302 (This Item Rs.74,367)**

Audit had observed: “According to the instructions issued by the Central Board of Revenue from time to time, the Authority, making payment out of public Funds for contracted goods or services rendered within a financial year, is required to deduct Income Tax at prescribed rate i.e. 3% from contractors and 2 1/2% from general suppliers under Sr.No.2 Column No.3 of Summary of Ordinance 1979. Contrary to this provision, the following formations made payment to various suppliers of bricks through the execution of contractors but Income Tax at source was not deducted or less deducted.”

**2-4-98:** The Department explained that the actual amount involved was Rs. 79,626 instead of Rs.74,367 which had been recovered from the supplier concerned and had been verified by District Accounts Officer. The D.D.O. had however been warned to be careful in future. The explanation was accepted and **the para was settled.**

**27. Para 2.1(2): Page 46 – Non Deduction/Less Deduction of Income Tax – Rs.1,31,302 (This Item Rs.56,935)**

For Audit observation, *see* Sr.No.26 above.

**2-4-98:** The Department explained that Rs.56,935 on account of Income Tax had since been recovered and verified by Audit. The explanation was accepted and **the para was settled.**

**28. Para 2.2: Page 47 – Irregular Expenditure on Account of Purchase of Furniture Amounting to Rs.449,345**

Audit had observed: “The Deputy Director Engineering expended Rs.449.345 for purchase of furniture in the month from April to June, 1992 under sanction of the Director General Water Management in violation of notification of Government of Punjab, Finance Department No.FD/(PR)11-9/77, dated 8th February, 1978 and No.FD(FR)11-4/92, dated 24 Nov., 1986 under which it was laid down that open tender inquiry should be adopted for the amount available for purchase of store or a similar class of articles of store at one time and without splitting the indent during the period of one year. The purchase was split up and kept within powers of the DG i.e. Rs.150,000 in order to avoid the sanction of the next higher authority”.

**2-4-98:** The Department explained that furniture was required for a new, Japan Assisted, Project. The funds were released very late by the Finance Department and there was not sufficient time to fulfill the codal formalities i.e. calling tenders through the press to meet with the requirements of open competition and obtaining sanction of the Competent Authority. There was also an embargo imposed by the Finance Department for not allowing the funds after 30-6-92. Under such tight circumstances the Department had no option except to go

forward and make the purchase of furniture so that the said project could be started as per agreement, otherwise the donor agency would have agitated and suspended the agreement. The purchases were therefore made in good faith and in the public interest. The Department further stated that there was no misappropriation of funds involved.

The PAC directed the Department to move the case for regularization of expenditure by the Finance Department, on merits of the case. The para was kept pending.

**10-9-98:** The Department explained that as per directive of Public Accounts Committee dated 2-4-98 the case for regularization of expenditure had been sent to the Finance Department. The PAC kept the para pending for regularization of expenditure by the Finance Department.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**29. Para 2.3(1): Page 48 – Irregular Expenditure on Excess Lining of Watercourses- Worth Rs.445,699 (This Item Rs.119,276)**

Audit had observed: “Irregular expenditure of the stated amount was incurred on excess brick lining of watercourses in respect of the following formations which is against the Policy of Govt. as laid down at Page-17 of P.C-I Scheme that the Watercourses are to be brick lined up to 30% of length of watercourses. Since the underground water of all the Project Area is broken or partially fit for irrigation, the remaining 70% would be rebuilt with clean compacted soil. Necessity for recovery of the expenditure is stressed.”

**2-4-98:** The Department explained that the work was carried out according to the contour maps issued by the Irrigation Department and no excess lining of the watercourses was carried out. The Department was directed to produce the relevant record to Audit for verification of its contention. The para was settled subject to verification of record by Audit.

**10-9-98:** The Department explained that construction of watercourses was done according to contour maps and lining was done within the prescribed limit. Audit also endorsed the explanation of the Department. The Public Accounts Committee accepted the explanation and **settled the para.**

**30. Para 2.3(2): Page 48 – Irregular Expenditure on Excess Lining of Watercourses - Worth Rs.445,699 (This Item Rs.326,423)**

For Audit observation, *see* Sr.No.29 above.

**2-4-98:** The Department explained that the demolishing of old Kacha watercourse and its

earthen improvement was pre-requisite to qualify for pacca improvement. Therefore, practically “Pacca” is always done on the basis of earthen improved length. The work of brick lining was done within the limit of 30% according to the basic data sheet and to go map. Factual position had also been verified by Audit. The explanation was accepted and **the para was settled.**

**31. Para 2.4(1): Page 49 – Misappropriation of Surplus Construction Material Not Received Back in the Main Store Worth Rs.1,354,885 (This Item Rs.24,670)**

Audit had observed: “In the following cases the surplus watercourses construction material after the finalization of civil works, was neither available at sites nor received back in the main stores.”

**2-4-98:** The Department explained that total recovery of Rs.24,670 had been effected and verified by Audit. The explanation was accepted and **the para was settled.**

**32. Para 2.4(2): Page 49 – Misappropriation of Surplus Construction Material Not Received Back in the Main Store Worth Rs.1,354,885 (This Item Rs.38,790)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that material was issued according to the work estimate. Anyhow, on some watercourses the work was not completed due to some local disputes and material became surplus. Un-utilized material valuing Rs.38,709 was received back and accounted for. The Department was directed to recover the remaining amount and produce the relevant record to Audit for verification. The para was settled subject to verification of record and balance recovery by Audit.

**10-9-98:** The Department explained that out of total surplus construction material valuing Rs.38790 the receipt back entries of the material for Rs. 29,973 and receipt back of 19 Nakka valuing Rs.2,615 had been verified by Audit. Items valuing Rs. 6,202 were utilized by NESPAK and verified by Audit. The explanation of the Department was accepted and **the para was settled.**

**33. Para 2.4(3): Page 49 – Misappropriation of Surplus Material Not Received Back in the Main Store Worth Rs.1,354,885 (This Item Rs.18,956)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that an amount of Rs. 9,680 had been recovered and verified by Audit. As regards the position of watercourse No.54860/R,12980/R and 84800/R it was stated that neither the material in excess of requirement was supplied nor any payment of bricks was made. The Department was directed to get the position verified by Audit. The para was settled subject to verification of facts by Audit.

**10-9-98:** The Department explained that a sum of Rs.1,275/50 (417.50+858) on account of shortage of bricks had been recovered. There was no further shortage as on watercourse No.54860/R the actual quantity of bricks received was 23000 which erroneously was written

as 33000. Position had also been verified by Audit. The PAC accepted the explanation and **settled the para.**

**34. Para 2.4(4): Page 49 – Misappropriation of Surplus Construction Material Not Received Back in the Main Store Worth Rs.1,354,885 (This Item Rs.52,723)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that the actual cost of material reported to be surplus was Rs.49,681 instead of Rs. 52,723 as shown by Audit. Material worth Rs.32,103 was received back. Cost of the remaining material was recovered from the Water Users Association. The Public Accounts Committee directed the Department to produce the relevant record to Audit for verification of the factual position. The para was settled subject to verification of record/balance amount pertaining to various items.

**10-9-98:** The Department explained that the entire record relating to surplus watercourses construction material had been verified by Audit. The Public Accounts Committee accepted the explanation and **settled the para.**

**35. Para 2.4(5): Page 49 – Misappropriation of Surplus Construction Material Not Received Back in the Main Store Worth Rs.1,354,885 (This Item Rs.52,470)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that cost of 55 bags unspent cement and 29000 un-utilized bricks work Rs.30,420 had been recorded and deposited in Govt Treasury. The entry for 30,000 bricks valuing Rs 22,050 was erroneously made in the stock register which was subsequently cancelled. The Department was directed to get the position verified by Audit. The para was settled subject to verification of facts by Audit.

**10-9-98:** The Department explained that relevant record relating to surplus watercourses construction material had been got verified by Audit. The Public Accounts Committee accepted the explanation and **settled the para.**

**36. Para 2.4(6): Page 49 – Misappropriation of Surplus Construction Material Not Received Back in the Main Stores Worth Rs.1,354,885 (This Item Rs.41,480)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that material valuing Rs.15,650/50 had been received back and cost of the un-traceable material amounting to Rs.25,829/40 had been recovered and deposited in the Government Treasury. The position had also been shown to Audit. The explanation was accepted and **the para was settled.**

**37. Para 2.4(7): Page 50 – Misappropriation of surplus construction Material not received back in the main store worth Rs.1,354,885 (This item Rs.544,013)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that material valuing Rs. 4,31,600 had either been



received back in cash or in kind. The remaining recovery of Rs.1,06,014/45 was being effected as arrears of land revenue. At present Rs.63,095 were in the balance to be recovered. The para was kept pending to finalize the recovery and verification of the same by Audit.

**10-9-98:** The Department explained that recovery of Rs.4,74,743 had been got verified by Audit. The balance amount of Rs.69,270 was under recovery. The PAC kept the item pending for balance recovery of Rs.69,270 at the earliest.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**38. Para 2.4(8): Page 50 – Misappropriation of Surplus Construction Material Not Received Back in the Main Store Worth Rs.1,354,885 (This Item Rs.23,165)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that all the material was entered in the main stock register. However, while transferring the entries on watercourse-wise registers, some entries were omitted. The omissions had since been rectified. Since there was no shortage/deficiency, therefore, nothing was to be recovered. The Department was directed to produce the relevant record to Audit for verification of factual position. The para was kept pending.

**10-9-98:** The Department explained that the relevant record pertaining to the Accountal of material worth Rs.23,165 along with completion certificate duly verified by NESPAK had been got verified by Audit. The PAC accepted the explanation **and settled the item.**

**39. Para 2.4 (9): Page 50 – Misappropriation of Surplus Construction Material Worth Rs.1,354,885 (This Item Rs.66,734)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that material valuing Rs.37,406/50 was received back and consumed in the same watercourse. An amount of Rs.29,327 being the cost of damaged/untraceable material was recovered and deposited into Government Treasury. The para was kept pending for verification of relevant record by Audit.

**10-9-98:** The Department explained that relevant record showing the recovery of Rs.29,412 and “receipt back material” worth Rs.18,320 and consumption of material worth Rs.19,001 had been got verified by Audit.

The explanation was accepted by the PAC **and the item was settled.**

**40. Para 2.4 (10): Page 50 – Misappropriation of Surplus Material Worth Rs.1,354,885 (This Item Rs.17,905)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that cost of 100 cement bags amounting to Rs.11,600 had been recovered and deposited into Treasury – 13 No. Nakkas costing Rs. 2405 were also

received back and accounted for. The Department was directed to complete the recovery and get it verified by Audit. The para was settled subject to said verification of record by Audit.

**10-9-98:** The Department explained that the total recovery had been effected and deposited into the Govt treasury. The position had also been verified by Audit.

The explanation was accepted by the PAC **and the item was settled.**

**41. Para 2.4(11): Page 50 – Misappropriation of Surplus Construction Material Not Received Back in the Main Store Worth Rs.1,354,885 (This Item Rs.271,877)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that surplus material worth Rs.201,308 was received back and issued to other watercourses. An amount of Rs. 70,587 being the cost of untraceable/damaged material was recovered and deposited into the Treasury. Therefore, no loss to the Government had occurred. The para was settled subject to verification of record by Audit.

**10-9-98:** The Department explained that as per directive of Public Accounts Committee I dated 2-4-98 the relevant record had been got verified by Audit. The Public Accounts Committee accepted the explanation **and the item was settled.**

**42. Para 2.4(12): Page 50 – Misappropriation of Surplus Construction Material Not Received Back Worth Rs.1,354,885 (This Item Rs.166,240)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that surplus material worth Rs. 1,64,199 was fully utilized during the next year on watercourse No. 42440/L and 6000/L. Completion report was verified by NESPAK. The unutilized “Nakkas” had been received back and accounted for in the books. The Department was directed to get the recovery verified by Audit and the para was settled subject to the said verification.

**10-9-98:** The Department explained that the relevant record pertaining to the utilization of material worth Rs.1,64,199 and receipt back/recovery of material worth Rs.2,071 (Rs.1286 +Rs.785) had been got verified by Audit. The PAC accepted the explanation **and the item was settled.**

**43. Para 2.4(13): Page 50 – Misappropriation of Surplus Material Not Received Back in the Main Store Worth Rs.1,354,885 (This Item Rs.35,862)**

For Audit observation, *see* Sr.No.31 above.

**2-4-98:** The Department explained that cost of untraceable material amounting to Rs. 26,568 had been recovered and verified by Audit. The surplus material worth Rs. 9,294 had been received back and Accountal thereof verified by Audit. The explanation was accepted **and the para was settled.**

**44. Para 2.5: Page 51 – Excess Consumption of Cement Over and Above the Maximum Limit for Rs. 32,700 (Shujaabad)**

Audit had observed: “As per Departmental formula for the consumption of construction material maximum limit of 500 number bricks 1,873 bags of cement and 26M” sand is to be consumed on one cubic metre of masonry work. During the scrutiny of completion reports of watercourses No.131450/L and 118220/L, cement worth Rs.32,700 was shown consumed in excess of prescribed limit.”

**2-4-98:** The Department explained that cost of excess consumed cement amounting to Rs.32,700 had been recovered from the water users Association and deposited into Treasury. The Department was directed to produce the relevant record to Audit for verification of factual position.

The para was settled subject to the verification of record by Audit.

**10-9-98:** The Department explained that a sum of Rs.32,700 being the cost of excess consumed cement had been recovered from the water users. The position had been verified by Audit. The PAC accepted the explanation **and the para was settled.**

**45. Para 2.6(1): Page 52 – Recovery on Account of Purchase of Sand on Excessive Rates Rs.26,533 (This Item – Rs.144,573)**

Audit had observed: “The Director (Field) on-Farm Water Management Programme Dera Ghazi Khan while issuing the technical sanction for the cost of watercourses during the year 1992-93 fixed rate of sand at Rs.120 per C.M. with the further direction that special sanction should be obtained in case the rates exceeded this limit but no such sanction was obtained and the sand was purchased on excessive rates which resulted in the excess payment.”

**2-4-98:** The Department explained that requisite sand was purchased after observing all codal formalities at the most competitive rates. The Director (Field) on W.M. D.G. Khan, having full powers of the purchase of construction material, accorded the necessary sanction in this case. The position had also been verified by Audit.

The explanation was accepted **and the para was settled.**

**46. Para 2.6(2): Page 52 – Recovery on Account of Purchase of Sand on Excessive Rates – Rs.26,533 (This Item Rs.81,960)**

For Audit observation, *see* Sr.No.45 above.

**2-4-98:** The Department explained that requisite sand was purchased after observing all codal formalities at the most competitive rates. The Director (Field) on W.M. D.G.Khan, having full powers of the purchase of construction material, accorded necessary sanction in this case. The position had also been verified by Audit. The explanation was accepted **and the para was settled.**

**47. Para 2.7: Page 53 – Excess Payment on Account of Purchase of Bricks and Sand at Different Rates on Watercourse – Rs. 24,854**

Audit had observed: “As per standing orders/instructions of the Department bricks/sand

for watercourses are purchased under agreement with suppliers after observing necessary codal formalities but in these cases the period of supply was not mentioned and due to this reason material on the same watercourse was purchased on different rates which resulted in excess payment of Rs.24,854.”

**2-4-98:** The Department explained that work pertaining to 9 watercourses was taken up in 1991-92. The material was purchased after observing all necessary codal formalities on the most competitive rates. The work was completed up to 30.6.92. Anyhow, the farmers approached the Department for additional lining of the same watercourses. Accordingly the material was again purchased after observing the necessary codal formalities. This time the rates of the material had gone a bit higher due to escalation and market inflation, but the difference was a meager amount of Rs. 15 to 35. The Department was directed to produce the relevant record for additional lining to Audit for verification of factual position. The para was settled subject to verification of record by Audit.

**10-9-98:** The Department explained that original work of improvement of watercourses was completed up to 30-6-92. The additional lining of the same watercourses was carried out on the request of farmers who approached the Department for this purpose. The additional work was carried out after observing all codal and procedural formalities. The difference of rates of material as compared to the original work was due to escalation and market inflation. The PAC accepted the explanation **and settled the para.**

#### **48. Para 2.8: Page 53 – Unauthorized Expenditure of Rs.128,935**

Audit had observed: “The pacca lining of 2185 metres of the watercourses was done at three stages during the year 1985-86, 1987-88 & 1992-93 against the total katcha length of 600 metres of the watercourse No.23,800/R while, as per PC-I only 30% of the total length of watercourses i.e. 1800 metres could have been pacca lined. Thus 385 metre pacca lining costing Rs128,935 was done without authorisation.”

**2-4-98:** The Department stated that total length of katcha watercourses was 10960 meter instead of 6000 m. Hence pacca lining of 2185 meter was within prescribed limit of 30%. Hence no extra expenditure was incurred by the Department. The position was verified by Audit. **The para was settled.**

#### **49. Para 15.1: Page 150 – Irregular Utilization of Funds for Rs.80,114 Purchase of Store Articles**

*(This Para was originally in Irrigation Department and was transferred here on 3-8-98).*

Audit had observed: “Rs.80,114 was provided for expenditure in the Office of Project Director, Fordwah Eastern Sadiqia (South) Project, Bahawalnagar but this amount was spent on purchase of store articles and other misc: expenditure for the office of the Water-



management Specialist, Bahawalnagar, (Haroonaad) under Phase-III Project.”

**10-9-98:** The Department explained that office of the Project Director, Fordwah Sadiqia Eastern (South) Irrigation and Drainage Project Bahawalnagar was established in 7/92 but the Project Director was not declared as D.D.O. Therefore the Water Management Specialist Bahawalnagar-I and Haroonabad-I were authorized to incur the expenditure and he made the purchases of material for the office of the Project Director Fordwah Sadiqia, Irrigation and Drainage Project, Bahawalnagar. Therefore, there was no irregularity. The explanation was accepted by the Public Accounts Committee and **the para was settled.**

## Commercial Audit

### 1. Para 3(i to x): Page 5 – Non Compilation of Accounts

Audit had observed: “23 current and 29 arrears accounts which have not been compiled and/or sent by the organization to Audit as in given cases.

(i) Agricultural Engineering, Bahawalpur Division, Bahawalpur	1993-94
(ii) Agricultural Engineering, D.G. Khan Division, D.G. Khan	1993-94
(iii) Agricultural Engineering, Faisalabad Division, Faisalabad	1993-94
(iv) Agricultural Engineering, Gujranwala Division, Gujranwala	1993-94
(v) Agricultural Engineering, Jhelum Division, Jhelum	1993-94
(vi) Agricultural Engineering, Lahore Division, Lahore	1993-94
(vii) Agricultural Engineering, Multan Division, Multan	1993-94
(viii) Agricultural Engineering, Rawalpindi Division, Rawalpindi	1993-

(ix) Agricultural Engineering, Sargodha Division , Sargodha	1993-94
(x) Agricultural Engineering, Talagang Division, Talagang	1993-94

**30-5-02:** The PAC **noted the contents of the audit paras** and directed that the Departments should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that the accounts are compiled and submitted to Audit on time.

## **2. Para 6: Page 15 – Appointment of 77 Employees Over and Above the Sanctioned Strength Involving Payment of Rs.447,456**

Audit had observed: “In Agricultural Engineering, Gujranwala, the Agricultural Engineer appointed 77 employees from BPS-1 to 7 during the period from October 1992 to December 1992 over and above the sanctioned strength of the division. The modus operand was that the Agricultural Engineer had transferred posts from different districts to the divisional office without sending the copies of the orders to the respective districts inspite of the fact that such posts were not actually vacant in these districts and recruitments were made against these fake vacancies. When the matter came to the notice of the higher authorities the services of all the seventy seven employees were terminated on August 31, 1993 after payment of Rs.447,456 to them. The officer was first transferred to Faisalabad as technical officer and thereafter he has been placed under suspension. The case is till under enquiry.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## **3. Para 7: Page 15 – Shortage/Misappropriation of Spare Parts/POL Valuing Rs.355,049 by the Store Officer/Storekeeper**

Audit had observed: “In Agricultural Engineering, Sargodha the Store Officer/ Storekeeper misappropriated spare parts/POL valuing Rs.355,049 during the period ranging from September 1985 to December 1990 fraudulently by tampering and making fictitious entries in records which were detected as a result of physical verification and scrutiny of store records carried by the Department. Director Agricultural Engineering, Faisalabad on August 18, 1993 appointed Abdul Salam, Agricultural Engineer, Bahawalpur to conduct preliminary inquiry

against this shortage/misappropriation of spare parts and POL. The enquiry has not yet been completed and is pending with the enquiry officer.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **4. Para 8: Page 16 – Loss of Rs.403,881 Due to Recovery of Damaged Stock**

Audit had observed: “Punjab Agricultural Development and Supplies Corporation (H.O) Lahore on February 10, 1988 issued directives to its all field staff that no stocks of credit sale be received back in shape of kind recovery other wise concerned Manager would be held responsible. Contrary to above instruction, Mr Muhammad Akhtar Khan, the then District Manager Jhang made kind recovery of damaged stock of pesticides from the defaulters which could not be sold out subsequently. As such PAD&SC sustained loss of Rs.403,881.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **5. Para 9: Page 16 – Loss of Rs.2.358 Million in the Auction/Disposal of Left Over Wheat and Cotton Seed**

Audit had observed: “M/s Punjab Agricultural Development and Supplies Corporation procured heavy quantities of wheat and cotton seed from Punjab Seed Corporation for onward sale to the growers in Punjab. During the years 1986-87 and 1987-88 heavy quantities of left over seed were disposed of at rate much lower than the sales rates. Resultantly, the Corporation sustained a loss of Rs.2.358 million.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **6. Para 10: Page 17 – Loss of Rs.1.388 Million Due to Standardization of Fertilizer**

Audit had observed: “In PAD&SC, D.G. Khan a large number of fertilizer was found under weight/substandard. In order to keep the stock in saleable position these bags were refilled and standardized and resultantly the management had to bear a loss of Rs.1,388,483. The irregularity was brought to the notice of the management on March 24, 1991 but no reply was received.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **7. Para 11: Page 17 – Damage of Fertilizer of Rs.327,750 in a Godown**

Audit had observed: “In PAD&SC, Dera Ghazi Khan, 850 bags of DAP valuing Rs.224,400 and 530 bags of SOP valuing Rs.103,350 were damaged on August 18, 1992 in the godown owned by Mr Muhammad Shabir of Kot Adu due to rain water inspite of fact that the local management had informed the owner of the godown on May 11, 1992 about the damaged roof. The loss occurred as neither the owner nor the management took steps for the repair of roof of the godown.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **8. Para 12: Page 18 – Loss of Rs.0.209 Million Due to Auction of Cotton Seed**

Audit had observed: “In PAD&SC, D.G. Khan 2910 bags of cotton seed of various varieties were purchased from Punjab Seed Corporation on non-returnable basis, for sale to growers for Kharif crop 1988. The Management could sell (458 bags) only 16% of the cotton seed purchased and the remaining stock was auctioned at reduced rates. As a result the Corporation sustained a loss of Rs.208,859 being the difference of sale price and auction rate.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## **9. Para 13: Page 18 – Non-Recovery of Credit Sale Proceeds and Non-Imposition of Liquidated Damages Amounting to Rs.763,188**

Audit had observed: “In Punjab Agricultural Development and Supplies Corporation, Multan 545 Kg Benelate pesticide valuing Rs.272,500 and 188 liters Thiodon valuing Rs.27,260 were supplied to Mr Muhammad Fiaz a dealer on credit basis against a post dated cheque of June 30, 1987. Only down payment of Rs.14,988 was received from the party at the time of delivery of consignment. According to the agreement the entire amount was required to be recovered up to June 30, 1987 but the same could not be recovered up-till now. The management did not bother to present the post-dated cheque to the bank on due date. As a result outstanding amount of Rs.284,772 and liquidated damages at 2% p.m. amounting to Rs.478,416 up to June 30, 1994 had gone into default.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## **10. Para 14: Page 19 – Loss of Rs.747,147 Due to Mis-Appropriation of Fertilizers Pesticides at PAD&SC Kamalia.**

Audit had observed: “In PAD&SC, Kamalia Sale Office of Punjab Agricultural Development and Supplies Corporation, shortage of fertilizer and pesticides stock worth Rs.747,147 was detected as a result of judicial stock taking carried out in the presence of Duty Magistrate on December 6, 1993. The management instead of lodging FIR, informally contacted the concerned Store Supervisor to make good the loss. Taking this opportunity; the accused lodged FIR at Police Station Kamalia on December 12, 1993 against Manager PAD&SC, Kamalia but management did not register case with Police till December 12, 1993 against the Store Supervisor. Thus PAD&SC, had sustained loss of Rs.747,147 due to shortage of fertilizer and pesticides.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor



the implementation of the directive of the PAC.

### **11. Para 15: Page 19 – Non Deduction of Tax at Source Rs.3.199 Million**

Audit had observed: “According to Section – 50(7A) of the Income Tax Ordinance, 1979, any person responsible for making sale by public auction/tender of any property of Government, Local Authority, Public Company, etc. is responsible for collection of tax at source @ 3% on the basis of sale price from the person to whom property is sold. The management of Punjab Seed Corporation auctioned non-seed, cotton, wheat, kachra, maize kachra, empty bags, lint kachra and old pattri to various parties for Rs.106,630,589 during the year 1990-93 but income tax of Rs. 3.199 million was not collected which resulted in a loss to the Government.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **12. Para 16: Page 20 – Theft of 75 Bags of Cotton Seed Valuing Rs.72,300**

Audit had observed: “The management of Punjab Seed Corporation, Rahim Yar Khan plant despatched 75 “boras” of cotton seed (Phutti) weighing about 7500 Kg valuing Rs.72,300 on March 15, 1992 from its plant to M/s Danish Cotton Fy., Rahim Yar Khan hired by the Punjab Seed Corporation for cotton ginning by a tractor trolley but the same were not received by the consignee. When the respective trolley along with phutti did not reach at destination, the plant management informed its head office on March 21, 1992 and registered the case with Police Station, Rahim Yar Khan on March 23, 1992.

The management suspended Mr Mushtaq Ahmad, Store Clerk and issued him charge sheet on May 16, 1992. The Punjab Seed Corporation (HO) constituted an enquiry committee on August 8, 1992. When matter was reported on June 19, 1994, the management in its reply dated July 17, 1994 stated that inquiry has been completed and show cause notice issued to the concerned Store Clerk. Audit is of the view that theft occurred on March 15, 1992 and delay in completing the Departmental action has resulted in the recovery of loss becoming doubtful. The matter was again reported to the Department in January 1995. The management in their reply of April 1995 stated that in accordance with labour law, Mushtaq Ahmad was served upon a show cause notice against which he moved the Punjab Labour Court for temporary injunction restraining PSC from determining disciplinary action against him. The next date of hearing is May 30, 1994. Further progress of the case is still awaited as the Labour Court has not so far finalized the case.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para**

**subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**13. Para 26: Page 31 – Working Results of Agricultural Engineering, Bahawalpur Division, Bahawalpur for the year 1992-93**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Organization.

**14. Para 27: Page 31 – Sundry Debtors**

Audit had observed: “There is practically no movement under the head “Sundry Debtors” during the year 1992-93 which stood at Rs.1.238 million on 30th June, 1993 as compared to Rs.1.264 million on 30th June, 1992. Concerted efforts need be made to recover the outstanding balance at an early date.”

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to recover the outstanding amount.

**15. Para 28: Page 31 – Maintenance of Books of Accounts**

Audit had observed: “The books of accounts have not been maintained on commercial pattern as yet and the accounts were prepared from various statements and returns. The authenticity of accounts is therefore doubtful. Necessity for maintaining the books of accounts on commercial pattern is again stressed upon the management.”

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps for proper maintenance of accounts.

**16. Paras 29: Page 32 – Working Results of Agricultural Engineering, Multan Division, Multan**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Organization.

**17. Para 30: Page 33 – Schedule of Fixed Assets**

Audit had observed: The schedule of fixed assets as on June 30, 1993 does not indicate original value/cost of the assets, their rates of depreciation and the accumulated depreciation. The schedule of fixed assets, need to be prepared properly in the coming years.”

**30-5-02:** The Committee **noted the para** with the direction that the Department should follow the suggestions of the Audit.

**18. Para 31: Page 33 – Sundry Debtors**

Audit had observed: The sundry debtors amounted to Rs.133,781 as on June 30,1993. The statement showing the detail of these debtors has not been prepared and provided with the

proforma accounts. The needful is stressed to be done now.”

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps for proper maintenance of accounts.

### **19. Para 32: Page 33 – Progress of Recovery**

Audit had observed: “The amounts of Rs.3.586 million and Rs.0.851 million have been shown as receivable from the Irrigation Department for desilting work as on June 30, 1992 and June 30, 1993 respectively. The progress of recovery of these amounts may be stated.”

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to recover the outstanding balance.

### **20. Para 33: Page 33 – Books of Accounts**

Audit had observed: “The Division has not so far prepared its books of accounts on commercial pattern. The accounts for the year under review have been prepared on the basis of figures taken out from various statements. Preparation of general ledger, Journal vouchers and trial balance is again stressed upon the management.”

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps for proper maintenance of accounts.

### **21. Para 34: Page 34 – Working Results of Agricultural Engineering, D.G Khan Division, D.G Khan for the year 1992-93**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Organization.

### **22. Para 35: Page 35 – Increase in Pay and Allowances**

Audit had observed: “The pay and allowances increased from Rs.11.030 million in 1991-92 to Rs.13.176 million in 1992-93. The abnormal increase by 19.46% in pay and allowances, when operational activities of the Divisions had decreased needs justification.”

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the operational activities of the Organization.

### **23. Para 36: Page 35 – Reconciliation and Verification of Accounts**

Audit had observed: “The withdrawals from treasury Rs.27.736 million and remittances into treasury Rs.20.918 million were stated to have been reconciled with the treasuries but reconciled statements were not shown for verification. The need for making reconciliation with the concerned treasuries and its verification in audit is stressed upon the management.”

**30-5-02:** The Committee **noted the para** with the direction that the reconciled statements should be got verified from the Audit and reported to the Assembly Secretariat.



**24. Para 37: Page 35 – Non-Production of Record**

Audit had observed: “The record showing the details of machinery sold out showing their original cost, accumulated depreciation and sale price was not provided for verification. The preparation of statement of machinery showing the original cost, accumulated depreciation and sale price is stressed upon the Management.”

**30-5-02:** The Committee **noted the para** with the direction that the statement as pointed out by the Audit should be prepared and shown to the Audit.

**25. Para 38: Page 35 – Recovery of Government Dues**

Audit had observed: “An amount of Rs.66,494 was recoverable from the employees on account of misappropriation and shortage of stores, spares as on June 30, 1993 as against Rs.592,812 as on June 30, 1992. An early recovery from the responsible is stressed.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**26. Para 39: Page 36 – Sundry Debtors**

Audit has observed: “Sundry debtors amounting to Rs.61,196 were recoverable from Government departments but year-wise detail showing the name of the department was not shown. The preparation of statement and early action to recover the outstanding balance is stressed upon the Management.”

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results in the light of the suggestion/observation of the Audit.

**27. Para 40: Page 36 – Non-Maintenance of Books of Accounts**

Audit had observed: “As already pointed out by audit, the books of accounts are not being maintained on commercial pattern by the workshop and accounts have been prepared from various returns and statements as such their authenticity is doubtful. Necessity of maintaining the books of accounts on Commercial pattern is again stressed upon the Management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results as well as proper maintenance of accounts and review/control over assets and liabilities in the light of the suggestion/observation of the Audit.

**28. Para 41: Page 37 – Working Results of Agricultural Engineering, Faisalabad Division, Faisalabad for the year 1992-93**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Organization.

### **29. Para 42: Page 38 – Sundry Debtors**

Audit had observed: “The balance under the head sundry debtors which stood at Rs.419,072 on June 30, 1993 is static for the last many years. Efforts are needed to probe into the causes of non-recovery of debtors and steps taken for their early recovery”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results in the light of the suggestion/observation of the Audit.

### **30. Para 43: Page 38 – Preparation of Consolidation Assets Register**

Audit had observed: “The Consolidated Assets Register on divisional level has not been maintained. Necessity for the preparation of Consolidated Assets Register on divisional level is stressed upon the Management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results in the light of the suggestion/observation of the Audit.

### **31. Para 44: Page 38 – Non-Compilation of Accounts**

Audit had observed: “The accounts have been prepared from different statements and returns as no books of accounts have been prepared on Commercial pattern. Therefore, the authenticity of these accounts is open to doubt. Preparation of books of accounts on Commercial pattern is therefore, again stressed upon the management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results as well as proper maintenance of accounts and review/control over assets and liabilities in the light of the suggestion/observation of the Audit.

### **32. Para 45: Page 39 – Working Results of Agricultural Engineering, Gujranwala Division, Gujranwala for the year 1992-93**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective measures to improve the working of the Organization.

### **33. Para 46: Page 40 – Reconciliation and Verification of Accounts**

Audit had observed: “The withdrawals from treasury/book adjustments Rs.16.752 million and remittances into treasury of Rs.4.146 million were stated to have been reconciled with treasuries but reconciled statements were not shown for verification. The need for making reconciliation with concerned treasuries and its verification with Audit is stressed upon the management”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **34. Para 47: Page 40 – Increase in Pay and Allowances**

Audit had observed: “The pay and allowances increased from Rs.9.273 million in 1991-92 to Rs.11.199 million in 1992-93 which resulted increase by 20.77% over the previous year. The increase in pay and allowances was due to payment made to the staff appointed against leave vacancies and payment of leave salary Rs.478,720 when on the other hand operational activities of the Division have been decreased is not justified”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should improve the working and financial results in the light of the suggestions/ observations of the Audit .

#### **35. Para 48: Page 40 – Sundry Debtors**

Audit had observed: “Sundry debtor amounting to Rs.76,785 were recoverable from various parties and there was no movement under this head since many years. Early action to recover the outstanding balance is stressed upon the management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should improve the working and financial results in the light of the suggestions/ observations of the Audit .

#### **36. Para 49: Page 40 – Increase in POL Stock**

Audit had observed: “The stock of POL increased from Rs.0.350 million as on June 30, 1992 to Rs.0.837 million as on June 30, 1993. The accumulation of POL when the operational hours of machines were decreasing need to be justified.”

**30-5-02:** The Committee **noted the para** with the direction that the Department should improve the working and financial results in the light of the suggestions/observations of the Audit .

#### **37. Para 50: Page 40 – Non-Compilation of Books of Accounts**

Audit had observed: “As already pointed out by audit, the books of accounts are not being maintained on commercial pattern by the Division and accounts have been prepared from various returns and statements as such their authenticity is doubtful. Necessity of maintaining books of accounts on commercial pattern is again stressed upon the management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps for maintenance of accounts on commercial pattern.

### **38. Para 51: Page 41 – Working Results of Agricultural Engineering, Lahore Division, Lahore for the year 1992-93**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Organization.

### **39. Para 52: Page 42 – Loss to Government**

Audit had observed: “The Division sustained loss of Rs.422,154 during the year 1992-93 on account of auction of obsolete spare parts valuing Rs.664,154 for Rs.242,000. The loss needs to be explained and got written off from the competent authority after necessary investigation and justification.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and effect recovery. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **40. Para 53: Page 42 – Sundry Debtors**

Audit had observed: “Sundry debtors increased by 291.43% from Rs.413,966 as on June 30, 1992 to Rs.1,620,396 as on June 30, 1993. The amounts totalling Rs.124,238 recoverable from 31 debtors, pertain to the year 1966-67 whereas amount of Rs.289,728 and Rs.1,206,430 pertain to the years 1991-92 and 1992-93 respectively. The amount of Rs.124,238 needs to be got written off in case recovery is not possible at this belated stage. Early recovery of the balance amounts relating to the year 1991-92 and 1992-93 is also stressed upon the management”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **41. Para 54: Page 42 – Non-Compilation of Consolidated Assets Registers**

Audit had observed: “The Division has not so far prepared Consolidated Assets Registers at divisional level. Assets registers maintained at district level are also still incomplete. The needful may be done now”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results in the light of the suggestion/

observation of the Audit.

#### **42. Para 55: Page 42 – Non-Compilation of Books of Accounts**

Audit had observed: “The Division has not yet prepared general ledger, journal vouchers and trial balance. In the absence of such books of account on commercial pattern, the authenticity of the accounts prepared with the help of various statements and schedules always remains doubtful. Preparation of books of account is again stressed upon the management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results as well as proper maintenance of accounts and review/control over assets and liabilities in the light of the suggestion/ observation of the Audit.

#### **43. Para 56: Page 43 – Working Results of Agricultural Engineering, Rawalpindi Division, Rawalpindi for the year 1992-93.**

**30-5-02:** The Committee **noted the para** with the observation that the recommendations of the Committee on identical issues had already been given in the Report for the year 1996-97 and the Department should take necessary action in the light of those recommendations.

#### **44. Para 57: Page 44 – Advances From Zamindars**

Audit had observed: “Details of advances of Rs.1.296 million received from Zamindars on June 30, 1993 have not been provided to Audit in the absence of which the authenticity of the outstanding balance is doubtful. Necessity for the preparation of details of advances received from Zamindars is stressed upon, and may be provided to audit”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **45. Para 58: Page 44 – Non-Maintenance of Consolidated Register of Assets**

Audit had observed: “The Consolidated Register of Assets on Divisional level has not been maintained for which the management is stressed upon to do the needful in future”.

**30-5-02:** The Committee **noted the para**.

#### **46. Para 59: Page 44 – Non-Maintenance of Books of Accounts**

Audit had observed: “The accounts have been prepared from different statements and returns. The accuracy of the accounts is therefore, open to doubt. The books of accounts have not been maintained on commercial basis. Necessity for the maintenance of book of accounts on commercial pattern is enjoined upon the management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should



take effective steps for maintenance of book of accounts on commercial pattern.

**47. Para 60: Page 45 – Working Results of Agricultural Engineering, Sargodha Division, Sargodha, for the years 1991-92 and 1992-93**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Organization.

**48. Para 61: Page 46 – Working Results of Agricultural Engineering, Sargodha Division, Sargodha, for the years 1991-92 and 1992-93**

**30-5-02:** The Committee **noted the para** with the observation that the recommendations of the Committee on identical issues had already been given in the Report for the year 1996-97 and the Department should take necessary action in the light of those recommendations.

**49. Para 62: Page 46 – Shortage/Misappropriation of Stores**

Audit had observed: “During the years under review shortage/mis-appropriations were detected, but no effect thereof was exhibited in the accounts. The Department may, therefore, be advised to exhibit these shortages/misappropriation of stores in the account so that their proper account as well as their pursuance in future could be ensured”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results of the Organization in the light of the suggestion/observation of the Audit.

**50. Para 63: Page 46 – Non-Maintenance of Books of Accounts**

Audit had observed: “The books of accounts have not been maintained on commercial pattern. The accounts have been prepared from different returns and statements. As the authenticity of these accounts is open to doubts. Necessity of maintaining books of accounts on commercial pattern is stressed upon the management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps for proper maintenance of accounts on commercial pattern.

**51. Para 64: Page 47 – Working Results of Agricultural Engineering, Talagang Division, Talagang for the year 1991-92**

**30-5-02:** The Committee **noted the para with the observation** that the recommendations of the Committee on identical issues had already been given in the report for the year 1996-97 and the Department may take necessary action in the light of those recommendations.

**52. Para 65: Page 47 – Recovery of Balance**

Audit had observed: “The balance recoverable from Zamindars stood at Rs.11.282 million on July 30, 1992. This balance represents the hire charges of bulldozers given to the Zamindars for levelling the land before 1972 on credit basis. The hire charges were to be recovered from the Zamindars in the yearly instalments. Thus the hire charges were required



to be recovered before 1982, but due to one reason or another or due to stay orders obtained by the Zamindars from time to time recovery could not be effected so far. Even in 1991-92 a sum of Rs 34,598 could be recovered out of Rs.21,272,055 leaving a balance of Rs.21,237,457 on June 30, 1992. Efforts may be made to recover the balance at the earliest and remove the bottle necks in the way of recovery.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **53. Para 66: Page 48 – Non-Maintenance of Register of Fixed Assets**

Audit had observed: “The Register of Fixed Assets showing the historical cost of each asset, depreciation charged thereon during the year, accumulated depreciation charged thereon since inception to date and written down value has not been maintained. Necessity for maintaining the Register of Fixed Assets on proper form may be stressed upon the management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps for maintenance of register of fixed assets on proper form.

### **54. Para 67: Page 48 – Non-Maintenance of Books of Accounts**

Audit had observed: “The books of accounts have not been maintained on commercial pattern. The accounts have been prepared from different statements and returns. The authenticity of accounts is doubtful. Necessity of maintaining books of accounts on commercial pattern is enjoined upon the management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps for maintenance of books of accounts on commercial pattern.

### **55. Para 68: Page 49 – Working Results of Punjab Agricultural Development and Supplies Corporation for the years 1992-93 and 1993-94**

**30-5-02:** The Committee **noted the para** as the corporation had since been wound up.

### **56. Para 69: Page 50 – Loss to Government**

Audit had observed: “The corporation sustained a gross loss of Rs.0.437 million and Rs.0.044 million in 1992-93 and 1993-94 respectively as against gross profit of Rs.3.359 million in 1991-92 on the sale of Seed/Pesticides/agricultural machinery. The reasons of losses were due to sale of pesticides at reduced rates. Reasons of selling pesticides at reduced rates may be ascertained and factual position intimated”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para**

**subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**57. Para 70: Page 50 – Working Results of Punjab Agricultural Development and Supplies Corporation for the years 1992-93 and 1993-94**

Audit had observed: “A sum of Rs.3.584 million was charged to “Expense account on account of shortages and losses during the year 1993-94 (1992-93 = Rs.1.785 Million).

The losses were charged to “Expense Account” without proper investigation and obtaining write off approval from the competent authority. Detailed investigation needs to be conducted into the said losses, individual responsibility be fixed and the amounts be recovered from the defaulters concerned. In cases where recovery is not possible, specific write off approvals need to be obtained from the competent authority”.

**30-5-02:** The Committee noted the para as the corporation had since been wound up.

**58. Para 71: Page 50 – Verification of Stock**

Audit had observed: “Stocks valuing Rs.1354.309 million (Fertilizer = Rs.1330.988 million + Seed = Rs.1.481 million + Pesticides/Agriculture Implements = Rs.21.840 million) and fixed assets valuing Rs.5.827 million as on June 30, 1994 were got physically verified from own employees serving in the Headquarters, Regional and District Offices of the Corporation. No independent stock verifiers cell exists in the Headquarters for the purpose, in the absence of which the valuation of stores and stocks determined every year is not dependable and also open to doubt”.

**30-5-02:** The Committee **noted** the para.

**59. Para 72: Page 50 – Verification of Stock**

Audit had observed: “In order to ensure that the valuation is done as independently as possible and independent stock verifiers Cell needs to be established in the Headquarters Offices, directly under the control of Director Finance and the Chief Executive of the Corporation so as to obtain better and dependable results of valuation of stores and stock in future.”

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working of the Corporation.

**60. Para 73: Page 51 – Increasing Stocks of Fertilizers**

Audit had observed: “Fertilizers and seed stocks were valued at Rs.1330.988 million and

Rs.1.481 million respectively as on June 30, 1994. The valuation of these stocks showed a huge increase as compared with the preceding year when it stood at Rs.244.106 million and Rs.0.215 million of fertilizer and seed respectively. Besides blocking of public funds unnecessarily in the fertilizer stocks, the chances of shortages and other losses on this account may also increase a good deal. The increasing tendency of fertilizer stocks every year needs to be controlled effectively to avoid/minimize consequent losses on these accounts”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results of the Corporation in the light of the suggestion/observation of the Audit.

#### **61. Para 74: Page 51 – Sundry Debtors**

Audit had observed: “Sundry Debtors balance stood at Rs.139.827 million at the close of the financial year 1993-94 (1992-93 = Rs.144.196 million), the amount is the accumulative balance of credit sales made during the year 1974-75 to 1990-91. Strenuous efforts need to be made to recover the old outstanding amount as early as possible. The sales policy totally disallowing credit sales needs to be followed strictly in letter and spirit in the years to come”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **62. Para 75: Page 51 – Approval of Accounts**

Audit had observed: “The accounts under review have not yet been approved by the Board of Members”.

**30-5-02:** The Committee **noted** the para.

#### **63. Para 76: Page 52 – Working Results of Punjab Seed Corporation, Lahore for the year 1993-94**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Corporation.

#### **64. Para 77: Page 52 – Work in Progress**

Audit had observed: “Capital work in progress increased from Rs.24.844 million as on June 30, 1993 to Rs.26.285 million as on June 30, 1994 which indicates that progress towards early completion of work is slow. Early completion of the work in progress and subsequently its capitalization is stressed upon the management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should

take effective steps to improve the working and financial results of the Corporation in the light of the suggestion/observation of the Audit.

#### **65. Para 78: Page 53 – Non-Functioning of Computers**

Audit had observed: “The expense of Rs.222,375 incurred for development of computer software are being written off over a period of five years but computers installed by the corporation are not functioning properly. The reasons under which the books of account were not computerized inspite of installation of computers need to be stated”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **66. Para 79: Page 53 – Outstanding Amounts**

Audit had observed: “Trade debits (unsecured) and other receivable stood at Rs.106.943 million as on June 30, 1994 as against Rs.59.176 million as on June 30, 1993 registering an increase of 80.72%. No year wise breakup of outstanding was prepared in the absence of which aging as well as recovery position could not be ascertained. Aging statements and year wise breakup of the outstanding amount is required to be prepared. Strenuous efforts need also to be made to recover the long outstanding amount”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results of the Corporation in the light of the suggestion/observation of the Audit.

#### **67. Para 80: Page 53 – Stock in Trade**

Audit had observed: “Stock in trade increased to Rs.332.525 million at the end of 1993-94 as against Rs.220.781 million at the end of previous year. The value of stock in trade increased to 50.61% which indicates unplanned purchases and defective marketing policy resulting in blockage of funds. At the same time corporation was under heavy burden of short term running finance loan which increased from Rs.39 million as on June 30, 1993 to Rs.200 million as on June 30, 1994. Necessity of keeping the stock at the minimum level is stressed so that the dependence on bank borrowing is lessened”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results of the Corporation in the light of the suggestion/observation of the Audit.

#### **68. Para 81: Page 53 – Increase in Stores**

Audit had observed: “The abnormal increase in the stores as on June 30, 1993 and June 30, 1994 as compared with those of the year ended June 30, 1992 need to be justified and

enforcing of proper store accounting procedures at the centers of the corporation is also stressed”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results of the Corporation in the light of the suggestion/observation of the Audit.





# Civil Audit

## **1. Para 3.1: Page 55 – Non-Recovery of Rent of Shops, Canteen, Chambers and Land in Ketchery Compound – Rs.1,648,735**

Audit had observed: “The rent of shops, chambers, canteen and lands in Katchery compounds were leased to various persons, but rent/lease money etc. was not recovered which is in contravention of Board of Revenue’s letter No.1840-82/2026-E(IV)II dated 1st September, 1982. As a result, Government is sustaining a huge loss.”

**3-4-98:** The Public Accounts Committee constituted a Sub-Committee No. 1 consisting of:

- |   |               |
|---|---------------|
| (i) Ch. Talib Hussain, MPA                                      | Convener      |
| (ii) Mr. Usman Ibrahim, MPA                                     | Member        |
| (iii) Mr. Imtiaz Masrur,<br>representative of Board of Revenue. | Senior Member |

The Sub-Committee would thrash out the matter to ascertain as to how the rent due could not be collected and how the same had accumulated to the extent of Rs.164,8735 and who was responsible for non-recovery of rent. The para was kept pending.

**8-3-99:** This para was a composite para consisting of 11 sub-paras and the position with regard to these sub paras is as under:-

### **1-D.C. Gujranwala – Rs.62,848**

**8-3-99:** The Department apprised the PAC that a sum of Rs.51,588 had been recovered leaving a recoverable balance of Rs. 11,260. The balance recovery of Rs.11,260 had also been recovered. **The PAC settled the para** subject to verification of recovery by Audit.

## **2-D.C. Gujranwala – Rs.379,800**

**8-3-99:** The Department explained that efforts were being made to effect recovery from the defaulting advocates.

The PAC directed the Department to ask the commissioner and Deputy Commissioner for effecting the recovery under the law as soon as possible. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, the Committee **settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **3-A.C. Samundri – Rs.11,195**

**8-3-99:** The Department explained that a sum of Rs.7,480 had already been recovered as explained before the Sub-Committee. For the balance recovery the matter had been taken up with the Finance Department to obtain the write off sanction as the balance amount was not recoverable. The PAC kept the para pending for write off sanction of the balance amount of Rs.3,715.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **4. D.C. Kasur – Rs.45,074**

**8-3-99:** The Department explained that an amount of Rs.15,750 being lease money had already been recovered and verified by Audit. The amount of Rs. 3,124 recoverable from vendors/typists had been recovered and verified by Audit. The amount of Rs. 26,200 recoverable from the fruit shop was still pending due to case pending in Court. Recovery would be effected after the decision of the court. The PAC directed the Department to pursue the case vigorously and kept the para pending for the balance recovery of Rs. 26,200.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **5. D.C. Layyah – Rs.20,625**

**8-3-99:** The Department apprised the PAC that the amount of Rs. 20,625 had already been recovered and verified by Audit. The Sub-Committee of the PAC had recommended the para for settlement.

The PAC on the recommendations of the Sub Committee **settled the para accordingly.**

#### **6. A.C. Samundri – Rs.120,230**

**8-3-99:** The PAC was apprised of the report of the Sub Committee wherein it had been stated that a sum of Rs.44,155 had been recovered and for the balance recovery the A.C. Samundri had been directed to recover the same at the earliest. The PAC considered the report of Sub Committee and reduced the para to the extent of balance amount of Rs. 76,075 and directed that the matter may be inquired into and every effort may be made to ascertain the whereabouts of the defaulter. An officer of the Department may be appointed as inquiry officer. Disciplinary action may also be taken against the officer concerned who did not take timely action for recovery and allowed the amount to be piled up. The para was kept pending

for the recovery of Rs.76,075.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **7. D.C. D.G. Khan – Rs.61,300**

**8-3-99:** The Department explained that a sum of Rs. 46,700 had already been recovered and verified by Audit. Out of the balance amount of Rs. 20,600 a further sum of Rs.12,000 had been recovered leaving a recoverable amount of Rs.8,600. **The PAC settled the para subject to the balance recovery and its verification by Audit.**

### **8. D.C. Lahore – Rs.564,000**

**8-3-99:** The Department explained that no canteen had been leased out and therefore, no recovery was due. As per directive of the Sub Committee of the PAC an enquiry had been initiated which was under process and would be completed within one month. The PAC directed the Department to complete the enquiry within one month positively and also to fix responsibility as to the officer who did not take timely action towards the recovery. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**9. D.C. Lahore – Rs.69,000**

**8-3-99:** The Department explained that total amount of Rs.69,000 had already recovered and verified by Audit. The Sub Committee of the PAC had recommended the para for settlement. The PAC on the recommendation of the Sub Committee **settled the para.**

**10. D.C. Gujrat – Rs.13,500**

**8-3-99:** The Department explained that total recovery had been made good by the Department and the Sub Committee of PAC had recommended the para for settlement. The PAC on the recommendation of the Sub committee **settled the para.**

**11. D.C. Sialkot – Rs.301,163**

**8-3-99:** The Department explained that an amount of Rs.83,784 had been recovered leaving a balance recovery of Rs. 217,000.

The PAC directed the Department to make its best efforts for the balance recovery and recovery so far made may be got verified by Audit. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, the Committee **settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**2. Para 3.2: Page 57 – Non-Recovery of Rent From Contractors – Rs.163,087**



Audit had observed: “An amount of Rs.163,087 was found outstanding against contractors on account of rent pertaining to the period 1992-93”.

**3-4-98:** The Department explained that out of Rs.163,087 an amount of Rs.51,159 had been recovered and deposited into Government Treasury. An amount of Rs.43,000 pertaining to Mr. Ghulam Jaffar, Tehsil Cantt: was sub-judice. The case was being vigorously pursued for balance recovery. The Committee directed the Department to finalize the recovery upto 30-6-98 positively and the para was kept pending.

**8-3-99:** The Department explained that so far a sum of Rs. 140,097 had been recovered and got verified by Audit leaving a balance recovery of Rs. 23,000.

The PAC kept the para pending for balance recovery of Rs. 23,000 and its verification by Audit.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **3. Para 3.3: Page 57 – Non-Recovery of Government Dues Amounting to Rs.182,950**

Audit had observed: “Contracts for sale of forms and for photo copy machine were awarded to different contractors but the balance amount to the stated extent from contractors had not been recovered so far.”

**3-4-98:** The Department explained that Rs.60,200 (Rs.52,000+Rs.8200) had been recovered. The matter regarding remaining recovery of Rs.122,750 was sub-judice. The Public Accounts Committee directed the Department to pursue the Court case vigorously and the para was kept pending.

**8-3-99:** The Department explained that remaining recovery of Rs. 122,750 could not be made as the matter was sub-judice.

The PAC directed the Department to pursue the case in the court vigorously. It was further directed that enquiry may be conducted to ascertain as to who was responsible for not taking timely action for recovery and allowed the rent to pile up to the tune of Rs. 122,750. If negligence has been proved then the defaulting officer may be proceeded against for disciplinary action. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **4. Para 3.4 Page 58 – Expenditure on Excess Telephone Calls Incurred Beyond Prescribed Limits Worth Rs.1,772,370**

Audit had observed: “ The stated expenditure was incurred in connection with the excess residential telephone calls beyond the prescribed limits of the following officers in contravention of the Finance Department’s letter No.FD (PW-II)2-1/Tele/82(Provl.), dated 10 July 1988.”

**3-4-98:** The Department explained that the Deputy Commissioners/Assistant Commissioners concerned had justified the use of excess telephone calls by stating that being head of District Administration/Sub Divisions they had to discharge multifarious functions in the public interest like maintenance of Law and order, tackling with the sectarian problems etc. As such to keep the situation under control they used the telephone beyond the prescribed limit which was done in the public interest. Accordingly, the Department had sent a summons to the Finance Department for regularization of excess telephone charges incurred by the Deputy Commissioners. The reply from the Finance Department was awaited.

The Public Accounts Committee kept the para pending till the receipt of reply from the Finance Department and also directed that the matter may be taken up personally for early decision.

**8-3-99:** This para was composite para and consisted of following items:-

1. A.C. Bhakkar	Rs. 36,020
2. D.C. Sialkot	Rs. 144,073
3. D.C. Gujranwala	Rs. 128,005
4. D.C. Bhakkar	Rs. 141,549
5. D.C. Khushab	Rs. 16,090
6. D.C. Muzaffargarh	Rs. 126,066
7. Settlement Officer, Bahawalpur	Rs. 262,507
8. D.C. Attock	Rs. 99,019
9. D.C. Chakwal	Rs. 49,826
10. D.C. Gujranwala	Rs. 357,292
11. A.D.C. (Cons:), Muzaffargarh	Rs. 99,785
12. D.C. Faisalabad	Rs. 27,558
13. D.C. Layyah	Rs. 127,743
14. D.C. T.T. Singh	Rs. 30,808
15. D.C. Khanewal	Rs. 67,151
16. D.C. Bahawalpur	Rs. 63,878

The Department explained that a case for regularization of expenditure relating to

above mentioned items No. 1 to 16 had already been sent to the Finance Department and its decision was awaited. The PAC kept the para pending for the regularization of expenditure by the Finance Department.

**29-4-02:** The PAC, in its meeting dated 18 March 1999, directed that the matter be referred to the Finance Department for regularization. On consideration of the facts of the case, **the Committee settled the para** with the direction that in case the regularization has not so far been made the recovery from the officers concerned be effected and the same be reported to the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **5. Para 3.5: Page 60 – Shortage of Furniture Worth Rs.25,395**

Audit had observed: “An amount of Rs 49,983 was paid on 20 June 1991 to M/s Unique Furniture House, Bahawalpur. On physical verification vide Rule 15.21(7) of PFR Vol-I, the furniture articles worth Rs. 25,395 were found short on 27 September 1992. The loss sustained by Government needs to be made good under intimation to Audit.”

**3-4-98:** The Department explained that the concerned officer had already been directed that the matter may be sorted out immediately and if the loss of Rs.25,395 was established then the same may be recovered from the persons found responsible for it. The Public Accounts Committee directed that the action for establishing the loss and making recovery be completed. The para was kept pending.

**8-3-99:** The Department explained that Deputy Commissioner Bahawalpur had been asked to expedite recovery from the officer concerned. The PAC kept the para pending for the recovery of loss.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **6. Para 3.6: Page 60 – Non-recovery of Income Tax Amounting to Rs.14,758**

Audit had observed: “The payment exceeding Rs.50,000 was made to Atlantic Motors & Pak Suzuki

Motors on account of purchase of staff cars during financial year 1989-90 to 1991-92 but Income Tax @ 0.75% of total payment was not deducted.”

**3-4-98:** The Department explained that concerned organizations i.e.(i) Atlantic Motors and (ii) Pak Suzuki Motors were Income Tax paying firms and therefore exempted from deduction of Income Tax at source.

The Audit was not satisfied with the version of the Department and required the Department to provide exemption certificate pertaining to the period in which the payment involved was made.

The Public Accounts Committee directed the Department that exemption certificate pertaining to the relevant period may be obtained from the Income Tax authorities and produced to Audit for verification. The para was kept pending.

**8-3-99:** The Department explained that Income Tax deduction/exemption certificate had been obtained which may be verified. The Audit apprised the PAC that Pak Suzuki had been exempted but the certificate pertaining to Atlantic Motors did not relate to the relevant period of exemption.

The PAC therefore directed that the Department may effect recovery from Atlantic Motors and get it verified by Audit. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **7. Para 3.7: Page 61 – Irregular Expenditure of Rs.105,240 on Account of POL Charges**

Audit had observed: “The stated amount was incurred during 1991-92 on account of P.O.L charges against vehicle No.3008-BG, but neither the account of P.O.L. was maintained in the Log Book nor produced to Audit.”



**3-4-98:** The Audit apprised the Committee that relevant record pertaining to the para was not available with the Department.

The Department admitted that Log Books were not available as the same had been misplaced.

The Public Accounts Committee directed that the misplacement of Log Books may be properly investigated and excess consumption of P.O.L. The enquiry should be finalized upto 30-6-98 positively and responsibility may also be fixed.

The para was kept pending.

**8-3-99:** The Department explained that enquiry report was still awaited. The PAC directed that relevant record may be got verified by Audit to prove that the vehicle was used for official purposes otherwise the loss may be recovered from the officer concerned. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **8. Para 3.8: Page 61 – Irregular Payment of Electricity & Sui Gas Worth Rs.54,724**

Audit had observed: “A sum of Rs 54,724 (Rs 46,558 + Rs 8766) was found paid out of Government funds as Electricity & Sui Gas charges consumed at 7-Golf Road, Lahore, the residence of the Deputy Commissioner. Audit is of the view that these were to be paid by the officer himself instead of being met out of Government funds. If it was being used as Camp Office either the orders of the Finance Department declaring it as such needs to be produced or recovery effected.”

**3-4-98:** The Department explained that payments were made against the bills of camp office/Annexies and not for DC’s House. The Audit apprised the PAC that the Department had not produced record in support of their contention.

The PAC directed the Department that the expenditure involved may be got regularised by Finance Department and the para was settled subject to the said regularization of expenditure by the Finance Department on merits.

**8-3-99:** The Department explained that a case for the regularization of the expenditure had been sent to the Finance Department and its decision was awaited.

The PAC directed the Department to pursue the case in the Finance Department for early regularization/finalization. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **9. Para 3.9: Page 62 – Vouched Accounts not Submitted Worth Rs.4,335,304**

Audit had observed: “The stated amount was paid to the different organizations from Welfare Fund, but the relevant vouched account was not submitted to audit.”

**3-4-98:** The Department explained that vouched accounts were available with the Deputy Commissioner, Okara and could be verified by Audit.

The PAC settled the para subject to verification of relevant record by Audit.

**8-3-99:** The Audit apprised the PAC that as per directive of PAC dated 3.4.98 the

Department could not produce the record for verification.

The PAC again directed the Department to produce all the vouched account to Audit for verification. The para was kept pending.

**29-4-02:** The Committee decided that the facts of the case required further examination. For the purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

#### **10. Para 3.10: Page 62 – Theft of Rs.128,025**

Audit had observed: “An amount of Rs 171,482 on account of pay of Establishment for the month of May 1991, was drawn from the Government treasury in June 1991. The amount was not taken in cash book. As per acquittance rolls an amount of Rs 43,457 was shown as disbursed and the remaining amount appeared to be misappropriated because a theft case was got registered with the Police vide F.I.R No 101 dated 16 November 1991 by the Official. No departmental inquiry was conducted.”

**3-4-98:** The Department explained that an amount of Rs. 172,482 was drawn from the Bank as pay of Patwaris etc of Tehsil Kot Addu for the month of 5/91. An amount of Rs.39,206 was disbursed on the same day and remaining amount of Rs.1,32,276 was kept in office by the concerned Kanungo in his cash box. The next day the cash box was found broken and cash Rs. 132,276 had been stolen. F.I.R was got registered by the concerned Kanungo bearing No.101 dated 11-6-91. The case was investigated by police as well as by CIA but without any fruitful result. The case had been declared as un-traceable. Departmental enquiry was also conducted by the Deputy Commissioner, Muzaffargarh against the concerned Kanungo Mr. Atta Muhammad, but the same was dropped due to death of said Mr. Atta Muhammad. The PAC advised the Department to move a case for the write off sanction of the loss by the Finance Department on merits and the para was settled subject to the said write off sanction of loss.

**8-3-99:** The Department explained that case for write off sanction of the loss had been sent to the Finance Department and its decision was awaited.

The PAC kept the para pending for the write off sanction of loss by the Finance Department.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **11. Para 3.11: Page 63 – Overpayment on Account of Pension and Commutation Amounting to Rs.26,900**

Audit had observed: “The services of Mr Shafiq Ahmed S/o Muhammad Sharif Patwari was brought on regular cadre w.e.f. 16 January 1960 as per consolidated service certificate recorded in his service book at page 3. His total service comes to 25 years whereas he was allowed the benefit of 32 years which resulted in an overpayment of Rs.26,900 of pension and commutation.”

**3-4-98:** The Department explained that some short breaks in service of Mr. Muhammad Sharif, Patwari were condoned in terms of Finance Department’s notification No.FD(SR)/III/IV/1/77 dated 14-4-1977. The official had retired in 1991 and later on expired. Accordingly, the qualifying service of the official for pensionary benefits had been correctly worked out and therefore, no recovery was due. The Department was directed to produce the relevant record to Audit in support of Departmental version for verification of facts. The para was settled subject to verification of record by Audit.

**8-3-99:** The Department explained that necessary relevant record being very old could not be traced despite best efforts. The PAC accepted the explanation and **settled the para.**

**12. Para 3.12: Page 63 – Recovery on Account of Private Journey Worth Rs.38,160**

Audit had observed: “The scrutiny of log books of vehicles No. TS-909 and LHM-6279 revealed that POL to the tune of 3037 and 779 liters was purchased but the meter reading was not noted therein for the period 5/89 to 4/90. It was stated that the meter remained dead during the above period. Neither any certificate from Government Workshop regarding this fact was produced nor approved tour programmes/tour diary was shown to Audit in order to justify consumption of POL. It was apprehended that the vehicles were used for private journeys. Recovery of Rs. 38,160 needs to be effected and deposited into Government Treasury as soon as possible under intimation to Audit.”

**3-4-98:** The Department explained that the journey was performed in official capacity. Copies of tour programme for the said journey were on record and also the relevant TA/DA Bills of officers/officials were on record to justify the journey.

The PAC settled the para subject to the verification of record by Audit.

**8-3-99:** The Department explained that the relevant record was available for verification.

The PAC kept the para pending for verification of record alongwith the tour programme of the officer.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**13. Para 3.13: Page 64 – Misappropriation of Rs.443,883**

Audit had observed: “The cash book for 11/88 to 5/89 was found blank in violation of

Rule 2.1(a) and 2.2 of P.F.R. Vol-I Punjab, whereas amount to the above extent was drawn from Sub Treasury. The following record was also not produced to Audit for the said period:-

- (i) Acquittance Rolls in respect of payments made to staff.
- (ii) Contingent vouchers.
- (iii) Stock Registers.”

**3-4-98:** The Department explained that the necessary cash entries were available in the Cash Book duly attested by the D.D.O. concerned and the same could be verified.

The Audit apprised the PAC that Cash Book had been prepared afterwards and the amount shown by Audit was also at variance with that now shown in the Cash Book.

The Public Accounts Committee directed the Department to produce the relevant record before Audit for verification. The para was, however, settled subject to verification of record by Audit.

**8-3-99:** The Department explained that the relevant record was available for verification. The PAC kept the para pending for verification of complete record by Audit.

**29-4-02:** Reiterating the decision of the PAC dated 8 March 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## Revenue Receipts Audit



**1. Para 6 (A): Page 43 – Non-Realisation of Government Dues – Rs.4,463,465****(a) Due to Irregular Exemption of Stamp Duty and Registration Fee – Rs.531,790**

Audit had observed: “Under Section 3 of the Stamp Act 1899, the instruments executed by or on behalf of or in favour of the Government are exempt from the payment of stamp duty and registration fee. Pakistan Telegraph and Telephones Department being a Government department was also entitled to exemption under the aforesaid provisions of law. On being converted into corporation/autonomous body w.e.f. 15.12.90 the aforesaid exemption ceased to exist and all the documents executed by or on behalf of Pakistan Telecommunication Corporation became liable to stamp duty and registration fee. Contrary to above provisions, the exemption from stamp duty and registration fee was irregularly allowed in cases where the documents were executed either by or on behalf of or in favour of Pakistan Telecommunication Corporation. This caused non-realisation of stamp duty and registration fee of Rs.531,790 in various cases.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(b) Due to Irregular Exemption of Stamp Duty – Rs.195,320**

Audit had observed: “According to Article 48(e) of Schedule 1 to the Stamp Act 1899, a power of attorney given for consideration and authorising the attorney to sell any immovable property is chargeable to stamp duty as is leviable on a conveyance for the amount of consideration vide article 23 of schedule ibid. Contrary to this, stamp duty was not charged by Sub Registrar, Taxila in 7 cases where properties were sold, Sale Prices received and possession given and the purchasers were also given the power of attorney authorising to sell the properties. This led towards the non-realisation of Rs.195,320 during 1992-93.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**(c) Non-Realisation of Registration Fee/Stamp Duty – Rs.3,724,535**

Audit had observed: “Under Section 2(17) of the Stamp Act, 1899 read with note – 15 thereunder, where by a document, a person declares a trust of certain property in favour of his creditors for securing debit due to such creditors, the document will be a mortgage deed and liable to duty as leviable under article 40(b) of schedule 1 to the Act *ibid* and registration fee as laid down in the schedule of Registration Act. In 6 cases, however, the companies declared their properties as trusts in favour of their creditors for securing loans and executed deeds but the same were registered without realisation of registration fee and stamp duty involved. This resulted into non-realisation of Rs.3,724,535 during 1992-93 in the given cases.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(d) Non-Realisation of Registration Fee/Stamp Duty – Rs.11,820**

Audit had observed: “Under article 33 of schedule – I to the Stamp Act, 1899 read with Board of Revenue’s No.5334-90/159-ST(I) dated 21.1.1991, the documents of gift of agriculture land are liable to stamp duty at the rate of Rs.20 for every rupees one thousand or part thereof of the value of gifted land. In a case, however, agricultural land of 210 kanals was gifted by a person to his real son and executed gift deed but the same was registered by Sub-Registrar, Chunian without realizing stamp duty registration fee. This resulted into non-realisation of Rs.11,820 during October 1992.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**2. Para 6 (B): Page 49 – Short Realisation of Stamp Duty and Registration Fee – Rs.13,952,521**

**(1) Due to Under-Valuation Rs.7,330,539**

Audit had observed: “Under section 27-A of the Stamp Act, 1899 where any instrument chargeable with advalorem duty relates to urban land only or land with any building or structure thereon, the value of the land shall be calculated according to the valuation table notified by the collector in respect of land situated in the area of locality concerned. Contrary to this, the value of land etc. was accepted at lower rates than notified by district collectors causing short realisation of stamp duty of Rs.7,330,539 in the given cases.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(2) Due to Application of Incorrect Rates – Rs.6,539,040**

**(a) Short-Realization of Stamp Duty – Rs.1,420,779**

Audit had observed: “The rate of stamp duty on instruments of conveyance in case of immovable property in an urban area having consideration exceeding rupees three lacs was enhanced from Rs.8.50 to Rs 10 for every rupees one hundred or part thereof of the value of the property w.e.f. 1.7.92 vide Board of Revenue’s letter No.3087-92/1236-ST(1) dated 1.7.92. Contrary to this, such instruments of conveyance were registered after 1st July, 1992 at old rates causing short realisation of stamp duty of Rs.1,420,779 during 1992-93 in various cases.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(b) Short-Realisation of Stamp Duty – Rs.2,267,779**

Audit had observed: “According to Article 23 of Schedule I to the Stamp Act 1899, stamp duty shall be charged at the rate of Rs 8.50 for every rupees one hundred or part thereof of the value of immovable property situated in an urban area. Contrary to this, stamp duty was charged to and recovered in such cases at the rate of Rs 6.00 for every rupees one hundred or part thereof, applicable to the properties situated beyond municipal limits. This caused short realisation of stamp duty of Rs.2,267,779 during 1992-93 to 1993-94 in the given cases.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(c) Short-Realisation of Registration Fee – Rs.85,620**

Audit had observed: “According to the table of registration fees prescribed under Registration Act 1908, registration fee on account of redemption deeds executed after the repayment of loans advanced by banking companies was recoverable from the mortgagee @ 1% of the amount of loans repaid. In 11 cases, however, registration fee was charged to and recovered at lower rates than prescribed under law. This led towards short realisation of registration fee of Rs.85,620 during 1991-92 and 1992-93 in various cases.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(d) Short-Realisation of Registration Fee/Stamp Duty – Rs.186,338**

Audit had observed: “According to the provisions contained under Section 17 of the Registration Act 1908, an instrument of gift is liable to compulsory registration and is required to be charged to stamp duty under Article 33 of Schedule I to the Stamp Act, 1899. In 2 cases, however, of gift deeds within the limits of town committee, stamp duty was charged to and recovered @ 5% instead of 6% advalorem by Sub-Registrar, Garh Maharaja. This led towards short realization of Rs.186,338 on account of registration fee and stamp duty during March 1993.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(e) Short-Realisation of Registration Fee/Stamp Duty – Rs.65,669**

Audit had observed: “According to Article 35(b)(i) of Schedule-I to the Stamp Act 1899, where lease is granted for the money advanced and no rent is reserved stamp duty is leviable @ Rs. 8.50 for every rupees one hundred or part thereof. Besides, registration fee is to be charged @ 5/8 of the stamp duty due. Contrary to this, stamp duty and registration fee was charged to and recovered at lower rates causing short realisation of Rs.65,669 in 8 cases during 1992-93.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(f) Short-Realisation of Stamp Duty – Rs.788,725**

Audit had observed: “According to Article 23(c) of Schedule-I to the Stamp Act 1899, the instruments of conveyance of immovable property meant for residential purposes situated outside urban limits are liable to stamp duty @ 6% advalorem. Contrary to above, stamp duty in such cases was charged @ 5% applicable to agricultural properties. This caused short realisation of stamp duty of Rs.788,725 in 27 cases during 1992-93.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.



**(g) Short-Realisation of Stamp Duty – Rs.30,077**

Audit had observed: “Under Section 3 of the Stamp Act, 1899 stamp duty on the instruments is charged in accordance with the rates given in Schedule I of the Act. In 18 cases, stamp duty was assessed correctly but the non-judicial stamps affixed on respective instruments were deficient. This resulted into short realisation of stamp duty of Rs.30,077 in 18 cases during November 1992 to March 1993.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(h) Short-Realisation of Stamp Duty – Rs.36,853**

Audit had observed: “According to Article 35 b(i) of Schedule-I to the Stamp Act, 1899 where lease is granted for money advanced and no rent is reserved, the stamp duty shall be levied as is levied on conveyance under Article 23 of the Schedule ibid. In 4 cases, however, stamp duty and registration fee was not charged to and recovered at the prescribed rates. This caused short realisation of Rs.36,853 during 1991-92 to 1992-93.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(i) Short-Realisation of Stamp Duty – Rs.1,657,200**

Audit had observed: “According to Article 23 of Schedule-I to the Stamp Act 1899, the instruments of conveyance relating to immovable property in an urban area are chargeable to stamp duty @ 8.5% of the value of the property. Contrary to this, in case of 1166 sale deeds concerning immovable properties situated within the limits of small towns and town committees, stamp duty was charged to and recovered at lesser rates applicable to “rural areas” although the small town, town committees are covered under the definition of “Urban Area” vide section 2(i) of the Punjab Urban Immovable Property Tax Act 1958. This caused short realisation of stamp duty of Rs.1,657,200 during 1990-91 to 1992-93.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(3) Due to Miscalculations – Rs.82,942**

Audit had observed: “The instruments of conveyance are chargeable to stamp duty at specified rates under Article 23 of Schedule-I to the Stamp Act, 1899. In certain cases, however, stamp duty was miscalculated leading towards short realisation of Rs.82,942 during 1990-91 to 1992-93.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **3. Para 7 (A): Page 67 – Non-Realisation of Occupier’s Rate (Abiana) – Rs.464,148,490**

#### **(i) Due to Non-Recovery as Arrears of Land Revenue – Rs.388,321,583**

Audit had observed: According to Section 36 of the Canal and Drainage Act, 1873 the occupiers rate is levied and recoverable from the occupiers of land for canal water supplied for purposes of irrigation. Occupier’s rate is primarily assessed by the Divisional Canal Officer of the Irrigation Department, who furnishes a demand statement (33-C Statement) alongwith relevant khataunis to the concerned district collectors for the purpose of recovery from the occupiers. The dues on this account for Rabi and Kharif crops are required to be deposited by 15 August and 31 March respectively as provided under rule 67 of Canal and Drainage Rules read with Additional Revenue Commissioner, Board of Revenue, Punjab, Lahore’s O.M. No.854-84/73-A-I dated 17.2.1985. Any sum which remains unpaid after the day on which it becomes due is recoverable from the person liable for the same under section 45 of the Act ibid as if it were an arrear of land revenue in accordance with the procedure given in Sections 80 to 90 of the Land Revenue Act, 1967. Certain persons/lambardars failed to deposit the amount of occupiers rate due from them despite lapse of the due dates but action to recover the same as arrears of land revenue was not taken by the concerned Departmental Authorities with the result that a huge sum of Rs.388,321,583 due up to 30.6.1994.”

**30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **(ii) Due to Omission in Carrying Forward of Arrears of Water Rate (Abiana) Rs.75,501,432**

Audit had observed: “Occupier’s rate charged in terms of Section 36 of the Canal and Drainage Act, 1873 is to be realised by the Collectors (Tehsildars) as prescribed under rule 67 of the Canal and Drainage Rules. Certain revenue authorities failed to recover the demand of occupier’s rate in full for the crops for the period upto 1993-94 but the outstanding balances of Rs.75,501,432 appearing in the old demand registers were not brought forward to the subsequent year’s/crop’s demand registers. Resultantly, the amount involved was not accounted for escaping recovery action and remaining unrecovered as given.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**(iii) Due to Non-Accountal of Demands in the Demand Registers – Rs.325,475**

Audit had observed: “According to the provisions of Rule 67 of the Canal and Drainage Rules, the amount of occupier’s rate (Abiana) assessed by the Divisional Canal Officer is forwarded through the relevant Khataunis (demand Statement 33-C) to the concerned district collector (Tehsildar) for recovery. On receipt of demand statement, the amount due against each mauza/lambardar is entered in the demand register (Khatauni Malguzari) of the relevant crop/year. In certain cases, the demands of occupier’s rate forwarded by the canal authorities were not entered in the demand register concerned by the district collectors. The non-accountal of demands resulted into non-realisation of government revenue of Rs.325,475.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**4. Para 7 (B): Page 72 – Inadmissible Allowance of Lambardar’s Fee – Rs.279,623**

Audit had observed: “Under Rule-37 of the canal and Drainage Rules, 1873 the allowance of lambardar or other person collecting revenue from cultivators was admissible at the prescribed rate on the amount collected on the condition that the full amount due has been paid by the date fixed by the Financial Commissioner. In disregard to the above provision, the authorities of the Revenue Department allowed the payment of allowances where neither the amounts due were recovered in full nor deposited by the prescribed dates causing inadmissible allowances of lambardar fee of Rs.279,623.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

# Communications and Works Department

## Overview

Total Paras	Civil	Works	Annexure Paras
<b>711</b>	<b>1</b>	<b>237</b>	<b>473</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled</b>  <b>95</b>	Paras finally settled as the requisite action had been taken.	<b>Highways Department:</b> <b>Civil:</b> 13.1	<b>1</b>
		<b>Building Department:</b> <b>Works:</b> I.A.1, I.A.2, I.A.4, I.A.5, I.A.8, I.B.2, I.B.6, I.C.1, I.C.2, II.A.1, II.B.1, II.B.2, II.B.3, II.C.3, II.C.4 (deleted), II.D.1, II.D.2, III.A.1, III.A.4, III.B.2, III.C.1, IV.B.1,	<b>22</b>
		<b>Annexure Paras:</b> Sr. No. 1 to 25	<b>25</b>
		<b>Highways Department:</b> <b>Works:</b> I.A.3, I.A.7, I.A.9, I.A.13, I.A.14, I.A.17, I.A.18, I.A.26, I.B.4, I.B.5, I.B.7, I.C.8, I.C.10, I.C.12, I.C.13, I.D.4, I.D.5, I.E.1, I.F.1, II.D.3, III.C.1, IV.A.1, IV.B.1	<b>23</b>
		<b>Annexure Paras:</b> 17(a)22, 38(x), 61, 9, 12, 17, 5, 41(8), 11(2), 13(7), 16(4), 16(5), 17(2), iv-1, 1(3), III-1 and Sr.Nos. 37, 51, 131, 132, 133, 137, 141, 196	<b>24</b>
<b>Paras Conditionally Settled</b>  <b>180</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the departments shall report compliance to the Public Accounts Committee every six month.	<b>Buildings Department:</b> <b>Works:</b> I.A.3, I.A.6, I.A.7, I.B.1, I.B.3, I.B.4, I.B.5, I.C.3, I.C.4, I.C.5, I.D.2, I.E.1, I.E.2, I.F.1, II.A.2, II.A.3, II.A.4, II.A.5, II.A.6, II.B.4, II.C.1, II.C.2, II.D.3, II.E.1, II.E.2, III.A.2, III.A.5, III.B.3, III.D.1, IV.A.1, IV.C.1, IV.D.1, V.1	<b>33</b>
		<b>Highways Department:</b> <b>Works:</b> I.A.1, I.A.2, I.A.4, I.A.5, I.A.6, I.A.8, I.A.10, I.A.11, I.A.12, I.A.15, I.A.16, I.	<b>147</b>



		A.19, I.A.20, I.A.21, I.A.22, I.A.23, I.A.24, I.A.25, I.A.27, I.A.28, I.A.29, I.A.30, I.A.31, I.A.32, I.A.33, I.A.34, I.A.35, I.A.36, I.A.37, I.B.1, I.B.2, I.B.3, I.B.6, I.B.8, I.B.9, I.B.10, I.B.11, I.B.12, I.B.13, I.B.14, I.B.15, I.B.16, I.C.1, I.C.2, I.C.3, I.C.4, I.C.5, I.C.6, I.C.7, I.C.9, I.C.11, I.C.14, I.D.1, I.D.2, I.D.3, I.D.6, I.D.7, I.D.8, I.E.2, II.A.1, II.A.2, II.A.3, II.A.4, II.A.5, II.A.6, II.A.8, II.A.9, II.A.10, II.B.1, II.B.2, II.B.3, II.B.4, II.B.5, II.B.6, II.B.7, II.B.8, II.B.9, II.B.10, II.C.1, II.C.2, II.C.3, II.C.4, II.C.5, II.C.6, II.C.7, II.C.8, II.C.9, II.C.10, II.D.1, II.D.2, II.D.4, II.D.5, II.E.1, II.E.2, II.E.3, II.F.1, II.F.2, II.G.1, III.A.1, III.A.2, III.A.3, III.A.4, III.A.5, III.A.6, III.A.7, III.A.8, III.A.9, III.A.10, III.B.1, III.B.2, III.B.3, III.B.4, III.B.5, III.B.6, III.B.8, III.C.2, III.C.3, III.C.4, III.C.5, III.C.6, III.C.7, III.D.2, III.D.3, III.E.1, III.E.2, III.E.3, III.F.1, III.F.2, III.G.1, III.G.2, III.G.3, IV.A.2, IV.A.3, IV.A.4, IV.A.5, IV.A.6, IV.A.7, IV.B.2, IV.B.3, IV.C.1, IV.D.1, V.A.1, V.A.2, V.B.1, V.C.1, V.C.2, V.D.1	
<b>Paras Pended</b>  <b>436</b>	Paras pended either because the Department had not taken satisfactory action or the Committee decided to have working papers for consideration.	<b>Buildings Department:</b> <b>Works:</b> I.D.1, II.B.5, III.A.3, III.B.1, III.E.1	<b>5</b>
		<b>Annexure Paras:</b> Sr. No. 1 to 98	<b>98</b>
		<b>Highways Department:</b> <b>Works:</b> II.A.7, III.A.11, III.B.7, III.D.1, V.A.3, V.A.4, V.B.2	<b>7</b>
		<b>Annexure Paras:</b> Sr.No. 1-36, 38-50, 52-130, 134-136, 138-140, 142-195, 197-334	<b>326</b>
		<b>Performance Audit Report:</b>  on—  (i) Construction of MPAs’ Hostel, Lahore  (ii) Sewerage and Drainage Scheme, Gujrat, Phase-I	

	(iii) Construction of Underpass at Jail Road Canal Crossing, Lahore.
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<p>Discussed on 4 and 6 July 1998, 10 September 1998, 12,13&amp;14 October 1998,  <b>1 October 1999 and 10 &amp; 16 May 2002</b></p>
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## Highways Department

### Civil Audit

#### **1. Para 13.1: Page 146 – Excess Payment on Residential Telephone – Rs.45,863**

Audit had observed: “The expenditure on residential telephone No.6682 provided to the Superintending Engineer, Highway Circle, Bahawalpur exceeded the prescribed limit fixed by the Government of Punjab, Finance Department letter No.FD(PW-II)2-1/Tele/82, dated 10 July 1988. The amount exceeding the prescribed limit be recovered from the officer.”

**10-9-98:** The Department explained that telephone in question was installed at the residence of SE and was excessively used in the public interest for official purpose during high flood in the year 1988, by the high ranking military and Civil officers were performing flood duty day and night. The Public Accounts Committee accepted the explanation and **the para was settled.**

## Buildings Department

### Works Audit

#### **1. Para I-A.1: Page 30 – Payment of Excessive Quantities – 1<sup>st</sup> Provincial Buildings Division Rawalpindi – Rs.58,748**

Audit had observed: “The division made payment for a quantity of 4142 kg instead of the admissible quantity of 514 kg for an item of fabrication of mild steel due to incorrect calculation of contents. This resulted in an overpayment of Rs.58,748 to a contractor in June 1993.”

**4-7-98:** The Department explained that all the payments were correctly made and no overpayment was involved. The Departmental version had also been accepted by the Audit. The Public Accounts Committee accepted the explanation and **settled the para.**

## **2. Para I-A.2: Page 30 – Payment of Excessive Quantities – 2<sup>nd</sup> Provincial Buildings Division Rawalpindi – Rs.49,458**

Audit had observed: “The division worked out incorrect contents for the item of reinforced cement concrete and fabrication of mild steel and paid the quantities of 1940 cft and 567 kg instead of the admissible quantities of 1103 cft and 378 kg. This resulted in an overpayment of Rs.49,458 to a contractor in June 1993.”

**4-7-98:** The Department explained that full recovery had been effected and verified by Audit.

The Public Accounts Committee accepted the explanation and **settled the para.**

## **3. Para I-A.3: Page 30 – Payment of Excessive Quantities – 6<sup>th</sup> Provincial Buildings Division Lahore – Rs.81,514**

Audit had observed: “The division measured the height of long wall as 12 feet instead of the admissible height of 10.5 feet as provided in the technically sanctioned estimate. This resulted in an excess payment of Rs.81,514 to the contractor in September 1992.”

**4-7-98:** The Department explained that the ground floor was 12” high while calculating the masonry work of internal wall it varied due to depth of beams having different sizes already provided in slabs of the building. The measurements were correct. Necessary deduction for the beams ribs had been made in the record entries in the M.B. and as such there was no excess payment involved.

The Public Accounts Committee directed the Department to produce the relevant record in support of their explanation to Audit for verification. **The para was settled subject to the verification of record by Audit.**

## **4. Para I-A.4: Page 31 – Payment of Excessive Quantities – Provincial Buildings Division Jhelum – Rs.85,900**

Audit had observed: “The division measured and paid a quantity of 3526 sft instead of the admissible quantity of 2667 sft for an item of sterling door leaves that included the thickness of the already installed chowkats which had been paid separately as a scheduled item. Incorrect measurement resulted in an overpayment of Rs.85,900 to a contractor in January 1994.”

**4-7-98:** The Department explained that total recovery as pointed out by Audit had been effected and verified by Audit.

The Public Accounts Committee accepted the explanation and **settled the para.**

## **5. Para I-A.5: Page 31 – Payment of Excessive Quantities – Provincial Buildings Division Narowal – Rs.72,435**

Audit had observed: “The division made payment @ Rs.741.55 per % cft for a quantity of 7359 cft instead of the admissible quantity of 3839 cft for an item of “pacca brick work other than buildings” by including incorrectly quantity of cement plaster during carry forwarded the quantity. The excessive payment of 3700 cft of pacca brick work resulted in an overpayment of Rs.72,435 to a contractor in November 1993.”

**4-7-98:** The Department explained that overpaid amount of Rs.72,435 had been recovered from the contractor and relevant record had been verified by Audit.

The PAC accepted the explanation and **settled the para.**

## **6. Para I-A.6: Page 32 – Payment of Excessive Quantities – Provincial Buildings Division Gujranwala – Rs.81,955**

Audit had observed: “The division measured and paid a quantity of 2996 sft for an item of providing and laying of mild steel grill instead of the admissible quantity of 1789 sft as provided in the technically sanctioned estimate on the basis of drawings/design. This resulted in an excess payment of Rs.81,955 to a contractor in June 1993.”

**4-7-98:** The Department explained that contractor had gone for arbitration and therefore, the final bill could not be passed and got verified by Audit as desired by the Audit. Next date of hearing had been fixed as 14-7-98. After the award of arbitration the revised estimate and final bill would be produced to Audit.

The Public Accounts Committee kept the para pending till the award of arbitration.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **7. Para I-A.7: Page 32 – Payment of Excessive Quantities – Provincial Buildings Division Muzaffargarh – Rs.69,734**

Audit had observed: “The division measured and paid for a quantity 37948 cft new earth brought from outside with two miles lead instead of utilization of surplus earth of 47454 cft available at site which was subsequently disposed of with two miles lead also. This resulted in an excess payment of Rs.69,734 to a contractor in December 1988.”

**12.10.98:** The Department explained that rehandling of earth was made after completion of floors of building. The earth received from sewer pipe lines could not be used under floors as the floors were completed on 23-6-88 while re-handling was paid on 9-8-88. The record was produced to Audit for verification and the amount of para had been reduced from Rs.69,734 to Rs.12,580. The PAC kept the para pending for verification of relevant record by Audit.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **8. Para I-A.8: Page 33 – Payment of Excessive Quantities – 5<sup>th</sup> Provincial Buildings Division Lahore – Rs.91,840**

Audit had observed: “The division did not utilize a quantity of 86564 cft earth available at site @ Rs.80.15 per % cft but brought a quantity of 60235 cft earth from a distance of 5 miles and paid @ Rs.731.25 per % cft. This resulted in an overpayment of Rs.91,840 to the contractors in January and June 1993.”

**4-7-98:** The Department explained that entire amount of Rs.91,840 had been recovered and verified by Audit. The Audit had recommend the para for settlement. The Public Accounts Committee accepted the explanation and **settled the para.**

#### **9. Para I-B.1: Page 33 – Excessive Measurements – 2<sup>nd</sup> Provincial Buildings Division Gujranwala – Rs.80,708**

Audit had observed: “The division measured and paid the item of sterling door leaves that including the thickness of the already installed chowkats which had been paid separately as a scheduled item. Incorrect measurement resulted in an overpayment of Rs.80,708 to the contractors in November 1992 and June 1993.”

**4-7-98:** The Department explained that total recovery of Rs.80,708 had been made and verified by Audit.

The Public Accounts Committee **settled the para with the observation** that disciplinary action may also be initiated against the defaulter. If it was proved that overpayment was made with *mala fide* intention then punitive action must be taken against the responsible person making overpayment.

## **10. Para I-B.2: Page 33 – Excessive Measurements – 2<sup>nd</sup> Provincial Buildings Division Lahore – Rs.50,295**

Audit had observed: “The division excessively measured and paid an item of sterling door leaves by also including the work of fan light. This resulted in an overpayment of Rs.50,295 to a contractor in June 1993.”

**4-7-98:** The Department explained that overpaid amount of Rs.50,295 had been recovered from the contractor and Audit had verified it. The Audit recommended the para for settlement. The Public Accounts Committee accepted the explanation and **settled the para.**

## **11. Para I-B.3: Page 34 – Excessive Measurements – 6<sup>th</sup> Provincial Buildings Division Lahore – Rs.747,385**

Audit had observed: “The division made payment for 3 pay items which were deleted from the draft notice inviting tender (DNIT) by the Circle Office at the time of approval of the draft notice inviting tender (DNIT). The payment of items beyond the scope of the approved limit resulted in an overpayment of Rs.747,385 in 1993.”

**4-7-98:** The Department explained that items of work under objection had been executed and paid to the contractor as non-schedule items which were however, approved by the S.E. concerned who was competent for the same. The payment was, therefore justified.

Audit stressed that the said items of work were deleted from the DNIT and subsequently their execution was beyond the scope of approved DNIT. Therefore, for these items re-tendering was necessary.

PAC kept the para pending for detailed inquiry at the level of Chief Engineer and directed that the inquiry be completed within 3 months positively.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **12. Para I-B.4: Page 34 – Excessive Measurements – Provincial Buildings Division**



**Khushab – Rs.113,083**

Audit had observed: “The division measured and paid the item of sterling door leaves that included the thickness of the already installed chowkat which had been paid separately as scheduled item. The incorrect measurement resulted in an overpayment of Rs.113,083 in June and August 1993.”

**4-7-98:** The Department explained that actual recovery was Rs.89,656 (25,636+1,875 +12,459+2,620+35,343+11,723) instead of Rs.113,083 as calculated by the Audit and as such the said overpaid amount had been recovered from the contractors concerned.

The Public Accounts Committee directed the Department to reconcile the amount of recovery with Audit and get the recovery verified by the Audit. The **para was settled subject to verification** of record by Audit.

**13. Para I-B.5: Page 35 – Excessive Measurements – Provincial Buildings Division Bhakkar – Rs.131,579**

Audit had observed: “The division substituted the item of work against the Chief Engineer’s clear instructions of January 1986 and provisions of agreement and estimate. This resulted in an excess payment of Rs.131,579 to a contractor in February 1988.”

**4-7-98:** The Department explained that substituted item of roof insulation was done in compliance with the verbal instructions of the higher authorities. Necessary provision for the same had also been made in the detailed estimate. The work had been completed within the permissible excess over the Administrative Approval. The item had been paid as per CSR 1979.

The Public Accounts Committee **settled the para with the observation** that responsible persons who executed the work before the T.S. shall be proceeded against under the rules.

**14. Para I-B.6: Page 35 – Excessive Measurements – Provincial Buildings Division Bahawalpur – Rs.51,255**

Audit had observed: “The division measured and paid the quantity of solid flush door shutters inclusive of the thickness of the mild steel chowkats. As the solid flush door shutters were to be housed/ fixed in the inner dimension of the mild steel chowkats, the actual size of the solid flush door shutters was to be measured. The measurement of excess quantity resulted in an excess payment of Rs.51,255 in February and April 1994.”

**12.10.98:** The Department explained that total amount of Rs.51,255 had been recovered and verified by Audit. The warning had also been issued to the Sub Engineer concerned for wrong measurement of work. The PAC accepted the explanation and **the para was settled.**

### **15. Para I-C.I: Page 36 – Incorrect/High Rates – 6<sup>th</sup> Provincial Buildings Division Lahore – Rs.123,918**

Audit had observed: “The division measured the item of reinforced cement concrete in the foundation for footing foundation beams requiring no horizontal shuttering and paid @ Rs.21.05 per cft instead of the admissible rate of Rs.15.70 per cft in contravention of clarification of the Finance Department of May 1993. This resulted in an excess payment of Rs.123,918 to the contractors in June and September 1992.”

**4-7-98:** The Department explained that excess paid amount of Rs.1,23,918 (59,370 + 64,548) had since been recovered from the contractor. Also the record had been submitted to Audit for verification. The Audit recommended the para for settlement.

The Public Accounts Committee accepted the explanation and **settled the para.**

### **16. Para I-C.2: Page 36 – Incorrect/High Rates – 6<sup>th</sup> Provincial Buildings Division Lahore – Rs.62,878**

Audit had observed: “The division measured and paid for an item of PVC pipe line of “D” class working pressure instead of the admissible of PVC pipe line of “B” class working pressure as provided in the agreement. This resulted in an excess payment of Rs.62,878 to a contractor in September 1992.”

**4-7-98:** The Department explained that excess paid amount of Rs.62,878 had been recovered from the security deposit of the contractor and the audit had verified it. The Public Accounts Committee accepted the explanation of the Department and **settled the para.**

### **17. Para I-C.3: Page 37 – Incorrect/High Rates – 8<sup>th</sup> Provincial Buildings Division Lahore – Rs.182,404**

Audit had observed: “The division made payment for the item of reinforced cement concrete for beams of foundations, columns rafts/strip foundation at the rate of Rs.21.05 per cft instead of the admissible rate of Rs.15.70 per cft as per clarification of the Standing Rates Committee of May 1993. This resulted in an excess payment of Rs.182,404 to the contractors in June 1993.”

**4-7-98:** The Department explained that the excess paid amount of Rs.182,404 had been recovered and verified by Audit. As required by Audit revised T.S. estimate, final bill of the contractor relating to this work etc was also being produced to it.

The Public Accounts Committee **settled the para with the observation** that disciplinary action may also be initiated against the defaulter. If it was proved that the excess payment was made with *mala fide* intention then punitive action must be taken against the

responsible persons.

**18. Para I-C.4: Page 37 – Incorrect/High Rates – Provincial Buildings Division Muzaffargarh – Rs.68,369**

Audit had observed: “The division made payment @ Rs.139.60 and Rs.155.50 per % cft instead of the admissible rates of Rs.93.25 and Rs.97.85 per % cft respectively for the item of earthwork excavation as per item No.2 page 25 of the Composite Schedule of Rates 1979. This resulted in an overpayment of Rs.68,369 to a contractor in June 1987.”

**12-10-98:** The Department explained that overpayment of Rs.68,369 had been recovered. **The para was settled subject to verification** of recovery by Audit.

**19. Para I-C.5: Page 38 – Incorrect/High Rates – Provincial Buildings Division Rahim Yar Khan – Rs.56,138**

Audit had observed: “The division did not measure the separate frame of mild steel flat grill as per record entries in the measurement books. Accordingly reduction of Rs.3.15 and Rs.1.90 per sft was to be applied from the full rate of Rs.13.95 per sft as per orders of Government. This resulted in an excess payment of Rs.56,138 in January 1994.”

**12-10-98:** The Department explained that a sum of Rs.12,121 had been recovered and got verified by Audit. A quantity of 5909 Sft grill amounting to Rs.44,017 had also been fixed with separate frame. Inquiry against the XEN/SDO/Sub Engineer concerned who made the payment by recording fictitious measurement in the M.B. had been conducted and inquiry report had been submitted to the Secretary, Communications & Works. The PAC **settled the para subject to verification** of relevant record and inquiry report by Audit.

**20. Para I-D.1: Page 38 – Price Variation – Provincial Buildings Division Mianwali – Rs.94,771**

Audit had observed: “The division made payment on account of price variation on mild steel in contravention of price variation sub clause 5 of the agreement. This resulted in an overpayment of Rs.94,771 in March, April and July 1989.”

**4-7-98:** The Department explained that when a steel producing organization did not notify the steel rate due to non-producing of steel in a particular month then the rates notified for the

preceding period had to be made the basis for price for the purpose of variation clause. The payment was made to the contractor in the light of this formula. The Audit did not agree with the Departmental version and stressed to make recovery from the contractor. It was also pointed out that one of the contractor had challenged the Audit observation in the court. The court issued a notice to the Audit to appear in the court but no body from the Audit office attended the court and honourable court decided the case in favour of the contractor. In view of the court decision recovery was not possible.

The Public Accounts Committee directed the Director General, Audit Works to prepare a self-contained report of this case. The para was kept pending for the said report of Director General, Audit Works.

**10-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

## **21. Para I-D.2: Page 39 – Price Variation – Ist Provincial Buildings Division Faisalabad – Rs.111,118**

Audit had observed: “The division made payment on account of price variations for cement and steel during extended period of time of a work in contravention of provision of clause 8 of the agreement. This resulted in an excess payment of Rs.111,118 to the contractor from July to November 1989.”

**12-10-98:** The Department explained that the said recovery of Rs.1,11,118 comprised of two items. One represented the price variation paid on steel/cement and second was pertained to difference of cost of ordinary cement and sulphate resisting cement which was Rs.27,147. The sulphate resisting cement was approved in the rough cost estimate and it was used in the foundations. Therefore, it did not come under the price variation clause of the contract agreement. The regularisation of paid price variation amounting to Rs.84,722 was under process. As such no excess payment was involved. It was also worth mentioning that a sum of Rs.1,000,000 of the contractor on account of Security was with the Department. The Audit apprised the PAC that the Department had admitted the recovery in the meeting of Departmental Accounts Committee.

The Public Accounts Committee was not satisfied with the explanation and directed the Department to recover the excess paid amount from the contractor alongwith the disciplinary action against the officer who did not take timely action for recovery. Recovery and disciplinary action should be completed within three months. The PAC also directed that inquiry shall be conducted to ascertain as to who was responsible for misinforming the PAC about the recovery as the same had been admitted by the Department in DAC meeting. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly

Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**22. Para I-E.1: Page 39 – Miscalculation and Minus Bill – 4<sup>th</sup> Provincial Buildings Division Lahore – Rs.154,879**

Audit had observed: “The division deducted 6% rebate on Rs.17,814,438 instead of the total value of work done of Rs.20,395,765 as per acceptance letter of July 1989. This resulted in an excess payment of Rs.154,879 to a contractor in January 1992.”

**4-7-98:** The Department explained that 6% rebate was offered by the contractor on all the CSR items which was contained in the acceptance letter and accordingly deduction of 6% rebate was made. Certain non-schedule items were not covered by the acceptance letter for which the deduction was not made. Anyhow, against the decision of Audit the contractor had gone to the court and as such no recovery was possible.

The Public Accounts Committee kept the para pending and directed the Department to defend the Departmental case vigorously in the court.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**23. Para I-E.2: Page 40 – Miscalculation and Minus Bill – 1<sup>st</sup> Provincial Buildings Division Faisalabad – Rs.65,432**

Audit had observed: “The division prepared 6th and running bill of a contractor which turned into minus. This indicated that the contractor was overpaid in the previous bills due to excessive measurements. This resulted in an over payment of Rs.65,432 in February 1992.”

**12-10-98:** The Department explained that an amount of Rs.67,733 had been adjusted in 1/97. The final bill was under preparation and the final position would be got verified by Audit in due course of time.

The PAC directed the Department that recovery shall be effected from the officer who made the over-payment due to excess measurement alongwith disciplinary action under E&D Rules. The para was kept pending.



**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**24. Para I-F.1: Page 40 – Acceptance of Tenders at Higher Rates – Provincial Buildings Division Layyah – Rs.151,248**

Audit had observed: “The division accepted tenders of a work called in two groups at the same time, one group at 66% above while the other group at Rs.84% above to the same contractor in June and December 1988 respectively. The acceptance of higher premium resulted in an excess payment of Rs.151,248 to a contractor in December 1989.”

**12-10-98:** The Department explained that tenders were invited in 2 groups. Bids for group-II were received but no offer for group-I was received. For group-I tenders were re-invited and 2 offers were received. The lowest offer was 84% above CSR 1979. Through negotiations the contractor promised to bring the rates within the permissible limit and therefore, the work was allotted with the permissible limit of 15% above the Administrative Approval. The PAC was not satisfied with the explanation and directed the Department to conduct an inquiry to ascertain as to who was responsible for the irregularity. The inquiry should be completed within three months. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**25. Para II-A.1: Page 41 – Non Recovery of Secured Advance and Outstanding Government Dues – 1<sup>st</sup> Provincial Buildings Division Rawalpindi – Rs.471,000**

Audit had observed: “In the division a contractor abandoned the work but the Department did not recover the amount paid to him as secured advance. This resulted in Non-Recovery of Rs.471,000 of



Government dues in January 1989.”

**4-7-98:** The Department explained that recovery of Rs.471,000 had since been effected from the contractor.

The Public Accounts Committee accepted the explanation and **settled the para.**

**26. Para II-A.2: Page 42 – Non Recovery of Secured Advance and Outstanding Government Dues – IInd Provincial Buildings Division Gujranwala – Rs.1,861,339**

Audit had observed: “The division granted secured advance to different contractors between August and December 1990. Most of the work against which the advances were granted, had been completed but the Department did not recover/adjust the Government dues from them. This resulted in Non-Recovery of Rs.1,861,339 of Government dues since 1990.”

**4-7-98:** The Department explained that out of the total recoverable amount of Rs.1,861,339 a sum of Rs.1,591,287 had been recovered and verified by Audit. The remaining amount had also been recovered but not yet verified by Audit.

The Public Accounts Committee **settled the para subject to verification** of balance recovery by Audit.

**27. Para II-A.3: Page 42 – Non Recovery of Secured Advance and Outstanding Government Dues – Provincial Buildings Division Toba Tek Singh – Rs.1,320,417**

Audit had observed: “The division failed to recover the outstanding Government dues from various agencies/contractors and officials placed in “Misc. P.W. Advances”. This resulted in Non-Recovery of Rs.1,320,417 from May 1985 to November 1989.”

**12-10-98:** The Department explained that actually the amount involved was Rs.906,919 which was also admitted by Audit. 15000 Rft G.I. Pipes costing Rs.906,919 were purchased during 4/86 and the cost was placed under PW Misc: Advances against the officer responsible. The pipes were subsequently issued to various Divisions/Works. The works against which the pipes were issued were still in progress and on completion of these works the original record would be got verified.

The PAC was not satisfied with the explanation and observed that pipes were purchased in 4/86 and even after about 12 years the same had not been utilized upto 10/98 and

Government money kept blocked for more than 12 years. It was, therefore, evident that purchase was made without any requirement and without approval of the Competent Authority. The PAC directed the Department that the officer who made the irregular purchase without any requirement shall be proceeded against under E&D Rules and accountal/consumption of 15000 Rft. pipe may also be got verified by Audit. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **28. Para II-A.4: Page 42 – Non Recovery of Secured Advance and Outstanding Government Dues – 1<sup>st</sup> Provincial Buildings Division Faisalabad – Rs.895,203**

Audit had observed: “The division failed to recover the outstanding Government dues against various agencies/contractors placed in “Misc. P.W. Advances”. This resulted in Non-Recovery of Rs.895,203 from June 1959 to July 1989.”

**12-10-98:** The Department explained that a sum of Rs.202,482 had been recovered and got verified by Audit. A further amount of Rs.386,026 had been recovered and the para had been reduced to Rs.306,695.

The PAC kept the para pending for balance recovery and verification of all the relevant record by Audit.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **29. Para II-A.5: Page 43 – Non Recovery of Secured Advance and Outstanding Government Dues – Provincial Buildings Division Jhang – Rs.137,651**

Audit had observed: “The division failed to recover the outstanding Government dues from various agencies/contractors and officials placed in “Misc. P.W. Advances”. This resulted in Non-Recovery of Rs.137,651 from July 1989 to December 1990.”

**12-10-98:** The Department explained that a sum of Rs.75,123 had been recovered and verified by Audit. The remaining amount of Rs.62,518 was recoverable from two SDOs, two Sub Engineers and one contractor. A case for the recovery from the contractor had been moved to make good the recovery as arrears of land revenue. The recovery from the S.D.Os and Sub Engineers was being pursued for early finalization.

The PAC kept the para pending and directed to effect the recovery from the S.D.Os and Sub Engineers concerned. They may also be proceeded against for disciplinary action.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**30. Para II-A.6: Page 43 – Non Recovery of Secured Advance and Outstanding Government Dues – Provincial Buildings Division Layyah – Rs.150,265 Reduced to Rs.55,371**

Audit had observed: “The division failed to recover the outstanding Government dues recoverable from different agencies/contractors and officials lying in the schedule of “Misc: P.W. Advances”. This resulted in Non-Recovery of Rs.150,265 from March 1983 to December 1989.”

**12-10-98:** The Department explained that a sum of Rs.46,166 had been recovered/adjusted. Further efforts were under way to recover the balance of Rs.9,204. The PAC **settled the para subject to recovery of balance** amount of Rs.9,204.

**31. Para II-B.1: Page 44 – Non Recovery of Professional Tax – 4<sup>th</sup> Provincial Buildings Division Lahore – Rs.80,500**

Audit had observed: “The division failed to recover the professional tax from various contractors as required under section 3 of the Punjab Finance Act 1977. This resulted in Non-Recovery of Rs.80,500 of Government dues in 1989-90 and 1990-91.”

**4-7-98:** The Department explained that out of the amount of Rs.80,500 as worked out by Audit, an amount of Rs.1,500 was not leviable as professional Tax in the case due to codal restrictions. From the remaining amount a recovery of Rs.53,000 had been effected leaving a recoverable balance of Rs.26,000. The Department was doing its best for the balance recovery. The Public Accounts Committee kept the para pending for the balance recovery.

**10-5-02:** The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Departments to have deducted the same at source. **The para was settled.**

**32. Para II-B.2: Page 44 – Non Recovery of Professional Tax – Provincial Buildings Division Okara – Rs.104,000**

Audit had observed: “The division failed to recover the professional tax from various contractors as required under section 3 of the Punjab Finance Act 1977. This resulted in Non-Recovery of Rs.104,000 of Government dues since 1985-86.”

**4-7-98:** The Department explained that full recovery had been effected. The recovery of Rs.72,500 had been got verified by Audit and recovery of Rs.31,500 was yet to be verified by Audit.

The Public Accounts Committee kept the para pending and directed the Department to get the recovery of Rs.31,500 verified by Audit.

**10-5-02:** The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Departments to have deducted the same at source. **The para was settled.**

### **33. Para II-B.3: Page 44 – Non Recovery of Professional Tax – Provincial Buildings Divisions Multan and Lodhran – Rs.78,500**

Audit had observed: “The divisions failed to recover professional tax from the contractors as required under section 3 of the Punjab Finance Act 1977. This resulted in Non-Recovery of Rs.78,500 from 1988-89 to 1991-92.”

**12-10-98:** The Department explained that actual recovery was Rs.61,000 which had also been verified by Audit. The detailed position was as below:-

(i) Recovery of Rs.45,000 was pertained to Ist Provincial Buildings Division Multan. A sum of Rs.38,000 had been recovered and got verified by Audit and remaining recovery was being pursued for early clearance.

(ii) Recovery of Rs.12,000 was pertained to IInd P.B. Division Multan. Actually the recoverable amount was Rs.8,500 which had since been effected.

(iii) Recovery of Rs.4,000 pertained to P.B. Division Lodhran which had been made good from the contractor concerned.

The PAC kept the para pending for balance recovery and its verification by Audit.

**10-5-02:** The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Departments to have deducted the same at source. **The para was settled.**

### **34. Para II-B.4: Page 45 – Non Recovery of Professional Tax – Provincial Building Divisions D.G.Khan, Muzaffargarh and Rajanpur – Rs.52,000**

Audit had observed: “The divisions failed to recover the professional tax from various contractors as required under section 3 of the Punjab Finance Act 1977. This resulted in Non-Recovery of Rs.52,000 of Government dues since 1989-90.”

**12-10-98:** The Department explained that recovery of Rs.44,000 (9,500 + 11,500 + 23,000) had been effected leaving a balance of Rs.8,000 which would be made good very soon.

The PAC **settled the para subject to verification** of relevant record by Audit.

**35. Para II-B.5: Page 45 – Non Recovery of Professional Tax – Provincial Buildings Divisions Bahawalnagar and Bahawalpur – Rs.207,847 Reduced to Rs.61,475**

Audit had observed: “The divisions failed to recover the outstanding Government dues and professional tax from different agencies and contractors. This resulted in Non-Recovery of Rs.207,847 from December 1964 to 1991.”

**12-10-98:** The Department explained that out of Rs.61,475 a sum of Rs.31,500 had been recovered and verified by Audit. Out of the balance amount of Rs.29,975 an amount of Rs.27,431 was recoverable from Mr. Atta Ullah, Sub-Engineer who had since been retired. The remaining amount of Rs.2,543 was paid to Pakistan Railways Department as demurrage charges.

The PAC kept the para pending and directed the Department to conduct an inquiry as to how the retired Sub Engineer managed to get clearance about the said recovery to get his pensionary benefits and who issued N.O.C. in his favour. The officer who issued the N.O.C. shall be proceeded against and recovery shall be effected from him.

**10-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

**36. Para II-C.1: Page 46 – Non-Recovery of Risk and Cost – Provincial Buildings Division Attock – Rs.132,014**

Audit had observed: “The division failed to recover the outstanding Government dues form three contractors for work done on account of risk and cost. This resulted in Non-Recovery of Rs.132,014 from November 1977 to September 1988.”

**4-7-98:** The Department explained that all the defaulting contractors had been asked time and again to deposit the outstanding dues but they did not do so. All S.E., XEN and local Government Department of the Punjab had been requested for effecting recovery if these contractors were working with them but to no avail. Thereafter, the case for effecting recovery as arrears of land revenue was referred to D.C. Attock. An amount of Rs.99,204 was recovered from one of the said contractors (M/S. Khalid Mehmood contractor). but the contractor filed a suit in the civil court and the court deciding in favour of the contractor passed a decree of Rs.106,665 including court fee of Rs.7461.50. The Department moved the case in the session court and succeeded in obtaining the decision in favour of the Department. Subsequently the contractor got a stay order from the Lahore High Court, Lahore.

The PAC kept the para pending and directed the Department to pursue the case in the court vigorously.



**10-5-02: The Committee settled the para with the direction** that subject to the decision of the court, the recovery shall be effected and reported to the Audit for verification, the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**37. Para II-C.2: Page 46 – Non-Recovery of Risk and Cost – Provincial Buildings Division Attock – Rs.54,900**

Audit had observed: “The division re-allotted the balance work to another contractor in October 1988 at the risk and cost of original contractor under clause 3(c) of the agreement but recovered/adjusted only Rs.45,279 out of total additional expenditure of Rs.100,179. This resulted in Non-Recovery of balance amount of Rs.54,900 in January 1990.”

**4-7-98:** The Department explained that the defaulting contractor was not working with the Department and therefore, the D.C. Attock had been requested to recover the Government dues as arrears of land revenue. The said recovery had not so far been materialized as arrears of land revenue.

The Public Accounts Committee kept the para pending and directed the Department to pursue the recovery as arrears of land revenue.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**38. Para II-C.3: Page 46 – Non-Recovery of Risk and Cost – Provincial Buildings Division Jhelum – Rs.139,155**

Audit had observed: “In the division a contractor abandoned the work in April 1989 but the additional expenditure on account of risk and cost of the remaining work re-allotted to another contractor under clause 3(c) of the agreement, was not recovered. This resulted in Non-Recovery of Rs.139,155 of Government dues in September 1989.”

**4-7-98:** The Department explained that full recovery had been effected from the contractor. The PAC accepted the explanation and **settled the para.**

**39. Para II-C.4: Page 47 – Non-Recovery of Risk and Cost – Provincial Buildings Division Lahore – Rs.3,429,091**

Audit had observed: “In the division a contractor abandoned the work in June 1989 but the



additional expenditure on account of risk and cost of the balance work re-allotted to another contractor under clause 3(c) of the agreement, was not recovered from the original contractor. This resulted in Non-Recovery of Rs.3,429,091 in November 1989.”

**4-7-98:** The Department explained that this para is a duplication of draft para No.II-A.1 of the Audit Report for the year 1991-92.

The Public Accounts Committee accepted the explanation of the Department and **deleted this para** from the Audit Report for the year 1993-94 with the remarks that it would remain alive as para II-A.1 involving amount of Rs.433,4354 in the Audit report for the year 1991-92.

#### **40. Para II-D.1: Page 47 – Non Recovery of Water Charges/Compensation for Delay – 3<sup>rd</sup> Provincial Buildings Division Lahore – Rs.71,091**

Audit had observed: “The division did not recover water charges from the allottees of the Government residences upto September 1993. This resulted in Non-Recovery of Government dues of Rs.71,091.”

**4-7-98:** The Department explained that said amount of Rs.71,091 had been recovered and record produced to Audit for verification. The Audit recommended the para for settlement. The Public Accounts Committee accepted the explanation and **settled the para.**

#### **41. Para II-D.2: Page 48 – Non Recovery of Water Charges/Compensation for Delay – Provincial Buildings Division Okara – Rs.64,070**

Audit had observed: “The division failed to recover the rent and water charges from the occupants of Government buildings. This resulted in Non-Recovery of Rs.64,070 of Government dues from July 1984 to November 1988.”

**4-7-98:** The Department explained that recovery of Rs.56,496 had been effected and got verified by Audit. The remaining amount of Rs.7,573 had also been recovered and record submitted to Audit for verification.

The Public Accounts Committee accepted the explanation and **settled the para.**

**42. Para II-D.3: Page 48 – Non- Recovery of Water Charges/Compensation for Delay – Provincial Buildings Division Lodhran – Non Recovery of Rs.298,300 and Un-authorised Payment of Rs.26,467**

Audit had observed: “In the division a contractor failed to complete the work allotted to him in February 1988 within the target date of 28th February 1989. The Department did not recover compensation for delay from him as required under clause 2 of the agreement. Moreover, price variation of Rs.26,467 was paid to him without deciding the case of extension in time limit upto December 1991. This resulted in Non-Recovery of Rs.298,300 and unauthorized payment of Rs.26,467 to a contractor in June 1991.”

**12-10-98:** The Department explained that payment of Rs.26,467 was made to the contractor on account of price variation on item of cement. The amount of Rs.5,169 on account of price variation of item of cement made earlier had been recovered. The said amount of Rs.5,169 had been recovered.

So far as recovery of Rs.298,300 was concerned the Committee was informed that amount of agreement was Rs.2,983,000 which was enhanced to Rs.32,92,000 later on. The contractor after executing the work to the extent of Rs.3,033,928 left the work and therefore, the balance work was completed on the risk and cost of the contractor. Therefore, under clause 3 (c) of the agreement no more penalty or levy any compensation in addition to risk and cost was warranted from the contractor. As such no recovery was due from him.

The PAC accepted the explanation to the extent of Rs.26,467 and this part of the para was settled.

The PAC did not accept the explanation in respect of the recovery of Rs.298,300 and directed the Department to finalize the recovery within three months. The para to the extent of Rs.298,300 was kept pending.

**10-5-02:** Reiterating the earlier decision of the PAC dated 12 October 1998, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**43. Para II-E.I: Page 49 – Non Recovery of Excess Payment and Minus Bill – Provincial Buildings Division Khushab – Rs.79,189**

Audit had observed: “The division made payment to the contractor in excess of actual work done by him. The amount paid in excess was placed in “Misc: P.W. Advances” in March 1992, as the contractor had since expired but no recovery was made. This resulted in Non-Recovery of Rs.79,189 of

Government dues in March 1992.”

**4-7-98:** The Department explained that the recoverable amount of Rs.79,189 was placed under P.W. Misc: Advance against the defaulter contractors. The case had been referred to the Deputy Commissioner, Khushab to effect recovery as arrears of land revenue.

The Public Accounts Committee kept the para pending and directed the Department to obtain progress regarding recovery and if the recovery was reported as impossible, then a case for write off sanction shall be sent to the Finance Department.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **44. Para II-E.2: Page 49 – Non Recovery of Excess Payment and Minus Bill Provincial Buildings Division Muzaffargarh – Rs.123,152**

Audit had observed: “In the division the bill of a contractor turned into minus due to over payment in the previous payments. This resulted in Non-Recovery of Rs.123,152 of Government dues in 1988.”

**12-10-98:** The Department explained that the amount of Rs.123,152 had since been recovered from the contractor.

The Public Accounts Committee **settled the para subject to verification** of relevant record by Audit and disciplinary action against the XEN, SDO and Sub Engineer concerned who did not prepare the bill of contractor in time. Report to this effect shall be forwarded to PAC

#### **45. Para III-A.1: Page 50 – Acceptance of Tenders at Higher Rates – 6<sup>th</sup> Provincial Buildings Lahore – Rs.204,477**

Audit had observed: “The division allotted the work to a contractor in June 1984 at 41%, 32% and 15% premium above the Composite Schedule of Rates 1979 for buildings, public health portion and electric installations respectively, but did not hand over the site of work to the contractor for more than one year. The Department again allotted the same work to another contractor at 53.5% 40% and 20% above Schedule of Rates. This resulted in a loss of Rs.204,477 to Government in October 1985.”

**4-7-98:** The Department explained that the work was allotted to a contractor in 6/84 but before the execution of work a Philanthropist, Mr. Khalid Siddique, offered the Government to construct the female ward at his own cost; but the terms & conditions brought forward by him were not acceptable to the Government. So, the said offer of the individual was refused. Meanwhile, the Health Department revised the drawing/scope of work. This process delayed the work by one year and the time limit fixed for the execution of work expired. The contractor refused to do the work on the previous rates and requested to refund his earnest

money. Accordingly the work was got done by another contractor after observing all codal formalities and no loss was involved. The PAC accepted the explanation and **the para was settled.**

**46. Para III-A.2: Page 51 – Acceptance of Tenders at Higher Rates – Provincial Buildings Division Okara – Rs.192,583**

Audit had observed: “The division accepted tenders for a work at 6.60% above technically sanctioned amount put to tenders instead of the admissible ceiling of 4.5% fixed by the Government as per Delegation of Financial Powers and Rules 1990 by including amount of 2% contingencies. This resulted in a loss of Rs.192,583 to Government in August 1992.”

**4-7-98:** The Department explained that a case for the regularisation of the excess expenditure had been initiated. The Public Accounts Committee kept the para pending and directed the Department to finalize the said regularisation of excess payment and if the loss was not regularised by the Competent Authority then action shall be taken under the rules to recover the loss of Rs.192,583 from the defaulters within 3 months.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**47. Para III-A.3: Page 51 – Acceptance of Tenders at Higher Rates- Provinvial Buildings Division Pakpattan – Rs.752,081**

Audit had observed: “The division splitted a scheme into three groups and allotted to the same contractor on 44.40 percent instead of 15 percent above the PC.I cost in violation of Delegation of Financial Powers and para 2.70 & 2.71 of the Buildings and Roads Department Code. This resulted in an extra expenditure of Rs.752,081 in November 1991.”

**12-10-98:** The Department explained that keeping in view the volume of work the work was entrusted to different groups. The work of group II and group I was given in 6/88 and 9/88 respectively within the permissible ceiling. Tenders for group-III were called for on 27-1-90. The plinth area was revised by Chief Engineer and accordingly rough cost estimate was prepared without any change in the scope of work which was examined by Chief Engineer’s office. The work was entrusted to the contractor on 29-3-90 on the amended estimate with the prevailing premium. The amended Administrative Approval for Rs.81.68 lacs was conveyed by client Department very late on 9-1-96 which covered the rates allowed to the contractor for

group-II. All the work was executed according to the provisions of contract agreement and procedure in vogue. There was no irregularity.

The PAC was not satisfied with the explanation and constituted a Committee comprising of Additional Secretary, Communications & Works, Deputy Director, Audit Works and an officer not below the rank of Deputy Secretary from the Finance Department. The Committee would probe into the matter thoroughly about the extra expenditure of Rs.752,081 due to un-authorized acceptance of tenders. The Committee would submit its report to PAC in its next meeting. The para was kept pending.

**10-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

#### **48. Para III-A.4: Page 52 – Acceptance of Tenders at Higher Rates – Provincial Buildings Division Sahiwal – Rs.107,416**

Audit had observed: “Delegation of Financial Powers authorises engineering Departments to accept tenders upto 4.5% above the amount of technically sanctioned estimate. The division accepted tenders in January 1992 at 11.63% higher than amount of technically sanctioned estimate in violation of the ceiling fixed by the Government by irregularly including cost of ceiling fans, electric connection charges and contingencies in the comparative statement of tenders in order to bring the higher rates quoted by the contractors within the permissible limit which was not to be done. This resulted in a loss of Rs.107,416 to Government due to extra expenditure in 1992.”

**12-10-98:** The Department explained that as a result of verification of record by Audit the amount of the para was reduced to Rs.3,427 which had also been recovered and verified by Audit. The PAC accepted the explanation and **settled the para**.

#### **49. Para III-A.5: Page 53 – Acceptance of Tenders at Higher Rates – Provincial Buildings Division Khanewal – Rs.780,015**

Audit had observed: “The division accepted tenders of two works at 23.30% and 31.92% above estimated amount instead of the admissible limit of 15% fixed by the Government in the Delegation of Financial Powers. This resulted in a loss of Rs.780,015 to Government in May 1988.”

**12-10-98:** The Department explained that this matter pertained to construction of 125 bedded D.H.Q. Hospital Khanewal. Originally the cost was approved as Rs.20,131,000. Tenders were invited as a whole but with no response. The tenders were invited time and again but no bid was received. Then the work was split up in 3 groups and fresh tenders for all 3 groups were invited. Then offers for group No. III and group No.I were received respectively. The lowest cost was involving excess beyond permissible limit and therefore amended rough cost estimate based on tendered rates was submitted to Health Department for approval. Meanwhile plinth area rates were revised by the Chief Engineer. Accordingly the scheme was recast and fresh estimate was sent to the Health Department. Pending receipt of



Admn: approval, the Minister for Health Punjab ordered in writing to go ahead with the tendering as well as the execution of work. Similar orders of the Government were received. In compliance with the said orders tenders for group I & III were processed and work of both the groups was then allotted with the excess cost. Therefore, the matter for allotment of work to group I & III stood regularized.

The Public Accounts Committee **settled the para subject to verification of relevant record by Audit.** It was also directed that in future no work should be executed without administrative approval.

### **50. Para III-B.1: Page 53 – Payment at High Rates – 3<sup>rd</sup> Provincial Buildings Division Lahore – Rs.440,115**

Audit had observed: “The division finalized a contract without completion of the work in June 1993 and re-allotted the balance work to another contractor at higher rate of premia in September 1992. This resulted in a loss of Rs.440,115 to Government in June 1993.”

**4-7-98:** The Department explained that the work was allotted during the financial year 1989-90 and there was no non-schedule item included therein. In 1992 the client Department decided to revise specification of tennis court, squash court and Auditorium. The additional items were allotted after calling Competitive Tenders on revised Administrative Approval during 1992-93 after obtaining the sanction of the Competent Authority. The action of the Department was in order and no higher premium was paid.

The PAC referred the para to Sub Committee No. 4 already constituted on 3-7-98 comprising:-

(i) Mr. Usman Ibrahim, MPA and (ii) Dewan Mushtaq Ahmad MPA for looking into the matter and to submit its findings to the Public Accounts Committee for decision. The para was kept pending.

**1-10-99:** The Department explained that the work on squash court was allotted on the basis of revised scope and change of specification on 20.9.92. The work could not start due to:

1. Non availability of site and late receipt of drawing which were received on 31.12.92.
2. Delay in shifting of transformer and poles by WAPDA from the side.
3. Face work and floor pattern for the entrance of Auditorium Hall could not be decided in time.
4. Funds were provided in piece meal during that period 1989-90 to 1993-94.

The Client Department i.e. Services, General Administration and Information Department replied



vide his letter No.US(Dev)1-40/99 dated 30.9.99 that the scheme for construction of Civil Officers Mess, GOR-I had been administratively approved on 12.5.1988 at a cost of Rs.89.21 lacs. The Chief Secretary Punjab as Chairman of the Managing Committee of Civil Officers Mess constituted a Purchase/Decision Committee who met from time to time to review the scope of work and decided certain changes in specification to meet the requirements and purposes of the scheme. A revised administrative approval of the scheme was issued on 23.10.1991 for Rs.167.66 lacs. The Committee monitored the execution of the scheme and incorporated necessary changes during execution resulting in delay.

The Department further explained that due to the above facts, the work was completed in four years instead of 10 months because of the changes in scope/specification desired by the client Department and as such the executing Agency i.e. Buildings Department was not at fault.

The Sub Committee observed that the explanation of the executing Agency i.e. Buildings Department had some weight but the explanation tendered by the client Department i.e. Services, General Administration and Information Department was not satisfactory and the Sub Committee observed that the change of scope of the work was uncalled for. With this observation the para was referred to the main PAC.I for consideration and final decision. The para was kept pending.

**10-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

### **51. Para III-B.2: Page 54 – Payment at High Rates – Provincial Buildings Division Lahore – Rs 1,073,289**

Audit had observed: “The division prepared cost estimate for administrative approval by adopting higher rate of Rs.631 per % cft for the item of providing and laying plant premixed carpet 2” thick instead of the admissible rate of Rs.500 as per Composite Schedule of rates 1979 with permissible premium in violation of instructions vide para 2 of the preface of Schedule of Rates. The adoption of higher rate, thus resulted in acceptance of a tender at 43.33% above the administrative approval if calculated at the rates of Schedule of Rates 1979 against the permissible limit of 15% fixed by the Government in Delegation of Financial Powers. This resulted in a loss of Rs.1,073,289 to Government in July 1986.”

**4-7-98:** The Department explained that carpeting of roads in Bagh-e-Jinnah was carried out as per orders of Chief Minister. The estimate was prepared on the basis of rate analysis of L.D.A. which was sanctioned by the competent Authority. The tenders were called and

approved by the S.E. concerned subject to the condition that work would be executed after the receipt of Administrative Approval and funds. After receipt of requisite Administrative Approval and funds the said work was started. The rate of Rs.6.31 P.Sft was just for the purpose of estimation keeping in view the importance of work and short time for completion. Perusal of the relevant documents e.g. acceptance letter D.N.I.T. etc would show that Department had paid for only laying of 2" thick premix on the un-even and TST Road. No compensation/allowance had been allowed for the material fitted in the depreciations. The Audit had also verified the relevant record to its satisfaction.

The Public Accounts Committee accepted the explanation and **settled the para.**

**52. Para III-B.3: Page 54 – Payment at High Rates – Provincial Buildings Division Sheikhupura – Rs.86,292**

Audit had observed: "The division executed the item of earth filling, ramming and watering under floors and open spaces and paid @ Rs.2,700 and Rs.2,800 Per % cft as a non-schedule item instead of the admissible rate of Rs.1,812.20 per % cft provided in the Composite Schedule of Rates 1979. This resulted in a loss of Rs.86,292 to Government in December 1990."

**4-7-98:** The Department explained that the area where the work was executed (Shahdara area) was a flood affected area and therefore, availability of earth at a specified distance was not possible. As such the rates of this item were invited from the contractors as non-schedule competitive rates i.e. all leads and lifts. Accordingly, the lowest rate was approved and the contractor was given the jobs. The tender as a whole was accepted by the Competent Authority and was completed within the approved cost.

Audit apprised the PAC that DAC in 1992 had already rejected the Departmental explanation and directed to make good the loss from the defaulter.

The Public Accounts Committee directed the Department to take action under the law/rules to effect recovery of Rs.86,292 from the officer concerned within 6 months positively as the matter had already been delayed. The para was kept pending.

**10-5-02:** Reiterating the earlier decision of the PAC dated 4 July 1998, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**53. Para III-C.1: Page 55 – Negligence- 5<sup>th</sup> Provincial Buildings Division Lahore – Rs.125,524**

Audit had observed: "The division, in order to accommodate some changes in the design/

construction, dismantled some original reinforced cement concrete work previously constructed at site while executing a project. This resulted in a loss of Rs.125,524 to the Government in June 1993.”

**4-7-98:** The Department explained that expenditure had since been regularized by the Competent Authority and relevant record had been got verified by Audit.

The Public Accounts Committee accepted the explanation and **settled the para.**

**54. Para III-D.1: Page 55 – Payment Without Provisions – 1<sup>st</sup> Provincial Buildings Division Sahiwal – Rs.124,521**

Audit had observed: “The division made payment for the item of weather shield paint on a high school building without provision in the technically sanctioned estimate. This resulted in a loss to Government of Rs.124,521 in June 1989.”

**12-10-98:** The Department explained that the item of weather shield paint was executed as per site requirement. Necessary provision was existing in the B.O.Q. The rates were accepted by the Competent Authority before the start of work. Estimate was technically sanctioned for Rs.2,813,800. There was no irregularity.

The Public Accounts Committee was not satisfied with the explanation. The Department was directed to hold an inquiry to ascertain as to who was responsible for un-economical execution of work. Responsibility shall be fixed and loss shall be made good from the defaulter. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**55. Para III-E-1: Page 56 – Non Recovery of Public Property Valuing – Rs.198,000 – 3<sup>rd</sup> Provincial Buildings Division Lahore**

Audit had observed: “The division provided furniture in the public residences occupied by some Provincial Ministers which was not returned by them at the time of vacating these residences on dissolution of the Ministries. This resulted in a loss of Rs.198,000 to the Government in August 1993.”

**4-7-98:** The Department explained that the matter was with the Services, General Administration and Information Department for consideration and further action.

The Public Accounts Committee referred this para to the Sub Committee No. 4 already constituted on 3-7-98 comprising (i) Mr. Usman Ibrahim, MPA (ii) Mr. Dewan Mushtaq Ahmed, MPA for detailed examination of the case and to submit its report to PAC for final decision in the matter.

**1-10-99:** The Department explained that in compliance with the previous directive of the Sub Committee dated 15.3.1999. notices had been issued to the following concerned Ex-Ministers requesting them for early return of Government property:

1. Mr Anwar-ul-Haq
2. Ch Muhammad Iqbal
3. Mr Aamar Sultan Cheema

The Department further informed the Sub Committee that Government property had not so far been returned by the Ex-Ministers nor any intimation had been received from them.

The Sub Committee recommended that Secretary, Communications and Works Department should himself contact the Ex Ministers and vigorous efforts be made for the return of Government property. If recovery cannot be effected, then cases be initiated for recovery under the rules.

With the above recommendation the para was kept pending for final decision by the PAC.

**10-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

#### **56. Para IV-A.1: Page 57 – Fictitious Expenditure – Provincial Buildings Division Attock – Rs.640,915**

Audit had observed: “The division purchased 785 Nos. ceiling fans in the month of June 1992 and charged the expenditure to an under construction work where only 61 ceiling fans were provided/to be installed. This resulted in a fictitious expenditure of Rs.640,915 in June 1992.”

**4-7-98:** The ceiling fans were purchased in view of the requirement of the different buildings for 1992-93 and were accordingly adjusted in the record. Out of the total No. of 785 fans 569 fans were provided in different buildings and 61 were utilized in Government College Hazro. So, 630 No. fans were utilized and balance 155 No. fans were available in the store.

The Public Accounts Committee was not satisfied with the explanation and directed that inquiry shall be instituted to ascertain the factual position in respect of the purchase and utilization of ceiling fans and fix responsibility if any misappropriation was found. The para

was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**57. Para IV-B.1: Page 57 – Payment of Luxury Items Without Provision – Provincial Buildings Division Jhelum – Rs.389,842**

Audit had observed: “The division measured and paid for luxury type of items such as fancy grills, fancy iron gate, fancy pillar etc. at non-schedule higher rates on the work “upgradation of Basic Health Unit” against the provisions of the standard drawing/design approved by the Directorate of Design. This resulted in an irregular expenditure of Rs.389,842 in September 1992.”

**4-7-98:** The Department explained that P.C.-I was revised under the sanction of the Director of Health Department being the client Department. The fancy grill etc. around the basic Health Unit Pandori was fixed due to the reason that the same was situated at a focal point in the area having the shortest approach along side Dina Mangla Road where prominent figures & dignitaries visited frequently. Also the payment of these items of work had been made as per provision in the technical sanction estimate. It was further pointed out that the Audit had also recommended the para for settlement. The PAC accepted the explanation and **settled the para.**

**58. Para IV-C.I: Page 58 – Irregular/Enhancement – 2<sup>nd</sup> Provincial Buildings Division Gujranwala – Rs.269,793**

Audit had observed: “The division allotted a part work to the same contractor consisting of non-schedule items for an amount of Rs.49,500 which was subsequently enhanced to Rs.269,793 without the provisions in the technically sanctioned estimate and approval of the Competent Authority. This resulted in an irregular/un-authorized payment of Rs.269,793 to a contractor in November 1992.”

**4-7-98:** The Department explained that the items put to tender were contained in the technically sanctioned estimate. The tendered rates were quite competitive and there was no loss to the Government due to the additional work which was done in the public interest.



Anyhow, the Department admitted that it was a procedural irregularity.

The PAC kept the para pending and directed the Department to produce the relevant record to audit for verification of factual position.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**59. Para IV-D.1: Page 58 – Expenditure Without Funds – Provincial Buildings Division Rajanpur – Rs.22,281**

Audit had observed: “In the division a divisional officer drew a sum of Rs.1,000,000 through a self cheque and incurred a sum of Rs.891,233 without technically sanctioned estimate, allotment of funds, calling of tenders/work orders to commence the work and pre-audit by the divisional accountant. This resulted in an irregular expenditure of Rs.891,233 and Non-Recovery of advance income tax of Rs.22,281 in May 1993.”

**12-10-98:** The Department explained that expenditure of Rs.891,233 was incurred in extreme urgency as the Care Taker Prime Minister was going to visit Rojhan Town and authorities ordered to convert the 3 No. residences of THQ Hospital into Civil Rest Houses immediately. Due to urgency the payments were made in cash without pre-audit and without deducting Income Tax. The relevant vouchers were not traceable and accountal of the expenditure was yet pending.

The PAC directed the Department to prepare a detailed report about incurring of expenditure giving the details of articles purchased and work executed alongwith the detail of Income Tax to be deducted. Also the accountal of remaining amount. The said report shall be shown to Audit for verification of facts. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.



## **60. Para V-1: Page 59 – Missing of Blank Cheques – Provincial Buildings Division Rajanpur**

Audit had observed: “The division reported to the National Bank of Pakistan/District Accounts Officer Rajanpur in August 1993, that eight blank cheques of the cheque book issued to the divisional office were missing. Neither the loss was reported to police nor to Audit as required under rule 2.34 of Punjab Financial Rules.”

**12-10-98:** The Department explained that as desired by the Audit, non-payment certificate in respect of those Cheques had been received from National Bank of Pakistan, Rajanpur and District Accounts Officer Rajanpur. Also no financial loss was involved.

The PAC **settled the para subject to verification of record** in support of the Departmental reply by Audit.

## **Annexure Paras Paras Settled**

### **1. Para 17(a) 22 of the Annexure at Page 229 of Audit Report for the year 1988-89 – Non recovery of Cost of Material Worth – Rs.55,994**

**12-12-98:** The Department explained that recovery at this belated stage was impossible as the XEN, S.D.O. and Sub engineer concerned had been retired from service. The Accountant and contractor concerned had since been expired. In view of this position, pursuance of the said recovery any further would be mere loss of time and money.

The PAC accepted the explanation and **the para was settled.**

### **2. Para 38(x) 1965-66 read with Serial No.5 Page 166 of the Audit Report for the year 1986-87 – Excess payment etc to the contractor – Rs.10,736**

**14-12-92:** The Committee was informed by Audit that the recovery of Rs.2,917 effected in October 1971, had been verified. The department explained that it was an old case. The contractor went to the High Court and the case was decided against the department with the remarks that the contractor should be associated with the inquiry. A fresh inquiry could not be started as the contractor expired immediately after the decision of the court. Accordingly, case

for write off of the amount had been prepared.

The para was kept pending.

**6-11-95:** Necessary recovery and write off sanction had been verified by Audit, therefore, the para was settled.

**3. Para 61(1967-68): Page 336 read with Sr. No.49 of Audit Report for the year 1993-94 – Loss to Government – Rs.6,168**

**14-12-92:** The department informed the Committee that it was an old case and the concerned Division had been changed thrice with the result that the record was not available but all efforts were being made to locate it. The Committee directed that the Administrative Secretary should make personal efforts to locate the record and, in case it was not possible, he may get the amount written off.

The para was kept pending.

**6-11-95:** Recovery was effected and verified by Audit and therefore, **the para was settled.**

**4. Para 9(1970-71): Page 336 read with Sr. No.50 of Audit Report for the year 1993-94 – Non-recovery of Government Dues – Rs.37,281**

**14-12-92:** The Department explained that the amount was recoverable from low paid officials working in sixteen Government Departments. Most of these officials were not traceable and the amount to be recovered came to about Rs.100 to 200 per individual. The Committee directed that the amount may be written off by the competent authority, if so justified.

The para was kept pending.

**6-11-95:** As verification had been done by Audit, **the para was settled.**

**5. Para 12(1970-71): Page 336 read with Sr. No.51 of Audit Report for the year 1993-94 – Loss to Government – Rs.259,466**

**14-12-92:** Audit brought to the notice of the Committee after verification of the consumption of stores/recovery amounting to Rs.573,996, stores worth Rs.2,255,017 remained to be disposed of. The Administrative Secretary agreed that it was an old store and should have been auctioned long ago but the Department had now decided to auction these stores and assured the Committee that the money obtained from auction would definitely be more than

the actual price of the stores. The Committee directed that the stores may be disposed of within three months without fail.

The para was kept pending.

**6-11-95:** Relevant record was verified by Audit and therefore, **the para was settled.**

**6. Para 17(1970-71): Page 336 read with Sr. No.52 of Audit Report for the year 1993-94 – Non-recovery of Government Dues – Rs.37,186**

**14-12-92:** The Administrative Secretary explained to the Committee that 18 contractors were involved. It was an old case and most of the contractors had either left the Department or expired or their whereabouts were not traceable. The Committee directed that efforts for recovery of the amount should be made or the Administrative secretary should consider the case for writing off of the amount.

The para was kept pending.

**6-11-95:** The write off sanction accorded by Secretary C&W was verified by Audit and the para was settled.

**7. Para 5(1971-72): Page 337 read with Sr. No.55 of Audit Report for the year 1993-94 – Loss to Government – Rs.16,830**

**14-12-92:** Explaining the latest position regarding the scheme for installation of individual sui gas meters in the residential quarters, the Administrative Secretary stated that PCI had been prepared and would be sent to the Planning and Development Department for the supply of separate meters to the residents. It was directed that the amount of Rs.16,830 should be got written off by the competent authority.

The para was kept pending.

**6-11-95:** The Department explained that sanction to the write off of the loss of Rs.16,830 had been accorded by the Administrative Secretary and verified by Audit.

The para was settled.

**8. Para 41(8)(1972-73): Page 337 read with Sr. No.59 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.11,536**

**14-12-92:** Audit informed the Committee that recovery had been effected by the Department and verified by them but adjustment had yet to be made under the head 'Suspense'.

Subject to verification by Audit of the adjustment in the appropriate head, the para was settled.

**6-11-95:** The explanation of the Department was accepted and **the PAC settled the para** with the remarks that in future such adjustments/recoveries may be credited to proper head of account.

**9. Para 11(2)(1982-83): Page 340 read with Sr. No.76 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.175,000**

**14-12-92:** The Department explained to the Committee that in accordance with their directive, an inquiry was conducted by the Government of the Punjab Services and General Administration Department, and a report had also been sent to the Secretary, Provincial Assembly of the Punjab. It was opined that the said report did not come to the notice of the PAC. The Department further explained that as a result of the said inquiry it transpired that the expenditure was incurred after observing all the codal formalities: hence there was no embezzlement of the Government money. Administrative Secretary stated that strict instructions had been issued to all the lower formation that in future such irregular transfer of funds should not be repeated. The Committee desired to know as to why the amount was given to the Deputy Commissioner because, according to prescribed procedure, the work should have been got for done through the Buildings Department. Apparently, the XEN was responsible for transferring the amount because Commissioner was not his boss. The Department was also required to intimate under which authority the Commissioner ordered to release the amount. Apart from this information a copy of the inquiry report as well as the vouched accounts should be supplied to the PAC and the Audit.

The para was kept pending.

**6-11-95:** Explanation of the Department was accepted and **the para was settled.**

**10. Para 13(7)(1983-84): Page 341 read with Sr. No.80 of Audit Report for the year 1993-94 – Excess payment – Rs.6,100**

**14-12-92:** Finance Department opined that where clear cut rules were available but higher rates were paid, then certainly the officer responsible for the over payment should be asked to make good the loss. The Administrative Secretary assured the Committee to act upon the advice of the Finance Department. The Committee directed that the case for recovery of the

amount as arrears of land revenue may be pursued vigorously.

The para was kept pending.

**6-11-95:** Full recovery of Rs.6,080 was effected and got verified by Audit.

Therefore, **the para was settled.**

**11. Para 16(4) of the Annexure at Page 231 of Audit Report for the year 1988-89 – Misappropriation of Store Worth – Rs.22,100**

**12-12-98:** The Department explained that write off sanction of Rs.22,068 had since been accorded and got verified by Audit.

The PAC accepted the explanation and **settled the para.**

**12. Para 16(5) of the Annexure at Page 231 of Audit Report for the year 1988-89 – Misappropriation of Store – Rs.7,953**

**12-12-98:** The Department explained that write off sanction of Rs.6,452 had since been accorded by the Competent Authority. Funds to adjust the said write off sanction of Rs.6,452 were awaited from the Finance Department and on receipt of funds the adjustment would be carried out. Anyhow, the matter may be treated as closed as the write off sanction had been accorded.

The PAC accepted the explanation and **the para was settled.**

**13. Para 17(2)(1983-84): Page 342 read with Sr. No.89 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.10,900**

**14-12-92:** It was brought to the notice of the Committee that this case pertained to pre-independence period and, therefore, there was no chance of recovery. The Administrative secretary was directed to consider the case for write off.

The para was kept pending.

**6-11-95:** Write off sanction of the loss was accorded by the competent authority and verified by Audit.

**The para was settled.**

**14. Para IV(1)(1986-87): Page 349 read with Sr. No.133 of Audit Report for the year 1993-94 – Loss of M.B.**

**14-12-92:** Audit informed the Committee that recovery of the amount of Rs.81,571 had been verified by them leaving a balance of Rs.729. The Department assured the Committee that the balance would surely be deposited in the Government Treasury.

Subject to the recovery of Rs.729 and its verification by Audit, the para was settled.

**6-11-95:** Full recovery was effected and verified by Audit.  
**The para was settled.**

**15. Para 1(3)(1987-88): Page 349 read with Sr. No.137 of Audit Report for the year 1993-94 – Excess Payment – Rs.23,000**

**30-4-92:** In this case Audit had objected to the payment for 10 miles lead in three subsequent cases of earth filling instead of 6 miles lead allowed in the first case. The Committee observed that in order to justify their action in the subsequent three cases, the Department had later on enhanced the lead from 6 miles to 10 miles even in the first case. It was further observed that Technical Sanction had also not since been issued.

The Committee observed that the overpayment of Rs.23,000 should be recovered from the Executive Engineer, Sub Divisional Officer and Sub-Engineer concerned in equal shares. Secondly, the Officer responsible for paying the final bill and releasing the security to the Contractor, without Technical Sanction of the work, be proceeded against under the E & D Rules. The action taken in this matter be intimated to the Committee in the next meeting.

**28-1-93:** Audit apprised the Committee of its decision dated 30.4.1992, wherein it was directed that the overpayment of Rs.23,000 should be recovered from the defaulting XEN, the SDO and the Sub-Engineer in equal shares. The Committee took serious note about the failure of the Department to comply with its directive and directed that, in future, the Department should strictly implement the PAC decisions without delay. Recovery from the defaulting Officers should be effected immediately and reported to the Committee. Result of the inquiry conducted against the Officer, under E & D Rules, responsible for paying the final bill and releasing the security, without Technical Sanction, should also be conveyed to the PAC. The para was kept pending.

**26-12-95:** The Department explained that full recovery of Rs.23,000 had been effected and got verified by Audit. The explanation was accepted and the para was settled.

**16. Para No.III(1)(1987-88): Page 349 read with Sr. No.138 of Audit Report for the year 1993-94 – Loss – Rs.91,873**

**30-4-92:** The Department explained that inquiry in the matter was under process. The PAC directed the Department to finalize the proceedings within three months. The para was kept pending.



**30-1-93:** The Department explained that the inquiry had not yet been finalized and the Inquiry Officer was being changed. During Preliminary Inquiry, it was revealed that wiring of only one house had been replaced and the remaining work had not been executed. Formal inquiry against the XEN (now SE) was being processed. The PAC directed that the whole case of the project may be examined by the Administrative Secretary for taking necessary action. The para was kept pending accordingly.

**26-12-95:** The Department explained that full wiring was changed as the existing wiring had been burnt out due to heavy load. The Department also assured the Committee that there was no mala fide involved. The explanation of the Department was accepted and the para was settled.

**17. Para No.16(a)3(iv) (1955-56): Page 329-A Sr. No.1 of Audit Report for the year 1993-94 – Excess Payment – Rs.13,544.**

**18. Para No.7(i) (1956-57): Page 329-A read with Sr. No.2 of Audit Report for the year 1993-94 – Theft of Stores – Rs.1,652.**

**19. Para No.17 (a) 2 (1956-57): Page 329-A read with Sr. No.3 of Audit Report for the year 1993-94 – Misappropriation of Cash – Rs.19,108.**

**20. Para No.17 (a) 20 (1956-57): Page 329-A read with Sr. No.4 of Audit Report for the year 1993-94 – Non-Recovery of Material – Rs.63,926.**

**21. Para No.17(a)11(i) (1959-60): Page 329-A read with Sr.No.5 of Audit Report for the year 1993-94 – Delay in Payment – Rs.31,278.**

**22. Para No.17(a)45 (1961-62): Page 329-A read with Sr. No.6 of Audit Report for the year 1993-94 – Irregular Payment – Rs.13,385.**

**23. Para No.17(a)69 (1961-62): Page 330 read with Sr. No.7 of Audit Report for the year 1993-94 – Non-Recovery of Material – Rs.19,132.**

**24. Para No.4(ii)(1961-62): Page 330 read with Sr. No.8 of Audit Report for the year 1993-94 – Over payment – Rs.67,210.**

**25. Para No.40(xiv) (1965-66): Page 330 read with Sr. No.9 of Audit Report for the year 1993-94 – Misappropriation of stores – Rs.28,785.**

**26. Para No.44(vi) (1965-66): Page 330 read with Sr. No.10 of Audit Report for the year 1993-94 – Loss of Material – Rs.44,566.**

**27. Para No.42(iv) (1965-66): Page 330 read with Sr. No.11 of Audit Report for the year 1993-94 – Loss of Material – Rs.7,604.**

**28. Para No.46(ii)(1965-66): Page 330 read with Sr. No.12 of Audit Report for the year 1993-94 – Recovery of Empty Cement Bags – Rs.25,532.**

**29. Para No.11(1971-72): Page 330 read with Sr. No.13 of Audit Report for the year 1993-94 – Loss of Stores – Rs.50,251.**

**30. Para No.10(1971-72): Page 330 read with Sr. No.14 of Audit Report for the year 1993-94 – Non-Recovery of Rent – Rs.19,987.**

**31. Para No.9(1971-72): Page 331 read with Sr. No.15 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.47,244.**

**32. Para No.16(1972-73): Page 331 read with Sr. No.16 of Audit Report for the year 1993-94 – Loss of MB.**

**33. Para No.26(1972-73): Page 331 read with Sr. No.17 of Audit Report for the year 1993-94 – Loss of Material – Rs.8,479.**

**34. Para No.3(i)(1975-76): Page 331 read with Sr. No.18 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.50,000.**

**35. Para No.6(3)(1979-80): Page 331 read with Sr. No.19 of Audit Report for the year 1993-94 – Loss – Rs.42,800.**

**36. Para No.5(10)(1981-82): Page 331 read with Sr. No.20 of Audit Report for the year 1993-94 – Non-Recovery Within 2 Months – Rs.16,000.**

**37. Para No.10(i)(1981-82): Page 331 read with Sr. No.21 of Audit Report for the year 1993-94 – Loss – Rs.156,000.**

**38. Para No.8(2)(1982-83): Page 331 read with Sr. No.22 of Audit Report for the year 1993-94 – Non-accountal of Stores – Rs.258,797.**

**39. Para No.2 (1984-85): Page 332 read with Sr. No.23 of Audit Report for the year 1993-94 – Overpayment – Rs.98,750.**

**40. Para No.1(19)(1985-86): Page 332 read with Sr. No.24 of Audit Report for the year 1993-94 – Overpayment – Rs.21,444.**

**41. Para No.1(3)(1985-86): Page 332 read with Sr. No.25 of Audit Report for the year**

**1993-94 – Excess Payment – Rs.74,703.**

**10-5-02:** On verification of recovery/record Audit had recommended that the above mentioned 25 paras (Sr No.17 to 41) be settled.

**The Committee settled the said paras.**

## **Actionable Paras**

- 1. Para No.17(a)16 (1956-57): Page 332 read with Sr. No.26 of Audit Report for the year 1993-94 – Shortage of Material – Rs.89,756.**
- 2. Para No.17(a)23 (a) (1956-57): Page 332 read with Sr. No.28 of Audit Report for the year 1993-94 – Irregular Payment – Rs.42,654.**
- 3. Para No.17(a)3(4)(1957-58): Page 332 read with Sr. No.29 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.10,997.**
- 4. Para No.17(a)3(7)(1957-58): Page 333 read with Sr. No.30 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.216,365.**
- 5. Para No.17(a)3(8)(1957-58): Page 333 read with Sr. No.31 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.59,149.**
- 6. Para No.17(a)5(3)(1959-60): Page 333 read with Sr. No.32 of Audit Report for the year 1993-94 – Non-Recovery of Government Stores – Rs.99,165.**
- 7. Para No.17(a)23(3)(1960-61): Page 333 read with Sr. No.33 of Audit Report for the year 1993-94 – Outstanding recoveries – Rs.46,245.**
- 8. Para No.17(a)25(2)(1960-61): Page 333 read with Sr. No.34 of Audit Report for the year 1993-94 – Excess Expenditure incurred in Excess of Deposit – Rs.8,061,539.**
- 9. Para No.17(a)30(1960-61): Page 333 read with Sr. No.35 of Audit Report for the year 1993-94 – Short Recovery – Rs.1,827.**
- 10. Para No.17(a)26(1961-62): Page 334 read with Sr. No.36 of Audit Report for the year 1993-94 – Un-accepted Debits – Rs.79,127.**
- 11. Para No.17(a)63(1961-62): Page 334 read with Sr. No.37 of Audit Report for the year 1993-94 – Misappropriation of Stores – Rs.1,598,891.**
- 12. Para No.17(a)83(1961-62): Page 334 read with Sr. No.38 of Audit Report for the year 1993-94 – Recovery From the Contractor – Rs.49,123.**

- 13. Para No.33(1963-64): Page 334 read with Sr. No.39 of Audit Report for the year 1993-94 – Non-Maintenance of Rent Register.**
- 14. Para No.38(x)(1965-66): Page 334 read with Sr. No.40 of Audit Report for the year 1993-94 – Excess Payment to Contractors – Rs.10,736.**
- 15. Para No.39(xvii)(1965-66): Page 334 read with Sr. No.42 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.55,491.**
- 16. Para No.39(xvi)(1965-66): Page 335 read with Sr. No.43 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.60,079.**
- 17. Para No.40(xii)(1965-66): Page 335 read with Sr. No.44 of Audit Report for the year 1993-94 – Loss to Government – Rs.15,559.**
- 18. Para No.41(xvi)(1965-66): Page 335 read with Sr. No.45 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues From the Contractor – Rs.21,515.**
- 19. Para No.41(xviii)(1965-66): Page 335 read with Sr. No.46 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.15,096.**
- 20. Para No.46(vi)(1965-66): Page 335 read with Sr. No.47 of Audit Report for the year 1993-94 – Loss of Empty Cement Bags – Rs.14,060.**
- 21. Para No.82(1966-67): Page 335 read with Sr. No.48 of Audit Report for the year 1993-94 – Loss of Stores – Rs.43,044.**
- 22. Para No.3/14(1971-72): Page 336 read with Sr. No.53 of Audit Report for the year 1993-94 – Non-Recovery of Government Rent – Rs.1,485,416.**
- 23. Para No.7(ii)(1971-72): Page 337 read with Sr. No.54 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.4,294.**
- 24. Para No.16(1971-72): Page 337 read with Sr. No.56 of Audit Report for the year 1993-94 – Misappropriation of Stores – Rs.80,291.**
- 25. Para No.23(2)(1972-73): Page 337 read with Sr. No.57 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.40,925.**
- 26. Para No.41(6)(1972-73): Page 337 read with Sr. No.58 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.154,528.**

**27. Para No.5(2)(1979-80): Page 338 read with Sr. No.60 of Audit Report for the year 1993-94 – Non-Recovery of Cost of Government Material – Rs.32,795.**

**28. Para No.5(i)(1980-81): Page 338 read with Sr. No.61 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.10,320.**

**29. Para No.5(2)(1980-81): Page 338 read with Sr. No.62 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.22,812.**

**30. Para No.5(i)(1980-81): Page 338 read with Sr. No.63 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.3,145,546.**

**31. Para No.5(2)(1981-82): Page 338 read with Sr. No.64 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.210,850.**

**32. Para No.5(3)(1981-82): Page 338 read with Sr. No.65 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.126,244.**

**33. Para No.5(4)(1981-82): Page 338 read with Sr. No.66 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.109,000.**

**34. Para No.5(v)(1981-82): Page 339 read with Sr. No.67 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.57,559.**

**35. Para No.5(6)(1981-82): Page 339 read with Sr. No.68 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.66,423.**

**36. Para No.5(8)(1981-82): Page 339 read with Sr. No.69 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.24,000.**

**37. Para No.5(9)(1981-82): Page 339 read with Sr. No.70 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.22,480.**

**38. Para No.10(2)(1981-82): Page 339 read with Sr. No.71 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.146,632.**

**39. Para No.10(3)(1981-82): Page 339 read with Sr. No.72 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.133,992.**

**40. Para No.9(i)(1982-83): Page 340 read with Sr. No.73 of Audit Report for the year 1993-94 – Non-Recovery of Risk and Cost Charges – Rs.59,000.**

**41. Para No.9(2)(1982-83): Page 340 read with Sr. No.74 of Audit Report for the year**



**1993-94 – Non-Recovery of Risk and Cost Charges – Rs.53,400.**

**42. Para No.10(i)(1982-83): Page 340 read with Sr. No.75 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.20,857.**

**43. Para No.13(1)(1983-84): Page 340 read with Sr. No.77 of Audit Report for the year 1993-94 – Excess payment – Rs.58,300.**

**44. Para No.13(2)(1983-84): Page 340 read with Sr. No.78 of Audit Report for the year 1993-94 – Excess Payment – Rs.28,800.**

**45. Para No.13(3)(1983-84): Page 340 read with Sr. No.79 of Audit Report for the year 1993-94 – Overpayment – Rs.15,600.**

**46. Para No.14(1)(1983-84): Page 341 read with Sr. No.81 of Audit Report for the year 1993-94 – Loss to Government – Rs.117,800.**

**47. Para No.14(6)(1983-84): Page 341 read with Sr. No.82 of Audit Report for the year 1993-94 – Loss to Government – Rs.26,505.**

**48. Para No.15(i)(1983-84): Page 341 read with Sr. No.83 of Audit Report for the year 1993-94 – Non-Recovery of Risk and Cost Charges – Rs.1,010,769.**

**49. Para No.15(2)(1983-84): Page 341 read with Sr. No.84 of Audit Report for the year 1993-94 – Non-Recovery of Risk and Cost Charges – Rs.237,741.**

**50. Para No.15(3)(1983-84): Page 341 read with Sr. No.85 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.135,700.**

**51. Para No.16(2)(1983-84): Page 341 read with Sr. No.86 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.31,240.**

**52. Para No.18(3)(1983-84): Page 342 read with Sr. No.90 of Audit Report for the year 1993-94 – Non-Recovery of Secured Advance – Rs.13,600.**

**53. Para No.21(1983-84): Page 342 read with Sr. No.91 of Audit Report for the year 1993-94 – Loss due to collapse of Building during construction – Rs.134,000.**

**54. Para No.I(i)(1984-85): Page 342 read with Sr. No.92 of Audit Report for the year 1993-94 – Excess Payment – Rs.43,317.**

**55. Para No.I(3)(1984-85): Page 342 read with Sr. No.93 of Audit Report for the year 1993-94 – Excess Payment – Rs.253,702.**



**56. Para No.II(i)(1984-85): Page 342 read with Sr. No.94 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.186,602.**

**57. Para No.II(2)(1984-85): Page 343 read with Sr. No.95 of Audit Report for the year 1993-94 – Loss due to Execution of Defective work – Rs.38,850.**

**58. Para No.II(8)(1984-85): Page 340 read with Sr. No.96 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.104,325.**

**59. Para No.III(1)(1984-85): Page 343 read with Sr. No.97 of Audit Report for the year 1993-94 – Loss to Government – Rs.173,676.**

**60. Para No.III(2)(1984-85): Page 343 read with Sr. No.98 of Audit Report for the year 1993-94 – Loss to Government – Rs.90,000.**

**61. Para No.III(3)(1984-85): Page 343 read with Sr. No.99 of Audit Report for the year 1993-94 – Loss to Government – Rs.6,000.**

**62. Para No.IV(i)(1984-85): Page 343 read with Sr. No.100 of Audit Report for the year 1993-94 – Irregular Local Purchase – Rs.85,400.**

**63. Para No.V(1984-85): Page 344 read with Sr. No.101 of Audit Report for the year 1993-94 – Theft of Store – Rs.15,683.**

**64. Para No.I(i)(1985-86): Page 344 read with Sr. No.102 of Audit Report for the year 1993-94 – Excess Payment – Rs.162,580.**

**65. Para No.I(2)(1985-86): Page 344 read with Sr. No.103 of Audit Report for the year 1993-94 – Excess Payment – Rs.141,166.**

**66. Para No.I(6)(1985-86): Page 344 read with Sr. No.104 of Audit Report for the year 1993-94 – Extra Expenditure Due to Higher Rate/Premium–Rs.369,668.**

**67. Para No.I(10)(1985-86): Page 344 read with Sr. No.105 of Audit Report for the year 1993-94 – Excess Payment – Rs.72,522.**

**68. Para No.I(II)(1985-86): Page 345 read with Sr. No.106 of Audit Report for the year 1993-94 – Excess Payment – Rs.41,483.**

**69. Para No.I(13)(1985-86): Page 345 read with Sr. No.107 of Audit Report for the year 1993-94 – Excess Payment – Rs.19,110.**

**70. Para No.I(15)(1985-86): Page 345 read with Sr. No.108 of Audit Report for the year**

**1993-94 – Excess Payment – Rs.20,175.****71. Para No.I(17)(1985-86): Page 345 read with Sr. No.109 of Audit Report for the year 1993-94 – Excess Payment Due to Defective Execution of Works – Rs.43,050.****72. Para No.I(24)(1985-86): Page 345 read with Sr. No.110 of Audit Report for the year 1993-94 – Excess Payment – Rs.15,790.****73. Para No.I(26)(1985-86): Page 345 read with Sr. No.111 of Audit Report for the year 1993-94 – Excess Payment – Rs.51,774.****74. Para No.II(i)(1985-86): Page 346 read with Sr. No.112 of Audit Report for the year 1993-94 – Excess Payment – Rs.26,472.****75. Para No.II(2)(1985-86): Page 346 read with Sr. No.113 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.41,205.****76. Para No.II(3)(1985-86): Page 346 read with Sr. No.114 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.58,000.****77. Para No.II(4)(1985-86): Page 346 read with Sr. No.115 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.18,800.****78. Para No.II(6)(1985-86): Page 346 read with Sr. No.116 of Audit Report for the year 1993-94 – Non-Recovery of Risk and Cost Charges – Rs.145,720.****79. Para No.II(10)(1985-86): Page 346 read with Sr. No.117 of Audit Report for the year 1993-94 – Non-Recovery of Rent – Rs.3,170,215.****80. Para No.II(11)(1985-86): Page 346 read with Sr. No.118 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.187,700.****81. Para No.II(12)(1985-86): Page 347 read with Sr. No.119 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.30,728.****82. Para No.II(14)(1985-86): Page 347 read with Sr. No.120 of Audit Report for the year 1993-94 – Non-Recovery of Rent – Rs.23,343.****83. Para No.III(1)(1985-86): Page 347 read with Sr. No.121 of Audit Report for the year 1993-94 – Loss to Government – Rs.124,308.****84. Para No.III(2)(1985-86): Page 347 read with Sr. No.122 of Audit Report for the year 1993-94 – Loss to Government – Rs.144,861.**

- 85. Para No.III(4)(1985-86): Page 347 read with Sr. No.123 of Audit Report for the year 1993-94 – Loss to Government – Rs.69,679.**
- 86. Para No.VI(1985-86): Page 347 read with Sr. No.124 of Audit Report for the year 1993-94 – Non-Accountal of Material – Rs.29,900.**
- 87. Para No.VIII(1985-86): Page 348 read with Sr. No.125 of Audit Report for the year 1993-94 – Misappropriationof Material – Rs.132,700.**
- 88. Para No.I(1)(1986-87): Page 348 read with Sr. No.126 of Audit Report for the year 1993-94 – Excess Payment – Rs.22,059.**
- 89. Para No.I(7)(1986-87): Page 348 read with Sr. No.127 of Audit Report for the year 1993-94 – Excess Payment – Rs.33,600.**
- 90. Para No.I(8)(1986-87): Page 348 read with Sr. No.128 of Audit Report for the year 1993-94 – Excess Payment – Rs.29,913.**
- 91. Para No.I(12)(1986-87): Page 348 read with Sr. No.129 of Audit Report for the year 1993-94 – Excess Payment – Rs.28,090.**
- 92. Para No.II(1)(1986-87): Page 348 read with Sr. No.130 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.718,487.**
- 93. Para No.II(3)(1986-87): Page 348 read with Sr. No.131 of Audit Report for the year 1993-94 – Recovery of Government Rent – Rs.3,165,000.**
- 94. Para No.III(1)(1986-87): Page 349 read with Sr. No.132 of Audit Report for the year 1993-94 – Misappropriationof Stores – Rs.19,775.**
- 95. Para No.IV(2)(1986-87): Page 349 read with Sr. No.134 of Audit Report for the year 1993-94 – Loss to Government – Rs.21,000.**
- 96. Para No.IV(4)(1986-87): Page 349 read with Sr. No.135 of Audit Report for the year 1993-94 – Loss to Government – Rs.71,555.**
- 97. Para No.I(1)(1987-88): Page 349 read with Sr. No.136 of Audit Report for the year 1993-94 – Excess Payment – Rs.26,427.**
- 98. Para No.IV(1)(1987-88): Page 349 read with Sr. No.139 of Audit Report for the year 1993-94 – Fictitious Payment – Rs.893,223.**

**10-5-02:** The above mentioned paras (Sr. No.1 to 98) were kept **pending** with the direction that the Department shall comply with the directives of the PAC by 30 September 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. Finance Department shall monitor the implementation of the directive of the PAC.

## Highways Department Works Audit

### **1. Para I-A.1: Page 64 – Excessive Measurement – Highways Division Chakwal – Rs.68,249**

Audit had observed: “The division changed/alterd the record entries by increasing the thickness of base course from 3.5” to 4”, the figures of the abstract of quantities and cost in the measurement book. These unauthorized alteration/changes resulted in an excess payment of Rs.68,249 to a contractor in April 1990.”

**13-10-98:** The Department explained that an inquiry was decided to be conducted but the Sub Engineer concerned was not responding to the call of inquiry officer. The said Sub Engineer had been called many times but he did not appear before the Inquiry officer. Now the S.E. 2nd Highways Circle Rawalpindi had been asked to take up the matter with higher authorities.

The PAC viewed the apologetic attitude of the Department with astonishment and observed if a Sub Engineer was so strong that his Department was helpless to bring him before the inquiry officer. If he is so arrogant and indisciplined then why an ex-parte decision was not taken against him.

The PAC directed the Department to complete the inquiry and fix responsibility on the defaulter within three months positively. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **2. Para I-A.2: Page 64 – Excessive Measurement – Road Construction Division Rawalpindi – Rs.497,000**

Audit had observed: “The division made payment for the item of tripple surface treatment in a length of 14000 feet where the item of base course was not executed. This resulted in an excess payment of Rs.497,000 due to bogus record entries in February 1994.”

**13-10-98:** The Department explained that Sub Engineer, while making the measurement in the M.B. for the item base course did not mention the R.Ds. Further the overall measurements were taken indicating the requisite R.Ds.

The PAC **settled the para subject to verification** of all relevant record in support of the Departmental contention by Audit.

### **3. Para I-A.3: Page 65 – Excessive Measurement – Highways Division Rawalpindi – Rs.79,904**

Audit had observed: “The division made payment on account of base course, triple surface treatment (TST) and road edging from RD 3440 to 4800 without laying embankment and sub base course in above mentioned RDs of the road. This resulted in an excess payment of Rs.79,904 to a contractor in December 1992.”

**13-10-98:** The Department explained the justification for the execution of triple surface treatment without laying embankment sub base and base course. The PAC accepted the explanation and **settled the para.**

### **4. Para I-A.4: Page 65 – Excessive Measurement – Highways Division Jhelum – Rs.69,674**

Audit had observed: “The division failed to deduct the quantity of road crust from quantity of earthwork for making embankment. The division also executed three number cause-way measuring of 50, 60 and 100 feet and paid to the contractor in May 1986. A cause-way measuring 60 feet was again measured and paid in October 1987. This resulted in double/overpayment of Rs.69,674 to the contractors in October 1985 and 1987.”

**13-10-98:** The Department explained that para was in 2 parts. First part involved the alleged overpayment of Rs.49,514. It was submitted before the Committee that the measurement of earthwork had been recorded in the M.B. according to X-Section area and not on the basis of typical X-Section. Anyhow, the relevant record would be produced to Audit for

verification. The second part pertained to double payment of Rs.20,160. The said amount was being recovered from the salary of the concerned Sub Engineer.

The PAC kept the para pending for verification of record pertaining to overpayment of Rs.49,514 and recovery of Rs.20,160.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**5. Para I-A.5: Page 66 – Excessive Measurement – Highways Division Jhelum – Rs.59,360**

Audit had observed: “The division did not deduct a quantity of 16960 cft on account of culverts and cause – way from the quantity of sub base course. This resulted in an excess payment of Rs.59,360 to a contractor in June 1987.”

**13-10-98:** The Department explained that total recovery had been effected. The PAC **settled the para subject to verification** of relevant record by Audit.

**6. Para I-A.6: Page 66 – Excessive Measurement – Highways Division Sialkot – Rs.1,172,572**

Audit had observed: “The division paid the item of work reinforced cement concrete 1:1:2 and 1:1.5:3 in excess of that provided in the technically sanctioned estimate simultaneously reducing the quantity of reinforced cement concrete 1:2:4. This resulted in an excess payment of Rs.1,172,572 to contractor in May 1993.”

**14-10-98:** The Department explained that work was executed according to the approved design and detailed drawings provided by the Director Bridges. The paid quantities were as



per actual site measurements. The quantities exhibited in the DNIT were provisional and drawings were issued only for tender purposes. The detailed estimate was technically sanctioned by the Chief Engineer (North) Highways, Lahore with the same quantities which were paid.

The Audit apprised the Committee that the work was entrusted without obtaining technical sanction of the estimate. The PAC **settled the para subject to regularization of expenditure by the Finance Department.**

#### **7. Para I-A.7: Page 66 – Excessive Measurement – Highways Division Sialkot – Rs.161,448**

Audit had observed: “The division failed to deduct the volume of ducts provided for passing the high tensile steel cables from the quantity of reinforced cement concrete girders. This resulted in an excess payment of Rs.161,448 to a contractor in June 1993.”

**14-10-98:** The Department explained that as per standard specification for road and bridge the steel reinforcement was not to be deducted from the concrete. The high tensile steel was also steel reinforcement as per specification. As such the payment had been made accordingly which was quite in order. All the bridges were being constructed with the same specification. The PAC accepted the explanation and **the para was settled.**

#### **8. Para I-A.8: Page 67 – Excessive Measurement – Road Construction Division Lahore – Rs.2,564,757**

Audit had observed: “The division made payment for bituminous carpeting at schedule rate plus permissible premium. According to analysis of rate prepared by the Standing Rates Committee for carpeting the bitumen was to be used as 6% by weight of the mix but the bitumen was used as 4.5% and proportionate reduction in rate was not made. This resulted in an overpayment of Rs.2,564,757 in April and May 1993.”

**14-10-98:** The Department explained that Job mixed formula was adopted for this work and the quantity of bitumen was worked out as 4.5% which was quite correct.

The PAC directed that case shall be referred to the Standing Rates Committee by the Director General Audit Works to ascertain whether the required rate of bitumen by weight was 6% or 4.5% and whether the rate paid for 4.5% of bitumen was based on job mixed formula. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## **9. Para I-A.9: Page 67 – Excessive Measurement – Road Construction Division Lahore – Rs.826,426**

Audit had observed: “The division failed to deduct the area covered by the holes made in 96 numbers reinforced cement concrete girders. This resulted in an overpayment of Rs.826,426 to a contractor in July 1993.”

**14-10-98:** The PAC accepted the explanation of the Department about the measurements and payments and **the para was settled.**

## **10. Para I-A.10: Page 68 – Excessive Measurement – Highways Division Kasur – Rs.255,200**

Audit had observed: “The division measured excessive thickness of sub base course than the designed thickness of 8” sanctioned technically. According to clause 10 of the contract agreement the contractor was bound to execute the work according to the design, drawing and specification. This resulted in an excess payment of Rs.255,200 in February 1993.”

**13-10-98:** The Department explained that existing road which was to be raised/widened, had undulations and depression at so many points. The sub base was laid/completed over the existing road with uniform level. The pit measurements were taken at equal distance. The difference in thickness was due to filling of undulations and depressions. There was no excess over the provisions.

The Audit apprised the Committee that change in quantity was not got approved in T. S. Moreover, there was no entry of undulations and depressions in the Measurement Book.

The PAC directed the Department to refer the case to Finance Department for regularization of expenditure. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## **11. Para I-A.11: Page 68 – Excessive Measurement – Highways Division Sheikhpura – Rs.104,389**

Audit had observed: “The division did not deduct the portion occupied by road edging from the pavement of sub base and base course provided in the technically sanctioned estimate. This resulted in an overpayment of Rs.104,389 to a contractor in September 1993.”

**14-10-98:** The Department explained that full recovery had been made and Audit may verify the same.

The PAC **settled the para subject to verification** of recovery by Audit.

**12. Para I-A.12: Page 69 – Excessive Measurement – Highways Division Sheikhpura – Rs.82,324**

Audit had observed: “The division did not deduct a quantity of 91471 on account of road crust from the quantities of earthwork as provided in the technically sanctioned estimate. This resulted in an overpayment of Rs.82,324 to a contractor in 1992.”

**14-10-98:** The Department explained that deductions on account of road crust had been made. No excess payment was made to the contractor. Anyhow, the case was subjudice as the contractor had filed a writ petition in the High Court.

The PAC kept the para pending for court decision and directed the Department to pursue the case in court vigorously.

**10-5-02:** The Committee **settled the para with the direction that subject to the decision** of the court, the Department shall implement the directive of the PAC dated 13 October 1998 by 30 September 2002 and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**13. Para I-A.13: Page 69 – Excessive Measurement – Highways Division Sheikhpura – Rs.61,808**

Audit had observed: “The division measured and paid an item of borrow pit excavation in common material twice in a length of 2010 meter. This resulted in an overpayment of Rs.61,808 to contractor in September 1993.”

**14-10-98:** The Department explained that full recovery had since been effected and got verified by Audit. The PAC accepted the explanation and **settled the para**.

**14. Para I-A.14: Page 69 – Excessive Measurement – Highways Division Sheikhipura – Rs.59,451**

Audit had observed: “The division made deduction for a quantity of 66058 cft instead of the actual

quantity of 132115 cft on account of the earth obtained from excavation from the quantity of work making embankment, while the compaction of earth obtained locally and utilized was paid for full quantity of 132115 cft. The less deduction of earth resulted in an over payment of Rs.59,451 to a contractor in 1992.”

**14-10-98:** The Department explained that the quantity of 132115 cft earth excavated from the foundations and utilized in back filling had been deducted from the earthwork.

The Audit also endorsed the contention of the Department and recommended the para for settlement. The PAC accepted the explanation and **the para was settled.**

**15. Para I-A.15: Page 70 – Excessive Measurement – Highways Division Sheikhpura – Rs.58,031**

Audit had observed: “The division measured and paid more width of the road than provided in the sanctioned estimate. This resulted in an overpayment of Rs.58,031 to a contractor in July 1989.”

**14-10-98:** The Department explained that final bill of the contractor was pending for the last 6 years. The recovery of the overpaid amount would be effected from the final bill of the contractor.

The PAC was not satisfied with the explanation of the Department and directed that recovery shall be effected from the S.D.O. concerned within two months in the prescribed manner who did not prepare the final bill of the contractor. The para was kept pending.

**10-5-02:** Reiterating the earlier decision of the PAC dated 14 October 1998, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**16. Para I-A.16: Page 70 – Excessive Measurement – Highways Division Sargodha – Rs.68,040**

Audit had observed: “The division measured and paid the item of sub base course in a length of 4600 rft instead of 3400 rft due to incorrect calculation of contents. This resulted in an overpayment of Rs.68,040 to a contractor in January 1994.”

**14-10-98:** The Department explained that full recovery had since been effected. The PAC **settled the para subject to verification** of recovery by Audit.

### **17. Para I-A.17: Page 70 – Excessive Measurement – Highways Division Khushab – Rs.128,034**

Audit had observed: “The division made payment for reinforced cement concrete for girders but did not deduct the area of the pipe in which multistrand wire was laid in the girders. This resulted in an excess payment of Rs.128,034 to a contractor in October 1993.”

**14-10-98:** The Department explained that multistrand wire was laid in the girders for strengthening the girders like steel reinforcement before the item of concrete. As such deduction of holes was not required. The PAC accepted the explanation and **the para was settled.**

### **18. Para I-A.18: Page 71 – Excessive Measurement – Highways Division Khushab – Rs.117,481**

Audit had observed: “The division failed to deduct the area covered by brick edging of old existing road from the quantity of sub base course laid over the widened portion of the road. This resulted in an excess payment of Rs.117,481 in August and December 1993.”

**14-10-98 :** The Department explained that the work had been carried out strictly according to the provision of detailed technically sanctioned estimate. The PAC accepted the explanation and **the para was settled.**

### **19. Para I-A.19: Page 71 – Excessive Measurement – Highways Division Bhakkar – Rs.103,842**

Audit had observed: “The division measured and paid 4” thickness of sub base course instead of designed thickness of 8” on 27 July 1985. The thickness of sub base course was increased from 4” to 8” in overall measurements in June 1987 whereas the item of base course in these reaches was already measured and paid on 31 July 1985. This resulted in an excess payment of Rs.103,842 to a contractor in June 1987.”

**14-10-98:** The Department explained that inquiry had been conducted and responsibility had been fixed. Further action would be taken accordingly.

The PAC kept the para pending for recovery of loss from the defaulter and disciplinary action under E & D Rules.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the

directive of the PAC.

**20. Para I-A.20: Page 72 – Excessive Measurement – Highways Division Faisalabad – Rs.112,085**

Audit had observed: “The division did not deduct the area occupied by the road edging from the quantity of earthwork as required under specification. This resulted in an overpayment of Rs.112,085 to the contractors in 1993.”

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**21. Para I-A.21: Page 72 – Excessive Measurement – Highways Division Faisalabad – Rs.101,630**

Audit had observed: “The division did not make deduction for dismantled material from the overall quantities of sub base course as required under technically sanctioned estimate. This resulted in an overpayment of Rs.101,630 to a contractor in January 1994.”

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**22. Para I-A.22: Page 73 – Excessive Measurement – Highways Division Faisalabad – Rs.75,970**

Audit had observed: “The division did not deduct area covered by road edging from the total quantity of earthwork as required by the specification. This resulted in an overpayment of Rs.75,970 to the contractors in 1993.”

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**



The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**23. Para I-A.23: Page 73 – Excessive Measurement – Highways Division Jhang – Rs.546,700**

Audit had observed: “The division measured and made a separate payment for a quantity of 13667.491 m<sup>3</sup> for clearing and grubbing included in the quantity of “formation of embankment from borrow excavation in common material” whereas unit rate of earthwork already included “clearing and grubbing” as per special provision of the agreement (SP-23). This resulted in an overpayment of Rs.546,700 to a contractor in January 1993.”

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**24. Para I-A.24: Page 73 – Excessive Measurement – Highways Division Toba Tek Singh – Rs.538,643**

Audit had observed: “The division made payment for the item of “clearing and grubbing” separate whereas unit rate of earthwork already included “clearing and grubbing” as per clause of the agreement (SP-23). This resulted in an overpayment of Rs.538,643 to a contractor in August 1993.”

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**25. Para I-A.25: Page 74 – Excessive Measurement – Highways Division Toba Tek Singh – Rs.66,063**

Audit had observed: “The division did not deduct the area covered by the road edging as

required under specification. This resulted in an overpayment of Rs.66,063 to the contractors in 1993.”

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**26. Para I-A.26: Page 74 – Excessive Measurements – Highways Division Pakpattan – Rs.74,811**

Audit had observed: “The division made payment for work done. The provision of which did not exist in the technically sanctioned estimate and was against the spirit of the Delegation of Financial Powers 1990. This resulted in an excess payment of Rs.74,811 in September 1992.”

**6-7-98:** The Department explained that estimate of work had since been revised to Rs.1,055,200 and got sanctioned. The provision of quantities as detailed in para which were missed in the original estimate had been incorporated in the revised estimate. The record had been got verified by Audit. The PAC accepted the explanation and **settled the para.**

**27. Para I-A.27: Page 75 – Excessive Measurement – Highways Division Sahiwal – Rs.87,253**

Audit had observed: “The division counted one R.D (Running Distance) for 100 feet for all items of road work but at the time of measuring curves of road the distance of one R.D was measured from 500 to 750 feet instead of one hundred feet. This resulted in an excess payment of Rs.87,253 to a contractor in 1993.”

**6.7.98:** The Department explained that the measurements shown and paid by the Department were correct.

The Public Accounts Committee directed the Department to produce the relevant record e.g. (i) Rough Cost Estimate (ii) T.S. Estimate (iii) Agreement and BOQ and (iv) Final bill to Audit for verification of factual position and the **para was settled** subject to the said verification of record.

**28. Para I-A.28: Page 75 – Excessive Measurement – Highways Division Sahiwal – Rs.51,473**

Audit had observed: “The division after taking overall measurements of all the road items

involved, measured some extra quantities of sub base, base course and triple surface treatment with respect to approaches and curves of culverts for which no provision existed in the technically sanctioned estimate. This resulted in an excess payment of Rs.51,473 to a contractor in September 1992.”

**6-7-98:** The Department contended that no extra quantities had been paid. However, keeping in view the requirements at site the original abstract & details of cost and quantities already approved by the Competent Authority were re-arranged in revised abstract by the Divisional Officer under the rules which was treated as the sanctioned abstract of the estimate for accounts purposes. Therefore, no violation of rule was involved.

The Public Accounts Committee kept the para pending and directed the Department to produce the relevant record to Audit for verification relating to (i) rough cost estimate (ii) T.S. Estimate (iii) Contract agreement and (iv) Final Bill alongwith measurement Books, and any other relevant record that the Audit may propose to consult.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **29. Para I-A.29: Page 76 – Excessive Measurement – Highways Division Vehari – Rs.148,912**

Audit had observed: “The existing road edging was to be dismantled and re-used as sub-base course as per provision of technically sanctioned estimate. The division, however, neither dismantled the existing edging nor the area covered by brick was deducted from measurements of widened portion of sub base course which was to be taken as 4.75 feet on both sides of the road instead of 5 feet. This resulted in an excessive measurement involving excess payment of Rs.148,912 to the contractors in April 1993.”

**6-7-98:** The Department explained that as per site conditions the width of existing road was 9.5 feet instead of 10 feet and as such existing road edging was not dismantled. The detailed estimate had been revised according to site conditions and it was sanctioned by the Chief Engineer (South). However, Audit re-iterated that the provision of dismantling of road edging existed in the original T.S. sanctioned in 11/91, whereas revised T.S. was sanctioned in 6/95 after completion of work to cover up the Audit objection.

The PAC directed the Department to produce the relevant record to Audit for verification. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para**

**subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**30. Para I-A.30: Page 76 – Excessive Measurement – Highways Division Vehari – Rs.67,650**

Audit had observed: “The division made payment for the item of removing of existing brick pavement for 104000 sft but only laid 28000 cft dismantled material as sub base course instead of 39000 cft provided in the technical estimate. The balance quantity of 11000 cft was paid under item of sub base of crushed stone at the higher rate of Rs.815 per % cft instead of the admissible rate of Rs.200 per % cft provided. This resulted in an excess payment of Rs.67,650 to a contractor in November 1987.”

**6-7-98:** The Department explained that an inquiry had been initiated and XEN M.M. Division Multan had been appointed as inquiry officer for fixing responsibility of loss as well as tempering of Govt. record.

The Public Accounts Committee kept the para pending and directed the Department to complete the inquiry at the earliest and finalize further action on the findings of the inquiry with regard to disciplinary action and recovery within 4 months.

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**31. Para I-A.31: Page 77 – Excessive Measurement – Highways Division Lodhran and Multan – Rs.78,595**

Audit had observed: “The division measured and paid the item of sub base in a length of 1000 rft where no embankment was constructed while another division did not deduct a quantity of 257302 cft earth available/received from regular excavation from the quantity of earth making embankment as required under specification. This resulted in an excess payment of Rs.78,595 to the contractors in August 1988 and December 1993.”

**6-7-98:** Part-I: The amount of Rs.40,000, related to Highways Division, Lodhran for which a preliminary inquiry had been conducted to fix the responsibility by the Highways Division, Khanewal and sent the report to the Chief Engineer (South) was awaited.

The Public Accounts Committee kept the para pending and directed the Department to

finalize the inquiry proceedings in respect of amount within two months positively.

Part-II: The Department explained that the recovery of Rs.38,595 had been effected. The Department was directed to get it verified by the Audit.

**10-5-02: Reiterating the earlier decision of the PAC dated 6 July 1998, the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**32. Para I-A.32: Page 77 – Excessive Measurement – Highways Division Rajanpur – Rs.232,427**

Audit had observed: “The division made payment for road structure items in excess of the approved quantities provided in the technically sanctioned estimate. This resulted in an excess payment of Rs.232,427 to a contractor in 1987.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**33. Para I-A.33: Page 78 – Excessive Measurement – Highways Division Rajanpur – Rs.86,796**

Audit had observed: “The division measured and paid base course in a length of 13500 rft to the original contractor whose contract was rescinded under clause 3(a). The division again measured and paid the item of base course in a length of 27800 rft against the balance length of 23460 rft (36960 – 13500) to the 2nd contractor. This resulted in an excess payment of Rs.86,796 to a contractor for the length of 4340 rft measured twice in September 1989.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.



**34. Para I-A.34: Page 78 – Excessive Measurement – Highways Division Layyah – 59,409**

Audit had observed: “The division measured and paid 331914 cft regular excavation of Rs.150 and Rs.223 per % cft as no extra payment was to be admissible for regular excavation in case of widening of pavement as required by amendment issued in clause 411-II-3 of specification. This resulted in an excess payment of Rs.59,409 to the contractors in February 1994.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and effect recovery. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**35. Para I-A.35: Page 79 – Excessive Measurement – Highways Division Dera Ghazi Khan – Rs.297,845**

Audit had observed: “The division measured and paid the items of course rubble masonry and stone pitching without provisions in the rough cost estimate and draft notice inviting tender. This resulted in an excess payment of Rs.297,845 to the contractors in December 1987.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**36. Para I-A.36: Page 79 – Excessive Measurement – Highways Division Dera Ghazi Khan – Rs.80,537**

Audit had observed: “The division did not deduct “road crust” from the earthwork making embankment as provided in the technically sanctioned estimate. This resulted in an overpayment of Rs.80,537 to the contractors in 1989.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for



verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**37. Para I-A.37: Page 80 – Excessive Measurement – Highways Division Rahim Yar Khan – Rs.80,800**

Audit had observed: “The division excessively measured and paid 28948 rft length of triple surface treatment against the admissible length of 27332 rft of base course as provided in the agreement and technically sanctioned estimate. This resulted in an excess payment of Rs.80,800 to a contractor in December 1993.”

**6-7-98:** The Department explained that figures had been picked up from the running bills instead of final bill wherein the position was clear. No excess payment was made rather the incurred liabilities of the contractor had been paid late. The Audit pointed out that record entries were changed/manipulated and tempered with after Audit observations.

The Public Accounts Committee directed the Department to enquire into the matter and findings of inquiry be produced to PAC within 3 months. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**38. Para I-B.1: Page 81 – Incorrect/Higher Rates – Highways Division Rawalpindi – Rs.56,488**

Audit had observed: “The division excessively measured and paid 28948 rft length of triple surface treatment against the admissible length of 27332 rft of base course as provided in the agreement and technically sanctioned estimate. This resulted in an excess payment of Rs.80,800 to a contractor in December 1993.”

**13-10-98:** The Department explained that total recovery had since been effected.

The PAC **settled the para subject to verification** of relevant record in respect of the

recovery by Audit.

### **39. Para I-B.2: Page 81 – Incorrect/Higher Rates – Highways Division Gujrat – Rs.54,746**

Audit had observed: “The division made payment at the excessive rate instead of the admissible rate of Rs.296.25, Rs.422.40 per % cft and Rs.20.30 per % sft for the items of sub base, base course and triple surface treatment in contravention of the decision of the Standing Rates Committee of July 1980. This resulted in an overpayment of Rs.54,746 to a contractor in June 1982.”

**14-10-98:** The PAC did not accept the explanation submitted by the Department for applying higher rates and directed that inquiry shall be conducted to fix responsibility within 120 days. Recovery shall be effected from the officer found responsible for the overpayment. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **40. Para I-B.3: Page 82 – Incorrect/Higher Rates – Highways Division Sialkot – Rs.494,884**

Audit had observed: “The division measured and paid an item of “reinforced cement concrete type-B (1: 1½ :3)” for a quantity of 7982 cft at the rate of Rs.50 per cft again this quantity for the same area was measured for reinforced cement concrete type-A(1:1:2) and paid at the rate of Rs.62 per cft. This resulted in double measurements involving excess payment of Rs.494,884 to a contractor in May 1993.”

**14-10-98:** The Department explained that payments were made according to the provisions of technical sanctioned estimate. Therefore, no double payment had been made. Record had also been shown to Audit.

The PAC **settled the para subject to verification** of relevant record alongwith final bill of the contractor by Audit.

#### **41. Para I-B.4: Page 82 – Incorrect/Higher Rates – Highways Division Sialkot – Rs.241,643**

Audit had observed: “The division executed the work of widening and improvement of a road wherein the existing road was to be treated as sub base course. The item of re-cambering (patch work) of the existing road was paid at the rate of Rs.1280, Rs.1245 and Rs.1425 per % cft of base-course instead of Rs.800 and Rs.845 per % cft admissible rate for sub base course. This resulted in an excess payment of Rs.241,643 to the contractors in September 1989.”

**14-10-98:** The Departmental explanation about the work carried out and payment made was accepted and **the para was settled.**

#### **42. Para I-B.5: Page 82 – Incorrect/Higher Rates – Highways Division Lahore – Rs.267,295**

Audit had observed: “The division charged the item of sand filling into non-schedule item and made payment at Rs.361 per % cft instead of the admissible rate of Rs.183.14 per % cft. This resulted in an overpayment of Rs.267,295 to a contractor in April 1993.”

**14-10-98:** The Department explained that rate paid was approved by the Competent Authority and its provision was existing in the T.S. estimate approved by the Chief Engineer. As such no overpayment was made. The PAC accepted the explanation and **the para was settled.**

#### **43. Para I-B.6: Page 83 – Incorrect/Higher Rates – Highways Division Lahore – Rs.264,734**

Audit had observed: “The division made payment for reinforced cement concrete @ Rs.120 instead of the admissible rate of Rs.82.29. The application of incorrect rate resulted in an overpayment of Rs.264,734 to a contractor in March 1993.”

**13-10-98:** The Department explained that contention of Audit was not correct as the rate of Rs.120 per cft paid for the R.C.C. in slab diaphragm etc with ratio 1:1:2 was quite correct. Therefore, no overpayment was made.

The PAC kept the para pending and directed the Department that the changes in specification and quantity shall be got regularized and shown to Audit.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 October 1998 by

30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

44. Para I-B.7: Page 83 – Incorrect/Higher Rates – Highways Division Sargodha – Rs.1,146,209

Audit had observed: “The division measured the item of road edging in a width of 3” instead of the designed width of 12” and paid at the full rate of Rs.15 and Rs.32 per meter instead of the reduced rate of Rs.5.85 and Rs.12.48 per meter. This resulted in an overpayment of Rs.1,146,209 to the contractor in October 1991 and January 1994.’

**14-10-98:** The Department explained that total recovery had been effected and got verified by Audit. The PAC accepted the explanation and **settled the para.**

45. Para I-B.8: Page 84 – Incorrect/Higher Rates – Highways Division Khushab – Rs.1,148,906

Audit had observed: “The division paid higher rates than admissible under the rules. This resulted in an excess payment of Rs.1,148,906 to a contractor in September 1985.”

**14-10-98:** The Department explained that according to Finance Department’s orders dated 10-6-87, officer of Public Works Department had been delegated the powers to allow any premium on rates contained in the sanctioned schedule of rates provided the work should be completed within the Administrative Approval plus 15% permissible excess on it. Lowest tender was considered and was approved. The work was completed within the estimated cost without any excess.

The PAC was not satisfied with the explanation and directed the Department to conduct an inquiry within two months to fix responsibility and defaulter shall be proceeded against under the rules. The para was kept pending.

**10-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**46. Para I-B.9: Page 84 – Incorrect/Higher Rates – Highways Division Faisalabad – Rs.1,100,523**

Audit had observed: “The division reduced the design of road edging to 3” wide from 12” wide but made payment at full rates of Rs.24.50, Rs.27 and Rs.38.40 per meter instead of the reduced rates of Rs.14.95, Rs.16.47 and Rs.23.43 per meter respectively. This resulted in an overpayment of Rs.1,100,523 to the contractors in 1993.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**47. Para I-B.10: Page 84 – Incorrect/Higher Rates – Highways Division Faisalabad – Rs.372,262**

Audit had observed: “The division measured 3” wide brick edging on end course instead of 12” as required under clause SP-20 of agreement and paid at full rate of Rs.38 and Rs.25 per meter instead of the reduced rate of Rs.14.75 and Rs.9.75 per meter. This resulted in an overpayment of Rs.372,262 to the contractor in 1993.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**48. Para I-B.11: Page 85 – Incorrect/Higher Rates – Highways Division Jhang – Rs.1,183,441**

Audit had observed: “The division reduced the design of road edging to 3” wide from 12” wide and made payment at full rate of Rs.13.20 per meter instead of reduced rate of Rs.5.28 per meter. This resulted in an overpayment of Rs.1,183,441 to the contractors in December 1993.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**49. Para I-B.12: Page 85 – Incorrect/Higher Rates – Highways Division Jhang – Rs.131,070**

Audit had observed: “The division did not dismantle existing road edging which was required to be re-laid as sub base course at labour rate of Rs.286 and Rs.300 per % cft as per agreement but the payment for sub base course was made @ Rs.1,200 and Rs.1,300 per % cft. This resulted in an overpayment of Rs.131,070 to the contractors in December 1993.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**50. Para I-B.13: Page 85 – Incorrect/Higher Rates – Highways Division Jhang – Rs.77,799**

Audit had observed: “The division laid 3” wide brick edging instead of 12” against the provision of agreemental clause (SP-20) and paid full rate of Rs.12 per meter instead of the reduced rate of Rs.4.68 per meter while in another case the division did not deduct the area occupied by the road edging from earthwork. This resulted in an overpayment of Rs.77,799 (Rs.45,629+Rs.32,170) to the contractors in September 1991 and January 1993.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**51. Para I-B.14: Page 86 – Incorrect/Higher Rates – Bridge Construction Division (Defunct) Muzaffargarh – Rs.1,042,636**

Audit had observed: “The division paid a rate of Rs.190 per % cft for embankment instead



of the admissible rate of Rs.80 per % cft for regular excavation of earthwork. Besides, items were measured and paid in excess of the quantity provided in draft notice inviting tender and acceptance letter. This resulted in an excess payment of Rs.1,042,636 to a contractor in June 1981.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**52. Para I-B.15: Page 87 – Incorrect/Higher Rates – Bridge Construction Division (Defunct) Muzaffargarh – Rs.137,366**

Audit had observed: “The division changed a scheduled item into a non-scheduled item and purchased bamboos of 10 to 20 feet locally at higher rate of Rs.55 to Rs.90 each instead of admissible rate of Rs.22 to Rs.38.50 each. The application of incorrect rates resulted in an overpayment of Rs.137,366 to a contractor in 1984.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**53. Para I-B.16: Page 87 – Incorrect/Higher Rates – Highways Division Layyah and Highways Division Dera Ghazi Khan – Rs.50,210**

Audit had observed: “The division made payment @ Rs.1,280 per % cft instead of the admissible rate of Rs.1,128 per % cft for the item of crushed stone sub base and allowed premium on non-schedule rate. While another division measured and paid the height of the road embankment as 16.25 feet instead of the admissible height of 14.69 feet provided in the technically sanctioned estimate. This resulted in an excess payment of Rs.50,210 to the contractors in November 1992 and April 1993.”

**10-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **54. Para I-C.1: Page 87 – Payment of Excessive Quantities – Highways Division Jhelum – Rs.103,356**

Audit had observed: “The division paid 38613 cft coarse rubble instead of the admissible quantity of 30000 cft provided in the revised rough cost estimate. This resulted in an excess payment of Rs.103,356 to a contractor in 1987.”

**13-10-98:** The Department explained that excess quantity of 8613 CFT of coarse Rubble Masonry was executed as per actual site requirements during construction of road at competitive rate plus permissible premium of 23 % which was Rs.1,233.32. Therefore, there was no loss to the Government rather a saving of Rs.2,869.85 was made by getting the excess quantity executed from the contractor. The scheme had been finalized within the agreement/accepted amount.

The PAC kept the para pending and directed that revised T.S. shall be got approved and also got verified by Audit.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **55. Para I-C.2: Page 88 – Payment of Excessive Quantities – Highways Division Kasur – Rs.518,443**

Audit had observed : “The division measured and paid a quantity of 412800 sft instead of the admissible quantity of 365280 sft for the items of premix carpeting and prime coat in a length of 15220 rft due to wrong calculations. This resulted in an overpayment of Rs.518,443 to a contractor in February 1993.”

**13-10-98:** The Department explained that recovery of Rs.518,443 had since been effected in the overall measurements recorded in the relevant M.B.

The PAC was not satisfied with the mere recovery of loss and directed the Department to take disciplinary action against the XEN, S.D.O. and Sub Engineer under E & D Rules. Divisional Accountant may also be proceeded for similar action by the D.G. Accounts Works. Action so taken may also be intimated to PAC

**The para was settled subject to disciplinary action** against the defaulting officers/officials.

#### **56. Para I-C.3: Page 88 – Payment of Excessive Quantities – Highways Division Sheikhpura – Rs.88,547**

Audit had observed: “The division allotted the balance work to a contractor and quantity of earthwork for embankment already executed and paid to original contractor was shown as 959234 cft instead of 1512657 cft. This resulted in an overpayment of Rs.88,547 to a contractor in 1992.”

**14-10-98:** The Department explained that all the intermediate payments were usually advance payments which were to be adjusted after making final measurements in the last bill of the contractor which was also done in this case.

The PAC was not satisfied with the explanation and observed that actual work was done as 959234 Cft while payment was made for 1512657 Cft. Therefore, the Department was directed that payment made for excess of 553423 Cft may either be got regularized by Finance Department or recovered from the contractor. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **57. Para I-C.4: Page 89 – Payment of Excessive Quantities – Highways Division Sargodha – Rs.156,175**

Audit had observed: “The division paid a quantity of 1192573 cft for an item of earthwork instead of the admissible quantity of 528000 cft provided in the schedule of quantity appended with the agreement. This resulted in an excess payment of Rs.156,175 to a contractor in September 1984.”

**14-10-98:** The Department explained that this Audit observation was discussed in the DAC meeting in 10/93 wherein revised technically sanctioned estimate on work done basis was required to be got approved. The requisite estimate was submitted to Chief Engineer. Approval of the Chief Engineer was yet awaited.

The PAC kept the para pending and directed to seek regularization of excess expenditure from Finance Department within two months.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

In case regularization has not so far been done, the Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **58. Para I-C.5: Page 89 – Payment of Excessive Quantities – Highways Division Sargodha – Rs.106,535**

Audit had observed: “The division did not deduct a quantity of 313337 cft on account of road crust from the quantity of patch work making embankment. This resulted in an excess payment of Rs.106,535 to a contractor in August 1987.”

**14-10-98:**The Department explained that final bill of the contractor had been prepared and excess paid amount would be adjusted against the final bill of the contractor. The PAC **settled the para subject to verification** of recovery by Audit.

### **59. Para I-C.6: Page 89 – Payment of Excessive Quantities – Highways Division Khushab – Rs.141,593**

Audit had observed: “The division measured and paid a quantity of 6693958 cft for approaches of road on both sides of the bridge instead of the admissible quantity of 6222048 cft provided in the revised technically sanctioned estimate. This resulted in an excess payment of Rs.141,593 to a contractor in October 1993.”

**14-10-98:** The Department explained that record entries were made R.D. wise. The provision of 6977607 cft earthwork existed in the detailed estimate while Audit pointed out only 6693958 cft. The earthwork was executed in the best interest of work as the river water was to be diverted under the bridge. The total earthwork was within the provision of technically sanctioned estimate. Thus there was no excess payment.

The PAC was not satisfied with the explanation and directed that relevant record i.e. Rough cost estimate, T.S. estimate, Revised T.S. estimate, M.B. showing record entries, Final Bill of the contractor shall be produced to Audit for verification. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **60. Para I-C.7: Page 90 – Payment of Excessive Quantities – Highways Division Sahiwal and Khanewal – Rs.72,708**

Audit had observed: “The division measured and paid a quantity of 89156 cft for sub-base course instead of the admissible quantity of 84733 cft provided in the technically sanctioned estimate. While another division did not deduct the area covered by road edging from sub base as provided in the technically sanctioned estimate. This resulted in an excess payment of Rs.72,708 to the contractors in August 1988 and June 1993.”

**6-7-98:** The Department explained that quantity of 89156 cft had wrongly been computed by Audit whereas actually the quantity of 39336 cft was quantity of relaying of dismantled material at labour rate of Rs.200 per cft and 4982 cft sub base. Both items were to be paid separately. There was no excess quantity paid as compared with the T.S. estimate.

The PAC kept the para pending and directed the Department to produce the relevant record to the Audit for verification.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**61. Para I-C.8: Page 91 – Payment of Excessive Quantities – Highways Division Vehari – Rs.51,669**

Audit had observed: “The division measured and paid a quantity of 5365 cft instead of the admissible quantity of 3750 cft for reinforced cement concrete provided in the technically sanctioned estimate. The excessive measurement of 1615 cft quantity resulted in an excess payment of Rs.51,669 to a contractor in March 1991.”

**6-7-98:** The Department explained that actual recovery was Rs.57,994 instead of Rs.51,669 as worked out by Audit. The said amount of Rs.57,994 had since been recovered from the contractor and verified by Audit. The PAC accepted the explanation and **settled the para.**

**62. Para I-C.9: Page 91 – Payment of Excessive Quantities – Highways Division Multan – Rs.52,641**

Audit had observed: “The division made payment for a quantity of 9350 cft for brick soling instead of the admissible quantity of 3400 cft as provided in the work orders. This resulted in an excess payment of Rs.52,641 to the contractors in June 1987.”

**6-7-98:** The Department explained that two work orders amounting to Rs.15,000 each were drawn in favour of different agencies. Due to urgency of work the amount of work orders were enhanced from 15,000 to Rs.33,889 and Rs.48,841 vide para 6.24(g) (iii) of Manual of orders. Anyhow, the officer concerned exceeded his powers but it was in the public interest.

The PAC observed that additional work was done without Technical sanction. Therefore, the officer who exceeded his power shall be proceeded against under the rules for not observing the rules and regulations on the subject. The additional work got done with



technical sanction shall be regularized by the competent Authority. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**63. Para I-C.10: Page 92 – Payment of Excessive Quantities – Highways Division Lodhran – Rs.80,136**

Audit had observed: “The division measured the width and height of a road in excess of that provided in the estimate and paid a quantity of 434070 cft instead of the admissible quantity of 233730 cft involving excessive measurement of 200340 cft. This resulted in an excess payment of Rs.80,136 to a contractor in July 1991.”

**6-7-98:** The Department explained that full recovery of Rs.26,435 had been effected and verified by Audit. The PAC accepted the explanation and **settled the para.**

**64. Para I-C.11: Page 92 – Payment of Excessive Quantities – Highways Division Lodhran – Rs.74,870**

Audit had observed: “The division measured and paid a quantity of 72000 cft instead of the admissible quantity of 64513 cft for the item of base course provided in the technically sanctioned estimate without indicating exact location. This resulted in an excess payment of Rs.74,870 to a contractor in October 1990.”

**6-7-98:** The Department explained that amount of Rs.74,870 had been recovered and verified by Audit.

The PAC kept the para pending and directed the Department that final bills shall be produced to Audit for verification.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.



**65. Para I-C.12: Page 92 – Payment of Excessive Quantities – Highways Division Lodhran – Rs.63,608**

Audit had observed: “The division measured and paid the quantities of 2900 cft brick work and 1290 Kg deformed steel instead of the admissible quantities of 288 cft and 170 Kg respectively as provided in the sanctioned estimated. This resulted in an excess of Rs.63,608 to a contractor in September 1989.”

**6-7-98:** The Department explained that excess quantity had since been regularized by the competent Authority and also verified by Audit. The PAC accepted the explanation and **settled the para.**

**66. Para I-C.13: Page 93 – Payment of Excessive Quantities – Highways Division Lodhran – Rs.60,240**

Audit had observed: “The division measured and paid a quantity of 55000 cft for base course instead of the admissible quantity of 48976 cft as provided in the technically sanctioned estimate. This resulted in an excess payment of Rs.60,240 to a contractor in October 1990.”

**6-7-98:** The Department explained that excess paid amount of Rs.60,240 had been recovered and verified by audit. The PAC accepted the explanation and **settled the para.**

**67. Para I-C.14: Page 93 – Payment of Excessive Quantities – Highways Division Dera Ghazi Khan – Rs.334,261**

Audit had observed: “The division measured and paid 44484 Kg steel instead of 11093 Kg provided in the rough cost estimate. The excessive use of steel resulted in an extra payment of Rs.334,261 to a contractor in February 1986.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**68. Para I-D.1: Page 94 – Double Measurements – Highways Division Attock – Rs.240,000**

Audit had observed: “The division measured twice the item of base course in a length of 1600 rft and paid accordingly. This resulted in an excess payment of Rs.240,000 to a contractor in December 1993.’

**13-10-98:** The Department explained that recovery of Rs.240,000 had been effected from the contractor. The PAC **settled the para subject to verification** of said recovery by Audit.

**69. Para I-D.2: Page 94 – Double Measurements – Road Construction Division Rawalpindi – Rs.58,100**

Audit had observed: “The division measured and paid the item of base course in a length of 1800 feet twice. This resulted in an excess payment of Rs.58,100 to the contractor in November 1993 and march 1994.”

**13-10-98:** The Department explained that total recovery had since been effected from the contractors. The PAC **settled the para subject to verification** of recovery by Audit.

**70. Para I-D.-3: Page 95 – Double Measurements – Highways Division Chakwal – Rs.56,000**

Audit had observed: “The division measured and paid the item of base course in a length of 1700 feet from RD 177+00 to RD 184+00 twice. This resulted in an excess payment of Rs.56,000 to a contractor in April 1994.”

**13-10-98:** The Department explained that recovery had since been effected from the contractor. The PAC **settled the para subject to verification** of relevant record by Audit.

**71. Para I-D.4: Page 95 – Double Measurements – Highways Division Sargodha – Rs.164,670**

Audit had observed: “The division measured and paid the item of base course in a length of 4400 rft twice. This resulted in an overpayment of Rs.164,670 to the contractors in 1993.”

**14-10-98:** The Department explained that full recovery had since been made and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**72. Para I-D.5: Page 95 – Double Measurements – Highways Division Bhakkar – Rs.161,496**

Audit had observed: “The division double measured 500 feet length from RD 129400 to RD 129900 and paid the same to two contractors one in group-II and the other in group-III. This resulted in an excess payment of Rs.161,496 in November 1993.”

**14-10-98:** The Department apprised the PAC that total recovery had since been effected and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

### **73. Para I-D.6: Page 96 – Double Measurements – Highways Division Faisalabad – Rs.137,472**

Audit had observed: “The division measured and paid the item of triple surface treatment in a length of 1600 feet twice. This resulted in an overpayment of Rs.137,472 to a contractor in 1993.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **74. Para I-D.7: Page 96 – Double Measurements – Highways Division Vehari – Rs.168,150**

Audit had observed: “The division measured and paid the items of brick edging and base course in a length of 900 rft twice. This resulted in double payment of Rs.168,150 to a contractor in June 1993.”

**6-7-98:** The Department explained that contract/work had since been finalized and advance payment made inadvertently in the running bills had automatically been adjusted in the subsequent/final bill. The record had been shown to Audit.

The Audit apprised the PAC that double measurement/double payment had been adjusted by the Department.

The Public Accounts Committee observed that the Department was not definite about the factual position. The Committee agreed with the Audit that double measurement was recorded which was subsequently corrected. Therefore, the Public Accounts Committee **settled the para subject to disciplinary action** against the officer responsible for showing double measurement.

### **75. Para I-D.8: Page 96 – Double Measurements – Highways Division Vehari – Rs.69,671**

Audit had observed: “The division measured and paid the item triple surface treatment in 1000 feet twice while in other case the division did not deduct road crust from the earthwork making embankment as provided in the technically sanctioned estimate. This resulted in an excess payment of Rs.69,671 to the contractors in June 1987 and 1989.”

**6-7-98:** The Department explained that an amount of Rs.46,000 had been recovered leaving a balance recovery of Rs.23,000.

The Public Accounts Committee kept the para pending and directed the Department to make its best efforts for recovering the balance amount. It was further directed that the

relevant record shall be shown to Audit for verification. It was furthermore directed that the Department may proceed against the official/officer responsible for making the excess payment.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**76. Para I-E-1: Page 97 – Manipulating/Twisting Record Entries – Highways Division Bhakkar – Rs.67,272**

Audit had observed: “The division paid the quantities of 878456 sft for resurfacing of a road and 790425 cft earthwork for making embankment by manipulating/twisting record entries and taking incorrect measurements instead of the admissible quantities of 842000 sft and 493950 cft respectively provided in the estimate. This resulted in an excess payment of Rs.67,272 (25,286 + 41,986) to the contractor in November 1985.”

**14-10-98:** The para consisted of two parts and the position was explained as under:-

**(i) Rs.41,986**

This part related to Sugar Cess road. In this case final bill had been prepared and recovery had been effected therefrom which had been verified by Audit.

**(ii) Rs.25,286**

This part related to widening of curves of road. It was equal to 2% of the pavements. During execution of work this quantity was exceeded but it was regularized by preparing the revised estimate which had been approved by the Competent Authority.

The PAC accepted the explanation and **the para was settled.**

**77. Para I-E.2: Page 97 – Manipulating/Twisting Record Entries – Highways Division Dera Ghazi Khan – Rs.72,292**

Audit had observed: “The division changed the contents of record entries in measurement book from 15600 to 31200 cft. 30000 to 60000 cft and 36000 to 67200 cft by crossing/over

writing without assigning any reason. This resulted in an excess payment of Rs.72,292 to a contractor in 1988.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**78. Para I-F.1: Page 98 – Price Variation – Highways Division Khushab – Rs.563,533**

Audit had observed: “The division made payment to the contractor for escalation on account of price variation on his running payments in clear violation of the Finance Department’s general instructions of April 2, 1992 on the subject. This resulted in an excess payment of Rs.563,533 to a contractor in March and April 1993.”

**14-10-98:** The Department explained that contract was awarded in 12/87 and at that time instructions of F.D. dated 2.4.92 were not in force. Therefore, application of these instructions in this case pertaining to 1987 was not justified. The work was carried out according to the provisions of contract agreement and other codal provisions. PAC accepted the explanation and **the para was settled.**

**79. Para II-A.1: Page 99 – Non-Recovery of Risk and Cost – Highways Division Chakwal – Rs.371,195**

Audit had observed: “The division re-allotted the balance work to another contractor in June 1990 at the risk and cost of the original contractor under clause 3(c) of the agreement but did not recover the additional expenditure on this account from the original contractor. This resulted in Non-Recovery of Government dues of Rs.371,195 in August 1991.”

**13-10-98:** The Department explained that the contractor filed a case against the recovery and got a stay in this regard. So the case was sub judice.

The PAC directed the Department to pursue the case in the court vigorously and the para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para with the direction that subject to the decision** of the court, the Department shall implement the directive of the PAC dated 13 October 1998 by 30 September 2002 and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall

monitor the implementation of the directive of the PAC.

**80. Para II-A.2: Page 99 – Non-Recovery of Risk and Cost – Highways Division Gujrat – Rs.331,642**

Audit had observed: “The division incurred an extra expenditure as the work was got executed from another contractor on the risk and cost of the original contractor who left the work incomplete. This resulted in Non-Recovery of Rs.331,642 from the original contractor in July 1982.”

**14-10-98:** The Department admitted that payment made to the defaulting contractor was recoverable from him and would be adjusted accordingly. The PAC kept the para pending for recovery of Rs.331,642.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**81. Para II-A.3: Page 100 – Non-Recovery of Risk and Cost – Highways Division Khushab – Rs.Rs.333,407**

Audit had observed: “In the division a contractor abandoned the work in June 1988 but the additional expenditure on account of risk and cost of the remaining work re-allotted to another contractor under clause 3(c) of the agreement was not recovered from the original contractor. This resulted in Non-Recovery of Rs.333,407 of Government dues in September 1989.”

**14-10-98:** The Department explained that a sum of Rs.71,909 had been adjusted against the security deposit of the contractor leaving a balance of Rs.261,498. The contractor concerned had been directed to deposit the amount with the Government. A case for the recovery of balance amount as arrears of land revenue would be moved shortly.

The PAC kept the para pending for recovery through arrears of land revenue within the shortest possible time.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para**



**subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**82. Para II-A.4: Page 100 – Non-Recovery of Risk and Cost – Highways Division Sheikhpura – Rs.535,834**

Audit had observed: “The division did not recover the additional expenditure from the original contractor as the balance work was re-allotted to another contractor under clause 3(c) of the agreement at the risk and cost of the original contractor. This resulted in Non-Recovery of Rs.535,834 of Government dues since 1992.”

**14-10-98:** The Department explained that final bill of the contractor was pending with the Department and recovery would be adjusted against the said final bill of the contractor.

The PAC kept the para pending for recovery within two months positively, and its verification by Audit.

**16-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**83. Para II-A.5: Page 101 – Non-Recovery of Risk and Cost – Highways Division Sahiwal – Rs.1,405,178**

Audit had observed: “The division failed to recover the extra expenditure incurred at the risk and cost of the original contractor. This resulted in Non-Recovery of Rs.1,405,178 in September 1992.”

**6-7-98:** The Department explained that actually an amount of Rs.291,427 was recoverable from the contractor and the same had been recovered. The other amount shown as Rs.1,111,965 was a duplication of para No. 1.15 for the year 1989-90.

The Audit apprised the PAC that there was no duplication as the para for the year 1989-90 and 1993-94 were quite different in nature of irregularity.

The Public Accounts Committee kept the para pending and directed the Department to produce the relevant record to Audit for verification.

**16-5-02: Reiterating the decision of the PAC dated 6 July 1998, the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and

take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**84. Para II-A.6: Page 101 – Non-Recovery of Risk and Cost – Highways Division Sahiwal – Rs.256,425**

Audit had observed: “In the division a contractor abandoned the work in December 1988 but the additional expenditure on account of risk and cost of the remaining work re-allotted to another contractor in May 1989 under clause 3(c) of the agreement was not recovered. This resulted in Non-Recovery of Rs.256,425 of Government dues in December 1989.”

**6-7-98:** The Department explained that this para was a duplication of para No. 1-15 for the year 1989-90 and therefore shall be deleted from here.

The Audit apprised the PAC that both the paras for the year 1989-90 and 1993-94 were quite different in nature of irregularity.

The PAC kept the para pending and directed the Department to produce the relevant record to Audit e.g. risk and cost statement, T.S. estimate, list of left over work, final bill etc. for verification.

**16-5-02:** Reiterating the decision of the PAC dated 6 July 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**85. Para II-A.7: Page 101 – Non-Recovery of Risk and Cost – Highways Division Vehari – Rs.3,564,904**

Audit had observed: “The division re-allotted the balance works to other contractors in September and December 1991, January and May 1992 at the risk and cost of original contractors under clause 3(c) of the agreements but did not recover the additional expenditure. This resulted in Non-Recovery of Government dues of Rs.3,564,904 in October 1992.”

**6-7-98:** The Department explained that an amount of Rs.459,586 had been recovered. The remaining amount of Rs.3,105,317 was risk & cost amount recoverable from four contractors. The final bills of these contractors were in process and as soon as these were finalized the said recovery of Rs.3,105,317 would be effected.

The PAC kept the para pending to effect the balance recovery. The Department was also directed to conduct an inquiry for ascertaining as to how the Government dues could not be recovered in time and who was responsible for this. This action should be completed within

two months.

**16-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

**86. Para II-A.8: Page 102 – Non-Recovery of Risk and Cost – Highways Division Vehari – Rs.319,093**

Audit had observed: “The division re-allotted the balance work to another contractor in February 1990 at the risk and cost of the original contractor under clause 3(c) of the agreement but did not recovery the additional expenditure. This resulted in Non-Recovery of Government dues of Rs.319,093 in November 1992.”

**6-7-98:** The Department explained that actual recoverable amount was Rs.342,064 and not Rs.319,093 as worked out by Audit. An amount of Rs.90,000 being security of the defaulting contractor had been adjusted against the said recovery of Rs.342,064 leaving a balance of Rs.252,064. The matter was being pursued for the balance recovery.

The Public Accounts Committee kept the para pending and directed the Department to pursue the recovery vigorously.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**87. Para II-A.9: Page 102 – Non-Recovery of Risk and Cost – Highways Division Vehari – Rs.107,514**

Audit had observed: “In the division a contractor could not complete the work and his security deposit was forfeited. The remaining work was allotted to another contractor in October 1986, but the second contractor also could not complete the work and balance work was allotted to another contractor at the risk and cost of second contractor in March 1989. The extra expenditure of Rs.107,514 was placed in August 1990 in “Misc: P.W. Advances” as recoverable from the 2nd contractor but this was not done to date. This resulted in Non-Recovery of Government dues amounting to Rs.107,514 in August 1990.”

**6-7-98:** The Department explained that an amount of Rs.95,123 had been recovered leaving a balance of Rs.12,391.

The PAC kept the para pending and directed the Department to effect the balance recovery at the earliest and also to take disciplinary action against the officer/official who did

not take timely action for recovery in the very first instance.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**88. Para II-A.10: Page 103 – Non-Recovery of Risk and Cost – Highways Division Dera Ghazi Khan – Rs.103,170**

Audit had observed: “In the division a contractor abandoned the work but the additional cost on account of risk and cost of the remaining work re-allotted to another contractor in May 1988 under clause 3(c) of the agreement was not recovered. This resulted in Non-Recovery of Government dues of Rs.103,170 since 1988.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and effect recovery. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**89. Para II-B.1: Page 103 – Non-Recovery of Hire Charges – Highways Division Chakwal – Rs.91,345**

Audit had observed: “The division did not recover balance cost of bitumen and hire charges of machinery from the contractor since December 1990. This resulted in Non-Recovery of Rs.91,345 of Government dues in June 1989.”

**13-10-98:** The Department explained that case for recovery through arrears of land revenue had been taken up with Deputy Commissioner Chakwal. The final action was awaited.

The PAC was not satisfied with the Departmental action towards the recovery of Government dues and directed to recover the said amount of Rs.91,345 from the XEN, SDO, Sub Engineer and D.A.O. concerned in the prescribed manner. The recovery so effected shall be got verified by the Audit. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **90. Para II-B.2: Page 104 – Non-Recovery of Hire Charges – Highways Division Murree – Rs.154,695**

Audit had observed: “The division let out machinery to other division without receiving the hire charges in advance as required under para 4.16 of Buildings and Roads Code. This resulted in Non-Recovery of Rs.154,695 of Government dues since June 1993.”

**13-10-98:** The Department explained that hire charges of machinery was an inter divisional payment. The bill for the hire charges of truck had already been sent to the concerned division for payment and amount had been placed in the Misc P.W. Advance to watch the recovery which was expected to be finalized very soon.

The PAC **settled the para subject to verification** of relevant record by Audit in respect of adjustment of outstanding amount.

### **91. Para II-B.3: Page 104 – Non-Recovery of Hire Charges – Highways Division Rawalpindi – Rs.662,150**

Audit had observed: “The division let out machinery to various contractors for different works without receiving hire charges in advance against the provision of para 4.16 of Buildings and Roads Code. This resulted in Non-Recovery of Rs.662,150 of Government dues in June 1993.”

**13-10-98:** The Department explained that total recovery had been effected from the contractor. The PAC **settled the para subject to verification** of recovery by Audit.

### **92. Para II-B.4: Page 104 – Non-Recovery of Hire Charges – Highways Division Sheikhpura – Rs.86,980**

Audit had observed: “The division let out machinery to different contractors but recovery was made for the actual days whereas the recovery was required to be made for the total period irrespective of the fact machinery remained idle due to any reason as per Chief Engineer’s instruction of April 1992. Moreover, the recovery was effected @ Rs.488 per day instead of the actual rate of Rs.755 per day as provided in the sanctioned estimates while in another case no recovery on this account was made. This resulted in less/Non-Recovery of Government dues of Rs.86,980 from September 1991 to September 1993.”

**14-10-98:** The Department explained that recovery of Rs.83,580 had been effected leaving a balance of Rs.3,400.

The PAC **settled the para subject to balance recovery and verification** of full recovery by Audit.

### **93. Para II-B.5: Page 105 – Non-Recovery of Hire Charges – Highways Division Toba Tek Singh – Rs.105,496**



Audit had observed: “The division recovered an amount of Rs.49,304 instead of the actual amount of Rs.154,800 on account of hire charges of machinery let out to the contractors from April 1992 to July 1993. This resulted in Non-Recovery of balance amount of Rs.105,496 in October 1993.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**94. Para II-B.6: Page 105 – Non-Recovery of Hire Charges – Highways Division Toba Tek Singh – Rs.56,717**

Audit had observed: “The division made recovery @ Rs.488 per day instead of the estimated rate of Rs.607 per day for machinery let out to the contractor. While in another case the division failed to make recovery for 173 hours from April 1992 to November 1992 on account of hire charges. This resulted in Non-Recovery of Rs.56,717 of Government dues in October 1993.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**95. Para II-B.7: Page 106 – Non-Recovery of Hire charges – Machinery Maintenance Division Multan – Rs.154,745**

Audit had observed: “The division failed to recover in advance the hire charges of machinery from the sister divisions though the contractors had received payment for work done by utilizing these machines. This resulted in undue financial benefit to the contractors and Non-Recovery of Rs.154,745 from October 1990 to November 1991.”



**6-7-98:** The Department explained that the recovery had been effected except a minor amount of Rs.35,000 for which every effort was being made to finalize the same.

The PAC kept the para pending for balance recovery and also directed the Department to take disciplinary action against the person responsible for allowing undue financial benefit to the contractor.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**96. Para II-B.8: Page 106 – Non-Recovery of Hire Charges – Highways Division Dera Ghazi Khan – Rs.135,629**

Audit had observed: “The division did not recover in advance the hire charges of machinery used by the contractors as required under rule 4.16(v) of Buildings and Roads Department Code. This resulted in Non-Recovery of Rs.135,629 of Government dues in May 1990.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**97. Para II-B.9: Page 107 – Non-Recovery of Hire Charges – Highways Division Dera Ghazi Khan – Rs.100,767**

Audit had observed: “The division did not recover P.O.L and carriage charges from two sister divisions. This resulted in Non-Recovery of Rs.100,767 of Government dues in November 1981 and September 1982.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**98. Para II-B.10: Page 107 – Non-Recovery of Hire Charges – Highways Division Rajanpur – Rs.67,289**

Audit had observed: “The division made recovery of hire charges of road roller for 97 days at Rs.459.40 per day instead of 222 working days at Rs.531.40 for 137 days and at Rs.459.40 for 85 days from the contractor. This resulted in less recovery of Rs.67,289 of Government dues in March and August 1990.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and effect recovery. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**99. Para II-C.1: Page 108 – Non-Recovery of Professional Tax, Rent and Cost of Bitumen- Highways Division Chakwal – Rs.120,000**

Audit had observed: “The division did not recover rent of petrol pumps for 1990-91 and 1991-92 @ Rs.5000 per annum fixed by the Government in June 1990. This resulted in Non-Recovery of Rs.120,000.”

**13-10-98:** The Department explained that the P.O.L. agencies had challenged the revised rate of rent per annum for approaches of Petrol Pumps. So the matter was subjudice.

The PAC kept the para pending and directed the Department to pursue the court case vigorously to get it finalized as early as possible.

**16-5-02:** On consideration of the facts of the case, **the Committee decided to settle the para subject to the decision** of the court. The Department shall implement the directive of the PAC dated 13 October 1998 by 30 September 2002 and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**100. Para II-C.2: Page 108 – Non-Recovery of Professional Tax, Rent and Cost of Bitumen- Highways Division Jhelum – Rs.65,859**

Audit had observed: “The division did not make recovery of cost of bitumen from the contractors, supplied in July and October 1983. This resulted in Non-Recovery of Government dues of Rs.65,859 since 1983.”

**13-10-98:** The Department explained that recovery of Rs.29,750 had been effected from the contractor concerned leaving a balance of Rs.36,109.

The PAC kept the para pending for balance recovery and its verification by Audit.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**101. Para II-C.3: Page 108 – Non-Recovery of Professional Tax, Rent and Cost of Bitumen- Highways Division Jhelum – Rs.57,680**

Audit had observed: “The division issued 8 metric ton bitumen worth Rs.57,680 for use on work in September 1985 but did not make any recovery on that account. Misappropriation of Government material thus could not be ruled out.”

**13-10-98:** The Department explained that an inquiry was conducted and it was found that Sub Engineer concerned was responsible for the loss. The higher competent authorities had been requested to proceed against the said Sub Engineer.

The PAC kept the para pending and directed that the defaulter Sub Engineer shall be proceeded against under E & D Rules. The loss of Government money may also be made good from him in the prescribed manner. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**102. Para II-C.4: Page 109 – Non-Recovery of Professional Tax, Rent and Cost of Bitumen- Highways Division Khushab – Rs.90,094**

Audit had observed: “The division did not recover cost of bitumen, empty tar drums, penalty and secured advance from the contractor. This resulted in Non-Recovery of Rs.90,094 of Government dues in September 1985.”

**14-10-98:** The Department explained that work had not yet been completed. A revised rough cost estimate had since been submitted to the Authority for revised Administrative Approval. The work will be finalized on receipt of revised Administrative Approval and allocation of funds. Then the said recovery would be effected from the contractor. The PAC **settled the para subject to verification** of recovery by Audit.

**103. Para II-C.5: Page 109 – Non-Recovery of Professional Tax, Rent and Cost of Bitumen- Highways Division Sheikhpura – Rs.115,516**

Audit had observed: “The division issued 23 metric ton bitumen to a contractor out of which 11.84 metric ton bitumen was used and recovered at the agreed rate. The remaining bitumen of 11.16 metric ton was not used on bonafide work, which was required to be recovered @ Rs.11,330 per metric ton at prevailing market rate instead of Rs.3,836 per metric ton. This resulted in short recovery of Rs.115,516 of Government dues in 1992.”

**14-10-98:** The Department explained that final bill of the contractor was pending and the recovery would be adjusted against the said final bill.

The PAC did not feel satisfied with the explanation and directed that inquiry shall be conducted and fix responsibility for Non-Recovery of Government funds and recovery shall be effected from the defaulters alongwith disciplinary action under E & D Rules. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**104. Para II-C.6: Page 110 – Non-Recovery of Professional Tax, Rent and Cost of Bitumen- Highways Division Faisalabad – Rs.262,227**

Audit had observed: “The division did not recover the cost of bitumen issued in March 1987 and secured advance allowed in April 1987 before rescission of the contract agreement. This resulted in Non-Recovery of Rs.262,227 in January 1990.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**105. Para II-C.7: Non-Recovery of Professional Tax, Rent and Cost of Bitumen –**

### **Highways Division Faisalabad – Rs.175,210**

Audit had observed: “The division did not recover professional tax from 1985-86 to 1989-90 and cost of stores issued to various contractors in 1967-68. This resulted in Non-Recovery of Rs.175,210 of Government dues.”

**16-5-02:** The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation of the Department to have deducted the same at source. **The para was settled to that extent.** However, the other outstanding amounts shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **106. Para II-C.8: Page 111 – Non-Recovery of Professional Tax, Rent and Cost of Bitumen – Highways Division Multan – Rs.59,852**

Audit had observed: “The division made payment for supply of stores but minus items outstanding in the schedule of purchases were not adjusted. This resulted in Non-Recovery of Rs.59,852 from June 1968 to June 1969.”

**6-7-98:** The Department explained that adjustment on account of bitumen costing Rs.46,037 had since been made and accounted for in monthly account for 8/97 leaving a balance of Rs.13,814. The chances for the recovery of remaining amount were not bright.

The PAC kept the para pending for the verification of recovered amount of Rs.46,037 by Audit and also directed the Department to proceed for the write off sanction of the balance amount of Rs.13,814, under the rules.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **107. Para II-C.9: Page 111 – Non-Recovery of Professional Tax, Rent and Cost of Bitumen – Highways Division Dera Ghazi Khan – Rs.50,600**

Audit had observed: “The Division neither accounted for 506 empty tar drums nor disposal thereof shown to audit. The omission resulted in Non-Recovery of Rs.50,600 in 1985 and 1986.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para**



**subject to the following direction –**

The Department shall investigate the matter and effect recovery. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**108. Para II-C.10: Page 112 – Non-Recovery of Professional Tax, Rent and Cost of Bitumen – Highways Division Layyah – Rs.123,600**

Audit had observed: “The division issued 20 metric ton bitumen for use on a work in May 1992, but neither the cost of bitumen was recovered nor accounted for in the material at site account as required under the rules. This resulted in undue financial aid to the contractor and Non-Recovery of Government dues of Rs.123,600.”

**16-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall investigate the matter to recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**109. Para II-D.1: Page 112 – Non-Recovery of Secured Advance – Highways Division Rawalpindi – Rs.112,500**

Audit had observed: “The division paid secured advance of Rs.150,000 to the contractor in June 1982 and rescinded his contract in May 1983. The advance was adjusted in March 1987 but did not recover the interest for 5 years at 15% as required under clause 7 of the Indenture Bond. This resulted in Non-Recovery of Rs.112,500 since 1987.”

**13-10-98:** The Department explained that the secured advance was granted in June, 1982 for steel. The steel was not consumed upto 21.5.83 when the agreement was rescinded. Accordingly, the material (Steel) lying at site was taken over by the Department on material at site register. But it could not be accounted for against the advance upto 3/87 and this very fact created the ambiguity. Anyhow, the material had remained in the custody of the Department and therefore no interest was involved.

The PAC **settled the para subject to verification** of relevant record in support of Departmental contention by Audit.

**110. Para II-D.2: Page 113 – Non-Recovery of Secured Advance – Highways Division**



**Jhelum – Rs.285,637**

Audit had observed: “The division re-allotted the balance work to another contractor at the risk and cost of the original contractor under clause 3(c) of the agreement but did not recover the secured advance of Rs.223,861 and cost of 10 metric ton bitumen amounting to Rs.61,776 from the contractor. This resulted in Non-Recovery of Rs.285,637 of Government dues in December 1990.”

**13-10-98:** The Department explained that full recovery had since been adjusted against the payment of the contractor concerned. The PAC **settled the para subject to the verification** of relevant record by Audit.

**111. Para II-D.3: Page 113 – Non-Recovery of Secured Advance – Highways Division Gujrat – Rs.81,988**

Audit had observed: “The division failed to recover the cost of material and amount of secured advance granted to a contractor who abandoned the work in June 1982. This resulted in Non-Recovery of Rs.81,988 of Government dues in June 1982.”

**14-10-98:** The Department apprised the PAC that recovery had since been effected and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**112. Para II-D.4: Page 113 – Non-Recovery of Secured Advance – Highways Division Sheikhpura – Rs.1,469,734**

Audit had observed: “The division made advance payment to the sister divisions from December 1978 to December 1990 but did not make any recovery of the advance payments. This resulted in Non-Recovery of Rs.1,469,734 of Government dues since December 1978.”

**14-10-98:** The Department explained that a sum of Rs.8,66,156 had been recovered and efforts were being made to effect the balance recovery.

The PAC directed that balance recovery shall be completed within two months and got verified by Audit. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **113. Para II-D.5: Page 114 – Non-Recovery of Secured Advance – Highways Division Jhang – Rs.511,916**

Audit had observed: “The division failed to recover outstanding Government dues on account of secured advance and bitumen issued to a contractor who could not complete the work and the balance work was re-allotted to another contractor in April 1993 without finalizing the accounts of original contractor. This resulted in Non-Recovery of Rs.511,916 since March 1991.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **114. Para II-E-1: Page 114 – Non-Recovery of Minus Bill – Highways Division Gujranwala – Rs.325,291**

Audit had observed: “The division measured and paid the items of earthwork and sub base course in excess of that actually executed at site by the contractor. The contractor became defaulter in June 1988 after receiving excess payment as his bill turned into minus for Rs.325,291 which was placed in “Misc: P.W. Advances”. This resulted in Non-Recovery of Government dues of Rs.325,291 in March 1989.”

**14-10-98:** Audit pointed out that the Department had made excess payment of Rs.325,291 to the contractor, who later became defaulter and deserted.

The PAC directed the Department to conduct an inquiry. Responsibility for loss of Government money shall be fixed and stern disciplinary action shall be taken against the officers found responsible. Loss of Government money may also be recovered in the prescribed manner from the defaulters who negligently provided an opportunity to the contractor to go away with Government money without executing the work. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **115. Para II-E.2: Non-Recovery of Minus Bill – Highways Division Faisalabad – Rs.824,432**

Audit had observed: “The division adjusted difference of rates and cost of bitumen worth Rs.780,045 from the final bill of the original contractor on the completion of the work which turned into minus for Rs.824,432. This resulted in Non-Recovery of Rs.824,432 of Government dues in August 1990.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter – recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **116. Para II-E-3: Page 115 – Non-Recovery of Minus Bill – Highways Division Vehari – Rs.1,270,095**

Audit had observed: “The division finalized the accounts of six contractors which turned into minus for Rs.1,270,095 which was not recovered/adjusted despite the lapse of two to five years. This resulted in Non-Recovery of Rs.1,270,095 in 1993.”

**6-7-98:** The Department explained that actual recoverable amount was Rs.1,110,095 and not Rs.1,270,095 as worked out by Audit. The said amount of Rs.1,110,095 had since been recovered from the contractors.

The PAC kept the para pending for verification of record by Audit in support of the recoverable figure of Rs.1,110,095.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **117. Para II-F.1: Page 116 – Non-Recovery of Penalty –Highways Division Faisalabad – Rs.52,200**

Audit had observed: “In the division Superintending Engineer while granting extension in the completion period imposed a penalty of Rs.52,200 for the extended period

@ Rs.0.015% per day of agreemental amount (120 days) which was not recovered. This resulted in Non-Recovery of Government dues of Rs.52,200 in January 1987.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**118. Para II-F.2: Page 116 – Non-Recovery of Penalty – Highways Division Rajanpur – Rs.450,000**

Audit had observed: “In the division a contractor could not complete the work even within the extended period, but penalty @ 10% of Rs.4,500,000 under clause 2 of the contract agreement was not imposed. This resulted in Non-Recovery of penalty of Rs.450,000 from the contractor in September 1987.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**119. Para II-G.1: Page 117 – Non-Recovery of Excess Payment – Highways Division Faisalabad – Rs.561,789**

Audit had observed: “In the division a contractor did not execute the item of work triple surface treatment which was to be done free of cost as per his agreement. In addition the earthwork was paid in excess of the sanctioned estimate. This resulted in Non-Recovery of Government dues of Rs.561,789 in June 1989.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**120. Para III-A.1: Page 118 – Acceptance of Tenders at Higher Rates – Highways Division Murree – Rs.332,552**

Audit had observed: “The division accepted tenders for a work at 12.73% above the amount of technically sanctioned estimate instead of the permissible ceiling of 4.5% fixed by the Government in Delegation of Power Rules 1990. This resulted in a loss to the Government of Rs.332,552 in November 1990.”

**13-10-98:** PAC referred this para to the Committee constituted in respect of para III-A.4 below with similar action. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**121. Para III-A.2: Page 118 – Acceptance of Tenders at Higher Rates – Road Construction Division Rawalpindi – Rs.1,351,192**

Audit had observed: “The division accepted tenders for two works at 18.37% and 14.54% above technically sanctioned estimate instead of the admissible ceiling of 4.5% in contravention of Delegation of Financial Power Rules 1990. This resulted in a loss to Government for Rs.1,351,192 in July 1990 and August 1991.”

**13-10-98:** The PAC referred this para to the Committee constituted in respect of para No.III-A.4 for similar action. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**122. Para III-A.3: Page 119 – Acceptance of Tenders at Higher Rates – Highways Division Sargodha – Rs.327,078**

Audit had observed: “The division accepted tenders for a work at 6.22% over the amount of technically sanctioned estimate in contravention of the ceiling fixed by the Government of 4.5% in the Delegation of Financial Power Rules 1990. This resulted in a loss to Government of Rs.327,078 in April 1991.”



**14-10-98:** The para was referred to the Committee constituted against para III-A.4 for similar action.

**16-5-02:** On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**123. Para III-A.4: Page 119 – Acceptance of Tenders at Higher Rates – Highways Division Lahore – Rs.17,337,491**

Audit had observed: “The division changed the source of supply of stone for base course to Sikkanwali from Chiniot after receipt of tenders, thus increasing the estimated cost to bring the tendered rates within 4.5% of the estimates - the permissible ceiling for acceptance of tenders. This resulted in a loss of Rs.17,337,491 due to acceptance of higher rates in October 1991.”

**13-10-98:** The Audit had pointed out that the loss of Rs.17,337,491 had occurred due to change of the source of supply of stone from Chiniot to Sikhanwali after receipt of tenders. The Department explained that commutation of tenders was done by counting the contingencies of work.

The PAC was not satisfied with the explanation of the Department and constituted a Committee comprising the following to inquire into the matter and fix responsibility for the loss and submit its report to PAC within two months:-

- (i) Additional Secretary, Communications & Works Department;
- (ii) Deputy Director Audit Works; and
- (iii) A representative not less than the rank of Deputy Secretary, from Finance Department.

The para was kept pending.

**16-5-02:** On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**124. Para III-A.5: Page 120 – Acceptance of Tenders at Higher Rates – Highways Division Lahore – Rs.2,914,733**

Audit had observed: “The division accepted tenders for four works at 9.19%, 9.20% and 9.55% above technically sanctioned estimates instead of the admissible ceiling of 4.5%



in contravention of Delegation of Financial Power Rules 1990. This resulted in a loss of Rs.2,914,733 to Government in September 1992.”

**14-10-98:** As against para III-A.4.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**125. Para III-A.6: Page 120 – Acceptance of Tenders at Higher Rates – Highways Division Kasur – Rs.705,306**

Audit had observed: “A formation accepted tenders for a work at 7.49% above the technically sanctioned estimate instead of permissible limit of 4.5% fixed by the Government in Delegation of Financial Powers 1990. This resulted in a loss to Government of Rs.705,306 in September 1992.”

**13-10-98:** The PAC referred this para to the committee constituted against para III-A.4 for similar action. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**126. Para III-A.7: Page 121 – Acceptance of Tenders at Higher Rates – Highways Division Kasur – Rs.424,485**

Audit had observed: “The division accepted tenders for the works at 6.5%, 6.66% and 7% above technically sanctioned estimates against the permissible ceiling of 4.5% fixed by the Government in Delegation of Financial Powers Rules 1990. This resulted in a loss of Rs.424,485 to Government in July 1992.”

**13-10-98:** The PAC referred this para to the committee constituted against para III-A.4 for similar action. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para**

**subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**127. Para III-A.8: Page 121 – Acceptance of Tenders at Higher Rates – Highways Division Jhang – Rs.242,802**

Audit had observed: “The division accepted tenders of a work at 6.2% above estimated amount instead of the admissible ceiling of 4.5% fixed by the Government in the Delegation of Financial Powers Rules 1990. This resulted in a loss of Rs.242,802 to Government in March 1993.”

**16-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**128. Para III-A.9: Page 122 – Acceptance of Tenders at Higher Rates – Highways Division Sahiwal – Rs.107,514**

Audit had observed: “The division accepted tenders at 17.54% above administratively approved cost in violation of the ceiling of 15% fixed by the Government. This resulted in a loss of Rs.107,514 to Government in March 1991.”

**6-7-98:** The Department admitted the irregularity that the officer concerned while accepting the tender bid of 17.54% above the administrative approval exceeded his financial powers.

The PAC kept the para pending and directed the Department to proceed against the officer concerned under E & D Rules and also to move for the regularization of the irregularity by the Finance Department. The disciplinary action and regularization must be completed within three months.

**16-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly

Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**129. Para III-A.10: Page 122 – Acceptance of Tenders at Higher Rates – Highways Division Dera Ghazi Khan – Rs.105,588**

Audit had observed: “The division accepted tenders at 16.92% above administratively approved estimated cost instead of 15% in violation of ceiling fixed by the Government in Delegation of Financial Power Rules by including 2% cost of contingency irregularly. This resulted in a loss of Rs.105,588 to Government in June 1989.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**130. Para III-A.11: Page 123 – Acceptance of Tenders at Higher Rates – Highways Division Bahawalnagar – Rs.2,234,848**

Audit had observed: “The division opened tenders on 13 March 1990 and the lowest bid of Rs.6,074,916 was not accepted by the Superintending Engineer. Fresh tenders were called and opened on 19 February 1991 and the lowest bid Rs.8,309,764 was accepted. This resulted in a loss of Rs.2,234,848 to the Government in February 1991.”

**6-7-98:** The Department explained that rates tendered on 13-3-91 were not rejected rather the same were kept pending for revision of the scheme. The revised Admn: Approval was accorded by the Authority during 6/91. The contractor, on the expiry of 60 days, after the tendering date, refused to execute the work on the previous rates tendered by him. The refusal of the contractor was genuine and according to the rules. Accordingly, the earnest money was released. The new tenders were received in 2/91 with increased rates due to increase in material and labour rates. As such no loss was involved.

The PAC was not satisfied with the explanation and directed to enquire as to what were the special circumstances which necessitated the revision of scheme and if the scheme was lacking some where, then, why the tenders were called for which were not finalized and offer of the contractor for lesser rates had gone by default. Therefore, responsibility for not

accepting the tenders at the 1st instance and acceptance of tenders at higher rates shall be fixed and defaulters be proceeded against for disciplinary action. All this process shall be completed within six months. The para was kept pending.

**16-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

**131. Para III-B.1: Page 124 – Non-Accountal and Bonafide Consumption of Material – Highways Division Chakwal – Rs.187,200**

Audit had observed: “The division issued 20 metric ton bitumen for construction of road in December 1988 and October 1989. Neither this quantity was consumed on the work nor taken on material at site account or on stock account despite lapse of three years. This resulted in a loss of Rs.187,200 to Government due to misappropriation of bitumen.”

**13-10-98:** The Department explained that full recovery had been made and disciplinary action against the SDO and S.E. concerned was also in process. **The PAC settled the para subject to verification** of recovery by Audit.

**132. Para III-B.2: Page 124 – Non-Accountal and Bonafide consumption of Material – Highways Division Gujrat – Rs.414,300**

Audit had observed: “The division did not account for the receipt back of 4143 empty tar drums in the relevant register and subsequent disposal thereof was not forthcoming. This resulted in a loss of Rs.414,300 to the Government from September 1981 to June 1982.”

**14-10-98:** The Department explained that empty tar drums were received back and properly accounted for.

The Audit apprised that Department did not produce the record for verification even the decision of DAC in this regard was not complied with.

The PAC directed that either the accountal shall be shown to Audit or the proportionate amount of the loss shall be recovered from the S.D.O. concerned and remaining amount be got written off by the Finance Department.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the

Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**133. Para III-B.3: Page 125 – Non-Accountal and Bonafide Consumption of Material – Highways Division Sheikhpura – Rs.69,156**

Audit had observed: “The division allotted surface dressing of road to a contractor in October 1989 and the contractor failed to start the work but the Department issued 7 metric ton bitumen to the contractor for repair in June 1992. The bitumen was neither taken back from the contractor nor the recovery was made. This resulted in a loss of Rs.69,156 in June 1992.”

**14-10-98:** The Department explained that 7.00 M. Tons bitumen was issued for the work allotted to a contractor. The work was allotted in 1989-90 whereas the bitumen was issued in 1991-92. The record measurement was made by another Sub Engineer unauthorisedly. The facts created doubt that bitumen had been misappropriated.

The PAC directed that inquiry shall be conducted and responsibility for the misappropriation of bitumen shall be fixed. Recovery shall be effected from the defaulter alongwith disciplinary action under E&D Rules. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**134. Para III-B.4: Page 125 – Non-Accountal and Bonafide Consumption of Material – Highways Division Sahiwal – Rs.560,700**

Audit had observed: “The division failed to account for 5841 number empty tar drums and the bonafide consumption or disposal. This resulted in a loss of Rs.560,700 to Government from 1985 to 1987.”

**6-7-98:** The Department explained that responsible officers had retired. Anyhow, the Chief Engineer was conducting an inquiry to fix responsibility for the loss.

The PAC directed that responsibility should also be fixed as to who was responsible for issuance of No Demand Certificate for the grant of pension and related retiring benefits in favour of the defaulting officer. This process shall be completed within three months positively. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and effect recovery. The same shall be got verified from the Audit and reported to the Finance Department and the



Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**135. Para III-B.5: Page 126 – Non-Accountal and Bonafide Consumption of Material – Highways Division Sahiwal – Rs.151,560**

Audit had observed: “The division dismantled 190080 rft brick edging but neither the material of 35640 cft received from dismantling was accounted for nor re-used as sub base course provided in the technically sanctioned estimate. This resulted in a loss of Rs.151,560 to Government in June and November 1991.”

**6-7-98:** The Department explained that recovery/adjustment of Rs.124,800 had since been made leaving a recoverable balance of Rs.26,760.

The PAC kept the para pending for balance recovery and also directed the Department for disciplinary action against the officer/official responsible for the loss to Government.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**136. Para III-B.6: Page 126 – Non-Accountal and Bonafide Consumption of Material – Highways Division Rajanpur – Rs.254,075**

Audit had observed: “The division made advance payment to the Executive Engineer Canal Division Rahim Yar Khan for conducting topographic survey of river Indus at Nishtar Ghat, who did not return back the machinery, tools and plant articles purchased out of the funds of the Highways Department to them. This resulted in a loss of Rs.254,075 to the Government in May and October 1986.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**137. Para III-B.7: Page 127 – Non-Accountal and Bonafide Consumption of Material – Highways Division Dera Ghazi Khan – Rs.7,486,977**



Audit had observed: “The division blasted 1599212 cft medium rock and 456000 cft hard rock but the stone received by blasting was not taken on stock. This resulted in a loss of Rs.7,486,977 to Government in August 1993 and February 1994.”

**16-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

**138. Para III-B.8: Page 127 – Non-Accountal and Bonafide Consumption of Material – Highways Division Dera Ghazi Khan – Rs.70,329**

Audit had observed: “The division made payment for secured advance amounting to Rs.70,329 in August 1979. The contractor abandoned the work and his contract was rescinded under clause 3(a) of the agreement in October 1979 and the remaining work was allotted to another contractor in May 1980. Neither the material was accounted for in the Government record nor was issued to the 2nd contractor for use on the work. This resulted in a loss of Rs.70,329 to Government in May 1981.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**139. Para III-C.1: Page 128 – Misappropriation and Theft of Govt Material – Highways Division Chakwal – Rs.90,000**

Audit had observed: “In the division parts of road roller No.1331 were stolen as reported by the Sub Engineer. Neither the theft of material was reported to the police nor to audit as required under rule 2.34 of Punjab Financial Rules. This resulted in a loss of Rs.90,000 to the Government in November 1994.”

**13-10-98:** The Department explained that an inquiry was conducted which revealed that actually the parts were not missing but the same were with the mechanic for repair of machine. The PAC accepted the explanation and **the para was settled.**

**140. Para III-C.2: Page 128 – Misappropriation and Theft of Govt Material – Highways Division Jhelum – Rs.879,031**

Audit had observed: “In the division the concerned Sub Engineer did not hand over the complete and proper charge and 165.73 metric ton bitumen was found short during joint physical verification conducted by two Sub Divisional Officers in May 1991. This resulted in Misappropriation of material worth Rs.879,031.”

**13-10-98:** The Department explained that inquiry was conducted as a result of which misappropriation had been proved against Mirza Ghulam Rasool, Sub Engineer (since retired). Commutation amounting to Rs.539,400 was still with the Department and the same will be adjusted against the misappropriation. D.A.O. concerned had been informed in this regard.

The PAC kept the para pending for completion of recovery and verification of the same by Audit.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**141. Para III-C.3: Page 129 – Misappropriation and Theft of Govt Material – Highways Division Jhelum – Rs.281,170**

Audit had observed: “In the division 31 metric ton bitumen was found short against a Sub Engineer during physical verification conducted by the Sub Divisional Officer in August 1991. This resulted in Misappropriation of material worth Rs.281,170.”

**13-10-98:** The Department explained that inquiry against the accused Sub Engineer was under process and further action would be taken after completion of inquiry. The para was kept pending for completion of inquiry and action against the defaulter within three months positively.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**142. Para III-C.4: Page 129 – Misappropriation and Theft of Government Material – Highways Division Shekhupura – Rs.386,436**

Audit had observed: “The division issued 55.5 metric ton bitumen to various works from September to December 1990 without the approval of the competent authority. Neither the cost of bitumen was recovered nor the indents were got approved. This resulted in likely Misappropriation of Government material amounting to Rs.386,436.”

**14-10-98:** The Department explained that an inquiry was under process to probe the matter and further action would be taken after the receipt of inquiry report.

The PAC directed that inquiry shall be completed within three months and responsibility be fixed for the misappropriation of bitumen. Recovery shall be made from the defaulter. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**143. Para III-C.5: Page 130 – Misappropriation and Theft of Govt Material – Highways Division Toba Tek Singh – Rs.53,816**

Audit had observed: “In the division different items of tools and plant/machinery were mis-placed but neither any report was lodged with police authorities nor the matter was reported to audit as required under rule 2.34 of Punjab Financial Rules. While in another case the division did not deduct the available earth of 40451 cft from the item of making embankment. This resulted in a loss of Rs.53,816 to the Government from March 1990 to October 1991.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and effect recovery. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**144. Para III-C.6: Page 130 – Misappropriation and Theft of Govt Material – Highways Division Lodhran – Rs.95,172**

Audit had observed: “The division failed to produce bonafide consumption of 21 metric ton bitumen issued in June 1986 and taken material at site account merely to utilize the budget grant. This resulted in Misappropriation of material worth Rs.95,172 in June 1986.”

**6-7-98:** The Department explained that consumption record of the bitumen involved in the para had been produced to Audit for scrutiny/verification. The result of verification was awaited.

The PAC kept the para pending for verification of the relevant record by the Audit.

**16-5-02:** Reiterating the decision of the PAC dated 6 July 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**145. Para III-C.7: Page 131 – Misappropriation and Theft of Govt Material – Highways Division Lodhran – Rs.82,381**

Audit had observed: “The division issued 502 metric ton bitumen to sister division in September 1987 out of which the cost of 482.17 metric ton was recovered in June 1989. This resulted in likely Misappropriation of balance quantity of 19.83 metric ton and put a loss of Rs.82,381 to Government.”

**6-7-98:** The Department explained that the matter was being pursued by the Highway Division Multan and Vehari for adjustment of the cost of bitumen. The Audit pointed out that the explanation of the Department was irrelevant as both the Divisions had been shifting the responsibility to each other.

The PAC kept the para pending and directed that the matter shall be brought to the notice of Administrative Secretary for appropriate action so as to finalize the adjustment of cost of bitumen.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**146. Para III-D.1: Page 131 – Payments Without Funds and Beyond Estimates – Highways Division Sialkot – Rs.2,119,681**

Audit had observed: “The division made payment to various contractors by placing the amount in “Misc: P.W. Advances” due to want of funds. This resulted in a loss to Government of Rs.2,119,681 in July and August 1993.”

**14-10-98:** Audit pointed out that the expenditure of Rs.2,119,681 was incurred without budget and availability of funds.

PAC viewed the situation seriously and considered the matter as a typical instance

of financial indiscipline. The PAC observed that there is a possibility that the payment may have been made without actually executing the work. Therefore the PAC directed that inquiry shall be conducted to ascertain whether the work was actually carried out and to fix responsibility for the said irregularity on the XEN, S.D.O., Sub Engineer, D.A.O. and Divisional Accountant according to their contributory involvement. The result of inquiry shall be intimated to PAC within three months. The para was kept pending.

**16-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

**147. Para III-D.2: Page 132 – Payment Without Funds and Beyond Estimates – Highways Division Narowal – Rs.125,025**

Audit had observed: “The division got executed the work of widening/improvement of a road from a contractor and made payment of Rs.125,025 to other contractors on account of supply of stone metal, fuel wood and brick bats etc. by charging to the same work without provision in the administrative approval, technically sanctioned estimate and without approval by the competent authority. This resulted in a loss of Rs.125,025 to the Government due to doubtful payment in November 1992.”

**14-10-98:** The Department explained that payments were made for the work actually carried out at site through diverting the contingencies of the work under the orders and approval of the Competent Authority. The PAC **settled the para subject to verification** of relevant record by Audit.

**148. Para III-D.3: Page 132 – Payment Without Funds and Beyond Estimates – Highways Division Sahiwal – Rs.150,000**

Audit had observed: “The division made payment for two test piles of a bridge instead of one test pile provided in the technically sanctioned estimate and bill of quantities. One number extra pile was paid beyond the scope of work without the prior approval of the competent authority as required under Delegation of Financial Powers and Rules 1990. This resulted in a loss of Rs.150,000 to Government in February 1991.”

**6-7-98:** The Department explained that 2nd test pile was provided on the instruction of Director Bridges as 1st pile failed under the test load and it was necessary to perform the test on the other test pile. The same had been incorporated in the revised estimate which was under process of approval in Planning & Development Department. The PAC **settled the para subject to verification** of revised estimate by Audit.



**149. Para III-E-1: Page 133 – Payments at Higher Rates – Rs.1,260,426 – Highways Division Jhelum and Rawalpindi – Rs.86,575 (46,285 + 40,290)**

Audit had observed: “The division re-allotted the balance work at higher rates to another contractor without taking any action under the relevant provisions of the agreement against the original contractor who left the work incomplete. While another division got carted 1000 metric ton bitumen on non-schedule rate of Rs.80 per metric ton instead of schedule rate of Rs.39.71 per metric ton by issuing eight number work orders to one and the same contractor on one date. This resulted in a loss of Rs.86,575 (46,285 + 40,290) to Government in October 1985 and June 1988.”

**13-10-98:** The Department explained that Chief Engineer, Highways, North had been requested to take the matter with the Standing Rates Committee for decision. Anyhow, it was admitted that interest of the Government was not watched.

The PAC kept the para pending and directed to fix the responsibly and take action accordingly to recover the Govt. loss from the person who was responsible for the same.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**150. Para III-E-2: Page 134 – Payment at Higher Rates – Highways Division Jhelum – Rs.190,058**

Audit had observed: “The division failed to get executed the items of work carrying lesser rate of Rs.100 per % cft against the estimated rates of Rs.321.64 and Rs.602.40 per % cft. This resulted in a loss to Government of Rs.190,058 in July 1987.”

**13-10-98:** The Department explained that rough cost estimate provided various structure at different locations keeping in view the local site conditions. The rough cost estimate also provided construction of a plain concrete cause way. The contractor executed and completed all the road work and road structure provided in the approved estimates, but he could not construct 300 Feet long cause way because the design of the cause way could not be provided to the contractor during execution of work. The Department could not provide Nishan to the contractor of the proposed 3001 cause way. The Design and Nishan could not be provided due to the fact that Director Bridges was pre-occupied elsewhere and could not help the Department in this regard. Anyhow, there was no loss to the Government.

The PAC kept the para pending and directed the Department to produce the relevant record to Audit for probing into the same to ascertain whether any loss was



sustained by the Government or not.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**151. Para III-E.3: Page 134 – Payments at Higher Rates – Highways Division Bhakkar – Rs.983,793**

Audit had observed: “The division measured and paid the items of sub base course @ Rs.708, Rs.710, Rs.829 and Rs.879 per % cft against the admissible rate of Rs.625.80 and Rs.740.80 per % cft respectively permissible in this case. By allowing higher rates the Government was put to a loss of Rs.983,793 in May 1985.”

**14-10-98:** The Department explained that inquiry was being conducted which would be completed within two months. Further action would be taken accordingly.

The PAC directed that inquiry shall be completed within three months and fix responsibility for the loss of Government money. Recovery shall be effected from the defaulter and got verified by Audit. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 14 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**152. Para III-F.1: Page 135 – Negligence –Highways Division Faisalabad – Rs.700,000**

Audit had observed: “In the division the contractor did not execute the item of work “triple surface treatment” as the same was to be done free as per agreement whereas payment of Rs.1,863,880 was made to the contractor for items for which higher rates were quoted by him. The contractor had since abandoned the work. This resulted in a loss of Rs.700,000 to Government in February 1988.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**153. Para III-F-2: Page 135 – Negligence – Highways Division Vehari – Rs.103,540**

Audit had observed: “The division made payment of Rs.103,540 to Railways Department on account of demurrage charges levied on bitumen on behalf of the Divisional Officer Multan. This negligence resulted in a loss of Rs.103,540 to the Government in September 1983.”

**6-7-98:** The Department explained that demurrage charges were paid to Pakistan Railways which were un-avoidable due to late receipt of R.R.s from the Industries Department who supplied the bitumen. Anyhow, the matter was again being probed by the S.E. Highways circle Bahawalpur and result of inquiry was awaited.

The PAC kept the para pending till the result of inquiry by the Superintending Engineer.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **154. Para III-G.1: Page 136 – Non Recovery of Hire Charges and Non Disposal of Unserviceable Material – Highways Division Jhelum – Rs.51,923**

Audit had observed: “According to the additional condition No.14 of the agreement, “the hire charges of machinery should be charged from the day the contractor too over the machinery and to the day he returned it to the Department irrespective of the fact whether it was used on work or remained idle due to any reason”. The division made recovery of only 10 days instead of 139 days on account of hire charges of Government machinery supplied to the contractor from March to May 1986 and December 1986 to March 1987. This resulted in a loss of Rs.51,923 to Government in March 1987.”

**13-10-98:** The Department explained that Road Roller had been shifted from Toba Ahmedabad Road to Bugga Sial Road as recorded in the log book. It remained there idle from 28-12-86 to 11-3-87 when it was shifted to P.D. Khan Store. The contractor had used his own road roller. A certificate to this affect had also been recorded in the log book.

The PAC directed the Department to conduct an inquiry to ascertain the factual position about hire charges and disposal of un-serviceable material within three months. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **155. Para III-G.2: Page 137 – Non Recovery of Hire Charges and Non Disposal of Unserviceable Material – Machinery Maintenance Division Multan – Rs.701,600**

Audit had observed: “The division did not adjust the difference in operation and out-turn of machinery from October 1989 to September 1990 as required under Article 162 of Account Code Volume-III. This resulted in a loss of Rs.701,600 to Government in September 1990.”

**6-7-98:** The Department explained that adjustment of the difference in operation and out turn of machinery to the tune of Rs.262,681 had been carried out and every effort was being made for the balance adjustment of Rs.438,919 and it was hoped that it would be finalized within a month.

The PAC kept the para pending and directed the Department to finalize the requisite adjustment by 31-7-98.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**156. Para III-G.3: Page 137 – Negligence –Bridge Construction Division (Defunct) Muzaffargarh – Rs.91,190**

Audit had observed: “The division did not dispose of tools and plant articles declared un-serviceable from January 1979 to December 1981. It was apprehended that with the passage of time the articles would be deteriorated. Hence, will result in a loss to Government of Rs.91,190.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**157. Para IV-A.1: Page 138 – Sub-Standard Work – Highways Division Mianwali Rs.154,518**

Audit had observed: “The division measured and paid the thickness of 3.25 to 3.50 inch for base course against the designed thickness of 4 inch in contravention of permissible tolerance limit of 0.25 inch thickness under section 551 of Book of Specification. This resulted in unjustified payment of Rs.154,518 to a contractor in 1994.”

**14-10-98:** The Department explained that the measurements had been made as per work done at site and payment made accordingly. The PAC accepted the explanation and **settled the para.**

**158. Para IV-A.2: Page 139 – Sub-Standard Work – Highways Division Sahiwal – Rs.109,363**

Audit had observed: “The division measured the thickness of 4 and 5.5 inch for sub base in a length of 8700 and 5300 rft instead of the designed thickness of 6 inch and paid accordingly. Subsequently the thickness of 0.04, 0.5 and 1.05 inch of sub base was measured and paid in these reaches in June 1989 where the items of base course and triple surface treatment had already been laid and paid in March 1988 and it was not possible to lay 0.04 and 0.5 inch thick sub base in view of the gradation of stone involved as per specification. This resulted in fictitious payment of Rs.109,363 to a contractor in June 1989.”

**6-7-98:** The Department explained that Secretary Communications & Works had directed the S.E. Highway Circle Bahawalpur to look into the matter. The report of the S.E. Bahawalpur was awaited and on receipt of the same the Department would propose further action.

The PAC kept the para pending and directed the Department to complete the inquiry and further action by 31.7.98.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**159. Para IV-A.3: Page 139 – Sub-Standard Work – Highways Division Pakpattan – Rs.230,400**

Audit had observed: “The division measured and paid the thickness of sub base and base course from 10” to 11.13” by accepting sub standard work in 1200 rft against the designed thickness of 12” in violation of specification. This resulted in unjustified payment of Rs.230,400 to a contractor in 1992.”

**6-7-98:** The Department explained that out of total length (9840 RFT) only thickness of 3 pits i.e. 300 ft length at different places were on lesser sides (less than 10.5”) which was very minor keeping in view the total length. The payment had been made as per actual measurement. So, Government interests had been fully watched and no excess payment was involved.

The PAC kept the para pending and directed the Department to produce the relevant record to Audit for verification.

**16-5-02:** Reiterating the decision of the PAC dated 6 July 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit

and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**160. Para IV-A.4: Page 140 – Sub-Standard Work – Highways Division Khanewal – Rs.80,786**

Audit had observed: “The division measured and paid the thickness of 5.25” to 5.50” of base course against the designed thickness of 6” in contravention of permissible tolerance of 0.25 thickness as required under section 551 of Book of Specification. This resulted in an irregular payment of Rs.80,786 in August 1993.”

**6-7-98:** The Department explained that thickness of base course had been measured and paid for as per actual pit measurement at site. The lesser thickness of 1/4 inch to 3/4 inch than the specified thickness of 6 inches in a small length of 200 Rft only as compared to total length of 14630 Rft was quite minor. It was also within the permissible limit of 1/4 to 1/2”. The payment was made according to the actual measurement at site therefore, there was no loss to the Government.

The PAC directed the Department to produce the relevant record to Audit for verification and the para was kept pending.

**16-5-02:** Reiterating the decision of the PAC dated 6 July 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**161. Para IV-A.5: Page 140 – Sub-Standard Work – Highways Division Multan – Rs.5,519,318**

Audit had observed: “The division did not remove the defects pointed out by the Regional Laboratory and endorsed by the Superintending Engineer. This resulted in execution of work below specification and consequent loss of Rs.5,519,318 to Government in November 1991.”

**6-7-98:** The Department explained that the contractor scratched the road crust and re-compacted the requisite reaches at his own resources. Thus the defects were rectified which had been confirmed by the Regional Test Laboratory.

The PAC was not satisfied with the explanation and directed for initiating the inquiry into the matter to ascertain as to who was responsible for the execution of defective work at the very first instance and accordingly the defaulter shall be proceeded against under E&D Rules. The para was kept pending.



**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**162. Para IV-A.6: Page 141 – Sub-Standard Work – Highways Division Multan – Rs.351,503**

Audit had observed: “The division measured and paid the thickness of sub base and base course as 5” and 3.5” instead of designed thickness of 6” and 4” respectively. The work was accepted below specification in contravention of permissible tolerance limit under section 501 and 551 of Book of Specification for Bridges and Roads. This resulted in unjustified payment of Rs.351,503 to the contractors in June 1993.”

**6-7-98:** The Department explained that the work had been executed according to the standard specification. The thickness of sub base and base course had been executed as per prescribed thickness. During the running payment reduced thickness had been paid to the contractors only to safeguard the Government interest. The running payments were subject to final payment. After overall measurements, all the deficiencies had been recovered from the contractor. In this way, an amount of Rs.55,821 had been recovered.

The PAC directed the Department to reconcile the amount under observation with Audit and also the recovery of Rs.55,821 be got verified by Audit. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall reconcile the recoverable amount with the Audit and shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**163. Para IV-A.7: Page 141 – Sub-Standard Work – Highways Division Bahawalnagar – Rs.592,778**

Audit had observed: “The division measured and paid 3.24 to 3.62 inch and 5 to 5.5 inch thickness of base course instead of the designed thickness of 4 inch and 6 inch for base course in contravention of permissible tolerance limit of 0.25 inch under section 551 of Book of Specifications. The work was accepted below specification. This resulted in unjustified payment of Rs.592,778 to the contractors in June 1993.”



**6-7-98:** The Department explained that deviation in thickness during the widening and improvement of BWN-HND Road involving Rs.488,832 was made up in the 13th running bill. Therefore, no loss had occurred. So far as the construction of road from Kalia Shah to Khaim Garh involving Rs.103,944 was concerned, the Department informed the committee that total quantity of base course was 35,577 CFT and the quantity provided in the T.S. estimate was 37524 CFT. So, the less quantity paid worked out to 1947 CFT. Therefore, no loss was involved.

The Public Accounts Committee was not satisfied with the explanation and directed to conduct an inquiry as to why the thickness of base course was measured 3.24 to 3.62 inch and 5 inches to 5.5 inch instead of 4 inch and 6 inch as provided in the designed thickness. Responsibility for the irregularity shall be fixed and defaulter proceeded against. This action should be completed within 3 months. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **164. Para IV-B.1: Page 142 – Payment Without Provisions – Highways Division Kasur – Rs.92,400**

Audit had observed: “The division executed and paid an item of work for which no provision existed in the technically sanctioned estimate and no amount was available from 3 percent contingencies which had already been utilized for acceptance of higher tendered rates. This resulted in unauthorised payment of Rs.92,400 in June 1993.”

**13-10-98:** The Department explained that payment of Rs.92,400 was made against the sanction accorded by the S.E. concerned. The PAC accepted the explanation and **settled the para.**

#### **165. Para IV-B.2: Page 142 – Payment Without Provisions – Highways Division Multan – Rs.68,876**

Audit had observed: “The division made payment for additional supply of crushed stone and fuel wood without provision in the contract agreement. This resulted in an unjustified payment of Rs.68,876 to a contractor in June 1987.”

**6-7-98:** The Department explained that agreement was made with the contractor for Rs.44,609 but due to excessive quantity of work at site it was un-avoidable to enhance the agreement from Rs.44,609 to Rs.113,476. Though the officer concerned exceeded his financial powers, yet it was done due to site condition in the public interest. The Audit

pointed out that XEN was not competent to modify the contract.

The PAC was not satisfied with the explanation and observed that it was very strange that the public works were being done haphazardly without being very meticulous and watchful towards the Govt. interests. The Department was directed to initiate disciplinary action against the officer who exceeded his financial powers and tried to by pass the sanction of the higher authorities. It was also directed to get the irregularity regularized by the competent Authority. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**166. Para IV-B.3: Page 143 – Payment Without Provisions – Highways Division Dera Ghazi Khan – Rs.308,275**

Audit had observed: “The division measured and made payment to various contractors on account of certain items of work the provision of which did not exist in the rough cost estimate in one case and in excess of provision in another. This resulted in un-authorized payment of Rs.308,275 to the contractors in December 1987.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**167. Para IV-C.1: Page 143 – Fictitious Measurements – Highways Division Sahiwal – Rs.77,871**

Audit had observed: “The division measured and paid a quantity of 427275 cft earthwork embankment after laying sub base course in entire width and length. This resulted in un-justified payment of Rs.77,871 to a contractor in September 1988.”

**6-7-98:** The Department explained that no excess payment was made as presumed by Audit rather it appeared to be a mistake in the record measurements of loose earth in a non-sequence form. The cross sectional remarks showed the laying of earth in a sequence manner and that too within the provision of estimate.

The PAC **settled the para subject to verification** of relevant record by Audit.

**168. Para IV-D.1: Page 144 – Non Accountal and Bonafide Consumption of Material – Highways Division Khanewal – Rs.92,385**

Audit had observed: “The division made payment of Rs.52,215 for supply of material (crushed stone and fuel wood) and bitumen costing Rs.40,170 which was charged to special repair of a road but the bonafide accountal and consumption of the material with reference to technically sanctioned estimate was not produced as required under the rules. This resulted in un-authorized expenditure of Rs.92,385 in June 1990.”

**6-7-98:** The Department explained that revised detailed estimate had technically been sanctioned by the competent Authority. The Provision for the excess quantities had also been made therein. Also the para had been reduced from Rs.92,385 to Rs.39,661 by Audit.

The PAC was not satisfied and directed to conduct an inquiry as to why the estimate was changed by the XEN after the same was approved by the S.E. Responsibility shall be fixed and the responsible persons shall be proceeded against. This action should be completed within three months positively. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**169. Para V-A.1: Page 145 – Expenditure Without Funds and Beyond Provisions in the Estimates – Highways Division Sargodha – Rs.1,316,450**

Audit had observed: “According to fundamental rules, no work should be commenced unless properly detailed estimate was technically sanctioned by the competent authority. In disregard of the rules, the division started work and measured/paid finally Rs.1,316,450 without technically sanctioned estimate. This resulted in an irregular expenditure of Rs.1,316,450 in June 1986.”

**14-10-98:** The Department explained that technically sanctioned revised estimate, which was within the competence of S.E., had been prepared and will be approved shortly.

The PAC kept the para pending for the approval of technically sanctioned revised estimate and verification of the same by Audit within one month.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit

by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**170. Para V-A.2: Page 146 – Expenditure without Funds and Beyond Provisions in the Estimates – Highways Division Sahiwal – Rs.1,296,140**

Audit had observed: “The division failed to account for the cost of stores and consumption thereof debited to original as well as annual repair works due to late submission of stock account by the Sub Divisional Officer as required under Article 97 and 205 of Account Code Volume-III and non-availability of funds for adjustment of stock account. This resulted in an irregular expenditure of Rs.1,296,140 in May and June 1990.”

**6-7-98:** The Department explained that the amount of Rs.7,95,069 relating to construction work had been recovered. The Audit observation relating to the remaining amount of Rs.501,071 pertaining to repair work was a duplication of printed Draft Para No. III-D for the year 1992-93 and therefore, shall be deleted from here.

The PAC directed the Department to get verified the recovery of Rs.795,069 by Audit and also to produce the relevant record in respect of duplication of Draft Para No.III-D for the year 1992-93 to Audit for verification in support of their contention. The para was kept pending.

**16-5-02:** Reiterating the decision of the PAC dated 6 July 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**171. Para V-A.3: Page 146 – Expenditure Without Funds and Beyond Provisions in the Estimates – Bridge Construction Division (Defunct) Muzaffargarh – Rs.586,382,000**

Audit had observed: “The division incurred expenditure of Rs.586,382,000 without approval of PC.I and technical sanction of estimates and non-observance of the provisions of the Composite Schedule of Rates 1975 and 1979. This resulted in an irregular expenditure of Rs.586,382,000 in January 1985.”

**16-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

**172. Para V-A.4: Page 147 – Expenditure Without Funds and Beyond Provisions in the Estimates – Bridge Construction Division (Defunct) Muzaffargarh – Rs.14,960,438**

Audit had observed: “The division incurred an expenditure of Rs.14,960,438 on diversion of Indus River Gazighat without provision in PC.I. This resulted in an irregular expenditure of Rs.14,960,438 in August and October 1983.”

**16-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

**173. Para V-B.1: Page 148 – Enhancement of Agreemental Amount and Quantities – Highways Division Rawalpindi – Rs.263,712**

Audit had observed: “The division made payment for a quantity of 90400 cft in July 1982 for the item of making embankment which was increased to 1744653 cft by making “overall measurements” in February 1983 without recording natural surface level (NSL) before start of work as required under the rules. This resulted in irregular payment of Rs.263,712 in March 1983.”

**13-10-98:** The Department contended that natural surface level had been recorded before starting the work. The PAC kept the para pending for verification of relevant record by Audit.

**16-5-02:** Reiterating the decision of the PAC dated 13 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**174. Para V-B.2: Page 148 – Enhancement of Agreemental Amount and Quantities – Highways Division Rajanpur – Rs.878,326**

Audit had observed: “In the division the Superintending Engineer enhanced the agreemental amount from Rs.7,371,594 to Rs.8,249,920 beyond his competency after about two years of the completion of work in contravention of ceiling fixed by the Government of Rs.7,500,000 as per item No.2 page 47 of the Delegation of Financial Powers. This resulted in irregular expenditure of Rs.878,326 in February 1987.”

**16-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

**175. Para V-C.1: Page 149 – Expenditure on Watch and Ward and Ex-Gratia Payment – Highways Division Gujrat – Rs.98,369**

Audit had observed: “The division made ex-gratia payment to a contractor who left the work incomplete after receiving the payment against the provisions of the agreement.



This resulted in irregular payment of Rs.98,369 in July 1981.”

**14-10-98:** The Department explained that total amount of Rs.98,369 had been recovered. The PAC **settled the para subject to verification** of recovery by Audit.

**176. Para V-C.2: Page 149 – Expenditure on Watch and Ward and Ex-Gratia Payment – Bridge Construction Division (Defunct) Muzaffargarh – Rs.75,012**

Audit had observed: “The division incurred expenditure on watch and ward of un-serviceable boats. The expenditure was wasteful as employment of labour was not covered under the rules of financial propriety. This resulted in wasteful expenditure of Rs.75,012 from May to November 1984.”

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**177. Para V-D.1: Page 150 – Non Finalization of Accounts of Work Done Highways Division Vehari – Rs.70,876,689**

Audit had observed: “In the division 24 works were shown completed by the contractors from June 1987 to October 1992 but the accounts of these works were not finalized by the Department despite the lapse of two to five years. Non-finalization of the accounts of these works resulted in an irregular expenditure of Rs.70,876,689 since 1987.”

**6-7-98:** The Department explained that out of 24 Nos. contractors bills, 11 Nos. had been finalized. The remaining 13 bills were pending due to non-availability of funds and for want of other codal formalities.

The PAC was not satisfied with the explanation and observed that the works should not have been executed when the funds were not made available. It was in contravention of codal requirements. The Department was directed to conduct an inquiry to fix responsibility for the irregular expenditure/execution of work and defaulters shall be proceeded against under the rules accordingly. This action should be completed within 3 months. The para was kept pending.

**16-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 July 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.



## Annexure Paras Paras Settled

1. Para No.30(3)(1980-81): Page 356 read with Sr. No.37 of Audit Report for the year 1993-94; Non-Recovery From the Contractor – Rs.118,971.
2. Para No.36(9) (1981-82): Page 358 read with Sr. No.51 of Audit Report for the year 1993-94; Non-Recovery From Contractor – Rs.95,558.
3. Para No.42(25) (1983-84): Page 373 read with Sr. No.131 of Audit Report for the year 1993-94; Excess Payment to Contractor – Rs.11,881.
4. Para No.42(27) (1983-84): Page 373 read with Sr. No.132 of Audit Report for the year 1993-94; Excess Payment to Contractor – Rs.9,523.
5. Para No.42(28) (1983-84): Page 373 read with Sr. No.133 of Audit Report for the year 1993-94; Excess Payment to Contractor – Rs.9,000.
6. Para No.42(34) (1983-84): Page 374 read with Sr. No.137 of Audit Report for the year 1993-94; Excess Payment to Contractor – Rs.5,638.
7. Para No.43(4) (1983-84): Page 374 read with Sr. No.141 of Audit Report for the year 1993-94; Perfunctory Measurement – Rs.44,965.
8. Para No.III(5)1 (1984-85): Page 385 read with Sr. No.196 of Audit Report for the year 1993-94; Short Supply of Material – Rs.260,251.

**16-5-02:** On verification of recovery/record Audit had recommended that the above mentioned 8 paras (Sr. No.1 to 8 above) be settled. **The Committee settled the paras.**

### Actionable Paras

1. Para No.28(iii)(1964-65): Page 351 read with Sr. No.1 of Audit Report for the year 1993-94; Shortage of Stores Material – Rs.22,461.
2. Para No.27(vi)(1964-65): Page 351 read with Sr. No.2 of Audit Report for the year 1993-94; Non-Recovery of Government Dues – Rs.1,172,501.
3. Para No.40(xxiv)(1965-66): Page 351 read with Sr. No.3 of Audit Report for the year 1993-94; Misappropriation of Stocks – Rs.6,578.
4. Para No.42(i)(1965-66): Page 351 read with Sr. No.4 of Audit Report for the year

**1993-94; Shortage of Stores Material – Rs.22,461.**

- 5. Para No.16(iii)(1966-67): Page 352 read with Sr. No.5 of Audit Report for the year 1993-94; Excess Payment to Contractor – Rs.44,185.**
- 6. Para No.16(iv)(1966-67): Page 352 read with Sr. No.6 of Audit Report for the year 1993-94; Excess Payment to Contractor – Rs.34,074.**
- 7. Para No.50(1966-67): Page 352 read with Sr. No.7 of Audit Report for the year 1993-94; Loss of Bricks – Rs.12,000.**
- 8. Para No.38(v)(1967-68): Page 351 read with Sr. No.8 of Audit Report for the year 1993-94; Excess Payment to Contractors – Rs.7,890.**
- 9. Para No.39(1967-68): Page 352 read with Sr. No.9 of Audit Report for the year 1993-94; Overpayment to contractor – Rs.53,533.**
- 10. Para No.70(1967-68): Page 352 read with Sr. No.10 of Audit Report for the year 1993-94; Loss to Government – Rs.7,300.**
- 11. Para No.78(1967-68): Page 352 read with Sr. No.11 of Audit Report for the year 1993-94; Loss of Stores – Rs.44,212.**
- 12. Para No.90(1967-68): Page 352 read with Sr. No.12 of Audit Report for the year 1993-94; Misappropriation of Bitumen – Rs.49,375.**
- 13. Para No.13(1)(1968-69): Page 353 read with Sr. No.13 of Audit Report for the year 1993-94; Shortage of Stores – Rs.11,609.**
- 14. Para No.62(1968-69): Page 353 read with Sr. No.14 of Audit Report for the year 1993-94; Overpayment to contractor – Rs.17,420.**
- 15. Para No.64(i)(1968-69): Page 353 read with Sr. No.15 of Audit Report for the year 1993-94; Shortage of Stores – Rs.62,410.**
- 16. Para No.66(1968-69): Page 353 read with Sr. No.16 of Audit Report for the year 1993-94 – Misappropriation of Bitumen – Rs.9,754.**
- 17. Para No.13(1970-71): Page 353 read with Sr. No.17 of Audit Report for the year 1993-94 – Non-accountal of Material – Rs.318,524.**
- 18. Para No.30(1970-71): Page 353 read with Sr. No.18 of Audit Report for the year 1993-94 – Un-necessary blocking of Government capital – Rs.270,909.**
- 19. Para No.43(1971-72): Page 354 read with Sr. No.19 of Audit Report for the year 1993-94 – Blockade of Government capital – Rs.2,779,850.**

20. Para No.41(5)(1972-73): Page 354 read with Sr. No.20 of Audit Report for the year 1993-94 – Misappropriation of Government Stores – Rs.10,095.
21. Para No.46(1972-73): Page 354 read with Sr. No.21 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.200,000.
22. Para No.55(1972-73): Page 354 read with Sr. No.22 of Audit Report for the year 1993-94 – Non-Recovery – Rs.94,851.
23. Para No.56(1972-73): Page 354 read with Sr. No.23 of Audit Report for the year 1993-94 – Non-Accountal of Bitumen and Shortage – Rs.371,290 & Rs.102,900.
24. Para No.57(i)(1972-73): Page 354 read with Sr. No.24 of Audit Report for the year 1993-94 – Shortage of Bitumen – Rs.63,951.
25. Para No.57(ii)(1972-73): Page 355 read with Sr. No.25 of Audit Report for the year 1993-94 – Shortage of Material – Rs.94,851.
26. Para No.57(iii)(1972-73): Page 355 read with Sr. No.26 of Audit Report for the year 1993-94 – Misappropriation of Stores – Rs.42,273.
27. Para No.57 (iv)(1972-73): Page 355 read with Sr. No.27 of Audit Report for the year 1993-94 – Misappropriation of Stores – Rs.46,403.
28. Para No.66(1972-73): Page 355 read with Sr. No.28 of Audit Report for the year 1993-94 – Misappropriation of Stores – Rs.108,654.
29. Para No.67(1972-73): Page 355 read with Sr. No.29 of Audit Report for the year 1993-94 – Misappropriation of Stores – Rs.8,641.
30. Para No.68(1972-73): Page 355 read with Sr. No.30 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.15,550.
31. Para No.69(1972-73): Page 355 read with Sr. No.31 of Audit Report for the year 1993-94 – Un-authorized issue of Bitumen – Rs.15,550.
32. Para No.5(1973-74): Page 355 read with Sr. No.32 of Audit Report for the year 1993-94 – Overpayment to Contractor – Rs.100,176.
33. Para No.6(1973-74): Page 355 read with Sr. No.33 of Audit Report for the year 1993-94 – Non-Accountal of Material – Rs.384,802.
34. Para No.8(2)(1975-76): Page 356 read with Sr. No.34 of Audit Report for the year 1993-94 – Shortage of T&P Articles – Rs.698,088.
35. Para No.8 (3)(1975-76): Page 356 read with Sr. No.35 of Audit Report for the

year 1993-94 – Shortage of Stores – Rs.128,972.

36. Para No.7(i) (1979-80): Page 356 read with Sr. No.36 of Audit Report for the year 1993-94 – Non-Accountal of Lubricants – Rs.57,052.

37. Para No.30(4)(1980-81): Page 356 read with Sr. No.38 of Audit Report for the year 1993-94 – Non-Recovery of outstanding dues – Rs.211,977.

38. Para No.30(6) (1980-81): Page 356 read with Sr. No.39 of Audit Report for the year 1993-94 – Non-Recovery of Lease Money – Rs.49,750.

39. Para No.30(9) (1980-81): Page 356 read with Sr. No.40 of Audit Report for the year 1993-94 – Non-Recovery of Electricity Charges – Rs.36,403.

40. Para No.30(11) (1980-81): Page 357 read with Sr. No.41 of Audit Report for the year 1993-94 – Non-adjustment of out turn – Rs.2,141,050.

41. Para No.30(13)(1980-81): Page 357 read with Sr. No.42 of Audit Report for the year 1993-94 – Non-Recovery – Rs.75,312.

42. Para No.32(4)(1980-81): Page 357 read with Sr. No.43 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.12,666.

43. Para No.44(ii)(1980-81): Page 357 read with Sr. No.44 of Audit Report for the year 1993-94 – Loss to Government – Rs.22,586.

44. Para No.36(1)(1981-82): Page 357 read with Sr. No.45 of Audit Report for the year 1993-94 – Non-Recovery of Toll Tax – Rs.3,049,214.

45. Para No.36(2) (1981-82): Page 358 read with Sr. No.46 of Audit Report for the year 1993-94 – Non-Recovery of Toll Tax – Rs.15,550.

46. Para No.36(3) (1981-82): Page 358 read with Sr. No.47 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.1,839,919.

47. Para No.36(4) (1981-82): Page 358 read with Sr. No.48 of Audit Report for the year 1993-94 – Non-Recovery of Hire Charges – Rs.413,168.

48. Para No.36(7)(1981-82): Page 358 read with Sr. No.49 of Audit Report for the year 1993-94 – Non-Recovery from contractor – Rs.218,032.

49. Para No.36(8)(1981-82): Page 358 read with Sr. No.50 of Audit Report for the year 1993-94 – Non-Recovery from the contractor – Rs.191,940.

50. Para No.36(10)(1981-82): Page 359 read with Sr. No.52 of Audit Report for the year 1993-94 – Non-Recovery from the contractor – Rs.85,157.

51. Para No.36(13)(1981-82): Page 359 read with Sr. No.53 of Audit Report for the year 1993-94 – Non-Recovery from the contractor – Rs.30,000.
52. Para No.37(1)(1981-82): Page 359 read with Sr. No.54 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.697,406.
53. Para No.37(5)(1981-82): Page 359 read with Sr. No.55 of Audit Report for the year 1993-94 – Overpayment to contractor – Rs.68,924.
54. Para No.37(9) (1981-82): Page 359 read with Sr. No.56 of Audit Report for the year 1993-94 – Non-accountal of Timber – Rs.33,580.
55. Para No.37(10) (1981-82): Page 359 read with Sr. No.57 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.29,685.
56. Para No.37(11)(1981-82): Page 360 read with Sr. No.58 of Audit Report for the year 1993-94 – Loss to Government – Rs.29,500.
57. Para No.38(2) (1981-82): Page 360 read with Sr. No.59 of Audit Report for the year 1993-94 – Misappropriation of stores – Rs.64,173.
58. Para No.38(6) (1981-82): Page 360 read with Sr. No.60 of Audit Report for the year 1993-94 – Shortage of bitumen – Rs.20,625.
59. Para No.38(8) (1981-82): Page 360 read with Sr. No.61 of Audit Report for the year 1993-94 – Shortage of bitumen – Rs.15,000.
60. Para No.40(1)(1981-82): Page 360 read with Sr. No.62 of Audit Report for the year 1993-94 – Misappropriation of T&P articles – Rs.400,000.
61. Para No.40(2) (1981-82): Page 361 read with Sr. No.63 of Audit Report for the year 1993-94 – Misappropriation of Road Metal – Rs.182,200.
62. Para No.40(4)(1981-82): Page 361 read with Sr. No.64 of Audit Report for the year 1993-94 – Misappropriation of parts of Road Roller – Rs.25,860.
63. Para No.42(1) (1981-82): Page 361 read with Sr. No.65 of Audit Report for the year 1993-94 – Non-Recovery of Secure advance – Rs.999,778.
64. Para No.42(3) (1981-82): Page 361 read with Sr. No.66 of Audit Report for the year 1993-94 – Non-Recovery of Secure advance – Rs.370,763
65. Para No.42(4) (1981-82): Page 361 read with Sr. No.67 of Audit Report for the year 1993-94 – Non-Recovery – Rs.288,020.
66. Para No.43(1)(1981-82): Page 361 read with Sr. No.68 of Audit Report for the year 1993-94 – Loss due to Excessive issue of material – Rs.97,884.



- 67. Para No.44(1981-82): Page 362 read with Sr. No.69 of Audit Report for the year 1993-94 – Extra expenditure – Rs.1,617,000.**
- 68. Para No.64(1)(1982-83): Page 362 read with Sr. No.70 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.683,491.**
- 69. Para No.64(4)(1982-83): Page 362 read with Sr. No.71 of Audit Report for the year 1993-94 – Double payment – Rs.123,803.**
- 70. Para No.64(6) (1982-83): Page 362 read with Sr. No.72 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.94,804.**
- 71. Para No.64(7)(1982-83): Page 362 read with Sr. No.73 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.90,045.**
- 72. Para No.64(10) (1982-83): Page 363 read with Sr. No.74 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.55,368.**
- 73. Para No.64(11) (1982-83): Page 363 read with Sr. No.75 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.54,985.**
- 74. Para No.64(16) (1982-83): Page 363 read with Sr. No.76 of Audit Report for the year 1993-94 – Overpayment to contractor – Rs.39,717.**
- 75. Para No.64(17) (1982-83): Page 363 read with Sr. No.77 of Audit Report for the year 1993-94 – Overpayment to contractor – Rs.39,492.**
- 76. Para No.64(20) (1982-83): Page 364 read with Sr. No.78 of Audit Report for the year 1993-94 – Overpayment to contractor – Rs.35,059.**
- 77. Para No.64(21) (1982-83): Page 364 read with Sr. No.79 of Audit Report for the year 1993-94 – Un-authorized payment – Rs.32,511.**
- 78. Para No.64(22) (1982-83): Page 364 read with Sr. No.80 of Audit Report for the year 1993-94 – Overpayment to contractor – Rs.31,467.**
- 79. Para No.64(23) (1982-83): Page 364 read with Sr. No.81 of Audit Report for the year 1993-94 – Excess payment – Rs.20,182.**
- 80. Para No.64(24) (1982-83): Page 365 read with Sr. No.82 of Audit Report for the year 1993-94 – Double payment – Rs.16,724.**
- 81. Para No.64(26) (1982-83): Page 365 read with Sr. No.83 of Audit Report for the year 1993-94 – Overpayment to contractor – Rs.11,850.**
- 82. Para No.64(29) (1982-83): Page 365 read with Sr. No.84 of Audit Report for the year 1993-94 – Double measurement – Rs.9,384.**

83. Para No.64(34) (1982-83): Page 365 read with Sr. No.85 of Audit Report for the year 1993-94 – Irregular payment to contractor – Rs.5,361
84. Para No.65(1) (1982-83): Page 366 read with Sr. No.86 of Audit Report for the year 1993-94 – Wasteful expenditure – Rs.3,428,528.
85. Para No.65(2) (1982-83): Page 366 read with Sr. No.87 of Audit Report for the year 1993-94 – Unauthorised payment – Rs.225,333.
86. Para No.65(4) (1982-83): Page 366 read with Sr. No.88 of Audit Report for the year 1993-94 – Loss to Government due to defective design – Rs.186,000.
87. Para No.64(5) (1982-83): Page 366 read with Sr. No.89 of Audit Report for the year 1993-94 – Loss to Government – Rs.35,802.
88. Para No.66(3) (1982-83): Page 366 read with Sr. No.90 of Audit Report for the year 1993-94 – Non-Recovery of hire charges – Rs.106,720.
89. Para No.67(1) (1982-83): Page 367 read with Sr. No.91 of Audit Report for the year 1993-94 – Excess payment – Rs.145,017.
90. Para No.67(2) (1982-83): Page 367 read with Sr. No.92 of Audit Report for the year 1993-94 – Unjustified payment – Rs.114,658.
91. Para No.67(3) (1982-83): Page 367 read with Sr. No.93 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.112,627.
92. Para No.67(4) (1982-83): Page 367 read with Sr. No.94 of Audit Report for the year 1993-94 – Unauthorized payment to contractor – Rs.45,453.
93. Para No.67(5) (1982-83): Page 367 read with Sr. No.95 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.32,969.
94. Para No.67(6) (1982-83): Page 368 read with Sr. No.96 of Audit Report for the year 1993-94 – Unreliable payment to daily labour – Rs.30,256.
95. Para No.67(7) (1982-83): Page 368 read with Sr. No.97 of Audit Report for the year 1993-94 – Unjustified payment – Rs.29,893.
96. Para No.67(8) (1982-83): Page 368 read with Sr. No.98 of Audit Report for the year 1993-94 – Fictitious measurements – Rs.20,525
97. Para No.67(9) (1982-83): Page 368 read with Sr. No.99 of Audit Report for the year 1993-94 – Fictitious measurements – Rs.19,783.
98. Para No.67(10) (1982-83): Page 368 read with Sr. No.100 of Audit Report for the

year 1993-94 – Fictitious measurement – Rs.19,213.

99. Para No.68(2) (1982-83): Page 368 read with Sr. No.101 of Audit Report for the year 1993-94 – Non-Recovery of Interest Charges – Rs.412,076.

100. Para No.68(3) (1982-83): Page 368 read with Sr. No.102 of Audit Report for the year 1993-94 – Loss to Government – Rs.91,639.

101. Para No.68(4) (1982-83): Page 369 read with Sr. No.103 of Audit Report for the year 1993-94 – Non-Recovery from contractor – Rs.55,017.

102. Para No.68(8) (1982-83): Page 369 read with Sr. No.104 of Audit Report for the year 1993-94 – Non-Recovery from contractor – Rs.10,540.

103. Para No.69(2) (1982-83): Page 369 read with Sr. No.105 of Audit Report for the year 1993-94 – Non-Accountal of T&P articles – Rs.84,339.

104. Para No.69(3) (1982-83): Page 369 read with Sr. No.106 of Audit Report for the year 1993-94 – Non-Accountal of T&P articles – Rs.42,420.

105. Para No.69(4) (1982-83): Page 369 read with Sr. No.107 of Audit Report for the year 1993-94 – Non-Accountal of material – Rs.34,906.

106. Para No.69(5) (1982-83): Page 369 read with Sr. No.108 of Audit Report for the year 1993-94 – Non-Accountal of material – Rs.16,856.

107. Para No.69(7) (1982-83): Page 370 read with Sr. No.109 of Audit Report for the year 1993-94 – Non-accountal of bitumen – Rs.5,006.

108. Para No.70(1) (1982-83): Page 370 read with Sr. No.110 of Audit Report for the year 1993-94 – Non-Recovery of penalty – Rs.140,000.

109. Para No.70(4) (1982-83): Page 370 read with Sr. No.111 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.15,860.

110. Para No.71(1) (1982-83): Page 370 read with Sr. No.112 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.101,578.

111. Para No.72(1) (1982-83): Page 370 read with Sr. No.113 of Audit Report for the year 1993-94 – Non-Recovery of Secured Advance – Rs.110,370.

112. Para No.72(2) (1982-83): Page 370 read with Sr. No.114 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.23,044.

113. Para No.73(2) (1982-83): Page 371 read with Sr. No.115 of Audit Report for the year 1993-94 – Misappropriation of bitumen – Rs.37,230.

**114. Para No.73(3) (1982-83): Page 371 read with Sr. No.116 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.31,074.**

**115. Para No.73(4) (1982-83): Page 371 read with Sr. No.117 of Audit Report for the year 1993-94 – Shortage of T&P articles – Rs.14,440.**

**116. Para No.74(2) (1982-83): Page 371 read with Sr. No.118 of Audit Report for the year 1993-94 – Loss due to Theft – Rs.20,000.**

**117. Para No.75(2) (1982-83): Page 371 read with Sr. No.119 of Audit Report for the year 1993-94 – Non-Recovery of land compensation – Rs.21,416.**

**118. Para No.76(1) (1982-83): Page 371 read with Sr. No.120 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.34,792.**

**119. Para No.76(2) (1982-83): Page 372 read with Sr. No.121 of Audit Report for the year 1993-94 – Misappropriation of material – Rs.9,455.**

**120. Para No.42(1) (1983-84): Page 372 read with Sr. No.122 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.577,560.**

**121. Para No.70(1) (1982-83): Page 372 read with Sr. No.123 of Audit Report for the year 1993-94 – Non-Recovery of penalty – Rs.140,000.**

**122. Para No.42(7) (1983-84): Page 372 read with Sr. No.124 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.118,284.**

**123. Para No.42(9) (1983-84): Page 372 read with Sr. No.125 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.84,988.**

**124. Para No.42(12) (1983-84): Page 373 read with Sr. No.126 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.62,964.**

**125. Para No.42(13) (1983-84): Page 373 read with Sr. No.127 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.61,860.**

**126. Para No.42(14) (1983-84): Page 373 read with Sr. No.128 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.56,664.**

**127. Para No.42(22) (1983-84): Page 373 read with Sr. No.129 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.24,488.**

**128. Para No.42(23) (1983-84): Page 373 read with Sr. No.130 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.22,322.**

**129. Para No.42(29) (1983-84): Page 374 read with Sr. No.134 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.8,554.**

130. Para No.42(31) (1983-84): Page 374 read with Sr. No.135 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.7,960.
131. Para No.42(33) (1983-84): Page 374 read with Sr. No.136 of Audit Report for the year 1993-94 – Excess payment to contractor – Rs.6,194.
132. Para No.43(1) (1983-84): Page 374 read with Sr. No.138 of Audit Report for the year 1993-94 – Perfunctory Measurement – Rs.315,484.
133. Para No.43(2) (1983-84): Page 373 read with Sr. No.139 of Audit Report for the year 1993-94 – Perfunctory measurement – Rs.52,096.
134. Para No.43(3) (1983-84): Page 374 read with Sr. No.140 of Audit Report for the year 1993-94 – Perfunctory measurement – Rs.47,740.
135. Para No.43(5) (1983-84): Page 375 read with Sr. No.142 of Audit Report for the year 1993-94 – Perfunctory measurement – Rs.35,921.
136. Para No.43(6) (1983-84): Page 375 read with Sr. No.143 of Audit Report for the year 1993-94 – Perfunctory measurement – Rs.34,834.
137. Para No.43(7) (1983-84): Page 375 read with Sr. No.144 of Audit Report for the year 1993-94 – Perfunctory measurement – Rs.34,631.
138. Para No.43(8) (1983-84): Page 375 read with Sr. No.145 of Audit Report for the year 1993-94 – Perfunctory measurement – Rs.26,682.
139. Para No.43(9) (1983-84): Page 375 read with Sr. No.146 of Audit Report for the year 1993-94 – Perfunctory measurement – Rs.9,988.
140. Para No.43(10) (1983-84): Page 375 read with Sr. No.147 of Audit Report for the year 1993-94 – Perfunctory measurement – Rs.9,105.
141. Para No.44(2) (1983-84): Page 375 read with Sr. No.148 of Audit Report for the year 1993-94 – Non-Recovery from contractor – Rs.546,896.
142. Para No.44(6) (1983-84): Page 376 read with Sr. No.149 of Audit Report for the year 1993-94 – Non-Recovery from contractor – Rs.46,694.
143. Para No.44(8) (1983-84): Page 376 read with Sr. No.150 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.20,829.
144. Para No.44(9) (1983-84): Page 376 read with Sr. No.151 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.16,433.
145. Para No.45(3) (1983-84): Page 376 read with Sr. No.152 of Audit Report for the year 1993-94 – Loss to Government – Rs.160,766.



- 146. Para No.46(1) (1983-84): Page 377 read with Sr. No.153 of Audit Report for the year 1993-94 – Short Receipt of Spare Parts of Machinery – Rs.274,867.**
- 147. Para No.46(2) (1983-84):paghe 377 read with Sr.No.154 of Audit Report for the year 1993-94 – Shortage of Tools and Plant Articles – Rs.67,845**
- 148. Para No.46(3) (1983-84): Page 377 read with Sr. No.155 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.41,989.**
- 149. Para No.47(2) (1983-84): Page 377 read with Sr. No.156 of Audit Report for the year 1993-94 – Misappropriation of Materials – Rs.82,803.**
- 150. Para No.47(3) (1983-84): Page 377 read with Sr. No.157 of Audit Report for the year 1993-94 – Misappropriation of Materials – Rs.77,000.**
- 151. Para No.47(7) (1983-84): Page 378 read with Sr. No.158 of Audit Report for the year 1993-94 – Misappropriation of Bitumen – Rs.18,991.**
- 152. Para No.48(2) (1983-84): Page 378 read with Sr. No.159 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.26,809.**
- 153. Para No.49(1) (1983-84): Page 378 read with Sr. No.160 of Audit Report for the year 1993-94 – Undue Financial Aid to Contractor – Rs.996,607.**
- 154. Para No.49(2) (1983-84): Page 378 read with Sr. No.161 of Audit Report for the year 1993-94 – Loss to Government – Rs.53,909.**
- 155. Para No.49(3) (1983-84): Page 379 read with Sr. No.162 of Audit Report for the year 1993-94 – Non-Recovery of Secured Advance – Rs.44,950.**
- 156. Para No.50(2) (1983-84): Page 379 read with Sr. No.163 of Audit Report for the year 1993-94 – Infructuous Expenditure – Rs.855,000.**
- 157. Para No.53(3) (1983-84): Page 379 read with Sr. No.164 of Audit Report for the year 1993-94 – Theft of Bitumen – Rs.9,283.**
- 158. Para No.58 (1983-84): Page 379 read with Sr. No.165 of Audit Report for the year 1993-94 – Non-Recovery of Toll Tax – Rs.168,000.**
- 159. Para No.61 (1983-84): Page 379 read with Sr. No.166 of Audit Report for the year 1993-94 – Fictitious Measurements – Rs.6,000.**
- 160. Para No.82(2) (1983-84): Page 379 read with Sr. No.167 of Audit Report for the year 1993-94 – Loss on Account of Risk Purchase – Rs.38,796.**
- 161. Para No. I(1) (1984-85): Page 380 read with Sr. No.168 of Audit Report for the**

year 1993-94 – Excess Payment – Rs.39,654.

162. Para No. I(6) (1984-85): Page 380 read with Sr. No.169 of Audit Report for the year 1993-94 – Unauthorized Payment – Rs.168,647.

163. Para No. I(7) (1984-85): Page 380 read with Sr. No.170 of Audit Report for the year 1993-94 – Double Measurement – Rs.65,644.

164. Para No. I(8) (1984-85): Page 380 read with Sr. No.171 of Audit Report for the year 1993-94 – Fictitious Measurement of Rain Cuts – Rs.14,772.

165. Para No. I(9) (1984-85): Page 380 read with Sr. No.172 of Audit Report for the year 1993-94 – Fictitious Measurement of Rain cuts – Rs.7,178.

166. Para No. I(10) (1984-85): Page 381 read with Sr. No.173 of Audit Report for the year 1993-94 – Unreliable Payment – Rs.9,968.

167. Para No. I(15) (1984-85): Page 381 read with Sr. No.174 of Audit Report for the year 1993-94 – Overpayment to Contractor – Rs.26,535.

168. Para No. I(16) (1984-85): Page 381 read with Sr. No.175 of Audit Report for the year 1993-94 – Overpayment to Contractor – Rs.48,347.

169. Para No. I(17) (1984-85): Page 381 read with Sr. No.176 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.167,552.

170. Para No. I(19) (1984-85): Page 381 read with Sr. No.177 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.21,624.

171. Para No. II(1) (1984-85): Page 381 read with Sr. No.178 of Audit Report for the year 1993-94 – Non-Recovery of Risk and Cost Money – Rs.22,803.

172. Para No. II(3) (1984-85): Page 382 read with Sr. No.179 of Audit Report for the year 1993-94 – Non-Recovery of Risk and Cost – Rs.9,014.

173. Para No. II(5) (1984-85): Page 382 read with Sr. No.180 of Audit Report for the year 1993-94 – Receipts of Material – Rs.49,595.

174. Para No. II(6) (1984-85)(DP-110): Page 382 read with Sr. No.181 of Audit Report for the year 1993-94 – Irregular Payment of Land Compensation – Rs.1,644,628.

175. Para No. II(6) (1984-85)(DP-108): Page 382 read with Sr. No.182 of Audit Report for the year 1993-94 – Irregular Payment of Land Compensation – Rs.243,903.

176. Para No. II(7) (1984-85): Page 383 read with Sr. No.183 of Audit Report for the year 1993-94 – Non-Recovery of Government Revenue – Rs.17,506.

177. Para No. II(11) (1984-85): Page 383 read with Sr. No.184 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.6,438.
178. Para No. II(12) (1984-85): Page 383 read with Sr. No.185 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.23,865.
179. Para No. II(14) (1984-85): Page 383 read with Sr. No.186 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.949,400.
180. Para No. II(15) (1984-85): Page 383 read with Sr. No.187 of Audit Report for the year 1993-94 – Non-Recovery of Secured Advance – Rs.1,172,938.
181. Para No. II(18) (1984-85): Page 383 read with Sr. No.188 of Audit Report for the year 1993-94 – Outstanding recoveries From Contractor – Rs.219,646.
182. Para No.III(3) (1984-85): Page 384 read with Sr. No.189 of Audit Report for the year 1993-94 – Unserviceable machinery – Rs.9,491,610.
183. Para No.III(1)4 (1984-85): Page 384 read with Sr. No.190 of Audit Report for the year 1993-94 – Loss of M.B. No.4584.
184. Para No.III(1)5 (1984-85): Page 384 read with Sr. No.191 of Audit Report for the year 1993-94 – Loss to the Government – Rs.141,184.
185. Para No.III(4)2 (1984-85): Page 384 read with Sr. No.192 of Audit Report for the year 1993-94 – Infertuous Expenditure – Rs.70,000.
186. Para No.III(2)3 (1984-85): Page 384 read with Sr. No.193 of Audit Report for the year 1993-94 – Non-accountal of Material – Rs.8,057.
187. Para No.III(4)4 (1984-85): Page 385 read with Sr. No.194 of Audit Report for the year 1993-94 – Unauthorized Expenditure – Rs.30,707.
188. Para No.III(4) 5(1984-85): Page 385 read with Sr. No.195 of Audit Report for the year 1993-94 – Irregular Expenditure – Rs.1,017,818.
189. Para No.III(5)3 (1984-85): Page 385 read with Sr. No.197 of Audit Report for the year 1993-94 – Loss to Government – Rs.85,040.
190. Para No.III(5)4 (1984-85): Page 386 read with Sr. No.198 of Audit Report for the year 1993-94 – Loss to Government – Rs.305,351.
191. Para No.III(5)6 (1984-85): Page 386 read with Sr. No.199 of                      Audit Report for the year 1993-94 – Fictitious issue of Stock – Rs.44,034.
192. Para No. I-4 (1985-86): Page 386 read with Sr. No.200 of Audit Report for the year 1993-94 – Overpayment to Contractor – Rs.140,800.

- 193. Para No.I-5 (1985-86): Page 386 read with Sr. No.201 of Audit Report for the year 1993-94 – Over payment to Contractor – Rs.118,000.**
- 194. Para No.I-9 (1985-86): Page 386 read with Sr. No.202 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.118,000**
- 195. Para No.I-11 (1985-86): Page 386 read with Sr. No.203 of Audit Report for the year 1993-94 – Loss due to defective execution of work – Rs.46,163.**
- 196. Para No.I-12 (1985-86): Page 387 read with Sr. No.204 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.95,780**
- 197. Para No.I-13 (1985-86): Page 387 read with Sr. No.205 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.28,721.**
- 198. Para No.I-14 (1985-86): Page 387 read with Sr. No.206 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.26,348.**
- 199. Para No.I-16 (1985-86): Page 387 read with Sr. No.207 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.327,267.**
- 200. Para No.I-17 (1985-86): Page 387 read with Sr. No.208 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.102,600.**
- 201. Para No.I-20 (1985-86): Page 387 read with Sr. No.209 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.57,000**
- 202. Para No.I-21 (1985-86): Page 388 read with Sr. No.210 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.11,397.**
- 203. Para No.I-24 (1985-86): Page 388 read with Sr. No.211 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.30,901.**
- 204. Para No.I-29 (1985-86): Page 388 read with Sr. No.212 of Audit Report for the year 1993-94 – Extra payment due to irregular award of work – Rs.143,721.**
- 205. Para No.I-30 (1985-86): Page 388 read with Sr. No.213 of Audit Report for the year 1993-94 – Overpayment to Contractor – Rs.135,841.**
- 206. Para No.I-31 (1985-86): Page 388 read with Sr. No.214 of Audit Report for the year 1993-94 – Overpayment – Rs.27,419.**
- 207. Para No.II-1 (1985-86): Page 388 read with Sr. No.215 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.65,613.**
- 208. Para No.II-2 (1985-86): Page 389 read with Sr. No.216 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.363,339.**

- 209. Para No.II-3 (1985-86): Page 389 read with Sr. No.217 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.307,720.**
- 210. Para No.II-4 (1985-86): Page 389 read with Sr. No.218 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.38,970.**
- 211. Para No.II-5 (1985-86): Page 389 read with Sr. No.219 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.28,954.**
- 212. Para No.II-6 (1985-86): Page 389 read with Sr. No.220 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.374,777.**
- 213. Para No.II-7 (1985-86): Page 390 read with Sr. No.221 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.142,984.**
- 214. Para No.II-8 (1985-86): Page 390 read with Sr. No.222 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.792,083.**
- 215. Para No.II-13 (1985-86): Page 390 read with Sr. No.223 of Audit Report for the year 1993-94 – Non-Recovery From Contractor – Rs.147,200**
- 216. Para No.II-14 (1985-86): Page 390 read with Sr. No.224 of Audit Report for the year 1993-94 – Non-Recovery of Secured Advance – Rs.33,863.**
- 217. Para No.II-15 (1985-86): Page 390 read with Sr. No.225 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.57,680.**
- 218. Para No.II-21 (1985-86): Page 390 read with Sr. No.226 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.34,532.**
- 219. Para No.II-22 (1985-86): Page 390 read with Sr. No.227 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.431,552.**
- 220. Para No.II-23 (1985-86): Page 391 read with Sr. No.228 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.85,000.**
- 221. Para No.II-24(1985-86): Page 391 read with Sr. No.229 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.120,800.**
- 222. Para No.II-25(1985-86): Page 391 read with Sr. No.230 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.435,270.**
- 223. Para No.II-26(1985-86): Page 391 read with Sr. No.231 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.324,851.**
- 224. Para No.III-3(1985-86): Page 391 read with Sr. No.232 of Audit Report for the**



year 1993-94 – Loss to Government – Rs.2,830,890.

225. Para No.III-4(1985-86): Page 392 read with Sr. No.233 of Audit Report for the year 1993-94 – Loss to Government – Rs.50,000.

226. Para No.III-5(1985-86): Page 392 read with Sr. No.234 of Audit Report for the year 1993-94 – Loss to Government – Rs.33,995.

227. Para No.III-6 (1985-86): Page 392 read with Sr. No.235 of Audit Report for the year 1993-94 – Loss by tampering the tendered rates – Rs.28,885.

228. Para No.III-8(1985-86): Page 392 read with Sr. No.236 of Audit Report for the year 1993-94 – Loss by tampering the tendered rates – Rs.42,410.

229. Para No.III-9(1985-86): Page 392 read with Sr. No.237 of Audit Report for the year 1993-94 – Loss to Government – Rs.343,913.

230. Para No.IV-1(1985-86): Page 393 read with Sr. No.238 of Audit Report for the year 1993-94 – Misappropriation of bitumen – Rs.138,432.

231. Para No.IV-2(1985-86): Page 393 read with Sr. No.239 of Audit Report for the year 1993-94 – Misappropriation of Empty Tar Drums – Rs.600,000.

232. Para No.IV-4(1985-86): Page 393 read with Sr. No.240 of Audit Report for the year 1993-94 – Misappropriation of Bitumen – Rs.629,949.

233. Para No.IV-6(1985-86): Page 393 read with Sr. No.241 of Audit Report for the year 1993-94 – Misappropriation of Bitumen – Rs.274,495.

234. Para No.IV-7(1985-86): Page 393 read with Sr. No.242 of Audit Report for the year 1993-94 – Misappropriation of Bitumen – Rs.78,750.

235. Para No.IV-8(1985-86): Page 393 read with Sr. No.243 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.46,276.

236. Para No.V-1(1985-86): Page 393 read with Sr. No.244 of Audit Report for the year 1993-94 – Misappropriation of Bitumen – Rs.3,400,415.

237. Para No.V-3(1985-86): Page 394 read with Sr. No.245 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.355,300.

238. Para No.VI-1(1985-86): Page 394 read with Sr. No.246 of Audit Report for the year 1993-94 – Unauthorized Expenditure – Rs.248,244.

239. Para No.VI-3(1985-86): Page 394 read with Sr. No.247 of Audit Report for the year 1993-94 – Unauthorized payment – Rs.1,326,000.

- 240. Para No.VI-4(1985-86): Page 393 read with Sr. No.248 of Audit Report for the year 1993-94 – Misappropriation of Bitumen – Rs.629,949.**
- 241. Para No.VI-5(1985-86): Page 394 read with Sr. No.249 of Audit Report for the year 1993-94 – Non-imposition of penalty – Rs.5,417.**
- 242. Para No.VI-6(1985-86): Page 394 read with Sr. No.250 of Audit Report for the year 1993-94 – Infuctuous Expenditure – Rs.53,100.**
- 243. Para No.VI-7(1985-86): Page 394 read with Sr. No.251 of Audit Report for the year 1993-94 – Fictitious utilization of Material – Rs.63,928.**
- 244. Para No.I-1(1986-87): Page 395 read with Sr. No.252 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.244,581.**
- 245. Para No.I-3(1986-87): Page 395 read with Sr. No.253 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.327,374.**
- 246. Para No.I-7(1986-87): Page 395 read with Sr. No.254 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.244,919.**
- 247. Para No.I-8(1986-87): Page 395 read with Sr. No.255 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.41,536.**
- 248. Para No.I-10(1986-87): Page 395 read with Sr. No.256 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.503,306.**
- 249. Para No.I-11(1986-87): Page 395 read with Sr. No.257 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.425,774.**
- 250. Para No.I-12(1986-87): Page 396 read with Sr. No.258 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.330,088.**
- 251. Para No.I-13(1986-87): Page 396 read with Sr. No.259 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.655,444.**
- 252. Para No.I-15(1986-87): Page 396 read with Sr. No.260 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.102,600.**
- 253. Para No.I-16(1986-87): Page 396 read with Sr. No.261 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.645,734.**
- 254. Para No.I-18(1986-87): Page 396 read with Sr. No.262 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.71,697.**
- 255. Para No.I-23(1986-87): Page 396 read with Sr. No.263 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.1,165,177.**

- 256. Para No.I-34(1986-87): Page 397 read with Sr. No.264 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.33,532.**
- 257. Para No.I-36(1986-87): Page 397 read with Sr. No.265 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.1,120,980.**
- 258. Para No.I-37(1986-87): Page 397 read with Sr. No.266 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.121,016.**
- 259. Para No.I-30(1986-87): Page 397 read with Sr. No.267 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.2,899,637.**
- 260. Para No.I-17(1986-87): Page 397 read with Sr. No.268 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.165,965.**
- 261. Para No.I-14(1986-87): Page 397 read with Sr. No.269 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.3,451,575.**
- 262. Para No.I-46(1986-87): Page 397 read with Sr. No.270 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.795,000.**
- 263. Para No.I-47(1986-87): Page 398 read with Sr. No.271 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.266,200.**
- 264. Para No.I-48(1986-87): Page 398 read with Sr. No.272 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.261,179.**
- 265. Para No.I-35(1986-87): Page 398 read with Sr. No.273 of Audit Report for the year 1993-94 – Non-Recovery of Government dues for delay in completion of work – Rs.4,116,995.**
- 266. Para No.I-42(1986-87): Page 398 read with Sr. No.274 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.776,628.**
- 267. Para No.I-44(1986-87): Page 398 read with Sr. No.275 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.9,056,682.**
- 268. Para No.I-19(1986-87): Page 398 read with Sr. No.276 of Audit Report for the year 1993-94 – Non-Recovery of Government dues – Rs.68,750.**
- 269. Para No.II-2(1986-87): Page 398 read with Sr. No.277 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.31,858.**
- 270. Para No.II-2(1986-87): Page 399 read with Sr. No.278 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.62,289.**
- 271. Para No.II-6(1986-87): Page 399 read with Sr. No.279 of Audit Report for the**

year 1993-94 – Excess payment to Contractor – Rs.32,782.

272. Para No.II-13(1986-87): Page 399 read with Sr. No.280 of Audit Report for the year 1993-94 – Excess payment to Contractor & Loss due to Higher Rates – Rs.177,235.

273. Para No.II-14(1986-87): Page 399 read with Sr. No.281 of Audit Report for the year 1993-94 – Excess payment to Contractor & Loss due to Higher Rates – Rs.85,108.

274. Para No.II-15(1986-87): Page 399 read with Sr. No.282 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.44,437.

275. Para No.II-17(1986-87): Page 399 read with Sr. No.283 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.22,475.

276. Para No.II-18(1986-87): Page 399 read with Sr. No.284 of Audit Report for the year 1993-94 – Excess payment to Contractor & Loss due to Higher Rates – Rs.22,871.

277. Para No.II-22(1986-87): Page 400 read with Sr. No.285 of Audit Report for the year 1993-94 – Excess payment to Contractor & Loss due to Higher Rates – Rs.22,113.

278. Para No.II-24(1986-87): Page 400 read with Sr. No.286 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.125,196.

279. Para No.II-27(1986-87): Page 400 read with Sr. No.287 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.25,700.

280. Para No.II-29(1986-87): Page 400 read with Sr. No.288 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.11,463.

281. Para No.II-33(1986-87): Page 400 read with Sr. No.289 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.77,598.

282. Para No.II-47(1986-87): Page 400 read with Sr. No.290 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.392,327.

283. Para No.II-20(1986-87): Page 400 read with Sr. No.291 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.48,757.

284. Para No.II-48(1986-87): Page 400 read with Sr. No.292 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.179,982.

285. Para No.II-37(1986-87): Page 401 read with Sr. No.293 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.125,640.

286. Para No.II-38(1986-87): Page 401 read with Sr. No.294 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.67,415.



- 287. Para No.II-39(1986-87): Page 401 read with Sr. No.295 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.67,415.**
- 288. Para No.II-40(1986-87): Page 401 read with Sr. No.296 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.63,754.**
- 289. Para No.II-42(1986-87): Page 401 read with Sr. No.297 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.33,169.**
- 290. Para No.II-43(1986-87): Page 401 read with Sr. No.298 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.363,262.**
- 291. Para No.II-49(1986-87): Page 401 read with Sr. No.299 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.125,640.**
- 292. Para No.II-50(1986-87): Page 401 read with Sr. No.300 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.21,585.**
- 293. Para No.II-51(1986-87): Page 402 read with Sr. No.301 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.16,260.**
- 294. Para No.II-45(1986-87): Page 402 read with Sr. No.302 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.42,566.**
- 295. Para No.II-11(1986-87): Page 402 read with Sr. No.303 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.111,349.**
- 296. Para No.II-12(1986-87): Page 402 read with Sr. No.304 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.32,184.**
- 297. Para No.II-27(1986-87): Page 402 read with Sr. No.305 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.257,001.**
- 298. Para No.II-35(1986-87): Page 402 read with Sr. No.306 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.20,974.**
- 299. Para No.II-25(1986-87): Page 402 read with Sr. No.307 of Audit Report for the year 1993-94 – Excess payment to Contractor – Rs.62,289.**
- 300. Para No.III-2-3(1986-87): Page 403 read with Sr. No.308 of Audit Report for the year 1993-94 – Non-accountal of stores – Rs.96,928.**
- 301. Para No.III-3-3(1986-87): Page 403 read with Sr. No.309 of Audit Report for the year 1993-94 – Machinery stores rendered unserviceable – Rs.21,585.**
- 302. Para No.III(III)(1986-87): Page 403 read with Sr. No.310 of Audit Report for the**



year 1993-94 – Shortage of stores – Rs.49,705.

303. Para No.III-3-5(1986-87): Page 403 read with Sr. No.311 of Audit Report for the year 1993-94 – Shortage of Stores Material – Rs.13,243.

304. Para No.III-I-III(1986-87): Page 403 read with Sr. No.312 of Audit Report for the year 1993-94 – Shortage of Stores Material – Rs.10,210.

305. Para No.III-1-2(1986-87): Page 403 read with Sr. No.313 of Audit Report for the year 1993-94 – Shortage of Material – Rs.21,585.

306. Para No.III-2-1(1986-87): Page 403 read with Sr. No.314 of Audit Report for the year 1993-94 – Non-accountal of Store – Rs.34,778.

307. Para No.III-III-1(1986-87): Page 403 read with Sr. No.315 of Audit Report for the year 1993-94 – Shortage of Store – Rs.6,290,000.

308. Para No.III-III-2(1986-87): Page 403 read with Sr. No.316 of Audit Report for the year 1993-94 – Shortage of Stores Material – Rs.48,545.

309. Para No.IV-2(1986-87): Page 404 read with Sr. No.317 of Audit Report for the year 1993-94 – Loss to Government – Rs.21,585.

310. Para No.IV-3(1986-87): Page 404 read with Sr. No.318 of Audit Report for the year 1993-94 – Irregular payment – Rs.48,000.

311. Para No.IV-4(1986-87): Page 404 read with Sr. No.319 of Audit Report for the year 1993-94 – Loss to Government – Rs.387,937.

312. Para No.IV-6(1986-87): Page 404 read with Sr. No.320 of Audit Report for the year 1993-94 – Loss to Government – Rs.22,246.

313. Para No.IV-7(1986-87): Page 404 read with Sr. No.321 of Audit Report for the year 1993-94 – Loss to Government – Rs.440,000.

314. Para No.IV-8(1986-87): Page 404 read with Sr. No.322 of Audit Report for the year 1993-94 – Loss to Government – Rs.3,480,351.

315. Para No.IV-9(1986-87): Page 404 read with Sr. No.323 of Audit Report for the year 1993-94 – Loss to Government – Rs.297,569.

316. Para No.IV-II(1986-87): Page 404 read with Sr. No.324 of Audit Report for the year 1993-94 – Loss to Government – Rs.63,840.

317. Para No.IV-12(1986-87): Page 404 read with Sr. No.325 of Audit Report for the year 1993-94 – Loss to Government – Rs.3,341,630.

**318. Para No.IV-14(1986-87): Page 404 read with Sr. No.326 of Audit Report for the year 1993-94 – Loss to Government – Rs.1,509,139.**

**319. Para No.IV-15(1986-87): Page 405 read with Sr. No.327 of Audit Report for the year 1993-94 – Loss to Government – Rs.27,438.**

**320. Para No.IV-16(1986-87): Page 405 read with Sr. No.328 of Audit Report for the year 1993-94 – Loss to Government – Rs.1,740,000.**

**321. Para No.IV-17(1986-87): Page 405 read with Sr. No.329 of Audit Report for the year 1993-94 – Loss to Government – Rs.523,252.**

**322. Para No.V-4(1986-87): Page 405 read with Sr. No.330 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.147,896.**

**323. Para No.V-2(1986-87): Page 405 read with Sr. No.331 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.91,728.**

**324. Para No.V-3(1986-87): Page 405 read with Sr. No.332 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.25,272.**

**325. Para No.IV-5(1986-87): Page 405 read with Sr. No.333 of Audit Report for the year 1993-94 – Loss to Government – Rs.64,200.**

**326. Para No.V-5(1986-87): Page 405 read with Sr. No.334 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.276,970.**

**16-5-02:** The Committee directed that the Department should comply with the directives of the PAC by 30 September 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The paras (Sr. No.1 to 326 above) were kept pending.**

## **Performance Audit Report**

**on**

## **Construction of MPAs' Hostel, Lahore**

**30-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working papers** with Audit comments along with the proposals for improving the performance of the projects. The steps being taken to improve their economy, efficiency and effectiveness, should also be indicated in the working papers.

## **Performance Audit Report**

**on**

### **Sewerage and Drainage Scheme, Gujrat, Phase-I**

**30-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working papers** with Audit comments along with the proposals for improving the performance of the projects. The steps being taken to improve their economy, efficiency and effectiveness, should also be indicated in the working papers.

## **Performance Audit Report**

**on**

### **Construction of Underpass at Jail Road Canal Crossing, Lahore.**

**30-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working papers** with Audit comments along with the proposals for improving the performance of the projects. The steps being taken to improve their economy, efficiency and effectiveness, should also be indicated in the working papers.

# Education Department

## Overview

Total Paras	Civil	Works
<b>44</b>	<b>41</b>	<b>3</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled</b>  <b>21</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 5.1, 5.2, 5.4, 5.6, 5.7, 6.1(4), 6.1(7), 6.2(1), 6.2(3), 6.2(4), 6.2(7), 6.2(9), 6.5 (1), 6.5(2), 6.6, 6.7(1), 6.7(2), 6.9, 6.10, 6.14, 6.15	<b>21</b>
<b>Paras Conditionally Settled</b>  <b>19</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Civil:</b> 5.3, 5.5, 6.1(1), 6.1(2), 6.1(5), 6.1(6), 6.1(8), 6.2(5), 6.2(6), 6.2(8), 6.2(10)(A), 6.2(10)(B), 6.2(10)(c), 6.7 (3), 6.8, 6.11	<b>16</b>
		<b>Works:</b> I-1, I-2, I-3	<b>3</b>
<b>Paras Pended</b>  <b>4</b>	The paras were pended because the Committee desired to have Working Papers for consideration.	Civil: 6.3(1), 6.3(2), 6.12, 6.13  Para No. 6.1(3), 6.2(2) and 6.4 Transferred to Labour Department	<b>4</b>

**Discussed on 1 September 1998, 13 February 1999, 29 April and 23 May 2002**

## Civil Audit

### 1. Para 5.1: Page 68 – Defalcation of Rs.30,700 of Staff Salaries for January, 1989

Audit had observed: “A sum of Rs.30,700 relating to staff salary of the school for January 1989 was reported to have been snatched away by unknown persons from Mr Ghulam Mustafa, Lab. Attendant of the school while returning from State Bank after collecting cash on 2 January 1989. The loss was not reported to Accountant-General, Punjab/Finance Department and Education Department Authorities as required under Rule 2.34 and 2.35 of P.F.R. Vol-I

Punjab, no F.I.R. was got registered with Police. The loss to Government has neither been made good nor got written off so far despite a lapse of five years. The case of theft/dacoity appeared to be doubtful due to silence of the Departmental authorities. The matter needs immediate inquiry at higher level to recover the loss from the persons held responsible.”

**1-9-98:** The Department explained that a sum of Rs.30,700 relating to staff salary of the school for January, 1989 was reported to have been snatched away by unknown persons from Mr. Ghulam Mustafa, Lab. Attendant of the Govt. Girls High School, Manga, District Lahore while returning from State Bank after collecting cash on 2 January 1989.

The Audit objected that neither the loss was reported to the A.G, Punjab/Finance Department and Education Department as required under rule 2.34 and 2.35 of P.F.R. Vol.I Punjab nor any F.I.R. was got registered with the Police. The case of theft/dacoity appeared to be doubtful.

The Department however, informed the Committee that the total amount of Rs.30,700.90 had been recovered from Mr. Ghulam Mustafa, Lab. Attendant in installments and paid to the actual payees i.e. teaching and non-teaching staff .

a) The para was settled subject to verification of relevant record by the Audit regarding recovery of the amount of Rs.30,700/90 from the defaulter; and its disbursement to the payees.

b) The Department was directed to initiate disciplinary action against the Headmistress concerned for not registering the FIR with the Police and not informing the Administrative Department in time.

**13-2-99:** The Department explained that the amount of Rs.30,700 had been recovered from the official at fault and disbursed to the concerned staff. The then D.D.O. had since been retired from service. The official from whom the recovery had been effected had remained under suspension from 9-5-89 to 31-7-94. The PAC accepted the explanation and **the para was settled.**

## **2. Para 5.2: Page 68 – Non-Deposit of Tuition Fee Rs.21,487**

Audit had observed: “Tuition fee/Admission fee realized from the students was not deposited into Government treasury in contravention of Rule 4.1 of P.F.R. Vol-I. The embezzled amount be recovered and disciplinary action taken against the defaulters.”

**1-9-98:** The Audit had verified the deposit of Rs.21,487 into Govt. treasury. The PAC **settled the para.**

## **3. Para 5.3: Page 69 – Suspected Embezzlement of Pay and Allowances for Rs.12,069**

Audit had observed: “Rs.12,069 was drawn vide Token No.1970 dated 22 August, 1990 on account of pay and allowances of Mst Wazir Bibi Bulavi from 16 January 1989 to 28 February 1990. The Bulavi was appointed as Class-IV servant vide DEO(W) order No.2284-89/E, dated 3 March 1990 and no such record in service book was available. The related record revealed that Bulavi as appointed by the School Headmistress vide order No.987, dated 16 January 1989 and the same was cancelled vide order No.991, dated 6 March 1989. It is not understood as to how the pay for the period noted above was drawn. The matter was brought to the notice of Administrative Department in June 1992 but no reply was received. An investigation be made and amount recovered from the official concerned, apart from disciplinary action.”



**1-9-98:** As amount of Rs.12,069 had been drawn on account of pay and allowances of Mst. Wazir a class-IV servant Bibi Bulavi from 16 January 1989 to 28 February 1990, but no such entry in her service book was available.

The Department stated that the case had been registered with the Anti-Corruption Department and the next date of hearing was 7.10.1998

The PAC directed the Department to pursue the case vigorously with the Anti-Corruption Department till its finalization. The para was kept pending till final decision/recovery of the said amount.

**13-2-99:** The Department explained that the case was still with the Anti Corruption Department and the decision was awaited. The PAC kept the para pending for the final decision/recovery of loss.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and recover the loss from the persons found at fault. In case no one is found responsible, the case may be referred to the Competent Authority for the write off. The action taken shall be got verified from the Audit by 30 September 2002, and reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the Ad hoc PAC.

#### **4. Para 5.4: Page 69 – Irregular Payment of House Rent Allowance Amounting to Rs.32,844**

Audit had observed: “Mr Ghulam Qadir, Principal, who was residing in Government accommodation within school premises was drawing house rent allowance regularly. 5% of pay as rent deduction was not deducted from his pay. The overpayment to the above extent needs to be recovered forthwith and disciplinary action taken.”

**1-9-98:** The PAC accepted the explanation of the Department and **the para was settled.**

#### **5. Para 5.5: Page 70 – Un-Lawful Collection of Funds Worth Rs.135,442**

**1-9-98:** Audit had observed: “Un-authorized and un-lawful collection of funds to the tune of Rs.107,442 was made by the Headmistress, Government Mir Hassan Girls High School, Sialkot which was confirmed by the District Education Officer (Female), Sialkot during the investigation against her. It is further added that auction money of the canteen aggregating Rs.28,000 collected by the Headmistress was also not got deposited into Government Treasury.”

**13-2-99:** The Department explained that inquiry was not yet finalized. The PAC was not satisfied with the explanation and pace of action being taken by the Department as on 1-9-98 the Department was directed to finalize the inquiry/disciplinary action within three months. Contrary to this the inquiry/disciplinary action was yet not finalized despite the lapse of about six months. The PAC directed the Department to complete the disciplinary action within one month positively. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **6. Para 5.6: Page 70 – Irregular Purchase of Science Material Worth Rs. 153,638**

Audit had observed: “As per serial No.11 of Special Powers to Education Department in Delegation of Financial Powers Rules 1990, the Principal being an officer of category-II was competent to purchase science material upto Rs.10,000 in each case and not exceeding Rs.150,000 during the period of one year vide F.D. letter No.F.D.(FR)II-5/82, dated 2 November 1986. Contrary to the above provisions, the above officer incurred expenditure exceeding his competency during that year.”

**1-9-98:** The PAC decided that the Department may hold an inquiry to find out as to whether the action of the Principal was bonafide or not. As also why the D.D.O. concerned passed these irregular bills. The inquiry should be completed within three months. The Department was however, directed to obtain ex-post facto sanction from the F.D. by completing the codal formalities in this regard. The para was kept pending.

**13-2-99:** The Department explained that the necessary sanction to incur the expenditure of Rs. 124,155 and Rs.29,482 (Rs.153,638) was obtained from D.E. (SE) Faisalabad. The Principal being officer of category II had full powers to incur the expenditure. No splitting of expenditure was involved. The PAC accepted the explanation and **the para was settled.**

#### **7. Para 5.7: Page 71 – Overpayment on Account of Salary – Rs.22,192**

Audit had observed: “Overpayment on account of pay and conveyance allowance was made by the Headmaster, Mahboob Alam, Islamia High School, Gujranwala. Recovery of the amount is stressed.”

**1-9-98:** The Department informed the Committee that an amount of Rs.20,277.40 had been recovered which had been verified by the Audit. A sum of Rs.1,915 had also been deposited into Govt. treasury on 31.7.1998.

The PAC settled the para subject to verification of the total recovery by the Audit.

**13-2-99:** The Department explained that the amount of Rs. 22,192 had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

#### **8. Para 6.1 (1): Page 73 – Embezzlement of Tuition Fee, Rent of Land, Canteen and Cycle Stand Worth Rs. 676,500 (This Item Rs.240,120)**

Audit had observed: “The stated amount was collected on account of admission/ tuition fee, rent of land, canteen, cycle stand etc. but was not deposited into treasury as neither the treasury challans were shown to Audit nor the entries existed in cash book. The matter was brought to the notice of Administrative Department but no reply was received. Recoveries need to be effected from the officials concerned and deposited into the Government account”

**1-9-98:** The facts of the case are that the Principal, Waris Shah Degree College, Jandiala Sher Khan, District Sheikhpura collected tuition fee from the students but did not deposit it into the Government treasury.

The Department explained that the matter has been taken up at the level of Chief Secretary Punjab for obtaining orders for recovery of the amount from the accused besides lowering him one-stage in the time scale of BS-18 under E&D Rules, 1975. It was further explained that as a result of best efforts a sum of Rs.30,200 had been recovered and deposited into Govt. treasury. The remaining recovery was under process.

The PAC decided that the recovery so far made may be got verified by the Audit and strenuous efforts should be made to effect the balance recovery.

The Audit proposed that it would be more advisable if the fee is collected by the institutions through the banks. The Secretary Education agreed to consider the proposal. The item was kept pending.

**13-2-99:** The Department explained that after inquiry it was concluded that actual embezzled amount was Rs.310,000. Anyhow, the entire amount had been recovered and deposited with the Government. The accused had also been penalized by lowering one stage in the time scale of BPS-18. The PAC **settled the para subject to verification of total recovery** made by the Department.

**9. Para 6.1(2): Page 73 – Embezzlement of Tuition Fee, Rent of Land, Canteen and Cycle Stand Worth Rs.676,500 (This Item Rs.65,229)**

For Audit observation, *see* Sr.No.8 above.

**1-9-98:** The Department explained that deposit of Rs.65,229 had been got verified by the Audit.

The PAC accepted the explanation of the Department and **settled the item subject to verification** of any further record by the Audit, if required.

**10. Para 6.1(3)**

**1-9-98:** Transferred to Labour Department

**11. Para 6.1(4): Page 73 – Embezzlement of Tuition Fee, Rent of Land, Canteen and Cycle Stand Worth Rs. 676,500 (This Item Rs.13,710)**

For Audit observation, *see* Sr.No.8 above.

**1-9-98:** The Department explained that the actual amount viz Rs.13,585 had been deposited into the Govt. treasury which had been verified by the Audit.

The PAC settled the item with the observation that tendency of temporary embezzlement should be discouraged by devising ways and means to combat it. It was also directed that disciplinary action may be initiated against the officers at fault.

**13-2-99:** The Department explained that disciplinary action had been taken against the defaulter by stopping his annual increment. Measures had also been adopted as deterrent against such temporary embezzlement in future. The PAC accepted the explanation and **the**

para was settled.

**12. Para 6.1(5) Page 73 – Embezzlement of Tuition Fee, Rent of Land, Canteen and Cycle Stand Worth Rs. 676,500 (This Item Rs.36,392)**

For Audit observation, *see* Sr.No.8 above.

**1-9-98:** The Department explained that recovery of Rs.3,159.50 had been made and efforts were being made to collect the remaining amount i.e. Rs.11,325 from the responsible officers/officials.

The PAC settled the item subject to the following observations:-

(a) The balance amount of Rs.11,325 be recovered from the defaulters and shown to the Audit.

(b) Disciplinary action against the officers/officials be taken and reported to the PAC

**13-2-99:** The Department explained that remaining amount of Rs.11,325 had been recovered. The defaulter had been placed under suspension. The recovery had also been verified by Audit. The PAC **settled the para subject to the finalization of disciplinary action** against the defaulters under intimation to PAC.

**13. Para 6.1(6):Page 73 – Embezzlement of Tuition Fee, Rent of Land, Canteen and Cycle Stand Worth Rs. 676,500 Rs. 676,500 (This Item Rs.108,600)**

For Audit observation, *see* Sr.No.8 above.

**1-9-98:** The facts of the case are that the amount of Rs.108,600 was collected on account of admission/tuition fee, but it was not deposited into Government Treasury.

The Department explained that immediate action was taken against the accused officer and presently the case was pending in the court of Special Judge, Anti-corruption in Bahawalpur. The next date of hearing was 10.9.1998.

The PAC settled the item with the following observation:-

- a) the case in the court be pursued vigorously; and
- b) disciplinary action be taken against the D.D.O. under intimation to the PAC

**13-2-99:** The Department explained that concerned Departmental authorities took timely action and F.I.R. was got registered with the Police. The case was being pursued with the Anti-Corruption Department. Police had recovered a sum of Rs.48,268 which was further embezzled by the Police officials and F.I.R. had also been registered against three police officials. Moreover, the action was also underway for Departmental action under E & D Rules.

The PAC directed the Department to pursue the case vigorously with the Anti Corruption Department and also to press the Police Department to proceed against the Police personals who embezzled the recovered amount of Rs.48,268 and to recover the same. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**14. Para 6.1 (7): Page 73 – Embezzlement of Tuition Fee, Rent of Land, Canteen and**



**Cycle Stand Worth Rs.676,500 (This Item Rs.17,344)**

For Audit observation, *see* Sr.No.8 above.

**1-9-98:** The Department informed that the amount of Rs.17,344 had been deposited into Government treasury.

The Audit verified the deposited amount i.e. Rs.17,344 .

The PAC settled the para.

**15. Para 6.1 (8): Page 73 – Embezzlement of Tuition Fee, Rent of Land, Canteen and Cycle Stand Worth Rs.676,500 (This Item Rs.162,355)**

For Audit observation, *see* Sr.No.8 above.

**1-9-98:** The facts of the case are that the remittances into Govt. Treasury on account of tuition fee realized from the students of Primary and Middle Schools in D. G. Khan Tehsil, were subject to verification with the record of District Accounts Officer, D. G. Khan to ascertain correctness of the amount credited to Govt. Account. It was found that an amount of Rs. 1,62,354.75 was embezzled by the AEO (M) concerned.

The Department explained that strenuous efforts were being made to collect the record and make recoveries within a short time.

The PAC directed the Department to make the recovery and take disciplinary action against the defaulters. The recovery may be shown to the Audit.

The item was kept pending.

**13-2-99:** The Department explained that an amount of Rs. 1,52,730 had been recovered and got verified by Audit leaving a recoverable balance of Rs. 9,625.

The PAC directed the Department to recover the balance amount and also to take disciplinary action against the defaulters under intimation to Public Accounts Committee. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**16. Para 6.2 (1): Page 74 – Misappropriation of Store Articles, Tuition Fee, POL, Electricity Charges Worth Rs.763,420 (This Item Rs.42,396)**

Audit had observed: “The stated amount was spent on purchase of different store articles. Neither stock entries in respect of the following cases were made in the stock registers nor vouched account was produced to Audit for verification, as such the amounts appeared to have been misappropriated.”

**1-9-98:** The facts of the case are that during scrutiny of used cheque books of the Assistant Education Officer (W) Pattoki and Chunian it was noticed that the cheques were shown as cancelled on the counter file of the cheques. But the original cancelled cheques were not made available for verification. The matter was got verified from the Bank i.e. the Manager National Bank of Pakistan Chunian. The Manager intimated that the cheques issued had been encashed. From this fact it was established that the amount of Rs. 24,599 had been apparently misappropriated.



The Department explained that after verification of the record the amount of Rs. 16,116 and Rs.9,484 was drawn from the NBP Chunian. The said amount had been disbursed to the Headmistress of concerned schools.

The PAC considered the item and settled it subject to the condition that the Department may initiate disciplinary action against the persons responsible for late disbursement/refund of amount into Govt. treasury.

**13-2-99:** The Department explained that the defaulter had been censured. The PAC accepted the explanation and **the para was settled.**

**17. Para 6.2(2)**

**1-9-98:** Transferred to Labour Department.

**18. Para 6.2(3): Page 74 – Misappropriation of Store Articles, Tuition Fee, POL, Electricity Charges Worth Rs.763,420 (This Item Rs.48,374)**

For Audit observation, *see* Sr.No.16 above.

**1-9-98:** The Department explained that at the time of Audit certain files/registers had been misplaced due to shifting of building. The Department, however, informed the Committee that the relevant document after having been traced had been shown to the Audit who had verified it. The Audit endorsed the explanation of the Department. The PAC accepted the explanation of the Department and **settled the item.**

**19. Para 6.2(4): Page 74 – Misappropriation of Store Articles, Tuition Fee, POL, Electricity Charges Worth Rs.763,420 (This Item Rs.33,781)**

For Audit observation, *see* Sr.No.16 above.

**1-9-98:** The Department explained that the E.O after thorough probe and physical check up of store items intimated that no items was missing at the time of physical verification and all the hearing aids and other store as pointed out by the Audit officer were available in the store.

The Audit pointed out that the relevant record had been seen and recommended that the item be settled. **The PAC settled the para.**

**20. Para 6.2(5): Page 74 – Misappropriation of Store Articles, Tuition Fee, POL, Electricity Charges Worth Rs.763,420 (This Item Rs.146,305)**

For Audit observation, *see* Sr.No.16 above.

**1-9-98:** The facts of the case are that vehicle No.2322-LY became out of order on 7.3.1991 and was lying in the office premises since that time but the POL had been purchased regularly for the period in which the vehicle was not in order. The amount so drawn was misappropriated.

The Department explained that the DDO had since expired. She was alone in this world and no one of her heir came forward to receive her dues. As such it was not possible to effect the recovery from a deceased lady who left nothing behind her. The PAC decided to settle the item and directed the Department to:-

- (i) indicate the amount of recovery in the NDC of the officer and send it to the DAO concerned;
- (ii) ask the DAO concerned to intimate amount of recovery in case of pension

claim submitted to him by any legal heir of the officer.

**13-2-99:** The Department explained that as per directive of PAC dated 1-9-98 the recovery of Rs. 1,46,304 had been recorded in the No Demand Certificate of the deceased officer and sent to D.A.O. concerned. The D.A.O. had been asked to effect recovery if pension case was submitted to him.

The PAC directed the Department to obtain a certificate from the D.A.O. concerned to the effect that necessary adjustment of the recoverable amount had been made from the pension/commutation of the deceased officer. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action indulging recovery, if any, as per observation of the Audit after such verification. The action shall be completed and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the direction of the PAC.

**21. Para 6.2(6): Page 74 – Misappropriation of Store Articles, Tuition Fee, POL, Electricity Charges Worth Rs.763,420 (This Item Rs.160,308)**

For Audit observation, *see* Sr.No.16 above.

**1-9-98:** The facts of the case are that an amount of Rs.160,308 was spent on purchase of different articles. Neither stock entries were made in stock register nor vouched account was produced to Audit for verification.

The Department explained that the sports material by its regular use and by wear and tear became unserviceable before the auction was held. Therefore, no misappropriation had taken place.

The PAC did not agree with the explanation and kept the item pending with the following observation:-

- (a) Full recovery of the amount involved may be made from the defaulters and shown to Audit;
- (b) disciplinary action against the concerned officers may also be taken and intimated to the PAC

**13-2-99:** The Department explained that after inquiry it was concluded that a sum of Rs.129,468 had been misappropriated by four persons including Ex-Principal Mr. Allah Yar. A sum of Rs. 97,851 had been deposited by the three persons out of the four persons who misappropriated Rs. 1,29,468. The remaining amount of Rs.31,617 was due from Mr. Allah Yar Ex Principal who had since been retired. Deputy Commissioner, Kasur had been requested to recover the amount of Rs. 31,617 as arrears of land revenue from the Ex-Principle. As regard the theft of sports material valuing Rs.30,840 the case had been referred to the Government for disciplinary action against the defaulters.

The PAC directed the Department to make efforts to recover the mis-appropriated amount of Rs.31,617 as arrears of land revenue and pursue the theft case of sports material worth Rs 30,840 with the police. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 February 1999

by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**22. Para 6.2(7): Page 75 – Misappropriation of Store Articles, Tuition Fee, POL, Electricity Charges Worth Rs.763,420 (This Item Rs.16,662)**

For Audit observation, *see* Sr.No.16 above.

**1-9-98:** The Department explained that the total recovery had been effected and deposited into Govt. treasury.

The PAC settled the item and directed the Department that the disciplinary action be taken against the defaulters for not depositing the tuition fee into Govt. treasury at the time of realization. The action taken may be reported to the PAC

**13-2-99:** The Department explained that as per directive of PAC dated 1-9-98 the disciplinary action against the defaulter was actually being taken and definitely would be completed very soon. The PAC accepted the explanation and **settled the para.**

**23. Para 6.2(8): Page 75 – Misappropriation of Store Articles, Tuition Fee, POL, Electricity Charges Worth Rs.763,420 (This item Rs.115,536)**

For Audit observation, *see* Sr.No.16 above.

**1-9-98:** The Department explained that at the time of Audit there was no regular Director of Special Education, Punjab Lahore. Mrs. Sarood Lashari, Additional Secretary (G) was holding the additional charge of the post of Director, Special Education Punjab. The relevant record to the expenditure of Rs.115,535.50 on account of repair of vehicles of Directorate of Special Education was called for necessary checking/scrutiny by her due to which the same could not be produced before the Audit party. The same had been collected from the administrative Department/from Civil Secretariat which could be seen/examined at any time.

The PAC settled the item subject to verification of record by the Audit.

**13-2-99:** The Department explained that recovery of Rs. 1604 on account of Income Tax had been made from the concerned firm. **The PAC settled the para subject to regularization of expenditure** incurred on purchase of M-oil, C-oil etc and charged to Head 410-Repair instead of 513-POL by the Finance Department. Recovery of Rs. 1604 on account of Income Tax may be got verified by Audit.

**24. Para 6.2(9): Page 75 – Misappropriation of Store Articles, Tuition Fee, POL, Electricity Charges Worth Rs.763,420 (This Item Rs.15,204)**

For Audit observation, *see* Sr.No.16 above.

**1-9-98:** The Department explained that full amount of Rs.15,204 had been deposited into Govt. treasury. The Audit verified the explanation of the Department.

The PAC settled the item and directed that action against the person/persons at fault may be taken by the Department.

**13-2-99:** The Department explained that defaulter lady teacher had since been retired and therefore, disciplinary action against her may be condoned. **The PAC accepted the explanation and the para was settled.**

**25. Para 6.2(10) (A): Page 75 – Misappropriation of Store Articles, Tuition Fee, POL, Electricity Charges Worth Rs.763,420 (This Item Rs.11,320)**

For Audit observation, *see* Sr.No.16 above.

**1-9-98:** The Department explained that the relevant record was available for verification. The PAC directed that the item may be pending and the Department may produced the relevant record to the Audit for verification.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**26. Para 6.2(10) (B): Page 75 – Misappropriation of Store Articles, Tuition Fee, POL, Electricity Charges Worth Rs.763,420 (This Item Rs.44,177)**

For Audit observation, *see* Sr.No.16 above.

**1-9-98:** The Department explained that all the items had already been entered in the relevant stock register and the record was available for verification.

The PAC directed that the item may be kept pending and the Department may produce the relevant record before the Audit for verification.

**29-4-02:** Reiterating the decision of the PAC dated 1 September 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such, verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**27. Para 6.2 (10) (C): Page 75 – Misappropriation of Store Articles, Tuition Fee, POL, Electricity Charges Worth Rs.763,420 (This Item Rs.22,100)**

For Audit observation, *see* Sr.No.16 above.

**1-9-98:** The Department explained that the relevant record was available for verification.

The PAC kept the item pending and the directed the Department to produce the relevant record to the Audit for verification.

**13-2-99:** The Department explained that as per directive of PAC dated 1-9-98 the relevant record had been shown to Audit.

The Audit apprised the PAC that the entries of the store articles appeared to have been made afterwards. Anyhow, as the store articles were of permanent nature therefore, the Department may get these articles physically verified through a responsible officer.

The PAC directed the Department to arrange the physical verification of store article as desired by Audit. The defaulter who did not make the timely accountal of these articles may be proceeded against. The para was kept pending.



**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**28. Para 6.3 (1): Page 76 – Appointments of Teachers on Fictitious Certificates – Loss of Rs.608,778 (This Item is Rs.213,577)**

Audit had observed: “Appointments of P.T.C. Teachers were made in the following formations without appointment orders and on the basis of fictitious academic certificates. The teachers were directed by the Departmental authorities to produce original certificates for verification but the concerned Assistant Education Officer ignored the directions and drew the stated amount.”

**1-9-98:** The Department explained that as a result of inquiry it was revealed that a large number of P.T.C. teacher holding bogus academic (Matric and P.T.C.) certificates were appointed in the past. The fact came to the notice of Deputy D.E.O., Lodhran Mr. Altaf Hussain Malik, who made a thorough probe into the matter. He directed all the teachers to produce their original certificates and also directed all the A.E.Os. of Lodhran District not to draw pay of the teachers who did not produce their original certificates.

The Department explained that the payments were made by the then DEO, Lodhran Rana Muhammad Altaf Tariq who had expired. However, the matter had been reported to the Anti-Corruption and F.I.R. was got registered on 26.4.1997, the matter was still with the Anti-Corruption Department. The services of teachers under inquiry were terminated.

The PAC decided that:-

- (a) The case with the Anti-Corruption Department may be pursued vigorously;
- and
- (b) Disciplinary action against the officers/officials at fault be taken.

The item was kept pending.

**13-2-99:** The Department explained that the services of all the teachers appointed on bogus academic certificates had since been terminated. A case had been registered with the Anti Corruption Department where it was fixed for hearing in the court of Special Judge Anti Corruption. Therefore, the case was still subjudice in the court. The officers who made the said appointments were being proceeded against.

The PAC directed the Department to comply with the previous directive of PAC dated 1-9-98. The para was kept pending.

**29-4-02:** The Committee decided that the facts of the case required further examination. For this purpose, **the Department may submit the requisite working paper, containing the comments of the Audit.**

**29. Para 6.3(2): Page 76 – Appointment of Teachers on Fictitious Certificates – Loss of Rs.608,778 (This Item Rs.385,201)**



For Audit observation, *see* Sr.No.28 above.

**1-9-98:** The Department explained that the appointments as pointed out in the Audit observation were made by Rana Muhammad Altaf Tariq the then Deputy DEO Lodhran who had expired. However, the matter had been reported to the Anti-Corruption and F.I.R. got registered on 26.4.1997.

The PAC directed that the case with the Anti-Corruption Department may be pursued vigorously and the Departmental action be taken against the officers/officials at fault be taken and reported to PAC The item was kept pending.

**13-2-99:** The Department explained that the services of all the teachers appointed on bogus academic certificates had since been terminated. A case had been registered with the Anti Corruption Department where it was fixed for hearing in the court of Special Judge Anti Corruption. Therefore, the case was still subjudice in the court. The officers who made the said appointment were being proceeded against. The PAC directed the Department to comply with the previous directive of PAC dated 1-9-98. The para was kept pending.

**29-4-02:** The Committee decided that the facts of the case required further examination. For this purpose, **the Department may submit the requisite working paper, containing the comments of the Audit.**

### 30. Para 6.4

**1-9-98:** Transferred to Labour Department.

### **31. Para 6.5 (1): Page 78 – Loss of Government Money on Purchase of Vehicle/Burning of College Bus Worth Rs.900,000 (This Item Rs.685,000)**

Audit had observed: “The Government had to sustain loss on account of purchase of new bus with sub-standard engine. In another case the college bus was burnt by students on 20 May 1990 for which neither F.I.R. was lodged with Police nor any investigation was made to fix responsibility.

The matter needs investigation and the loss be recouped besides taking disciplinary action against defaulters.”

**1-9-98:** The Department explained that the bus contained many defects in its engine and therefore, the matter was reported to the Education Department. The Department instituted an inquiry and found that the defects in the engine of the bus had appeared as a result of mis-handling. The Principal did not agree with the findings of the Committee. However, after repair work the bus was again put on the road to serve the needs of the students.

The PAC decided that the Department may initiate an impartial and high level inquiry to fix responsibility for the loss and the amount may be recovered from the defaulters and report be submitted within three months.

The item was kept pending.

**13-2-99:** The Department explained that an inquiry was conducted which revealed that bus

was working satisfactorily and the engine of the bus was quite in order. The fault had occurred in the engine (E/oil seal was damaged) during the driving at a high speed during initial running. The loss of Rs. 1357 had been recovered from the accused who had also been dismissed from service. **The PAC accepted the explanation and the para was settled.**

**32. Para 6.5(2): Page 78 – Loss of Govt. Money on Purchase of Vehicles/Burning of College Bus Worth Rs.900,000 (This item Rs.215,000)**

For Audit observation, *see* Sr.No.31 above.

**1-9-98:** The Department explained that the incident had happened as a result of law and order situation as the students tried to burn the bus. The bus had been repaired and was on the road. It was further explained that no loss was caused to the Government.

The Audit apprised the Committee that as per certificate by the Principal of the College the damaged bus was got repaired on 19.5.1995 by the parents of the students and no Govt. funds were utilized. However, the Audit objected that no FIR was lodged with the Police. **The PAC accepted the explanation of the Department and settled the para.**

**33. Para 6.6: Page 79 – Theft of Tuition Fee – Rs.36,905**

Audit had observed: “An amount of Rs.36,905 was collected on account of tuition fee in May 1991 and the same was stolen away at midnight of the same day after breaking the locks of office safe. The case was registered with Police on 5 May 1991, which was still under investigation and no results had come out, but according to Rule 2.34 of PFR Vol-I, the report of the loss should have been sent to the Accountant General/Director General (Audit) on the same day and it was not done.”

**1-9-98:** The facts of the case are that an amount of Rs.36,905 was collected on account of tuition fee in May 1991 and the same was stolen away at midnight of the same day by breaking the locks of the office safe. The case was got registered with the Police on 5 May 1991.

The Department explained that the Departmental inquiry had revealed that no college employee was involved in the theft. Moreover, there was no tangible result about the recovery of the stolen amount at the police level. The Department had therefore sent the case to the F.D. for write off sanction.

**The PAC after discussing various aspects decided to settle the para.**

**34. Para 6.7 (1): Page 80 – Non Deduction of Tax – Rs.45,560 (This Item Rs.7,652)**

Audit had observed: “In accordance with the provisions of clause (c) of Notification No.1JJ1-1(77) 84-Vol-II, dated 30 June 1991 issued by the Central Board of Revenue, 2.5% Income Tax at source is required to be deducted on all payments to contractors exceeding Rs.10,000 on account of supply of goods, it was found that the tax on the following payments was not deducted from the suppliers resulting in loss to public exchequer. The recovery of the stated amount from the staff concerned responsible for negligence is stressed.”

**1-9-98:** The Department explained that an amount of Rs.7,652.35 had been recovered from the responsible persons and deposited into Govt. treasury, which had also been verified by the

**Audit. The PAC accepted the explanation of the Department and settled the para.**

**35. Para 6.7(2): Page 80 – Non Deduction of Tax – Rs.45,560 (This Item Rs.14,249)**

For Audit observation, *see* Sr.No.34 above.

**1-9-98:** The Department explained that total amount of Rs.14,249 had been recovered from the supplier and deposited into Govt. account.

The Audit recommended the item for settlement. The PAC **settled the para.**

**36. Para 6.7(3): Page 80 – Non Deduction of Tax – Rs.45,560 (This Item Rs.23,659)**

For Audit observation, *see* Sr.No.34 above.

**1-9-98:** The Department explained that efforts were being made to collect income tax from the firms/contractors. The compliance will be shown to the Audit as and when the amount was recovered from them.

The PAC decided that the item may be kept pending and recovery may be made from the concerned firms/contractors and if it was not possible, it may be made from the DDO responsible for non-deduction of income tax at source.

**13-2-99:** The Department explained that the concerned firm was contacted for the recovery of Income Tax but the firm was reluctant to pay the Income Tax. Two D.D.Os were concerned with the matter. One Sheikh Abdul Aziz was responsible for the amount of Rs.9,748 and he had since expired. Therefore, there was no question of recovery. The other D.D.O. responsible for the amount of Rs. 13,909 had since been retired and recovery would be made from his pension. The PAC directed that amount of Rs.9,748 may be recovered from the concerned firm and amount of Rs. 13,909 may be recovered from the retired D.D.O. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**37. Para 6.8: Page 81 – Irregular Expenditure of Rs.753,910 for Purchase of Science Equipment**

Audit had observed: “Project Director, Science Education Project, Lahore purchased Science Equipments locally valuing Rs.753,910 in March 1992 which was beyond his local purchase power. According to Purchase manual, 1985, Education Department (Purchase Cell) should have been approached to arrange the purchases which was not done. The refusal of Education Department (Purchase Cell) vide No.SO(F.A)3-9/87-IV, dated 7 May 1992 was obtained subsequently which was not in order. The expenditure on local purchases for the above amount was, therefore, irregular. Necessity for regularization of expenditure from Finance Department is stressed.”

**1-9-98:** The Department explained that the science equipments which were mentioned in PC-I were purchased for the training of teachers. The purchases were made with the permission of the Provincial Co-Ordination Committee. PC-I was approved by the competent

authority. The equipments purchased were mentioned in the PC-I and were purchased through National Equipment Centre. Therefore, purchase made was in accordance with the rules and there was no need of regularization from F.D.

The PAC decided that the para may be settled subject to verification of record by the Audit particularly on the point whether the Project Director was competent to make the local purchases of the equipments exceeding his powers.

**13-2-99:** The Department explained that the Director of Project being an officer of category-I was fully competent for the purchase of durable goods. Anyhow, the case had been referred to the Finance Department for regularization of expenditure. The PAC kept the para pending for regularization of expenditure by the Finance Department.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **38. Para 6.9: Page 81 – Irregular Re-Appropriation of Rs.95,000**

Audit had observed: “Re-appropriation of funds from Establishment Charges, utilities and communications was prohibited by the Finance Department vide No.Exp(G)11-22/92, dated 25 August 1992. In contravention of instructions of above letter, the funds to the above extent were re-appropriated from the utility Head 540-Stationery to Head-598 and 599-Others.

The irregularity to be condoned with the sanction of Finance Department. Disciplinary action against concerned is stressed.”

**1-9-98:** The PAC decided that the item may be kept pending and directed the Department to see whether there had been any malafide in this improper reappropriation and the responsible persons may be dealt with accordingly. At the same time, re-appropriation may be got regularized from the Govt.

**13-2-99:** The Department explained that ex-post facto sanction of the expenditure had been accorded by the Competent Authority. The PAC accepted the explanation and **the para was settled.**

### **39. Para 6.10: Page 82 – Misuse of Government Vehicle No. LHM-9634 and Recovery of Rs.41,884**

Audit had observed: “Vehicle No.LHM 9634 Suzuki Jeep at the disposal of Director Public Instructions (Schools) Punjab Lahore on winding up the Audio Visual Aid Centre vide letter No.CT/LHM/9634/92 dated 10 June 1992 was taken over by the Deputy Secretary (General) Education Department with the orders that the charges on P.O.L. would be borne by D.P.I. (S) budget whereas repair charges were also paid by him. The said vehicle remained under the exclusive use of the Deputy



Secretary (Schools) whereas he was not entitled in terms of Rule 14(a) of Punjab Staff Car (Maintenance and use) Rules, 1969. Contrary to Government orders, the officer was enjoying both the facilities by drawing conveyance allowance and using of Government transport under false certificate.

P.O.L. from July 1992 to October 1993 amounting to Rs.35,121 and repair charges of Rs.2,503 alongwith conveyance allowance of Rs.4,260 needs to be recovered from the officer concerned.”

**1-9-98:** The Department explained that the Jeep in question remained under the use of a Deputy Secretary for official purpose for which proper log book had been maintained.

The PAC after discussing the matter decided to **settle the para.**

#### **40. Para 6.11: Page 82 – Non-Accountal of Store/Stock of Rs.70,454**

Audit had observed: “The store and stock purchased during 1991-92 was distributed direct to Middle Schools and Assistant Education Officers for further distribution to Primary Schools but it was not found entered in the stock registers of relevant schools, resulting in non-accountal of stores/stock and further disposal thereof. Thus the purchase of store and stock seems to be quite doubtful.”

**1-9-98:** The Department explained that the matter was investigated by Mr Manzoor Ahmad Ghuman, Sr. Headmaster, Govt. High School Nizamabad (Wazirabad) who presented his report to the Director of Elementary Education, Gujranwala Division, Gujranwala. According to the findings of the inquiry officer no irregularity had taken place.

PAC kept the para pending and directed the Department to produce the relevant record to the Audit for verification.

**13-2-99:** The Department explained that as per directive of PAC dated 1-9-98 all the record had been produced to Audit for verification.

The Audit apprised the PAC that accountal of stock articles valuing Rs.14,467 had been verified. The accountal of stock articles of balance amount of Rs. 56,693 had not been shown by the Department. The PAC directed the Department either to produce the accountal of stock articles valuing Rs. 56,693 to Audit for verification or the amount of Rs. 56,693 may be recovered. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **41. Para 6.12: Page 83 – Purchase of Furniture for 339 Schools – Excess Payment of Rs. 11,562,081**

Audit had observed: “At page 34 of PC-I of the Project, provision of Rs.9,960 per school was made for furniture to two roomed schools and there were 339 schools under the project. In this way Rs.3,376,440 were to be expended for the purpose. Instead of this amount Rs.14,938,454 for purchase of



furniture were incurred which resulted in excess payment of Rs.11,562,018 against the provision made in PC-I. This was done without revision of the provision of the estimated cost from competent authority.”

**1-9-98:** The Department explained that the Primary Education Project-III was started in 1987-88 and provision of Rs.9,960 per school was made for furniture to two roomed Schools. The cost estimates approved in the PC-I were prepared in March 1987 according to the cost of material and labour charges prevailing in the market at that time. There had been a lot of increase in the cost of material like, wood, steel etc., used in furniture manufacturing, the labour charges had also been increased considerably over the period of time. In this way, Rs.14,938,454 were incurred for the purchase of furniture for 339 primary Schools instead of Rs.3,376,440 which resulted in excess payment of Rs.11,562,018 against the provision made in PC-I.

The PAC decided that para may be kept pending and directed that the revised PC-I may be issued after obtaining advice from the Govt.

**13-2-99:** The Department explained that revised PC-I had been prepared and submitted to the Government for approval. Besides this a case for obtaining advice from the Planning & Development Department had also been sent to the Government. Decision in this regard was awaited.

The PAC directed the Department to get the revised PC-I after obtaining advice from the Government. The para was kept pending.

**29-4-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

**42. Para 6.13: Page 83 – (I) Excess Payment of Rs.4,748,400 on the Purchase of 488 Motorcycles (II) Recovery of Rs.285,600 on Account of Excess Payment on Purchase of 168 Motorcycles**

Audit had observed: “Under PC-I at page 38 provision of funds for Rs.8,030,000 for purchase of 488 motor cycles was made whereas the Government of Punjab, Education Department purchased these motor cycles through contracts from M/s Riaz Enterprises, Lahore as under:-

i)	PC/Edu/22/64/90-91 dated 26 Sept. 1990		
	320 Motor Cycles @ Rs.25,600 per motor cycle	Rs.	8,192,000
ii)	PC/Edu/22/8/90-91, dated 26 October 1990		
	168 Motor Cycles @ Rs.27,300 per motor cycle	Rs.	4,586,400
	<b>Total</b>	<b>Rs.</b>	<b>12,778,400</b>

2. In this way Rs 4.748,400 were incurred in excess of funds available in PC-1 without revising the provision of funds in PC-1.

3. It is clear that both contracts noted above for purchase of motor cycle were made in September 1990 and December 1990 with M/s Riaz Enterprises, Lahore and payment per

motor cycle was made Rs 25,600 and Rs 27,300 in September 1990 and December 1990 respectively. Had the purchase for 488 motorcycles been made through one contractor in September 1990 the Government would have saved Rs 285,600.

4. Necessity for investigation and revision of PC-1 for provision of funds for purchase of motor cycles as well as recovery of excess rates is stress.”

**1-9-98:** The Department explained that the PEP-III started in 1987-88 and provision of funds for Rs.8,300,000 for purchase of 488 motor cycles was made. The 488 motor cycles were purchased by the Purchase Cell, Govt. of the Punjab, Education Department.

However, the PC-I was submitted to the Govt. for revision in 1994. Lastly PC-I had been submitted to Govt. again in February, 1998. Some meetings had already been held in the P&D Department.

PAC directed the Department that revised PC-I may be issued after obtaining advice of the P&D Department. The PAC kept the para pending.

**13-2-99:** The Department explained that revised PC-I had been submitted to the Government for approval. A reference had also been made to obtain the advice of Planning & Development Department. Decision in this regard was awaited.

The PAC directed the Department to get the advice of Planning & Development in the matter and the PC-I may be revised accordingly. The para was kept pending.

**29-4-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

#### **43. Para 6.14: Page 84 – Loss to Government to the Extent of Rs.504,000**

Audit had observed: “Seventy shops adjoining National Hockey Stadium Building were occupied by reserve constables of Police, Punjab un-authorisedly. They are also enjoying facilities of electricity & water supply at the cost of Sports Board.

Thus the Board sustained a minimum loss of Rs.504,000 @ Rs.200 per month per shop during the period 1990-93. The amount needs to be recovered from Home Department.”

**1-9-98:** The facts of the case are that seventy shops adjoining National Hockey Stadium Building were occupied by reserve constables of Police Punjab un-authorisedly. They were also enjoying facilities of electricity & water supply at the cost of Sports Board. Thus the Board sustained a minimum loss of Rs.504,000 @ Rs.200 per month per shop during the period 1990-93.

The Department explained that occupation of the accommodation in the open space of the Stadium of the reserve police was temporary and in emergent circumstances and not on permanent basis. The Department never paid electricity and water charges on this account. The PAC accepted the explanation of the Department **and settled the para.**

#### **44. Para 6.15: Page 85 – Loss of Rs.59,020 Due to Purchase of Sub-Standard Store Items**

Audit had observed: “Different substandard store articles were purchased in disregard of the specification resulting in a loss to Government valuing Rs.59,020. Matter needs investigation and recovery as well as disciplinary action against the persons held responsible.”

**1-9-98:** The Department explained that the store was not sub-standard. The purchase of the items i.e. Steel almirah and clock were entirely in accordance with the specifications detailed in notes. The notes of the Tehsil Purchase Committee, tenders, comparative statement, the lowest tender accepted, and actual payee receipts were available.

The PAC decided that the para may be kept pending and the Department may investigate into the matter and recover the amount of loss from the defaulters if stores were not got replaced from the contractors. Process should be completed within three months.

**13-2-99:** The Department explained that in compliance of PAC directive dated 1-9-98 an inquiry was conducted which revealed that purchases were made by the Tehsil Purchase Committee headed by the Assistant Commissioner Pasrur. Physical verification was also carried out and during the physical verification stock entries were found correct and stores items were physically available in the schools in good conditions and were not sub standard. The PAC accepted the explanation and **the para was settled.**

## Works Audit (Education Engineering Cell)

### **1. Para I-1: Page 319 – Education Buildings Division Lahore – Rs.66,538**

Audit had observed: “The division made excessive measurements of shrouding Material in a bore hole of tubewell and the size of pipe and length of bore hole were not kept in view as per approved design and drawings. This resulted in an overpayment of Rs.66,538 to a contractor in June 1991.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **2. Para I-2: Page 320 – Education Buildings Division Faisalabad – Rs. 55,867**

Audit had observed: “The division changed the specification of a scheduled item converting it into a non-scheduled item without the approval of the competent Authority and against the provisions of technically sanctioned estimate/draft notice for inviting tenders. As such the payment for the item was made @ Rs.194 per sft instead of the admissible rate of Rs.99.79 per sft as provided in the Composite Schedule of Rates 1979. This resulted in an overpayment of Rs.55,867 to a contractor in October 1993.”

**23-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**3. Para I-3: Page 320 – Education Buildings Division DG Khan – Rs.51,962**

Audit had observed: “The division made payment for providing grill without frame @ Rs.13.95 per sft without making deduction of Rs.3.15 per sft as provided in the instructions issued by the Finance Department on 8 October 1988. This resulted in an overpayment of Rs.51,962 to the contractors in June 1992 and October 1993.”

**23-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

# Cooperatives Department

## Overview

Total Paras	Civil
1	1

## Abstract

Status	Decision	Para Nos.	Total
<b>Para Conditionally Settled</b>  <b>1</b>	Para settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	Civil: 4.1	<b>1</b>

Discussed on 8 March 1999 and 29 April 2002

## Civil Audit

### 1. Para 4.1: Page 66 – Non-Deduction of Income Tax of Rs.49,500

Audit had observed: “Under section 50(4) of the Income Tax Ordinance, 1979, the income tax @ 5% was to be deducted in excess of Rs 100,000. An amount of Rs.1,000,000 was paid to Mr Khalid Ishaq, Advocate of services rendered in certain writ petitions in connection with cooperative crisis in 1992-93. The income tax to the extent of Rs.49,500 (Rs.990,000 x 5/100) was not deducted. The amount needs to be recovered.”

**8-3-99:** The Department explained that Mr. Khalid Ishaque, Advocate was paid Rs. one million as fee in various Writ Petitions filed by the Cooperative Finance Corporation to challenge the Punjab Undesirable Cooperative Societies Versus Government of the Punjab. The Department while paying the said fee did not deduct the Income Tax at source. However,



after pursuing the matter it was confirmed that the Income Tax had been deducted by the Income Tax Department. Therefore, the Department requested the PAC that the matter may be resolved. The PAC directed the Department to produce a certificate of the Income Tax Department to the effect that Income Tax at source had been duly deducted. This certificate may be got verified by Audit. The Para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 8 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

# Excise and Taxation Department

## Overview

Total Paras	Revenue Receipt
<b>29</b>	<b>29</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled</b>  <b>14</b>	Paras finally settled as the requisite action had been taken.	<b>Revenue Receipt:</b> 4.1(A)(b)(1), 4.1(A)(b), 4.1(A)(C)(i), 4.1(A)(c)(ii), 4.1(A)(d)(ii), 4.1(A)(d)(iii), 4.1(A)(e), 4.1(A)(f), 4.1(B)(b)(i), 4.1(B)(b)(ii), 4.1(B)(d), 4.2(a)(v), 4.3(a)(i), 4.3(a)(ii).	<b>14</b>
<b>Paras Conditionally Settled</b>  <b>15</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Revenue Receipt:</b> 4.1(A)(a)(i), 4.1(A)(a)(ii), 4.1(A)(a)(iii), 4.1(A)(a)(iv), 4.1(A)(c)(iii), 4.1(A)(d)(i), 4.1(B)(a), 4.1(b)(c), 4.2(A)(i), 4.2(a)(ii), 4.2(a)(iii), 4.2(a)(iv), 4.4(a), 4.5(a)(i), 4.5(a)(ii)	<b>15</b>

**Discussed on 12 January 1999 and 30 May 2002**

## Revenue Receipts Audit

### 1. Para 4.1(A) (a)(i): Page 13 – Non-Realization of Property Tax – Due to Non-Recovery of Arrears – Rs.831,959

Audit had observed: “ Property tax of Rs.831,959 recoverable from an assessee for the period upto 1992-93 was not recovered by the Excise and Taxation Officer, Okara.”

**12-1-99:** The Department explained item wise position as under:-

**Draft Para 1736**

The Department explained that recovery related to Okara Textile Mills which had now been closed. The total amount recoverable was Rs.831,959 out of which an amount of Rs.525,239 was not recoverable due to reduction in AVR in remand appeal. A sum of Rs.104,516 had already been paid. Therefore, the balance recovery was Rs.202,204. The assessee had gone to the court and got stay order against the recovery. Further progress would be made after the decision of court.

The PAC directed the Department to pursue the court case vigorously and the para was kept pending for balance recovery.

**30-5-02: The Committee settled the para with the direction** that subject to the decision of the court, the recovery shall be effected and reported to the Audit for verification, the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**2. Para 4.1(A)(a) (ii): Page 14 – Non-Realization of Property Tax – Due to Non-Recovery of Arrears – Rs.561,587**

Audit had observed: “Property Tax of Rs.561,587 outstanding in 86 cases for the period upto 1992-93 was not recovered by the Excise and Taxation authorities.”

**12-1-99:** The Department explained that total recovery on account of Property Tax was Rs.561,587. The detailed position of recovery was as under:-

**(1) E.T.O. Zone-III – Rs.202,796**

The Department explained that total sum of Rs.202,796 had been recovered and verified by Audit. The PAC accordingly **settled the item.**

**(2) E.T.O. Circle-I, Lahore – Rs.116,206**

The Department explained that out of total amount of Rs.116,206 a sum of Rs.87,321 had been recovered leaving a balance of Rs.28,885. Efforts were being made for the balance recovery.

The PAC directed the Department to finalize the balance recovery without further loss of time. The item was kept pending.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the item subject to**

**the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(3) E.T.O-II Multan – Rs.96,333**

The Department explained that the entire amount had since been recovered and verified by Audit. The PAC accepted the explanation and **the item was settled.**

**(4) ETO Zone-III – Rs.55,102**

The Department explained that total amount had since been recovered and got verified by Audit. The PAC accepted the explanation and **settled the item.**

**(5) ETO Khanewal – Rs.31,254**

The Department explained that total recovery had been effected and verified by Audit. The PAC accepted the explanation and **settled the item.**

**(6) ETO Chakwal – Rs.25,504**

The Department explained that total recovery had been made good and got verified by Audit. The PAC accepted the explanation and **settled the item.**

**(7) ETO Chakwal – Rs.17,010**

The Department explained that the recovery of Rs.17,010 was outstanding against WAPDA and the matter was pending with the Inter Provincial coordination Committee. The PAC kept the para pending for recovery of outstanding property tax.

**30-5-02: On consideration of the facts of the case, the Committee settled the item subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(8) ETO Vehari – Rs.17,382**

The Department explained that the recovery of Rs.17,382 was outstanding against WAPDA and the matter was pending with the Inter Provincial coordination Committee. The PAC kept the para pending for recovery of outstanding property tax.

**30-5-02: On consideration of the facts of the case, the Committee settled the item subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**3. Para 4.1(A)(a) (iii): Page 14 – Non-Realization of Property Tax – Due to Non-Recovery of Arrears – Rs.484,926**

The Department explained para wise position as under:-

**(1) ETO Zone-II, Lahore – Rs.382,818**

Audit had observed: “Arrears of Rs.484,926 on account of property tax outstanding against 144 assesseees were not recovered.”

**12-1-99:** The Department explained that out of the total amount of Rs.382,818 as sum of Rs.247,947 had been recovered. An amount of Rs.96,415 was not due to be recovered. This position had been got verified by Audit. Now a balance of Rs.38,456 was left as recoverable. The PAC **settled the para** subject to the recovery of balance amount of Rs.38,456 and verification of the same by Audit.

**(2) ETO Zone-I, Lahore – Rs.102,108**

**12-1-99:** The Department explained that a sum of Rs.100,056 had been recovered and a balance of Rs.2,052 was left as recoverable which would be recovered in due course of time. The PAC accepted the explanation and **settled the para**.

**4. Para 4.1(A)(a)(iv): Page 15 – Non-Realization of Property Tax – Due to Non-Recovery of Arrears – Rs.260,844**

**12-1-99:** The Department explained the position as under:-

**(1) ETO Vehari – Rs.60,494**

Audit had observed: “In 112 cases property tax of Rs.260,844 as detailed was not recovered by the Excise and Taxation authorities.”

The Department explained that out of the total amount of Rs.60,494 a sum of Rs.29,568 had been recovered and verified by Audit. An amount of Rs.6,210 was not due for recovery and this position was also verified by Audit. An amount of Rs.10,000 had also been recovered but not yet verified by Audit. Thus a balance of Rs.14,716 was recoverable for which efforts were under way.

PAC **settled the para** subject to the balance recovery and verification of the same by Audit.

**(2) ETO D.G. Khan – Rs.47,487**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para**.

**(3) ETO Attock – Rs.44,074**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para**.

**(4) ETO Layyah – Rs.21,014**



The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**(5) ETO R.Y. Khan – Rs.41,188**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**(6) ETO Muzaffargarh – Rs.18,282**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**(7) ETO Bahawalpur – Rs.15,978**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**(8) ETO Rajanpur – Rs.12,327**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**5. Para 4.1 (A)(b)(i): Page 16 – Non Realization of Property Tax – Due to Non-Recovery of 15% Share of Provincial Government on Account of Property Tax From Cantonment Boards.**

Audit had observed: “Government share of property tax amounting to Rs.762,329 for the period from 1990-91 to 1992-93 was not recovered by the Excise and Taxation Officer-I, Multan from Cantonment Board, Multan.”

**ETO Multan – Rs.762,329**

**12-1-99:** The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**6. Para 4.1(A)(b)(ii): Page 17 – Non Realization of Property Tax – Due to Non Recovery of 15% Share of Provincial Government on Account of Property Tax From Cantonment Boards.**

Audit had observed: “Excise and Taxation Officer, Bahawalpur failed to recover property tax of Rs.368,044 for the year 1991-92 and 1992-93 from Cantonment Board, Bahawalpur.”

**ETO Bahawalpur – Rs.368,044**

**12-1-99:** The Department explained that total amount had been recovered and got verified by

Audit. The PAC accepted the explanation and **the para was settled.**

**7. Para 4.1 (A) (c) (i): Page 17 – Non-Realization of Property Tax – Due to Omission in Carrying Forward of Arrears – Rs.330,053**

Audit had observed: “Arrears of Rs.330,053 on account of property tax outstanding in 87 cases were not brought forward from the previous to the subsequent/next year’s demand and receipt registers.”

**12-1-99:** The detailed position in this regard was as under:-

**(1) ETO-I Multan – Rs.187,967**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(2) ETO-II Multan – Rs.60,748**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(3) ETO Bahawalpur – Rs.28,863**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(4) ETO Circle-I, Lahore – Rs.22,853**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(5) ETO Circle-I Lahore – Rs.19,536**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(6) ETO Layyah – Rs.10,086**

The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**8. Para 4.1 (A) (c) (ii): Page 19 – Non-Realization of Property Tax – Due to Omission in Carrying Forward of Arrears Rs.46,791**

Audit had observed: “Property tax arrears of Rs.46,791 outstanding in 23 cases were not brought forward from the previous to the next year’s demand and receipt registers.”

**(1) ETO Muzaffargarh – Rs.35,424**

**12-1-99:** The Department explained that total recoverable amount had since been made

good and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(2) ETO Layyah – Rs.11,367**

The Department explained that total recoverable amount had since been made good and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**9. Para 4.1 (A)(c) (iii): Page 19 – Non-Realization of Property Tax – Due to Omission in Carrying Forward of Arrears ETO Circle II Lahore – Rs.21,991.**

Audit had observed: “Excise and Taxation Officer, Zone-II, Lahore failed to carry forward arrears of property tax of Rs.21,991 outstanding in 15 cases from the old to the new/next year’s demand and receipt registers.”

**12-1-99:** The Department explained that out of the total amount of Rs.21,991 a sum of Rs.12,331/50 had been recovered leaving a balance amount of Rs.9,659 was not due for recovery. The PAC **settled the para subject to verification of balance recovery by Audit.**

**10. Para 4.1 (A)(d)(i): Page 20 – Non-Realization of Property Tax – Due to Unlawful Exemption – Rs.1,41,750 – ETO D.G. Khan**

Audit had observed: “Under Section 4(a) of the Urban Immovable Property Tax Act, 1958 buildings and lands other than those leased in perpetuity, owned by the Federal Government are exempt from property tax. Contrary to this, three property units owned by Telecommunication Corporation were exempted by the Excise and Taxation Officer, Dera Ghazi Khan treating the same incorrectly as Government owned property units. This resulted in a loss of Government revenue of Rs.141,750 for the period from January 1991 to June 1994.”

**12-1-99:** The Department explained that amount of Rs.1,41,750 was outstanding against Pakistan Telecommunication Corporation which had been stayed by the Lahore High Court. As such the matter was subjudice.

The PAC directed the Department to pursue the case in the court vigorously. The para was kept pending for recovery.

**30-5-02: The Committee settled the para with the direction** that subject to the decision of the court, the recovery shall be effected and reported to the Audit for verification, the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**11. Para 4.1(A)(d)(ii): Page 21 – Non-Realization of Property Tax – Due to Unlawful Exemption – ETO Rahimyarkhan – Rs.79,910**

Audit had observed: “Excise and Taxation Officer, Rahim Yar Khan allowed exemption of property tax in respect of two property units owned by the National Bank of Pakistan which is not a Government Department. This led to non-realisation of property tax of Rs.79,910 during 1991-92. and 1992-93.”

**12-1-99:** The Department explained that the entire amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**12. Para 4.1(A)(d)(iii): Page 21 – Non-Realization of Property Tax – Due to Unlawful Exemption – Non Recovery of Rs.62,288**

Audit had observed: “According to Section 4(c)(i) of the Punjab Urban Immovable Property Tax Act, 1958 property tax shall not be leviable in respect of buildings and lands the annual value of which does not exceed rupees six hundred and forty eight. Contrary to this, exemption of property tax was allowed in 118 cases to the owners of buildings and lands the annual value of which exceeded rupees six hundred and forty eight. This led to non-realisation of property tax of Rs.62,228.”

**(1) ETO-II Multan – Rs.36,641**

**12-1-99:** The Department explained that whole the recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(2) ETO-I Multan – Rs.13,300**

**12-1-99:** The Department explained that whole the recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(3) ETO-III Multan – Rs.12,347**

**12-1-99:** The Department explained that whole the recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**13. Para 4.1 (A)(e): Page 22 – Non-Realization of Property Tax – Due to Unlawful Exemption – Due to Failure to Demand Tax After Completion of Tax Holiday – Rs.30,039**

Audit had observed: “Under Section 4(h) of the Punjab Urban Immovable Property Tax Act, 1958 all new buildings constructed for residential purposes are exempt from payment of property tax for a period of first three years. Certain assesseees/owners of such buildings availed the said exemption for three years i.e. from 1988-89 to 1990-91 but the Excise and Taxation Officer-II,

Multan failed to demand and recover the property tax for the succeeding years i.e. for 1991-92 and 1992-93 due to which Government revenue of Rs.30,039 remained un-realised.”

**12-1-99:** The Department explained that whole the recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**14. Para 4.1 (A) (f): Page 22 – Non-Realization of Property Tax – Due to Unlawful Exemption – Due to Omission in Carrying Forward of Annual Values of Taxable Property Units – Rs.19,076**

Audit had observed: “Under rule 15(i) of the Punjab Urban Immovable Property Tax Rules, 1958 the assessing authority shall maintain for each rating area, a tax demand and receipt register in Form PT-8. The particulars of taxable property units appearing in the Property Register in Form PT-I maintained under rule 5(a) of the rules ibid are transferred/carried over to the PT-8 register for making assessment of the tax and enforcing recovery by issuing demand notices. Contrary to this, the particulars (annual values etc.) of three taxable property units were not carried over from PT-1 to PT-8 register by the Excise and Taxation Officer Sargodha causing non-assessment/ realisation of property tax of Rs.19,076 during 1991-92 to 1993-94.”

**12-1-99:** The Department explained that whole the recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**15. Para 4.1(B) (a): Page 23 – Short Realization of Property Tax – Due to Non-Aggregation of Annual Value of All Properties Owned by the Same Person – Rs.241,074**

Audit had observed: “According to the explanation given below Section 3 of the Punjab Urban Immovable Property Tax Act, 1958 the annual value for the purpose of levy of property tax shall be the aggregate annual value of all buildings and lands owned by the same person in a rating area. Contrary to this, annual values of properties owned by certain assesseees had not been aggregated causing under-assessment of property tax leading towards short-realisation of Government revenue of Rs.246,954 during 1987-88 to 1993-94”.

**12-1-99:** The Department explained the position as under:-

**(1) ETO Muzaffargarh – Rs.85,401**

The Department explained that recovery was outstanding against the units owned by WAPDA. The case was pending with the inter provincial coordination committee. The PAC kept the para pending for recovery and decision of the committee.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly



Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(2) ETO Layyah – Rs.28,533**

**12-1-99:** The Department explained that whole recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**(3) ETO Attock – Rs.65,949**

**12-1-99:** The Department explained that whole recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**(4) ETO Vehari – Rs.22,401**

**12-1-99:** The Department explained that recovery was outstanding against the units owned by WAPDA. The case was pending with the inter provincial coordination committee. The PAC kept the para pending for recovery and decision of the committee.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(5) ETO-I Multan – Rs.17,615**

**12-1-99:** The Department explained that whole recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**(6) ETO-II Multan – Rs.16,635**

**12-1-99:** The Department explained that the whole recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**(7) ETO Bahawalpur – Rs.10,420**

**12-1-99:** The Department explained that whole recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**16. Para 4.1(B) (b)(i): Page 25 – Short Realization of Property Tax – Due to Short Carrying Forward of Annual Values – Rs.34,388**

**12-1-99:** The detailed position in this regard was as under:-

**(1) ETO-II Multan – Rs.21,837**

Audit had observed: “Property tax of Rs34,388 was short realised in 24 cases during 1988-89 to 1992-93.”

The Department explained that whole recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**(2) ETO-I Multan – Rs.12,551**

The Department explained that the whole recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**17. Para 4.1(B)(b)(ii): Page 26 – Short Realization of Property Tax – Due to Short Carrying Forward of Annual Values – ETO-I Lahore – Rs.19,788**

Audit had observed: “Excise and Taxation Officer, Zone-I, Lahore had short-realised property tax of Rs.19,788 in a case during 1991-92 to 1993-94.”

**12-1-99:** The Department explained that the whole recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**18. Para 4.1(B)(c): Page 26 – Short Realization of Property Tax – Due to Miscalculation – ETO Okara – Rs.38,286**

Audit had observed: “Under Section 3(2) of the Punjab Urban Immovable Property Tax Act, 1958 there shall be levied, charged and paid a tax on the annual value of buildings and lands in a rating area at the rate of twenty percent of such annual value. While making assessment of Government dues, property tax in 11 cases was not calculated by the Excise and Taxation Officer, Okara according to their annual values. The miscalculation led to short assessment/realisation of Government revenue of Rs.44,620.”

**12-1-99:** The Department explained that an amount of R. 30,255 had been recovered while the balance amount of R. 14,365 was not due for recovery. The PAC **settled the para subject to reconciliation of taxed amount with Audit.**

**19. Para 4.1(B)(d): Page 27 – Short Realization of Property Tax – Due to Incorrect Effect of Orders Passed Under Section 9c(iii) – ETO Zone-I, Lahore – Rs.20,426**

Audit had observed: “According to Para 4.8 of the Punjab Tax Manual Vol.II, orders passed under section 9C (iii) of the Urban Immovable Property Tax Act, 1958 are required to be given effect from the first of January or July, as the case may be, following the date of such orders. Contrary to this, orders passed by Excise and Taxation Officer, Zone-I, Lahore under Section 9C(iii) of the Act ibid reducing the annual values of 7 property units, were given retrospective effect. This caused short-realisation of property tax of Rs.20,426 during 1992-93.”

**12-1-99:** The Department explained that whole the amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**20. Para 4.2(a)(i): Page 27 – Motor Vehicle Tax – Non-Recovery of Token Tax-Rs.574,874**

Audit had observed: “Token tax of Rs.574,874 for the period 1991-92 and 1992-93 in respect of 141 tied-up vehicles was not recovered in various cases.”

**12-1-99:** The Department explained the position as under:-

**(1) ETO Rajanpur – Rs.206,885**

**12-1-99:** The Department explained that an amount of Rs.158,551 had been recovered and verified by Audit. The amount of Rs.6,845 was not due for recovery. Thus a balance of Rs.35,616 was left as recoverable. The amount of tax was also to be reconciled with Audit. The PAC kept the para pending to reconcile the amount of tax with Audit and for the balance recovery.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(2) ETO Sheikhupura – Rs.80,990**

**12-1-99:** The Department explained that the whole recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(3) ETO Muzaffargarh – Rs.76,237**

**12-1-99:** The Department explained that an amount of Rs.61,324 had been recovered leaving a recoverable balance of Rs.14,913. The balance recovery would be made good in due course of time. The PAC **settled the para subject to verification by Audit.**

**(4) ETO Vehari – Rs.62,951**

**12-1-99:** The Department explained that a sum of Rs.24,052 had been recovered and got verified by Audit. The balance of R.38,899 would be recovered in due course of time. The PAC kept the para pending for balance recovery and verification of the same by Audit.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**(5) ETO Jhelum – Rs.59,271**

**12-1-99:** The Department explained that whole the recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(6) ETO Dera Ghazi Khan – Rs.46,118**

**12-1-99:** The Department explained that whole the recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(7) ETO Layyah – Rs.42,422**

**12-1-99:** The Department explained that whole the recoverable amount had been recovered and got verified by Audit.

The PAC accepted the explanation and **the para was settled.**

**21. Para 4.2(a)(ii): Page 30 – Motor Vehicle Tax – Non-Recovery of Token Tax – ETO III Multan – Rs.326,996**

Audit had observed: “Excise and Taxation Officer-III, Multan failed to recover token tax of Rs.326,996 for the period 1990-91 to 1992-93 from the owners of 112 defaulting vehicles.”

**12-1-99:** The Department explained that a sum of R.276,376 had been recovered and verified by Audit. The amount of R.13,480 was not due. Thus a balance amount of R.21,596 was recoverable which would be recovered soon. **The PAC settled the para subject to verification of the balance recovery.**

**22. Para 4.2(a)(iii): Page 30 – Motor Vehicle Tax – Non-Recovery of Token Tax – Rs.247,214**

Audit had observed: “In 115 cases of tied-up vehicles, token tax of Rs.247,214 for the year 1992-93 was not recovered by the Excise and Taxation Officer Mianwali and Khushab as detailed below.”

**1. ETO Mianwali – Rs.137,872**

**12-1-99:** The Department explained that an amount of Rs.119,684 had been recovered leaving a balance recovery of Rs.18,188 which would be recovered in due course of time. The PAC **settled the para subject to verification of the balance recovery by Audit.**

**2. ETO Khushab – Rs.109,342**

**12-1-99:** The Department explained that the whole recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**23. Para 4.2(a)(iv): Page 31 – Motor Vehicle Tax – Non Recovery of Token Tax – ETO Okara – Rs.200,230**

Audit had observed: “Excise and Taxation Officer, Okara failed to take recovery/penal action against 49 defaulting vehicles thus causing non-realisation of token tax of Rs.200,230 for the period July 1985 to June, 1993 besides penalty.”

**12-1-99:** The Department explained that a sum of Rs.68,284 had been recovered and verified by Audit. The balance of Rs.131,946 was recoverable. The motor vehicles against which this balance was outstanding were not traceable. These motor vehicles seemed to have left Lahore station and shifted to some un-known places. Heavy amount were outstanding against the owners of these vehicles.

The PAC directed the Department to send a summary on the subject matter to the Chief Minister and efforts may be continued for recovery. The para was kept pending.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **24. Para 4.2(a)(v): Page 31 – Motor Vehicle Tax – Non Recovery of Token Tax – Rs.44,453**

Audit had observed: “Token tax of Rs.44,453 as detailed below was not recovered by the Excise and Taxation authorities in 23 cases in addition to non-levy of penalty leviable under section 9 of the Motor Vehicles Taxation Act, 1958.”

##### **(1) ETO Attock – Rs.31,361**

**12-1-99:** The Department explained that the whole recoverable amount had been made good and got verified by Audit. The PAC accepted the explanation and the **para was settled.**

##### **(2) ETO Khanewal – Rs.13,092**

**12-1-99:** The Department explained that the whole recoverable amount had been made good and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

#### **25. Para 4.3(a)(i): Page 32 – Education Cess – Non realization of Education Cess – Rs.525,150 (This Item Rs.418,200)**

Audit had observed: “Education cess of Rs.418,200 for the period 1991-92 and 1992-93 was not recovered from the managements of 31 establishments.”



**12-1-99:** The Department explained the position as under:-

**(1) ETO Mianwali – Rs.345,000**

The Department explained that all the recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**(2) ETO Khushab – Rs.73,200**

The Department explained that the entire recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**26. Para 4.3(a)(ii): Page 33 – Education Cess – Non Realization of Education Cess – ETO Sheikhpura – Rs.106,950**

Audit had observed: “Excise and Taxation Officer Sheikhpura failed to obtain the requisite returns from 7 establishments due to which Government revenue of Rs.106,950 for the period from April 1992 to December 1993 on account of education cess remained un-realised.”

**12-1-99:** The Department explained that all the recoverable amount had been recovered which was Rs.53,200. The remaining amount was not due for recovery. The PAC accepted the explanation and **the para was settled.**

**27. Para 4.4(a): Page 34 – Entertainment Duty – Non-Realization of Entertainment Duty and Penalty – Rs.138,000**

Audit had observed: “According to section 13(1) and 3 of the Punjab Entertainment Duty Act, 1958 entertainment duty evaded or under paid or penalty imposed shall be payable within the time specified by the collector. Any sum on account of entertainment duty or penalty which remains unpaid after due date allowed for its payment without sufficient cause is required to be recovered as arrears of land revenue. The above provisions of law were not enforced/applied by the Excise and Taxation Department against six (6) defaulters due to which entertainment duty and penalty aggregating Rs.138,000 as detailed below remained un-realised.”

**12-1-99:** The Department explained the position as under:-

**(1) ETO Okara – Rs.93,700**

The Department explained that a sum of Rs.8100 had been recovered and verified by Audit and the amount of R.5600 was not due for recovery. The balance of R.80,000 would be recovered in due course of time.

**The PAC settled the para subject to the balance recovery and its verification by Audit and verification of Touring Taki Cinema tax rate by Audit.**

**(2) E.T.O. Rajanpur – Rs.44,300**

The Department explained that entire amount of Rs.44,300 had been recovered and verified by Audit. The PAC accepted the explanation and **settled the para.**

**28. Para 4.5(a)(i): Page 35 – Non-Realization of Cotton Fee – Rs.426,747**

Audit had observed: “ Cotton fee of Rs.426,747 for the period 1992-93 was not realised from the owners/occupiers of 8 cotton ginning factories.”

**12-1-99:** The Department explained the position as under:-

**(1) ETO Pakpattan – Rs.412,289**

**12-1-99:** The Department explained that actual amount of the para was Rs.459,248 out of which a sum of Rs.4,11,039 had been recovered leaving a balance recovery of Rs.48,209. The balance recovery would be realized in due course of time. The PAC kept the para pending for balance recovery and its verification by Audit.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**(2) ETO Mianwali – Rs.13,458**

**12-1-99:** The Department explained that the whole recoverable amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

**29. Para 4.5(a)(ii): Page 36 – Non Realization of Cotton Fee – ETO Vehari – Rs.232,172**

Audit had observed: “Owner/occupier of a cotton ginning factory failed to pay cotton fee for October and November, 1992 within the due dates. Accordingly, the case was adjudicated and fee was levied at the enhanced/higher rate as prescribed under the rules. But the same was neither paid by the owner/occupier of the concerned cotton ginning factory nor recovered by the Excise and Taxation Officer, Vehari with the result that cotton fee of Rs.232,172 remained un-realised.”

**12-1-99:** The Department explained that a sum of Rs.116,086 had been recovered and got verified by Audit leaving a recoverable balance of Rs.116,086. Effort were being made for the

balance recovery. The PAC kept the para pending for balance recovery and its verification by Audit.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

# Finance Department

## Overview

Total Paras	Civil
2	2

## Abstract

Status	Decision	Para Nos.	Total
<b>Para Finally Settled</b>  <b>1</b>	Para finally settled as the requisite action had been taken.	<b>Civil: 9.2</b>	<b>1</b>
<b>Para Conditionally Settled</b>  <b>1</b>	Para settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Civil: 9.1</b>	<b>1</b>

**Discussed on 5 August 1998 and 29 April 2002**

## Civil Audit

### **1. Para 9.1: Page 105 – Overpayment of Commutation – Rs.51,426**

Audit had observed: “The stated amount on account of commutation of pension was over paid by applying incorrect rates of commutation.”

**5-8-98:** The Department explained that out of the total amount of Rs. 51,426 an amount of Rs.37,472 had been recovered and balance recovery of Rs.13,954 was under process.

The P.A.C. kept the para pending for balance recovery and verification of the same by Audit.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 August 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**2. Para 9.2: Page 105 – Irregular Payment of House Rent/Conveyance Allowance Worth Rs.267,219**

Audit had observed: “The Government accommodations were available in the office premises for the officers of Health & Poultry Development but they did not occupy the residences and were paid house rent and conveyance allowance in contravention of the F.D. letter No.FD/SRI-9-6/84, dated 7 June 1988 which resulted in loss to Government to the extent of Rs.267,219. The recovery needs to be effected from the officers concerned and deposited into Government treasury.”

**05-08-98:** The Department explained that the matter related to three officers i.e. one officer of Health Department and two officers of Livestock and Dairy Development Department. The matter relating to Livestock and Dairy Development Department had been settled by the Director General Civil Audit in 9/93. The officer of the Health Department sought relief from the Lahore High Court, Bahawalpur Bench. The Honourable court set aside the recovery vide judgment dated 12-8-91. The Finance Department also requested that these paras may be transferred to concerned Department for taking further action.

The P.A.C. kept the para pending and directed the concerned Departments (Health Department and Livestock & Dairy Development Department) to proceed against the officer who was responsible for irregular payment of House Rent Allowance and the same may be recovered from him.

**29-04-02:** On consideration of the facts of the case, the Committee observed that the matter relating to Livestock and Dairy Development Department had since been settled with Audit; and, order of recovery in case of the officer of Health Department has been set aside by the Lahore High Court vide order dated 12 August 1991. As such no further action in the matter was required. **The para was settled.**



# Food Department

## Overview

Total Paras	Civil
30	30

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled</b>  <b>11</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 8.1, 8.2, 8.3(6), 8.3(7), 8.4(4), 8.4(5), 8.5, 8.10(1), 8.10(3), 8.11, 8.14	<b>11</b>
<b>Paras Conditionally Settled</b>  <b>19</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Civil:</b> 8.3(1), 8.3(2), 8.3(3), 8.3(4), 8.3(5), 8.4(1), 8.4(2), 8.4(3), 8.4(6), 8.6, 8.7(1), 8.7(2), 8.7(3), 8.8, 8.9, 8.10(2), 8.10(4), 8.12, 8.13	<b>19</b>

**Discussed on 10 August 1998, 12 February 1999 and 29 April 2002.**

## Civil Audit

### 1. Para 8.1: Page 95 – De-Classification of 8952 Gunny Bags Valuing – Rs.98,472

Audit had observed: “The 8952 gunny bags were de-classified as D-class from A class by the incharge of four centers. The de-classification of A class bags without proper sanction of competent authority was irregular in term of Circular No.Audit(4)-31/75(Part-II) dated 4 May 1985 issued by Directorate of Food Department.

As such recovery of Rs.98,472 @ Rs.11 per bag needs to be recovered from the

officials concerned.”

**10-8-98:** The Department explained the center-wise position as under:-

**(1) Ahmadpur East 1416 bags-1992-93**

1416 bags were replaced with ‘A’ class bags which resulted in loss of Rs.14,160 which had been made good from the Food Grain Inspector concerned and deposited with the Government and verified by Audit.

The explanation was accepted and the **para was settled.**

**(2) Uch Sharif-475 bags-1992-93 Scheme**

An amount of Rs.5,225 on account of differential price of 475 bags from ‘A’ to ‘B’ had been recovered from Food Grain Inspector concerned and deposited with the Government and verified by Audit. The explanation was accepted and **the para was settled.**

**(3) Qaimpur-2915 bags of 1992-93 Scheme**

The Department explained that total recovery of Rs.29,150 had been effected out of which recovery of Rs.23,575 (14,575+9,000) had been verified by Audit. The remaining verification of the balance amount of Rs.8,490 was done during the meeting by Audit. The explanation was accepted and **the para was settled.**

**(4) Chak-188/Murad-4146 Bags of 1992-93 Scheme**

The Department apprised the Public Accounts Committee that total recovery of Rs.45,606 had been effected from the Food Grain Inspector concerned and verified by Audit. The explanation was accepted and **the para was settled.**

**2. Para 8.2: Page 95 – Non-Deduction of Income Tax Worth Rs.40,622**

Audit had observed: “Income Tax to the above extent was required to be deducted @ 3% of payments of Rs.1,354,050 made by the District Food Controller, D.G. Khan to the carriage contractor M/s Haji Abdul Majeed & Co. The deduction of above noted Income Tax was not made at source while making payment, resulting in loss to Government. Recovery is required to be effected from the contractor at the earliest.”

**10-8-98:** The Department explained that carriage contractor from whom the Income Tax was due produced a certificate issued by the Income Tax Commissioner Multan Zone showing that the requisite Income Tax had already been paid by the said contractor. So, there was nothing recoverable from the carriage contractor. The PAC accepted the explanation and **settled the para.**

**3. Para 8.3 (1): Page 95 – Misappropriation of Gunny Bags, Wheat and Tarpaulins Worth Rs.137,970**

Audit had observed: “At the close of Wheat Procurement Scheme, store and stock articles available at Flag Centres are required to be handed over to P.C. Centres. It was noticed that gunny bags issued to growers/sellers of wheat at the time of commencement of purchase scheme had not been received back after the close of the scheme and appeared to have been misappropriated. The bags received were not accounted for in the Bardana Register by the Centre concerned.”

**10-8-98:** This was composite para and Department explained the center-wise position as under:-

**(i) Bala Jhulan-724 bags-92-93 – Rs.19,548**

The Department explained that Food Grain Inspector named Mr. Muhammad Akram showed a despatch of 724 ‘A’ class bags to Ahmadpur East in 5/93 but these were not shown accounted for at Ahmadpur East. The official had now accounted for these bags at Ahmadpur East Center in 2/98.

The Public Accounts Committee was not satisfied with the progress of the Department as the transaction of bags which started in 5/93 was completed in 2/98 after 5 year. However, PAC settled the para subject to disciplinary action against the said Food Grain Inspector Malik Muhammad Akram and verification of the same by the Audit.

**12-2-99:** The Department explained that in compliance with the previous directive of the Public Accounts Committee dated 10-8-98 Malik Muhammad Akram, Food Grain Inspector was proceeded against under E & D Rules on account of late accountal of 724-A-Class bags i.e. after five years. His negligence was proved and his promotion for a period of three years was stopped. As also increment of the said official for a period of three years without cumulative effect had been disallowed. The PAC accepted the explanation of the Department and **the item was settled.**

**(ii) Qaimpur-3074 bags 92-93 – Rs.82,998**

**10-8-98:** The Department explained that total recovery had been effected and verified by Audit. The PAC accepted the explanation and **the item was settled.**

**(iii) Dera Bakha-1012 Bags 1992-93 – Rs.27,324**

**10-8-98:** The Department explained that Food Grain Inspector concerned Mr. Younas Qureshi had since been dismissed from Government service and therefore, the said recovery of Rs.27,324 had been referred to the District Collector for recovery as arrears of land revenue.

The PAC was not satisfied with the progress of the Department towards the recovery of Government money and observed that timely action had not been taken by the Department. The PAC directed the Department to pursue the recovery vigorously as arrears of land revenue. The item was kept pending.

**12-2-99:** The Department explained that District Collector Bahawalpur had already been requested for making recovery from Mr. Younas Qureshi F.G.I. as arrears of Land Revenue.

The PAC directed that the case may be pursued vigorously and recovery may be made good within the shortest possible time. The para was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**(iv) Chak No.153/Murad-300 Bags 1992-93 – Rs.8,100**

**10-8-98:** The Department explained that Inventory statement of Chak Murad was checked and found that actually 1909-A class bags, 312-B class bags and 2188-D class bags were sent to P.R. Center Israni. The Audit apprised the Committee that recovery of Rs.918 on account of 34-A class bags out of 300 bags had been made and accountal of remaining 266 bags had not been shown to Audit.

The PAC settled the para subject to verification of record in respect of accountal of 266-A class bags by the Audit.

**12.2.99:** The Department explained that recovery of Rs.918 on account of shortage of 34 A-Class bags had already been recovered and verified by Audit. Accountal of remaining 266 A-Class bags had also been verified by Audit. The PAC accepted the explanation and **the item was settled.**

**4. Para 8.3(2): Page 96 – Misappropriation of Gunny Bags, Wheat and Tarpaulins Rs.34,378**

For Audit observation, *see* Sr.No.3 above.

**10-8-98:** The Department explained that 75830 Gunny bags were purchased and the same quantity was issued to growers. Audit pointed out that 110 bags were received back from Hassan Abdal but accountal of 110 bags had not been shown to Audit.

The PAC directed that relevant record indicating the receipt of 110 bags and re-issue of wheat bags stated to have been damaged with Susri Khapra may be got verified by Audit. The para was kept pending.

**12-2-99:** The Department explained that total recovery of Rs.34,378 had been recovered and got verified by Audit. The PAC **settled the para subject to disciplinary action** against

the defaulting official who misappropriated the gunny bags.

**5. Para 8.3(3): Page 96 – Misappropriation of Gunny Bags, Wheat and Tarpaulins Worth Rs.438,000**

For Audit observation, *see* Sr.No.3 above.

**10-8-98:** The Department explained that recovery of Rs.438,000 was imposed upon Raja Khizer Ali Ex-F.G.I who was dismissed from service w.e.f. 8-4-96. The case was referred to District Collector for recovery as arrears of land revenue. Superintendent Police Lodhran had also been requested to register a criminal case against the Ex-F.G.I.

The PAC was not satisfied with the explanation and pace of action taken by the Department and observed that irregularity occurred during the year 1992-93 and all the actions including the dismissal of the official were taken during 1996 to 1998. The PAC desired to know as to why timely action was not initiated against the defaulter and who was responsible for the delay in this regard in providing protection to the defaulter. The officer responsible for delay may be proceeded against under the E&D Rules. Also the relevant record may be shown to Audit for verification. The item was kept pending.

**12-2-99:** The Department explained that inquiry was conducted under E & D Rules and responsibility of misappropriation of tarpaulins was imposed on Raja Khizer Ali, Ex-Food Grain Inspector. After observing all the requirements of rules and procedure the authority imposed recovery of Rs.438,000 upon him. The accused official was reluctant to deposit the amount, therefore, the case had been got registered with the Police for effecting recovery.

The PAC directed the Department that case may be pursued with the Police, got finalized within the shortest possible time and recovery may also be made. The officer responsible may also be proceeded against under E & D Rules who did not take timely action for effecting recovery and provided protection to the defaulter. The para was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**6. Para 8.3(4): Page 96 – Misappropriation of Gunny bags, Wheat and Tarpaulin Rs.178,977**

For Audit observation, *see* Sr.No.3 above.

**10-8-98:** This was a composite para and center-wise position was explained by the Department as under:-

**(i) P.R. Center-51/DB**

The Department explained that out of the total 9240 bags 4250 bags were despatched to Sahiwal and accounted for there in 5/92. The remaining 4990 bags were shifted to Head Rojhan Center. Out of



these 4990 bags, 2500 bags were shifted to 153 Murad Center leaving a balance of 2490 bags, 400 bags were declared as D-class. Since the action was not considered justified, the officials responsible were proceeded against under E & D Rules 1975, and the Competent Authority imposed upon them penalty @ 25 % loss i.e. 100 bags valuing Rs.2700 which was recovered from them. The remaining 300 bags were approved for auction. The 2090 B-class bags were handed over to F.G.I. Dera Bakha Center. The late official could not account for these bags. A write off case for these 2090 bags was being initiated.

The PAC kept the item pending and directed the Department to produce the relevant record in support of their explanation to Audit for verification.

**12-2-99:** The Department apprised the Committee that 2090-B Class bags were handed over to Mr. Kamran Farooq, Food Grain Inspector (Deceased) Dera Bakha Center during 1994-95 which were not accounted for. A case for write off sanction for 2090 bags was pending with the competent authority. An inquiry had been conducted which revealed that transaction of bags was bogus. Therefore, the case had been sent to the Anti Corruption for registration of F.I.R. and copy of F.I.R. was awaited.

The PAC directed the Department that the case may be pursued with the Anti-Corruption Department vigorously and got finalized as early as possible. The para was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**(ii) P.R. Center Head Rojkan-Non Accountal of 1200 B-Class bags**

**10-8-98:** The Department explained that 2090 B-class bags had been carried over in the next month. The PAC settled the para subject to the verification of relevant record by Audit.

**12-02-99:** The Department explained that relevant record in respect of 2090-B class bags had been verified by Audit. The PAC accepted the explanation and **the item was settled.**

**(iii) Misappropriation of 890 bags P.R. Center Head Rojkan**

**10-8-98:** The Department explained that the relevant record of the center had been checked and there was no difference of 890 empty bags in the bardana account.

The PAC settled the para subject to the verification of relevant record by Audit.

**12-02-99:** The Department explained that inventory register of the center was checked by the Audit and found that there was no difference of 890 empty bags in the bardana account. The PAC accepted the explanation of the Department and **settled the item.**

**(iv) P.R. Center Khanqah Sharif-Non-Accountal of 251 A-Class Bags and 150-B-Class Bags**

**10-8-98:** The Department explained that scrutiny of the relevant record showed that 251-A-class bags once used and 150-B-class bags were accounted for in 9/94.

The PAC settled the para subject to verification of relevant record by Audit.

**12-02-99:** The Department explained that accountal of 251 A-class bags and 150 B-class bags in the Inventory Register had been got verified by Audit. The defaulter official was proceeded against under E & D Rules and penalty of stoppage of one increment for a period of two years without cumulative effect had been imposed upon him. The PAC accepted the explanation and **the item was settled.**

**7. Para 8.3(5): Page 96 – Misappropriation of Gunny Bags, Wheat and Tarpaulin Worth Rs.114,004**

For Audit observation, *see* Sr.No.3 above

**10-8-98:** The Department explained the center-wise position as under:-

**(i) Hasilpur Center-1989-90 Scheme – 2912 Bags Rs.58,240**

The Department explained that scrutiny of the relevant record revealed that 2912 bags had been accounted for in the month of 5/1994 and 6/94. The PAC kept the item pending for verification of record by Audit.

**12-2-99:** The Department explained that relevant record was with the Anti Corruption Department. Therefore, presently the production of record to Audit for verification was not possible.

The PAC directed the Department to pursue the case with Anti Corruption vigorously and try to finalize the case as early as possible. The relevant record may also be got verified by Audit. The item was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**(ii) Shahiwala 1990-91 Scheme-2232 Bags – Rs.53,568**

**10-8-98:** The Department apprised the PAC that total cost of 2232 bags amounting to Rs.53,568 had been recovered from the Food Grain Inspector concerned and deposited with the Government Treasury. The same had also been verified by Audit. The PAC accepted the explanation and **settled the item.**

**(iii) Chak 153/Murad 1987-88 Scheme-122 Bags – Rs.2,196**

**10-8-98:** The Department explained that relevant record had been checked and

found that the said 122 bags were despatched to Hasilpur Center in 8/1987 where these had been accounted for in 8/1987. The PAC accepted the explanation and **settled the item.**

**8. Para 8.3(6): Page 96 – Misappropriation of Gunny Bags, Wheat and Tarpaulin Worth Rs.57,298**

For Audit observation, *see* Sr.No.3 above

**10-8-98:** The Department explained that actual amount was Rs.59,998 and not Rs.57,298 as shown by Audit. The said amount of Rs.59,998 had since been recovered from the defaulters and verified by the Audit. The Public Accounts Committee accepted the explanation and **the para was settled.**

**9. Para 8.3(7): Page 96 – Misappropriation of Gunny Bags, Wheat and Tarpaulin Rs.4,331,962**

For Audit observation, *see* Sr.No.3 above

**10-8-98:** The Department explained that this para related to enroute shortage of wheat and not stored stock articles. Item wise reply was as under:-

**(i) Sargodha-I(86-87)190 K.G. Cost Rs.655**

The Department explained that 190 K.G. wheat received from the laboratory had been accounted for and also verified by Audit. The PAC accepted the explanation and **settled the para.**

**(ii) Sargodha-I (86-87) 40 KG – Rs.138**

The Department explained that cost of 40 kg wheat R.104 had been recovered and deposited with the Government and also verified by Audit. The explanation was accepted and the **para was settled.**

**(iii) Sargodha-II (86-87) 1.002 M. Tons Rs.3,456.90**

The Department explained that 16665.042 M. Tons wheat was stored in the P.R. Center Sargodha-II and the same had been disposed off. Hence there was no shortage. The PAC accepted the explanation and the **para was settled.**

**(iv) Sargodha-II-50 KG – Rs.172**

The Department explained that 17036.918 M. Tons wheat was stored at the center and the same had been disposed off. There was no shortage. This position had also been verified by Audit. The PAC accepted the explanation and **settled the para.**

**(v) Shah Nikdar-300 KG Rs.1,035**

The Department explained that 3312.300 M. Tons wheat was stored and the same had been disposed off. Therefore, there was no misappropriation. The PAC accepted the explanation and **settled the para.**

**(vi) Sillanwali (1986-87) 0.099 M. Tons wheat – Rs.341**

The Department apprised the PAC that 10128.278 M. Tons wheat was stored in the center and the same had been disposed off. There was neither any shortage nor any loss to Government.

The Public Accounts Committee accepted the explanation and **settled the**

**para.**

**(vii) Shahpur 1254 M. Tons wheat – Rs.4,326,300**

The Department explained that 4683.595 M. Tons wheat was despatched by the center to Mari Indus and the recipient (Mari Indus) acknowledged a quantity of 4637.995 M. Tons declaring an enroute shortage of 45.600 M. Tons which was costing Rs.122,208. The amount of loss due to enroute shortage Rs.122,208 had since been deposited with the Government. The responsible official had also been penalized by withholding three increments in time scale. The PAC settled the para subject to verification of record by Audit.

**12-2-99:** The Department explained that cost of enroute shortage of Rs.122,208 had been recovered and got verified by the Audit. The PAC accepted the explanation and **the para was settled.**

**10. Para 8.4(1): Page 97 – Shortage Enroute in Despatch of Wheat Valuing Rs.555,751**

Audit had observed: “It was noticed that wheat was despatched to the various Centres and the Govt had suffered loss due to shortage enroute which had not been made good from the defaulters so far.”

**10-8-98:** The Department explained the center-wise position as under:-

**(1) Joyia to Shergarh, Enroute Shortage of 74.900 M. Tons Wheat**

The Department explained that out of the stated quantity of 74.900 M. Tons wheat 74.260 M. Tons wheat was acknowledged by recipient Shergarh Center. So, shortage of 640 KG wheat had occurred and cost of the same amounting to Rs.1,696 had been recovered which had also been verified by Audit.

The explanation was accepted and **the item was settled.**

**(2) Mohib Ali Otar to Shergarh, Enroute Shortage of 3.284 M. Tons**

**10-8-98:** The Department explained that cost of 3.284 M. Tons wheat was Rs.2.86 Per Kg and not Rs.2.90 Per Kg as stated by the Audit. Therefore, the cost of 3.284 M. Tons wheat was Rs.9,393 which had been recovered and deposited with the Government. The position had also been verified by Audit.

The explanation was accepted and **the item was settled.**

**(3) Jamal Kot to Shergarh, Enroute Shortage of 200 Kg Wheat**

**10-8-98:** The Department explained that cost of 200 Kg wheat Rs.536 had been recovered and also verified by Audit.

The Public Accounts Committee accepted the explanation and **settled the item.**

**(4) Churasta Mian Khan to Shergarh, Enroute Shortage of 187 Kgs Wheat**

**10-8-98:** The Department apprised the PAC that cost of 187 Kgs wheat amounting to Rs.535 had been recovered and got verified by Audit.

The PAC accepted the explanation and **settled the item.**

**(5) Gogera to Okara, Enroute Shortage of 30.647 M. Tons Wheat**

**10-8-98:** The Department explained that actual enroute shortage was 647 Kg and not 30.647 M. Tons. The cost of 647 Kg amounting to Rs.1965 had been recovered. The position had also been verified by Audit.

The PAC accepted the explanation and **settled the item.**

**(6 to Haveli to Jhelum, Enroute Shortage of 19.408 M. Tons Wheat**

**15) 10-8-98:** The Department explained that Malik Bashir Talib was responsible for enroute shortage of 19.408 M. Tons wheat. The official had been dismissed from service since long. The recovery had been referred to the District Collector for realization as arrears of land revenue.

The Public Accounts Committee kept the items pending and directed that recovery be finalized as early as possible through arrears of land revenue.

**12-2-99:** The Department explained that where about of the defaulting dismissed official were not known and therefore, the recovery could not be effected. Anyhow, the case was with the District Collector Okara to effect recovery as arrears of land revenue. The PAC directed the Department to pursue the recovery through arrears of land revenue. The item was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the items subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**(16-i) Depalpur to W.F.P. Enroute Shortage of 7.000 M. Tons Wheat**

**10-8-98:** The Department explained that in compliance with the Government instructions a quantity of 7.000 M. Tons wheat was issued to World Food Programme from Depalpur. Acknowledgement of the said had been received from the District Health Officer.

The Public Accounts Committee settled the para subject to verification of relevant record by the Audit.

**12-2-99:** The Department explained that the acknowledgement/receipt of 7.00 M. Tons wheat had since been got verified by Audit. The PAC accepted the explanation and **the item was settled.**

**(16-ii) Depalpur to Gulberg, Lahore, Enroute Shortage of 30.210 M. Tons Wheat**

**10-8-98:** The Department explained that 281.960 M. Tons wheat was despatched from Depalpur to Gulberg, Lahore and the same quantity was received at the recipient center without any shortage.



The PAC settled the para, subject to verification of record by the Audit.

**12-02-99:** The Department explained that total quantity of wheat was acknowledged at recipient center and as such there was no shortage.

The P.A.C directed the Department that record pertaining to receipt of wheat at recipient enter may be got verified. The item was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**(17) Basirpur P.R. Center, Enroute Shortage of 6.860 M. Tons Wheat**

**10-8-98:** The Department explained that cost of 6.860 M. Tons wheat amounting to Rs.19,621 had been recovered and got verified by the Audit.

The PAC accepted the explanation and **settled the item.**

**(18) Akhtarabad P.R. Center, Enroute Shortage of 13.954 M. Tons**

**10-8-98:** The Department explained that cost of 13.954 M. Tons wheat amounting to Rs.33,142 had been recovered and also verified by the Audit. The PAC accepted the explanation and **settled the item.**

**(19) Haveli P.R. Center, Enroute Shortage of 6.532 M. Tons Wheat**

**10-8-98:** The Department explained that actual shortage was 400 Kgs. The cost of 400 Kgs wheat amounting to Rs.1,056 had been recovered and deposited with the Government.

The Public Accounts Committee **settled the item subject to the verification of recovery and relevant record by Audit.**

**(20) (i) Shergarh to Signal Shop, Enroute Shortage of 1.939 M. Tons**

**(ii) Shergarh to Hunjarwal, Enroute Shortage of 0.364 M. Tons**

**(iii) Shergarh to Mughalpura, Enroute Shortage of 2.530 M. Tons**

**10-8-98:** The Department explained that transportation charges were paid at the recipient center after deducting the cost of enroute shortages. The quarter concerned had been requested to intimate the detail of recovery so effected.

The Public Accounts Committee settled the paras subject to verification of recovery and record by Audit.

**12-2-99:** The Department explained that cost of wheat found short during transportation had been recovered.

The PAC **settled the item** subject to the verification of relevant record by Audit.

**(20) (iv) Shergarh to Gulberg, Enroute Shortage of 1.550 M. Tons**

**10-8-98:** The Department apprised the PAC that an amount of Rs.4,433 being the cost of 1.550 M. Tons wheat had been recovered and deposited with the Government.

The PAC settled the para subject to verification of recovery and relevant record by Audit.

**12-2-99:** The Department explained that cost of enroute shortage of 1.550 M. Tons wheat had been recovered and deposited with the Government. The PAC **settled the item subject to verification of relevant record by Audit.**

**(21) Renala Khurd to Rawalpindi/Islamabad-6.404 M. Tons**

**10-8-98:** The Department explained that cost of 6.404 M. Tons wheat was R.16,907 out of which an amount of R.11,389 had been recovered and deposited with the Government. The remaining recovery of R.5,518 was being pursued for early finalization. Audit apprised the Public Accounts Committee that actual recovery was R.17,162 and therefore, balance was R.5,773.

The PAC settled the para subject to remaining recovery of R.5,773 and verification of the same by Audit.

**12-2-99:** The Department explained that full recovery had since been made and got verified by the Audit. The P.A.C accepted the explanation and **the item was settled.**

**(22) Haveli to Lahore-Enroute Shortage of 922.000 M. Tons Wheat**

**10-8-98:** The Department explained that 922 .000 M. Tons wheat was despatched from Haveli to Lahore out of which 920.592 M. Tons wheat was accounted for at the recipient center with shortage of 1408 Kg wheat. The cost of 1408 Kgs wheat amounting to Rs.3,830 had been recovered and deposited with the Government.

The PAC settled the para subject to verification of recovery and record by Audit.

**12-2-99:** The Department explained that actual shortage was of 1408 KG and the cost of the same @ Rs.2.86 per kg had been recovered and deposited with the Government. The PAC **settled the item** subject to verification of relevant record by Audit.

**11. Para 8.4(2): Page 97 – Shortage Enroute in Despatch of Wheat Valuing Rs.80,649**

For Audit observation, *see* Sr.No.10 above

**10-8-98:** The Department explained that 27.900 M. Tons imported wheat was found short due to enroute shortage out of which a quantity of 8.200 M. Tons pertained to Pakistan Railways. Claim for compensation had been lodged with Railways authorities which was under process. The cost of the remaining quantity of 19.700 M. Tons being Rs.69,614 had been recovered from the contractor and deposited with the Government.

The Audit pointed out that there were some discrepancies in the quantity of enroute shortages of wheat which needed reconciliation.

The PAC kept the para pending and directed the Department to reconcile the discrepancies of figures with Audit along with verification of record.

**12-2-99:** The Department explained that an amount of Rs.69,614 being cost of 19.700 M. Tons, on account of enroute shortage had been recovered and got verified by Audit. The balance quantity of 8.200 M. Tons enroute shortage pertained to Pakistan Railways. A claim was lodged with the Railways Department but the Railways authorities had refused to pay the loss. Therefore, a case for write off sanction of the loss had been referred to the Competent Authority. The Audit apprised the PAC that the Department did not reconcile the discrepancy of quantity of enroute shortage with Audit as directed by PAC previously on 10-8-98.

The PAC directed the Department to reconcile the discrepancy of figures with Audit and the para was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **12. Para 8.4(3): Page 97 – Shortage Enroute in Despatch of Wheat Valuing Rs.715,921**

For Audit observation, *see* Sr.No.10 above

**10-8-98:** The Department explained that a sum of R.3,86,331 had been recovered leaving a recoverable balance of R.329,911.

The Public Accounts Committee kept the para pending and directed the Department to finalize the balance recovery at the earliest and get the same verified with the relevant record by Audit.

**12-2-99:** The Department explained that a sum of Rs.369,577 had been recovered and a balance of Rs.8,270 was recoverable. So far as remaining recovery on account of enroute shortage was concerned, the same being not recoverable as valuing to that much amount there was no enroute shortage and therefore, no recovery was due.

The Audit apprised the PAC that there was difference of figures of shortage shown by Audit and the Department. Therefore, the Department should reconcile the figures with Audit.

The PAC directed the Department to reconcile the figures with Audit and also recover the balance amount. The para was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February, 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **13. Para 8.4(4):Page 97 – Shortage Enroute in Despatch of Wheat Valuing Rs.137,655**

For Audit observation, *see* Sr.No.10 above

**10-8-98:** The Department explained that actual shortage of wheat was 25 bags the cost of

which was Rs.6,875. The said cost of 25 bags Rs.6,875 had been recovered and got verified by Audit. The explanation was accepted and **the para was settled.**

#### **14. Para 8.4(5): Page 97 – Shortage Enroute in Despatch of Wheat Valuing Rs.97,010**

For Audit observation, *see* Sr.No.10 above

**10-8-98:** The Department explained that actual shortage of wheat was 13.955 M. Tons and a sum of Rs.37,399 being the cost of 13.955 M. Tons had since been recovered and deposited with the Government and verified by Audit. The PAC accepted the explanation and **the para was settled.**

#### **15. Para 8.4(6): Page 97 – Shortage Enroute in Despatch of Wheat Valuing Rs.122,475**

For Audit observation, *see* Sr.No.10 above

**10-8-98:** The Department explained that all the quantities of wheat despatched to different P.R. Centers were received at the recipient centers without any shortage. Therefore, there was neither any shortage nor any loss to Government.

The Public Accounts Committee kept the para pending and directed the Department to produce the relevant record to Audit for verification in support of their reply.

**12-2-99:** The Department explained that there was no shortage as all the quantity of wheat had been received at recipient center therefore, and as such no recovery was due. The Audit apprised the PAC that the Department did not produce the record for verification of factual position as directed by the PAC on 10-8-1998. Adjustment of only 17 bags of wheat was shown to Audit. The PAC directed the Department to produce all the relevant record to Audit for verification of facts. The para was kept pending.

**29-4-02:** Reiterating the decision of the PAC dated 12 February 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **16. Para 8.5: Page 98 – Irregular Advance Payment of Rs.1,169,584 Rent of Four Private Godowns**

Audit had observed: “In violation of Rule 2.10 of P.F.R. Vol-I an amount of Rs.1,169,584 was paid on account of advance rent of four private godowns situated at Chak No.664/5GB for the period from 1st November 1990 to 31 October 1993 without obtaining sanction of the Finance Department. It is a serious violation of financial discipline and be got regularized with the sanction of Finance Department.”

**10-8-98:** The Department explained that advance rent for the period from 1-11-90 to 31-10-93 was paid on receipt of sanction from Government of the Punjab, Food Department vide No. SOF-VIII-V(46)/88 dated 23-9-90.

The PAC accepted the explanation and the **para was settled.**

### **17. Para 8.6: Page 98 – Overpayment of Transportation Charges – Rs.183,037**

Audit had observed: “Overpayment to the above mentioned amount was made on account of transportation charges showing the distance from Taunsa to other stations longer than that approved by the Food Department. The overpayment was admitted by the District Food Controller during Audit.”

**10-8-98:** The Department explained that transportation of wheat from Taunsa to Lahore/Gujranwala was made via Taunsa to Muzaffargarh and D.G.Khan due to damaged bridge which was under construction. The position had also been certified by the Highways Department. The Audit had been stressing for a shortest route i.e. from Taunsa to Dera Din Pannah to Pattal Munda to Lahore/Gujranwala. In this regard XEN Highways Muzaffargarh had issued a certificate stating that the said shortest route was not designed for heavy traffic e. g. Trucks/Trallas etc. The Department had made payment for transportation via D.G. Khan and Muzaffargarh whereas charges should have been paid on the alternative shortest route of via Kot Adu and Muzaffargarh. Since, the difference of mileage between these two routes was only of 16 K.M. therefore, the overpayment on account of excess distance of 16 K.M. worked out to Rs.19,888. The said overpaid amount of R. 19,888 had been recovered from the contractor.

The Public Accounts Committee was not satisfied with the explanation and directed the Department to finalize the balance recovery and reconcile the figures of overpaid amount and recoverable amount with Audit by producing the relevant record to it. The para was kept pending.

**12-2-99:** The Department could not reconcile the figure of overpaid amount and recoverable amount with Audit by producing the relevant record to Audit as directed by the PAC on 10.8.98.

Therefore, PAC again directed the Department to comply with the directive of PAC dated 10.8.98. The para was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February, 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **18. Para 8.7 (1):Page 98 – Godown Shortage of Wheat Valuing Rs.1,229,102**



Audit had observed: “The Audit of wheat procurement stock of the following Centres revealed that wheat to the stated value was found short at the time of clearance of godowns. Recovery needs to be effected from officials responsible and disciplinary proceedings initiated against them.”

**10-8-98:** The Department explained the center-wise position as under:-

(1) Bini Shell (BWP)	1990-91	99.100 M.Tons
(2) Yazman	1990-91	60.954 M.Tons
(4) Hasilpur	1990-91	46.200 M.Tons
(5) Israni	1990-91	53.460 M.Tons
(6) Israni	1989-90	79.900 M.Tons

The Department apprised the PAC that all the items stood included in the Draft Para No. 9-18 of the Audit Report for the year 1991-92 and therefore, may be deleted from here.

The PAC accepted the explanation and **deleted these items** from the report of 1993-94.

**Item No.(3) Head Rojkan-21.200 M.Tons**

**Item No.(7) Hasilpur (1989-90) 33.100 M.Tons**

**10-8-98:** The Department stated that at Head Rojkan Centre a quantity of 21.200 M.Tons and at Hasilpur Centre a quantity of 33.100 M.Tons was found as godown shortage. After observing all the formalities the case for write off sanction of the loss had been sent to the Competent Authority and the same was under process.

The Public Accounts Committee kept these items pending for the write off sanction of the loss.

**12-2-99:** The Department explained that a case for write off sanction of the loss had been sent to the competent authority and decision was awaited. The PAC directed the Department to obtain the write off sanction within a month positively. The items were kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the items subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**Item No.(8) Noorpur Nouranga (1989-90) 10.200 M.Tons**

**10-8-98:** The Department explained that the matter was inquired into and shortage of 10.200 M.Tons wheat was detected. After observing all the formalities the case was decided and recovery of Rs.29,070 was imposed upon an ex-official Mr. M. Abbas Anwar (Retired) F. G.I. Since the ex-official had failed to deposit the loss with the Government, the matter for registration of a criminal case against him was referred to S.P. Bahawalpur. The District Collector had also been authorised for recovery as arrears of land revenue from the defaulter. The PAC kept the item pending for recovery of loss.

**12-02-99:** The Department explained that on the advice of SSP Bahawalpur the case had been sent to the Anti-Corruption Department. Also the Deputy Collector Bahawalpur had been requested to effect recovery as arrears of land revenue. All efforts were under way to effect recovery as arrears of land revenue. The PAC directed the Department to pursue the case with Anti Corruption and loss may be recovered as arrears of land revenue. The item was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **19. Para 8.7(2):Page 99 – Godown Shortage of Wheat Valuing Rs.242,144**

For Audit observation, *see* Sr.No.18 above

**10-8-98:** The Department explained the center-wise position as under:-

#### **Item No.(1): P.R. Centre Yazman-11.400 M.Tons-1992-93 Scheme**

The Department explained that on the final clearance of godown a quantity of 11.400 M. Tons was found short. An inquiry was conducted against the concerned Food Grain Inspectors M/s Haider Ali Rahi and Abdul Qayyum. The inquiry report was sent to the Authority concerned for further action with recommendation to write off the loss. The write off case was under process. The PAC kept the item pending for write off sanction of the loss.

**12-2-99:** The Department explained that case for write off sanction by the Finance Department was being processed and would be sent to the Finance Department very soon.

The PAC kept the item pending for the write off sanction of loss by the Finance Department.

**29-4-02** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **Item No.(2): Head Rojkan 19.100 M.Tons-1992-93 Scheme**

**10-8-98:** The Department explained that on final clearance of stock a quantity of 19.100 M. Tons wheat was found short. The matter was inquired into and inquiry report was sent to the Authority concerned from where M/s. Bashir Ahmad Baluch A.F.C. and Bilal Ahmad Farhi, Food Grain Inspector were held responsible and recovery of Rs.76,113 was imposed upon them. Thereafter, the defaulters went in appeal against the Departmental decision. The Appellate Authority remanded the case to the D.D.F Bahawalpur for review. The case was pending with the Director Food.

The PAC kept the item pending and directed the Department to decide the case within the shortest time period.

**12-2-99:** The Department explained that the case was probed afresh as decided by the appellate Authority. A recovery of Rs.56,084 was imposed on the accused defaulters and remaining amount of Rs.20,048 was decided for write off sanction. Recovery of Rs.56,084 had been effected and write off sanction for Rs.20,048 was under process. The PAC **settled the item** subject to verification of recovery and write off sanction.

**Item No.(3): P.R. Centre Hasilpur 14.800 M.Tons-1992-93 Scheme**

**10-8-98:** The Department explained that on final clearance of the stock a quantity of 14.800 M.Tons was found short. An inquiry was conducted against M/s. Irshad Ahmad Qureshi A.F.C. and Muhammad Kamran Food Grain Inspector who were incharge of the P.R. Centre. Inquiry Report was sent to the concerned Authority with the recommendation to write off the loss. The Competent Authority issued the write off sanction regarding the loss of 10.144 M.Tons amounting to Rs.40,576 and ordered the recovery of remaining loss of 4.656 M.Tons from the above named officials. Mr. Farooq F.G.I had since died and his share of recovery had also been recommended for write off. The PAC kept the item pending for recovery and write off sanction of the loss.

**12-2-99:** The Department explained that loss of 10.144 M. Tons valuing Rs.40,576 had since been written off by the Competent Authority. The remaining loss of 4.656 M.Tons was required to be recovered from Food Grain Inspector Kamran Farooq and Assistant Food Controller, Mr. Irshad Ahmed Qureshi, AFC had deposited his share while Mr. Kamran Farooq had since died in an accident and his share was being processed for write off sanction. The PAC kept the item pending for write off sanction of loss and verification of the same by Audit.

**29-4-02** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**Item No.(4): P.R. Centre Israni-18.000 M.Tons-1992-93 Scheme**

**10-8-98:** The Department explained that on final clearance of stock a quantity of 42.300 M. Tons, including the quantity of 18.000 M. Tons pointed out by Audit, was found short. An inquiry was conducted. The inquiry report was sent to the competent Authority with the recommendations that the loss may be written off. The case was under process. The PAC kept the item pending for write off sanction of the loss.

**12-2-99:** The Department explained that the case of write off sanction of loss was pending with the Competent Authority. The PAC kept the item pending for write off sanction of loss.

**29-4-02** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**20. Para 8.7(3):Page 99 – Godown Shortage of Wheat Valuing Rs.438,904**

For Audit observation, *see* Sr.No.18 above

**10-8-98:** The Department explained the centre-wise position as under:-

**Item No.(1): Faqirwali, 45.072 M. Tons**

The Department apprised the PAC that out of the total loss of Rs.124,399 an amount of Rs.62,199 had been recovered and got verified by Audit. The remaining amount of Rs.62,199 had been recommended for write off sanction. The write off sanction was under process.

The PAC settled the para subject to the write off sanction of loss of Rs.62,199.

**12-2-99:** The Department apprised the PAC that the case for write off sanction of loss of Rs.62,199 was being processed. The PAC kept the item pending for the write off sanction of loss amounting to Rs.62,199

**29-4-02** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**Item No.(2): Fort Abbas, Enroute shortage – 211.910 M. Tons. 1987.88 Scheme**

**10-8-98:** The Department explained that a quantity of 212.820 M.Tons was found short instead of 211.910 M.Tons as pointed out by Audit. Total recovery was worked out as Rs.5,70,358 out of which a sum of Rs.419,256 (Rs.228,260+190,996) had been recovered from the transport contractors and officials concerned leaving a balance recovery of Rs.151,103. An inquiry was also in progress against the officials concerned.

The PAC kept the item pending for balance recovery and verification of the record pertaining to the recovery so far effected.

**12-2-99:** The Department explained that a sum of Rs.228,260 had been recovered from the transport contractor. An amount of Rs.333,451 was recoverable from the officials, out of which an amount of Rs.2,84,640 had been recovered leaving a balance of Rs.48,810. In this way only a sum of Rs.48,810 was recoverable. The position had also been verified by Audit. The Audit pointed out that there were some discrepancies in the amount.

The PAC directed that amount may be reconciled with Audit and balance recovery may

be made good at the earliest and got verified by Audit. The para was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**Item No.(3): Latifabad, 6.300 M.Tons**

**10-8-98:** The Department explained that on final clearance of the stock a quantity of 6.300 M.Tons was declared as godown shortage. After necessary inquiry the Competent Authority imposed a recovery of Rs.16,884, being the cost of short wheat 6.300 M.Tons, on the accused official M/s. Ahad Hussain Shah, F.G.I. and Javed Ahmed Qamar, Food Grain Supervisor. Recovery had since been effected and verified by Audit. The PAC accepted the explanation and **the item was settled.**

**Item No.(4): P.R.Centre Minchinabad Shortage of 3.100 M.Tons wheat**

**10-8-98:** The Department explained that 3.100 M. Tons wheat was found short. The cost of the same amounting to Rs.8,308 had been recovered from the F.G.I. concerned. Recovery had also been verified by Audit. The PAC accepted the explanation and **the item was settled.**

**21. Para 8.8: Page 100 – Non-Recovery of Pension and Gratuity Rs.104,387**

Audit had observed: “The official was retired from service under E&D rules. He filed a writ petition to the Service Tribunal Punjab against the orders of his retirement. In the light of the decision of Services Tribunal he was reinstated from the date of his retirement. But the pension/gratuity paid to the official vide P.P.O. No. KSR/920 was not recovered.”

**10-8-98:** The Department explained that a Food Grain Inspector was compulsorily retired from service. An amount of Rs.90,709 was paid to him as gratuity. The official went to the Punjab Services Tribunal from where he got judgment for reinstatement in service. He joined duty on 24-2-90. He was asked to deposit back the amount paid to him as gratuity but he refused to do so. His intervening period was decided as duty and he was paid an arrear of Rs.30,490. The amount of gratuity was being deducted from him @ 1/3 of his pay and so far an amount of Rs.41,185 had been recovered. The PAC directed the Department to take action against the D.D.O. concerned for committing the following irregularities:-

(1) For arranging the payment of gratuity to the official while the case was pending in the Punjab Services Tribunal.

(2) For not adjusting arrears of pay and allowances against the paid amount of



Rs.90,709 as gratuity.

The PAC also directed the Department to recover the balance amount from the defaulter and action may be completed against D.D.O. concerned within two months positively. The para was kept pending.

**12-2-99:** The Department explained that D.D.O. concerned had since expired and therefore, could not be proceeded against. Now, against the total paid amount of Rs.90,709 only a balance amount of Rs.34,532 was left as recoverable which was being recovered Rs.1000 (@ 1/3 of the pay) per month.

The PAC kept the para pending for balance recovery and its verification by Audit.

**29-4-02** On consideration of the facts of the case, **the Committee settled the para subject to the verification by Audit.**

## **22. Para 8.9: Page 100 – Excess Payment of Rs.792,212 Breach of Contract**

Audit had observed: “The contract for the transportation of imported wheat from Karachi to District Gujranwala was awarded to Malik Muhammad Ramzan during purchase scheme 1992-93. He was responsible to transport complete quantity of imported wheat. But a new contract at higher rate was also awarded to M/s Inayatullah & Co which resulted in excess payment of Rs.302,232.

Similarly M/s Inayatullah & Co was awarded contract for the transportation of imported wheat during 1991-92 wheat purchase scheme. According to terms of agreement the firm was banned to transport complete quantity. A new contract was awarded to M/s Indus Marble at higher rate which resulted in excess payment of Rs.389,980.

The overpayment of Rs.792,212 (Rs 302,232 + Rs 389,980) in both the contract needs to be recovered from the contractors who were at the first stage awarded contract or officer responsible under intimation to Audit.”

**10-8-98:** The Department explained that this para had been discussed by the special D.A.C. who agreed to settle the para. The PAC observed that special D.A.C. or D.A.C. are not empowered to discuss the paras included in the Audit Report. Therefore, the Department should have come to the PAC with proper explanation. The Department failed to submit any suitable explanation which was not proper. The Department was directed to submit the working papers pertaining to this para with explanation duly commented upon by the Audit. The para was kept pending.

**12-2-99:** The Department explained that first contractor did not complete the transportation of imported wheat from Karachi to Gujranwala according to the work order placed on him. Therefore, the contract was rescinded and an amount of Rs.450,000 being security deposit of the contractor had been forfeited. The second contractor also failed to carry out the work

according to the work order and accordingly the contract was cancelled. A penalty of Rs.148,426 was deducted from his bill. In this way a total sum of Rs.598,426 had been recovered from the defaulter contractors. The PAC was not satisfied with the explanation and directed that full facts of the case may be brought to the notice of PAC. The relevant record in support of the Departmental contention may be shown to Audit along with the details of allocation of imported wheat during 1991-92 and 1992-93. The para was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **23. Para 8.10 (1):Page 101 – Non Recovery of Gunny Bags Valuing Rs.121,230**

Audit had observed: “A large number of gunny bags were shown recoverable from various officials in different formations. According to Wheat Procurement Policy the same were to be returned, filled or emptied within a week of their issue but these were not returned so far.”

**10-8-98:** The Department explained that 4490 bags were recoverable from different Co-operative Societies and they were not returning the bardana and they were stressing for their transportation charges. A claim of transportation of 1163 bags had been received. The Department could recover the loss by deducting the cost of 4490 bags from the transportation charges bill of the Co-operative Societies. The PAC kept the item pending for recovery of gunny bags or cost thereof.

**12-2-99:** The Department explained that actual cost of 4490 bags was Rs.62,602 which had since been recovered and got verified by Audit. The Audit apprised the PAC that recovery should have been made at the current rate while the same had been made at the rate prevailing in 11/98.

The PAC accepted the explanation and **settled the para with the condition that this decision may not be quoted as precedent in other such cases.**

### **24. Para 8.10(2):Page 101 – Non Recovery of Gunny Bags Valuing Rs.31,455**

For Audit observation, *see* Sr.No.23 above

**10-8-98:** The Department explained that official responsible for the loss of gunny bags had since been dismissed from service. The District Collector Lodhran had been requested to recover the loss as arrears of land revenue.

The PAC kept the item pending and directed the Department to pursue the recovery vigorously and also to produce the relevant record to Audit for verification of factual position with regard to recovery.

**12-2-99:** The Department explained that actual cost of 1165 A class gunny bags was Rs.8,737 which had been recovered and got verified by Audit.

The PAC was not satisfied with the explanation and expressed that recovery had been made at the old rate prevailing in 1974-75 while the recovery should have been made at the current market rate. Therefore, the PAC directed the Department to re-calculate the recovery at current rate and balance amount may be recovered. The para was kept pending.

**29-4-02** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **25. Para 8.10(3):Page 101 – Non Recovery of Gunny Bags Valuing Rs.44,118**

For Audit observation, *see* Sr.No.23 above

**10-8-98:** The Department explained that cost of 1634 A-class bags Rs.16,340 had been recovered and deposited in the Government Treasury. The Audit apprised the PAC that actual recovery was Rs.44,118 and therefore, balance of Rs.27,778 also needed to be recovered. The PAC settled the para subject to reconciliation of figures of recoverable amount with the Audit.

**12-2-99:** The Department explained that recovery of 1634 A class bags pertained to 1973-74 and therefore, cost thereof was worked out as Rs.16,340 @ Rs.10 per bag. The said amount of Rs.16,340 had been recovered and got verified by Audit. The PAC accepted the explanation and **the para was settled.**

## **26. Para 8.10(4):Page 101 – Non Recovery of Gunny Bags Valuing Rs.194,400**

For Audit observation, *see* Sr.No.23 above

**10-8-98:** The Department explained that as a result of initial inquiry, Food Grain Inspector (Mr Wali Muhammad) was held responsible for the loss but after full inquiry he was exonerated by the Competent Authority. Now a case for the write off sanction of the loss had been initiated which was under process. The PAC kept the item pending for write off sanction of the loss.

**12-2-99:** The Department explained that a case for the write off sanction of loss had been referred to the Competent Authority and decision was awaited. The PAC kept the para pending for write off sanction of the loss.

**29-4-02** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the

directive of the PAC.

**27. Para 8.11: Page 102 – Use of Residential Telephone Beyond Prescribed Limit Rs.26,359**

Audit had observed: “A sum of Rs.26,359 was paid out of Government funds on account of telephone calls made from the residential telephone by the Deputy Director Food, Multan over and above the prescribed limit of 600 calls.”

**10-8-98:** The Department explained that a sum of Rs.12,559 had been recovered and a balance of Rs.21,359 was recoverable.

The PAC directed that balance amount may be recovered within three months positively and kept the para pending.

**12-2-99:** The Department explained that full recovery had been made and got verified by Audit. The P.A.C accepted the explanation and **the para was settled.**

**28. Para 8.12: Page 102 – Engagement of Chowkidars on Daily Wages – Loss to Government Amounting to Rs.5,904,000**

Audit had observed: “The stated amount was paid on account of daily wages to Chowkidars at P.C. Centres, without authority. The appointments of Chowkidars is to be made according to the scale circulated in Government letter No. EO-BA-Ch.2/78-P-III dated 25 March 1986 only on regular basis which do not allow appointments on daily wages. The illegal expenditure is, therefore, required to be recovered.

**10-8-98:** The Department explained that requirement of Chowkidars and sweepers at each P.R. Centre was justified to look after the huge wheat stocks, bardana etc stored in Godowns as well as in open at the purchase/PR centre during procurement and storage period. Audit apprised the PAC that the Department had not produced the record in support of its contention.

The PAC observed that the explanation of the Department was not convincing. It was further observed that the instructions of the Finance Department of 3/86 regarding appointments of Chowkidars on daily wages or on permanent basis had been misinterpreted which resulted in loss to the public money. However, the Department was directed to take action against the officer who misinterpreted the Finance Department’s instructions referred to above. It was also directed that the matter may be referred to the Finance Department for seeking advice/clarification of the said instructions. The para was kept pending.

**12-2-99:** The Department explained that as per directive of PAC dated 10-8-1998 the case had been referred to the Finance Department for advice. The responsible officer, who made the appointments was also being proceeded against and inquiry was being conducted.

The PAC directed that its directive dated 10-8-98 may be complied with completely in letter and spirit. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 February 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.”

**29. Para 8.13: Page 103 – Loss to Government Due to Double Journey Rs.106,256**

Audit had observed: “29808 wheat bags were transported from Flag Centre Burj to Chak Jhumra P. C. Centre and again to Faisalabad. Had the wheat been despatched direct from Burj Flag Centre to Faisalabad, the Government would have been saved from the loss of Rs.106,256 sustained due to double journey on transportation of wheat. The matter required investigation and the loss inflicted to the exchequer of the Government be made good from the official held responsible.

**10-8-98:** The Department explained that attachment of Flag Centre was generally made with storage Centre with a view to achieve maximum target in the interest of Government. The Flag Centre Burj was attached with the P.R. Centre Chak Jhumra in the Public interest, otherwise the growers would decline to offer their surplus wheat for Government purchase. Public demand for attachment of Flag Centre was supported by public representatives. The Public Accounts Committee was not satisfied with the explanation and observed that the growers should not have any objection for attachment of a Flag Centre with a P.R. Centre as the stock was required to be transported at Government expenses. However, the Public Accounts Committee directed the Department to produce the relevant record to Audit for verification of the following issues:-

- (i) whether the wheat was un-loaded and reloaded at P.R. Centre on the same day, and
- (ii) what was the storage capacity at Faisalabad godown and whether the storage space was available there.

The para was kept pending.

**12-2-99:** The Department explained that the matter was probed thoroughly which revealed that wheat stocks from Burj Flag Center were received at P.R. Center Chak Jhumra during procurement operation uptill 30-6-89. The despatch from Chak Jhumra to Faisalabad started from 27-9-98 and had been completed by 30-4-90. The stocks were not reloaded on the same day and the maximum stay at Chak Jhumra was of 88 days. Against the total operational capacity of 37,900 M.Tons a storage capacity of 30188 M. Tons was available at Faisalabad which was less than the requirement. The PAC directed the Department that the facts explained by the Department may be got verified by Audit. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para**



**subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**30. Para 8.14: Page 103 – Recoveries Worth Rs.166,040**

Audit had observed: “The amounts detailed below had been found short on account of godown shortage of wheat un-loading charges and fine @ 10% of work order during 1992-93, which needs to be justified and recovery effected immediately.

(a)

(b) (i) A sum of Rs.6,145 on account of enroute shortage of wheat was recoverable from M/s Malik Irshad & Co., Sahiwal (Scheme (1992-93) on account of transportation of wheat from P.R centre 138/TDA to Attock, which needs to be recovered.

(ii) Whereas a sum of Rs.2,077 on account of unloading charges of 5,128 bags at a private mill at Attock were also recoverable from the same contractor vide GP-7 No.88,851 dated 30 May 1993 (Scheme 1992-93/Centre 138/TDA).

(c) A sum of Rs.44,963 on account of fine @ 10% of the work order during 1992-93 was also recoverable from M/s Kharal & Brothers on account of less transportation of wheat (i.e. 1530.000 M.T) against the total allocation of 3200 M.T. from Layyah to Islamabad.”

**10-8-98:** The Department explained that major portion of recovery had since been effected with a recoverable balance of Rs.28,075 which was being pursued vigorously for early finalization. The Public Accounts Committee kept the para pending for balance recovery.

**12-2-99:** The Department explained that balance amount of Rs.28,075 had been recovered and got verified by Audit.

The PAC accepted the explanation and **the para was settled.**

# Forestry, Wildlife, Fisheries, and Tourism Department

## Overview

Total Paras	Civil	Commercial
23	17	6

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  <b>3</b>	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	<b>Commercial:</b> 3(xiii), 82, 86	<b>3</b>
<b>Paras Finally Settled</b>  <b>7</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 7.3, 7.4, 7.6, 7.7, 7.8, 7.9, 7.12.	<b>7</b>
<b>Paras Conditionally Settled</b>  <b>13</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Civil:</b> 7.1(1), 7.1(2), 7.1(3), 7.1(4), 7.1(5), 7.1(6), 7.2, 7.5, 7.10, 7.11.	<b>10</b>
		<b>Commercial:</b> 83, 84, 85	<b>3</b>
<b>Report Pended</b>	Report pended as the Committee decided to have working paper for consideration.	<b>Performance Audit Report</b>  <b>Development of Rohtas National Nature Reserve.</b>	

**Discussed on 11 May 1998, 29 April and 30 May 2002**

## Civil Audit

### **1. Para 7.1(1): Page 87 – Non Recovery on Account of Auction Money of Fishing Rights Worth Rs.70,000**

Audit had observed: “Auction of fish points was made to various contractors who failed to deposit the lease amount into the Government treasury. The amounts were to be recovered in lump sum or in installments during the same year for which the lease was approved. Recoveries from the bidders need to be effected and deposited in to Government accounts.”

**11-5-98:** The Department explained that an amount of Rs.26,000 has been recovered and deposited into Treasury. Efforts were being made for the recovery of the remaining amount of Rs.44,000.

The Public Accounts Committee directed the Department to recover the balance amount within 6 months and the para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **2. Para 7.1(2): Page 87 – Non Recovery on Account of Auction Money of Fishing Rights Worth Rs.130,000**

For Audit observation, *see* Sr.No.1 above

**11-5-98:** The Department reported to the Public Accounts Committee that full amount of Rs.130,000 had been recovered. **The para was settled subject to verification of recovery by Audit.**

### **3. Para 7.1(3): Page 87 – Non Recovery on Account of Auction Money of Fishing Rights Worth Rs.53,000**

For Audit observation, *see* Sr.No.1 above

**11-5-98:** The Department explained that case was under process with Revenue Department for recovery.

The Public Accounts Committee directed the Department to recover the outstanding amount within 6 months and the para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **4. Para 7.1(4): Page 87 – Non Recovery on Account of Auction Money of Fishing Rights**

**Worth Rs.88,900**

For Audit observation, *see* Sr.No.2 above

**11-5-98:** The Department explained that an amount of Rs.27,900 had been recovered and deposited into Treasury. The remaining recovery was being pursued vigorously.

The Department was directed by the Public Accounts Committee to recover the balance amount within 6 months and the para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**5. Para 7.1(5): Page 87 – Non Recovery on Account of Auction Money of Fishing Rights Worth Rs.393,430**

For Audit observation, *see* Sr.No.2 above

**11-5-98:** The Department explained that the case had been referred to the District Collector for recovery as arrears of land revenue and the Assistant Director Fisheries Okara was pursuing the matter with the District Collector.

The Public Accounts Committee directed the Department to recover the outstanding amount within 6 months and the para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**6. Para 7.1(6): Page 87 – Non Recovery on Account of Auction Money of Fishing Rights Worth Rs.83,000**

For Audit observation, *see* Sr.No.2 above

**11-5-98:** The Department explained that recovery was being effected from the defaulter as arrears of land revenue through District Collector Rajanpur/Rahim Yar Khan.

The Public Accounts Committee directed that recovery may be completed within 6 months and the para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and

the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **7. Para 7.2: Page 88 – Non Realization of Compensation Rs.2,746,598 on Account of Forest Damages-Recovery Thereof**

Audit had observed: “Compensation to the extent of Rs.2,746,598 on account of forest damages was not realized/less realized from the defaulters by the Divisional Forest Officer Canal side Plantation, Sargodha.”

**11-5-98:** The Department explained that 261 cases were pending in the Court, the value of which had been worked out by Audit to Rs. 2,648,290, whereas actual value in 261 cases comes to Rs.2,628,290. The latest position was as under:

### **Item A-1**

48 Forest cases compounded for Rs.17,980 out of Rs.17,980 recovery of 39 forest cases amounting to Rs.14,430 had been made and verified by Audit. Balance amount of Rs.3,580 for 9 cases was being pursued for early finalization.

### **Item A-2**

140 cases valuing Rs.1,309,210 were prosecuted and sent to various summary courts for trial. These cases were being pursued in various courts.

### **Item A-3**

In 23 cases valuing Rs. 514,300 F.I.Rs. were got registered with the Police and these cases were either with the police or under trial in various courts. These were being pursued vigorously.

The Committee directed the Department regarding the above mentioned 3 items that some more Special Magistrates may be posted in the Forest Department to consider these cases for early decision. The Department may put up a summary to the C.M. requesting him to do the needful. These items were kept pending.

### **Item A-4**

In 48 cases the defaulting officials were dealt with under Punjab Civil Servants (E&D) Rules, 1975 and recoveries amounting to Rs.512,350 had been imposed upon them. Recovery of Rs.512,350 had been shown in Form II and was being effected from the pay of the defaulters. An amount of Rs.58,233 had been recovered and adjusted in the accounts.

The Public Accounts Committee noticed that the pace of recovery was very slow. Therefore, the Department was directed to effect recovery at the rate of 1/4 of their pay henceforth. The item was kept pending.



**Item A-5**

2 Forest cases pertain to damage done during Pak Army exercises. A write off case was under process.

The Public Accounts Committee directed that write off case may be got finalized at the earliest. The item was kept pending.

**Item-B**

The Department explained that the value of damage was calculated as Rs.106,238 but the court had fined the defaulters Rs.7,800. Therefore, the remaining amount of Rs. 98,438 needs to be written of as it was beyond the control of the Department to challenge the courts verdict.

The Public Accounts Committee directed that compensation of damages valuing Rs.98,438 may be got written of from the competent authority and the item was kept pending.

**Item-C**

The Department explained that 237 cases were pending out of which 6 cases valuing Rs.3,380 had been compounded and 192 cases valuing Rs. 415,250 prosecuted. Therefore 192 cases were under trial. Remaining 39 cases were being processed for action against the defaulters.

The Public Accounts Committee directed to pursue the court cases vigorously and to produce the record of compounded 6 cases to Audit for verification and also to finalize the action in remaining 39 cases. The item was kept pending.

**29-4-02: On consideration of the facts of the case, the Committee settled the items subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**8. Para 7.3: Page 88 – Misappropriation of 2134 Numbers Mudhies Valuing Rs.54,417**

Audit had observed: “The scrutiny of relevant record revealed that 2338 number of mudhies were extracted from CPT No.163-164 main felling block No.IV of Changa Manga plantation. On physical verification by the Sub-Divisional Forest Officer, Changa Manga 2134 number mudhies were found short. Inquiry was conducted and some officials were held responsible for the pilferage of 1610 mudhies valuing Rs.41,055. No recovery had been effected from them. As regards the remaining 524 number of mudhies valuing Rs.13,362 no action had also been taken to fix responsibility and effect recovery.

The stated amount may be recovered from persons concerned in addition to disciplinary action against them.”

**11-5-98:** The Department explained that a recovery of Rs.41,055 had been effected and accounted for. The remaining amount of Rs.13,362 pertained to 524 No. “mudhies”. In this regard it was stated that these “mudhies” were accounted for by RFO, tramway Unit in T.F.7 for 1/94 and disposed of accordingly. The explanation of the Department was accepted **and the para was settled.**

#### **9. Para 7.4: Page 89 – Misappropriation of Sale Proceeds of Fish Seed Worth Rs.36,304**

Audit had observed: “Fish Seed was auctioned for Rs.705,627 during 1991-92, but an amount of Rs.669,232 was deposited into Government account. Balance amount of Rs.36,304 is to be deposited under intimation to Audit. The matter needs investigation for appropriate disciplinary action and recovery against the defaulters.”

**11-5-98:** The Department explained that fish seed was received during the year 1990-91 but the seed was not supplied during the same year. The seed was supplied during 1991-92 cost of which had already been collected during 1990-91. Therefore, neither the cost was recovered less nor there was any misappropriation. The explanation was accepted **and the para was settled.**

#### **10. Para 7.5: Page 90 – Non Recovery of Rs.217,083 on Account of Shortage of Firewood**

Audit had observed: “It was noticed during the Audit of timber from No.7 for the period 1992-93 that 54407 Cft firewood valuing Rs.217,083 had been shown short. It appears that wood had been misappropriated. No action had been taken against the defaulter and recovery had not been effected”.

**11-5-98:** The Department explained that shortage was actually 54457 CFT instead of 54407 CFT as mentioned by Audit. The officials responsible for the shortage were dealt with under the rules and a penalty of Rs. 217,283 was imposed on them. The said amount had since been brought in Form II. An amount of Rs.31,313 had been recovered and recovery of the balance was under process.

The Public Accounts Committee directed that recovery may be completed within 6 months and the para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. In case the recovery has not so far been made, disciplinary action against the persons responsible for delay shall be taken. Finance Department shall monitor the implementation of the directive of the PAC.

### **11. Para 7.6: Page 90 – Irregular Expenditure on Local Purchase of Double Cabin Toyota Pickup Rs.574,000**

Audit had observed: “Rs.574,000 were drawn vide Cheque No.B/979617 dated 11.3.1993, on account of local purchase of Toyota Pick-up from M/s Pengeot Pakistan Inc. Lahore. Under letter No. Exp(G)11-2292, dated 25.8.1992, there was a ban on the purchase of cars except for operational vehicles i.e. standard Suzuki Jeep and standard Single Cabin Pick-up for development projects if budgetary provisions exist. Violation of Government instructions contained in the above quoted letter needs to be explained and irregularity got condoned with the sanction of the Finance Department.”

**11-5-98:** The Department explained that the vehicle was purchased under the directive of Prime Minister received through the Chief Minister. The Admn: approval was authenticated by the Finance Department. The explanation of the Department was accepted and **the para was settled.**

### **12. Para 7.7: Page 91 – Irregular Expenditure of Rs.38,370**

Audit had observed: “The above stated amount was incurred for the local purchase of Room Air-cooler out of Head “534-Hot & Cold Weather Charges” instead of head “120-Machinery & Equipment” against the provision of Delegation of Financial Powers, 1990.

Further Government of the Punjab, Finance Department vide his letter No.EXP(G)11-22/92, dated 25 August 1992 had imposed complete ban on the purchases of durable goods exceeding Rs.25,000. The irregularity needs to be got condoned with the sanction of the Finance Department.”

**11-5-98:** The Department explained that expenditure was incurred to provide room coolers and other facilities to the staff. The Finance Department had also accorded the ex post facto sanction for the said expenditure. The explanation was accepted and **the para was settled.**

### **13. Para 7.8: Page 91 – Irregular Expenditure of Rs.2,046,486 on Metalling of Hall Road**

Audit had observed: “The amount was spent on metalling of 4.64 K.M. Hall Road, running from Mangla Cantt: to Lehri Park, Lodge. Neither estimates had been prepared nor sanction of the competent authority accorded. No tenders were also floated for obtaining competitive rates from amongst the professional/listed contractors.”

**11-5-98:** The Department explained that the work was executed Departmentally and as such there

was no need of floating tenders. Government did not suffer any loss. The explanation was accepted and **the para was settled.**

#### **14. Para 7.9: Page 92 – Unauthorized Drawl of House Rent Allowance Rs.47,808**

Audit had observed: “The officials of Fish Seed Rearing and Seed Production Unit in Kotli Araian were drawing house rent allowance, although Government residential facilities were available there. As such drawal of house rent allowance was irregular.”

**11-5-98:** The Department explained that the buildings pointed out by Audit as residential buildings were not being used for residential purposes rather these were used for official purposes as office and store etc. The staff was residing within the local area of 3.5 K.M. having their own residences. Therefore, the drawl of House Rent Allowance was quite justified. The explanation was accepted and **the para was settled.**

#### **15. Para 7.10: Page 92 – Shortage of Timber/fire Wood Valuing Rs.644,373 Recovery Thereof**

Audit had observed: “In Forest Division, Canal Side Plantation, Sargodha timber/firewood valuing Rs.644,373 was shown short. Recovery of the stated amount was not made from the defaulters.”

**11-5-98:** The Department explained the position as under:-

#### **Items A & B**

It was explained that actual value of short timber/fire-wood was Rs.626,563 instead of Rs.555,801 as pointed out by Audit. A sum of Rs.128,744 was recoverable from Mr. Fateh Muhammad Forester from whom Rs.18,00 had been recovered and balance recovery would be made from his pay. A further sum of Rs.128,744 was recoverable from Mr. Amir Mukhtar, Forest Guard who had been dismissed and recovery would be effected as arrears of land revenue. The remaining loss of Rs.369,075 pertained to D. F.O. Mr. Ejaz Mehmood, against whom action under E & D Rules was under process.

The Public Accounts Committee directed the Department to make strenuous efforts for recovery and complete the same within 6 months. The items were kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the items subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. In case the recovery has not so far been made, disciplinary action against the persons responsible for delay shall be taken. Finance Department shall monitor the implementation of the directive of the PAC.

**Item-C**

**11-5-98:** The Department explained that theft of 5000 cft firewood valuing Rs.35,000 was registered with Shahpur Police Station. The case was tried in court and the court awarded one year imprisonment to the offender. The Police had taken the custody of firewood valuing Rs. 1,000 which had been taken over from the police and adjusted in the account.

The Department was directed to move a case for write off sanction of the remaining loss of Rs. 34,000 and the item was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. In case the recovery has not so far been made, disciplinary action against the persons responsible for delay shall be taken. Finance Department shall monitor the implementation of the directive of the PAC.

**Item-D**

**11-5-98:** The Department explained that Rs. 1,433 had been recovered and adjusted in the account. The position had also been verified by Audit. The explanation was accepted and **the item was settled.**

**Item – E-1**

**11-5-98:** The Department explained that theft of 97.26 cft shisham logs costing Rs. 6,808 and 100 cft Shisham wood costing Rs. 7,000 was involved in this case. The case had been registered against M. Muhammad Munawar, Forest Guard with the police and now the same was under trial in the court of Special Judge Anti-corruption Sargodha. The Department was directed to pursue the case in the court and the items were kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. In case the recovery has not so far been made, disciplinary action against the persons responsible for delay shall be taken. Finance Department shall monitor the implementation of the directive of the PAC.

**Item – E-2**

**11-5-98:** The Department explained that theft of 1000 cft firewood costing Rs. 7,000 was involved. The case was tried in the court and the culprit was fined Rs. 1,000.

The Department was directed that either the balance amount of Rs. 6,000 may be recovered or the same got written off by the Competent Authority. The item was kept pending.



**29-4-02:** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. In case the recovery has not so far been made, disciplinary action against the persons responsible for delay shall be taken. Finance Department shall monitor the implementation of the directive of the PAC.

### **Item – E-3**

**11-5-98:** The Department explained that theft of 1000 cft firewood costing Rs. 7,000 was involved in this case. The case was tried in the court and the culprit was fined Rs. 500.

The Committee directed that either the balance amount of Rs. 6,500 be recovered and if it was not possible, the same be got written off by the F.D. The item was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the item subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. In case the recovery has not so far been made, disciplinary action against the persons responsible for delay shall be taken. Finance Department shall monitor the implementation of the directive of the PAC.

### **Item – E-4**

**11-5-98:** The Department explained that theft of 97.26 cft shisham logs costing Rs. 6,808 and 100 cft Shisham wood costing Rs. 7,000 was involved in this case. The case had been registered against M. Muhammad Munawar, Forest Guard with the police and now the same was under trial in the court of Special Judge Anti-corruption Sargodha. The Department was directed to pursue the case in the court and the items were kept pending.

**29-4-02:** The Committee **settled the para** with the direction that subject to the decision of the court, the recovery shall be effected and reported to the Audit for verification, the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **Item – E-5**

**11-5-98:** The Department explained that the amount involved had been recovered and accounted for in the books. **The explanation was accepted and the item was settled.**

### **Item – E-6**

**11-5-98:** The Department explained that recovery of Rs. 22,050 had been effected instead of Rs.17,710 as pointed out by Audit. The position had also been verified by Audit. **The explanation was accepted and the item was settled.**

## **16. Para 7.11: Page 93 – Illegal Release of Drift Wood Worth Rs. 334,100**

Audit had observed: “Driftwood worth Rs.334,100 stored at Bhimber road was illegally released to

culprits instead of shifting it to sale depot of Forest Division, Gujrat and a heavy loss was caused to public exchequer.”

**11-5-98:** The Department explained that enquiry was conducted and the enquiry officer concluded that action against the culprits had been taken by the Forest Staff. No disciplinary action against any officer/official was warranted. It was further explained that the cases were under trial in the court.

The Committee directed the Department to pursue the case vigorously in the court and the para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 May, 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**17. Para 7.12: Page 93 – Less Realization of Revenue of Rs.2,653,655 and Uneconomical/Avoidable Expenditure of Rs. 35,050 on Watch & Ward**

Audit had observed: “Revenue to the extent of Rs.2,653,655 for forest produce was less realized during 1990-91. Expenditure of Rs.35,050 was also incurred on watch and ward charges in Forest Division of Canal side Plantation, Sargodha.

The matter needs investigation and recovery of hidden losses.”

**11-5-98: Item – A**

The Department explained that a target of Canal Side Plantation Circle (I&P) Department was fixed as Rs. 80,840,000 against which Rs.83,077,500 were collected. Thus there was no short fall at circle level. The less realization of Rs.2,616,933 in Sargodha Canal Division was due to the fact that the purchases/contractors failed to produce the receipted Treasury Challans to DFO in time. Anyhow, no irregularity had been made. **The explanation was accepted and the item was settled.**

**Item – B**

The Department explained that in Bhalwal Range a quantity of 103638 cft timber and 23900 cft firewood was put to auction by holding 2 auctions in each month from 7/90 to 6/92. Therefore, the appointment of Watch & Ward Staff was very essential to safeguard the Government property. The explanation was accepted and **the item was settled.**

**Item – C**

The Department explained that for leveling the land with machinery and for preparation of area for afforestation the mudhies were uprooted/extracted Departmentally by incurring the expenditure. The material so extracted was of inferior quality and not saleable. However, the value recovered was according to the quality of material. Also, if the said material had not been sold immediately, it

would have been deteriorated. **The explanation was accepted and the item was settled.**

## Commercial Audit

### 1. Para 3(xiii): Page 6 – Non Compilation of Accounts

Audit had observed: “23 current and 29 arrears accounts which have not been compiled and/or sent by the organizations to Audit are listed below.”

**30-5-02: The PAC noted** the contents of the Audit paras and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that the accounts are compiled and submitted to Audit on time.

### 2. Para 82: Page 54 – Working Results of Tourism Development Corporation of Punjab Limited, Lahore for the Year 1993-94

**30-5-02:** The Committee **noted the** working results with the direction that the Department should take effective steps to improve the working of the Corporation.

### 3. Para 83: Page 55 – Non Recovery of Government Loan Rs.182.936 Million

Audit had observed: “Loan from Government of Punjab amounted to Rs.182.936 million at the end of the financial year 1993-94. Neither the principal amount nor the interest accrued thereon has so far been paid by the Company on the plea that the Management’s proposal regarding conversion of these loans into equity or interest free loans is still under consideration of the Government of Punjab. Pending final decision of the Government, necessary provision of interest on these loans needs be created in the accounts in future”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### 4. Para 84: Page 55 – Loss to Government

Audit had observed: “No depreciation was charged to Helicopter during 1993-94, rather the amount of Rs.40.071 million provided on this account during the previous years was also adjusted against accumulated losses which were brought down to Rs.84.773 million during the 1993-94 (1992-93 = Rs.112.071 million), also deleting the Helicopter from fixed assets account of the Corporation during the year under review. The accounting treatment in respect of the Bell Helicopter was not approved by the Government of Punjab, which is, therefore, held irregular and unjustified. As a

matter of principle the aforesaid Helicopter needs to be incorporated in the fixed assets account of the Company, charging annual depreciation thereon since its purchase and showing the loan account separately in the Company's books in future".

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **5. Para 85: Page 55 – Non Compilation of Financial Statements**

Audit had observed: "Development schemes included Chair Lift System Patriata on account of which a sum of Rs.105.000 million received from the Government of Punjab has since been adjusted against the expenditure incurred on this project without approval of the Government. As a matter of principle, total funds received from the Government should have been treated as loans and total expenditure incurred there against be capitalized in the books of the Company instead of showing merely current account of Chair Lift System-Patriata in the periodical financial statements of the Corporation. Necessary approval in respect of the aforesaid accounting treatment needs to be obtained from the Government of Punjab as early as possible".

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **6. Para 86: Page 55 – Non Recovery of Rs.3.663 Million**

Audit had observed: "A sum of Rs.3.663 million had been appearing in the accounts under the heading "Deferred Cost" since long. The balance under this heading represented the amount spent on preparation of a promotional film "ZURGUL" in collaboration with certain other party. The film could not be completed due to disputes, but the management is hopeful to recover the total cost together-with mark-up accrued thereon as a result of an Arbitration Award given in favour of the Company. It is advisable that necessary provision needs be created in the accounts to meet any eventual loss on this account, though the Arbitration Award has been given in favour of the Company."

**30-5-02:** The Committee **noted the para** with the observation that the Department shall take

appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## Performance Audit Report on Development of Rohtas National Nature Reserve

**30-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **may submit the requisite working papers** with Audit comments along with the proposals for improving the performance of the projects. The steps being taken to improve their economy, efficiency and effectiveness should also be indicated in the working papers.



# Health Department

## Overview

Total Paras	Civil	Commercial
<b>90</b>	<b>88</b>	<b>2</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  <b>2</b>	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	<b>Commercial:</b> 87, 88	<b>2</b>
<b>Paras Finally Settled</b>  <b>54</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 10.1(1), 10.1(2), 10.1(3), 10.1(4), 10.1(6), 10.1(7), 10.1(9), 10.1(10), 10.1(11), 10.1(13), 10.3(1), 10.3(2), 10.3(3), 10.3(4), 10.3(6), 10.3(7), 10.3(8), 10.3(10), 10.3(11), 10.3(12), 10.4, 10.5, 10.6(2), 10.6(3), 10.6(6), 10.6(7), 10.6(8), 10.6(9), 10.6(10), 10.10(1), 10.10(2), 10.10(3), 10.13, 10.14, 10.15, 10.18, 10.22(1), 10.22(5), 10.25(2), 10.25(3), 10.25(4), 10.25(5), 10.25(6), 10.25(7), 10.25(8), 10.26(1), 10.28(1), 10.28(2), 10.29, 10.30, 10.32, 10.33, 10.34, 10.36	<b>54</b>
<b>Paras Conditionally Settled</b>  <b>34</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Civil:</b> 10.1(5), 10.1(8), 10.1(12), 10.2(1), 10.2(2), 10.3(5), 10.3(9), 10.6(1), 10.6(4), 10.6(5), 10.7, 10.8, 10.9(1), 10.9(2), 10.11, 10.12, 10.16, 10.17, 10.19, 10.20, 10.21, 10.22(2), 10.22(3), 10.22(4), 10.23(1), 10.23(2), 10.23(3), 10.24, 10.25(1), 10.26(2), 10.27, 10.28(3), 10.31, 10.35	<b>34</b>

Discussed on 12-13 May 1998, 11 January 1999 and 29 April 2002

## Civil Audit

### **1. Para 10.1(1): Page 107 – Misappropriation of Medicines, Purchee Fee, Store Articles, Pay and Allowances, POL and Equipments – DHO Gujranwala – Rs.912,555**

Audit had observed: “The store articles to the stated value were misappropriated by the Store Keeper. It was also noticed from the scrutiny of various stock registers that instruments and articles have been found short in Basic Rural Health Centre, Hospital receipts, purchee, admission fee X-Rays and P.O.L charges realized by the various sections of the hospitals were not deposited into Government Treasury.”

**12-5-98:** The Department explained that relevant record regarding the receipt of medicines etc and their distribution to RHCs/BHUs had been shown to Audit now. Anyhow, action was being taken against the defaulters who did not show the relevant record to Audit at the time of Audit inspection. Explanation of the Department was accepted and **the para was settled.**

### **2. Para 10.1(2): Page 107 – Mis-Appropriation of Medicines, Purchee Fee, Store Articles, Pay and Allowances, POL and Equipments– DHO Gujranwala DHO Layyah – Rs.57,215.**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that all the recoverable amount had been made good and got verified by Audit. Also action against the defaulters, who did not deposit the Government money into the Treasury promptly was being taken and in some cases penalties had been imposed. Explanation was accepted and **the para was settled.**

### **3. Para 10.1(3): Page 107 – Mis-Appropriation of Medicines, Purchee Fee, Store Articles, Pay and Allowances, POL and Equipments – DHO Gujranwala DHO-Gujranwala – Rs.651,562**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that preliminary inquiry had been conducted which revealed that demand was not advertised for fair competition, and the orders were split up in violation of rules. The sanction was obtained from Director General Health Services, by passing the Director Health Services, Gujranwala Division which was against the official discipline. Not only that, the N.O.C. from the Purchase Cell and NAC from M.S.D. were also not obtained. So, the entire deal was a masterpiece of financial & procedural irregularities.

The then D.H.O. Gujranwala, Microscopist, Store-Keeper, Accountant and District Accounts Officer were held responsible for these irregularities against whom action was underway. The Department also requested the Finance Department to take action against the D.A.O.

The Committee directed the Department to take appropriate action under the rules against the defaulters and to recover the amount involved from them at the earliest and get it verified by Audit.

The Committee also directed the Finance Department to take appropriate action against the District Accounts Officer who accepted the irregular claims at the pre-Audit counter. The para was kept pending.

**11-1-99:** The Department explained that the total amount had been recovered and deposited into the Government Treasury. The PAC accepted the explanation and **settled the para** subject to verification of entire recovery by Audit.

#### **4. Para 10.1(4): Page 107 – Mis-Appropriation of Medicines, Purchase Fee, Store Articles, Pay and Allowances, POL and Equipments – DHO Khanewal – Rs.48,916**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that the entire amount of Rs.48,916 had been recovered. An amount of Rs.18,808 had already been verified by Audit and verification of remaining amount was in process. Disciplinary action had also been taken against the defaulters. The para was settled subject to verification of balance recovery of Rs.30,108 by Audit.

**11-1-99:** The Department explained that total recovery had since been made and got verified by Audit. The PAC accepted the explanation and **the item was settled.**

#### **5. Para 10.1(5): Page 107 – Mis-Appropriation of Medicines, Purchase Fee, Store Articles, Pay and Allowances, POL and Equipments – Government MSD Lahore – Rs.524,844**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that inquiry had been conducted which revealed that actual shortage came to Rs.61,783 and not Rs.524,844 as worked out by Audit. The shortage had occurred mostly during shifting of factory from Lahore Cantt: to Co-op Building Ferozepur Road, Lahore in 1971 which resulted in heavy leakage of fluid raw material. Therefore, the plea of Audit that shortage had occurred during 1992-93 was not correct. In some cases the liquid raw material had dried up due to long time storage. Anyhow, M/s. Muhammad Yousaf, Ex-Assistant and Liaquat Hussain, Ex-Senior Clerk who had since been retired from service, were held responsible for loss of Rs.58,615. Mr. Muhammad Yousaf was convicted by the Anti-Corruption Court and sentenced to imprisonment for one year. Subsequently he was acquitted by High Court, and therefore no recovery from him could be effected. Mr. Muhammad Yousaf was compulsorily retired. The Department was directed to reconcile the amount of loss with the Audit and proceed to seek write off sanction of loss from Finance Department. The para was kept pending.

**11-1-99:** The Department explained that the amount of loss had been reconciled with Audit and as a result the actual loss came to Rs.58,391. A reference had been sent to the F.D. for write off sanction of loss. The PAC kept the item pending for write off sanction of loss by F.D.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**6. Para 10.1(6): Page 108 – Mis-Appropriation of Medicines, Purchase Fee, Store Articles, Pay and Allowances, POL and Equipments – D.H.Q. Hospital Layyah – Rs.80,947**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that inquiry was conducted which revealed that actual loss came to Rs.49,965 out of which responsibility for Rs.21,256 had been fixed on Mr. Noor Muhammad, Store Keeper and Rs.28,709 had been attributed to Dr. Sohail Safdar. Recovery of Rs.21,256 had been effected from Mr. Noor Muhammad, and disciplinary action had also been taken against him. The amount of Rs.28,709 would be recovered from Dr. Sohail Safdar @ 1/3 of his pay p.m. The equipment equal to balance amount of Rs.30,982 (80,947- 49,965) was available in the Hospital which could be verified.

The Committee directed the Department to recover the balance amount of Rs.28,709 and get it verified by Audit. The Department was also directed to produce the record pertaining to available equipment to Audit for verification. The para was kept pending.

**11-1-99:** The Department explained that recoverable amount of Rs.55,090 had since been recovered and got verified by Audit. The store articles valuing Rs.25,856 were physically existing in the store and had been verified by Audit. Disciplinary action had also been completed against the defaulters. The PAC accepted the explanation and **settled the para.**

**7. Para 10.1(7): Page 108 – Mis-Appropriation of Medicines, Purchase Fee, Store Articles, Pay and Allowances, POL and Equipments – DHO Gujranwala – Rs.280,080**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that amount of pay had been disbursed to all concerned and there was no complaint. The relevant record like acquittance roll etc were available and could be verified. The explanation of the Department was accepted and **the para was settled.**

**8. Para 10.1(8): Page 108 – Mis-Appropriation of Medicines, Purchase Fee, Store**

**Articles, Pay and Allowances, POL and Equipments – DHO Kasur – Rs.72,118**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that out of Rs.72,118 an amount of Rs.12,462 had been recovered and deposited into Treasury. Items valuing Rs.32,741 were available. Mr. Shehzad Akhtar, Sanitary Inspector had been held responsible for the balance amount of Rs.26,915 and therefore, recovery would be effected from him. The Committee directed that the balance amount may be recovered from the defaulter and disciplinary action may also be initiated against him. Both, the recovery and disciplinary action may be completed in shortest possible time. The para was kept pending.

**11-1-99:** The Department explained that account stocked articles worth Rs.32,741 were available for verification. The recovery of balance amount of Rs.26,915 was in process.

The PAC directed the Department that account record of article valuing Rs.32,741 may be got verified by Audit. Balance recovery of Rs.26,915 may be completed without further delay. The item was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. In case the recovery has not so far been made, disciplinary action may be taken against the persons responsible for delay. Finance Department shall monitor the implementation of the directive of the PAC.

**9. Para 10.1(9): Page 108 – Mis-Appropriation of Medicines, Purchee Fee, Store Articles, Pay and Allowances, POL and Equipments – T.H.Q. Hospital Mailsi District Vehari – Rs.18,155**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that the amount of Rs.18,155 had been recovered and deposited into Treasury. The explanation was accepted and **the para was settled.**

**10. Para 10.1(10): Page 108 – Mis-Appropriation of Medicines, Purchee Fee, Store Articles, Pay and Allowances, POL and Equipments – ADHO Hasilpur – Rs.63,384**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that inquiry had been conducted which revealed that Log Book of Suzuki Jeep was not produced to Audit which was in the custody of Dr. Abdul Ghafoor. In the absence of Log Book the drawn P.O.L. was termed as embezzlement. Now, the Inquiry Committee had seen the Log Book had verified the consumption of petrol. Only missing entries valuing Rs.608.80 had been found which had been recovered. Action against the officer for not producing the record despite repeated requests was also in process.

The Committee settled the para subject to the condition that report on the action taken against the officer concerned would be presented to Committee in the next meeting.

**11-1-99:** The Department explained that disciplinary action against Dr Abdul Ghafoor for



not producing the record was under process. Anyhow, it had been ensured that all the entries of P.O.L made in the log book were correct. Cost of missing entries valuing Rs.608.80 had been recovered. The PAC accepted the explanation and **settled the para.**

**11. Para 10.1(11): Page 108 – Mis-Appropriation of Medicines, Purchee Fee, Store Articles, Pay and Allowances, POL and Equipments – DHO, Lahore – Rs.150,064**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that all the equipment and medicines were received and properly accounted for in the relevant books. Subsequently the same were distributed to different RHCs/BHUs, etc. Their accountal had also been verified by Audit. The explanation was accepted and **the para was settled.**

**12. Para 10.1(12): Page 108 – Mis-Appropriation of Medicines, Purchee Fee, Store Articles, Pay and Allowances, POL and Equipments – DHO, Sialkot – Rs.268,147**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that inquiry had been conducted which revealed that the demand was not advertised to ensure fair competition. Demand was split up in violation of rules. DHO exceeded his powers in incurring the expenditure. Consumption of the material was not shown to Inquiry Committee. D.A.O. was also responsible for loss who accepted the claims at pre-Audit counter. The case was under action in the Admn: Wing of the Department for disciplinary proceedings against the defaulters i.e. DHO Sialkot, Store Keepers concerned and the Accountant.

The Public Accounts Committee directed the Department to finalize the disciplinary action at the earliest and recover the loss from the defaulters. The Committee also directed the Finance Department to take action against the D.A.O. Sialkot who accepted the irregular claims at the pre-Audit counter. The para was kept pending.

**11-1-99:** The Department explained that disciplinary action was under process and the findings will be brought to the notice of the PAC in due course.

The PAC was not satisfied with the explanation of the Department and directed that recovery of loss from the defaulters along with the disciplinary action against them may be completed within 3 months as directed by PAC previously on 12 & 13.5.1998. The item was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. In case the recovery has not so far been made, disciplinary action may be taken against the persons responsible for delay. Finance Department shall monitor the implementation of the directive of the PAC.

**13. Para 10.1(13): Page 108 – Mis-Appropriation of Medicines, Purchee Fee, Store Articles, Pay and Allowances, POL and Equipments – Government MSD, Lahore – Rs.589,146**

For Audit observation, *see* Sr.No.1 above

**12-5-98:** The Department explained that the amount worked out by Audit as Rs.589,146 was not correct. Actually the raw pharmaceutical material worth Rs.320,230 was lying in the factory which was consumed in the manufacturing of syrup and medicines. Some quantity was lost during manufacturing and quality testing and no misappropriation was committed.

The Committee directed the Department to reconcile the figures with the Audit by producing the relevant record to it in support of the version of the Department within two months. The para was kept pending.

**11-1-99:** The Department explained that the position had been reconciled with Audit by producing the relevant record as per directive of PAC dated 12 & 13.5.98. Therefore, no misappropriation was involved. The PAC accepted the explanation and **the para was settled.**

**14. Para 10.2(1): Page 109 – Purchase of Medicines and Dressing Material at Higher Rates – Allied Hospital Faisalabad – Rs.200,250**

Audit had observed: “Medicines and dressing material were purchased on higher rates in excess of the contracted rates that resulted in excess payments.”

**12-5-98:** The Department explained that inquiry had been conducted which revealed that irregularity was committed as the demand was not advertised in the Press to ensure fair competition. The demand was split up wilfully in violation of rules, to avoid the sanction of Competent Authority. The M.S. concerned exceeded his powers in incurring the expenditure and there was no quality guarantee of the store. Neither Inspection Committee was formed nor any inspection was carried out. MS. concerned, Pharmacist and the Accountant concerned were held responsible for making overpayment against these irregularities. The D.A.O. concerned was also responsible who accepted the irregular bills at the pre-Audit counter. The case was under process for disciplinary action against the defaulters.

The Committee directed the Department to finalize the disciplinary action against the defaulters at the earliest and make good the loss from them. The Committee also directed the Finance Department to take appropriate action against the D.A.O Faisalabad for accepting the irregular claims at pre-Audit counter. The para was kept pending.

**11-1-99:** The Department explained that disciplinary action was under process.

The PAC was not satisfied with the explanation and directed for the compliance of the previous directive of PAC by the Health Department and Finance Department in letter and spirit within three months without fail. The item was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**15. Para 10.2(2): Page 109 – Purchase of Medicines and Dressing Material at Higher Rates – THQ Hospital Wazirabad District Gujranwala – Rs.48,322**

For Audit observation, *see* Sr.No.14 above

**12-5-98:** The Department explained that an inquiry had been conducted which revealed that the demand was not advertised in the Press for the purchase of medicines to ensure fair competition. The demand was split up in violation of rules to avoid the sanction of Competent Authority. NAC from MSD and NOC from Purchase Cell was not obtained. M.S. concerned exceeded his powers in incurring the expenditures. The defaulter (Dr. Imtiaz Ahmad Cheema, M.S. THQ Hospital Wazirabad) had been directed to deposit the amount involved with the Government.

The Committee directed that in addition to the recovery, disciplinary action may also be taken against the defaulter. The Committee also directed the F.D. that disciplinary action may also be taken against the Distt: Accounts Officer who accepted the irregular claims at the pre-Audit counter. The para was kept pending.

**11-1-99:** The Department explained that disciplinary action was under process. The PAC was not satisfied with the explanation and directed for the compliance of the previous directive of PAC by the Health Department and Finance Department in letter and spirit within three months without fail. The item was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 12 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**16. Para 10.3(1): Page 110 – Embezzlement of Purchee Fee, Medicines, Equipments, Hospital Receipts – THQ Hospital Kamoki, District Gujranwala – Rs.19,353**

Audit had observed: “Medicines and equipments were bought from the M.S.D. by various District Health Officers and embezzled by the dealing officials as stock entries were found available in the relevant stock registers. Besides, purchee fee, ambulance charges and other hospital receipts realized from patients were not deposited into Government Account.”

**12-5-98:** The Department explained that amount of Rs.19,353 had been recovered and deposited into Government Treasury. Disciplinary action had also been taken and one increment of the defaulter had been stopped. The explanation was accepted and **the para was settled.**

**17. Para 10.3(2): Page 110 – Embezzlement of Purchee Fee, Medicines, Equipments, Hospital Receipts – Divisional Blood Transfusion – Rs.137,547**

For Audit observation, *see* Sr.No.16 above

**12-5-98:** The Department explained that the amount of Rs.137,540 had been recovered and

deposited into the Government Treasury. The para was settled subject to verification of recovery by Audit.

**11-1-99:** The Department explained that full recovery had since been made and got verified by Audit. The PAC accepted **the explanation and settled the item.**

**18. Para 10.3(3): Page 110 – Embezzlement of Purchee Fee, Medicines, Equipments, Hospital Receipts – DHO, Lahore – Rs.111,112**

For Audit observation, *see* Sr.No.16 above

**12-5-98:** The Department explained that all the medicines/equipments were recovered and accounted for in the relevant books and their accountal had been verified by Audit. The explanation was accepted and **the para was settled.**

19. Para 10.3(4): Page 110 – Embezzlement of Purchee Fee, Medicines, Equipments, Hospital Receipts – DHO, Lahore – Rs.38,954

For Audit observation, *see* Sr.No.16 above

**12-5-98:** The Department explained that Lamp examination worth Rs.38,954 was received and entered on page 7 of the Equipment Register. The accountal of the equipment had also been verified by Audit. Explanation of the Department was accepted and **the para was settled.**

**20. Para 10.3(5): Page 110 – Embezzlement of Purchee Fee, Medicines, Equipments, Hospital Receipts – DHO, Faisalabad – Rs.815,326**

For Audit observation, *see* Sr.No.16 above

**12-5-98:** The Department explained that an inquiry had been conducted and in the light of the inquiry report the DHO, Faisalabad was given 15 days period for recovery and verification of relevant record by Audit, failing which disciplinary action would be initiated.

The Committee kept the para pending for recovery and disciplinary action against the defaulters.

**11-1-99:** The Department explained that out of the total amount of Rs.815,326 a sum of Rs.632,532 had been recovered and balance recovery was under process. The PAC directed that the amount so far recovered may be got verified by Audit. Balance amount of Rs.182,794 may be made good at the earliest and disciplinary action may also be taken against the defaulters without any further delay. The item was kept pending.

**29-04-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**21. Para 10.3(6): Page 110 – Embezzlement of Purchee Fee, Medicines, Equipments, Hospital Receipts – DHO, Toba Tek Singh – Rs.38,072**



For Audit observation, *see* Sr.No.16 above

**12-5-98:** The Department explained that full amount had been recovered and disciplinary action had also been taken against the defaulter. The position had also been verified by Audit. Explanation of the Department was accepted and **the para was settled.**

**22. Para 10.3(7): Page 111 – Embezzlement of Purchee Fee, Medicines, Equipments, Hospital Receipts – DHO, Rahim Yar Khan – Rs.42,216**

For Audit observation, *see* Sr.No.16 above

**12-5-98:** The Department explained that full amount had been recovered and disciplinary action had also been taken against the defaulter. The position had been verified by Audit. The explanation was accepted and **the para was settled.**

**23. Para 10.3(8): Page 111 – Embezzlement of Purchee Fee, Medicines, Equipments, Hospital Receipts – DHO, Kasur – Rs.57,788**

For Audit observation, *see* Sr.No.16 above

**12-5-98:** The Department explained that total recovery had been effected and deposited with the Government. Disciplinary action, by stopping 2 increments of 18 officials each had also been completed. The position had been verified by Audit. The explanation was accepted and **the para was settled.**

**24. Para 10.3(9): Page 111 – Embezzlement of Purchee Fee, Medicines, Equipments, Hospital Receipts – Nishtar Hospital, Multan – Rs.171,115**

For Audit observation, *see* Sr.No.16 above

**12-5-98:** The Department explained that on 1-7-78 the Government directed all the Medical Superintendents of teaching hospitals not to recover purchee fee from serious injured persons/emergency cases as they stood exempted from the said payment. Accordingly Casualty Medical Officers, attending the emergency outdoor, were directed to stop the recovery of purchee fee from the emergency cases. All the routine cases were being attended by the different outdoor patient wing during the regular working hours and purchee fee was being recovered from these patients. The Audit, anyhow, presumed that purchee fee at emergency outdoor was being recovered but not being deposited into the Government Treasury which was not correct.

The Committee directed that case may be got regularized by the Finance Department and if there was no regularization by Finance Department then amount may be recovered from the defaulters and the para was kept pending.

**11-1-99:** The Department explained that the case of write off sanction had been sent to the F.D. which was under consideration of the F.D. The PAC **settled the para subject to write off sanction of loss by the F.D.**

**25 Para 10.3(10): Page 111 – Embezzlement of Purchee Fee, Medicines, Equipments, Hospital Receipts – DHO, Muzaffargarh – Rs.35,956**



For Audit observation, *see* Sr.No.16 above

**12-5-98:** The Department explained that full recovery had been effected and got verified by Audit. The explanation was accepted and **the para was settled.**

**26. Para 10.3(11): Page 111 – Embezzlement of Purchase Fee, Medicines, Equipments, Hospital Receipts – THQ, Hospital Kot Adu, District Muzaffargarh Rs.68,996**

For Audit observation, *see* Sr.No.16 above

**12-5-98:** The Department explained that embezzlement of purchase fee had been reported to Police and case had been registered. D.C. Muzaffargarh had been requested to recover the amount from the defaulter. The Committee kept the para pending for recovery and disciplinary action.

**11-1-99:** The Department explained that the whole amount had been recovered and got verified by Audit. The PAC accepted the explanation and **settled the para.**

**27. Para 10.3(12): Page 111 – Embezzlement of Purchase Fee, Medicines, Equipments, Hospital Receipts – THQ Hospital, Fateh Jang, District Attock – Rs.40,874**

For Audit observation, *see* Sr.No.16 above

**12-5-98:** The Department explained that full amount had been recovered and got verified by Audit. The explanation was accepted and **the para was settled.**

**28. Para 10.4: Page 112 – Payment of Salary Amounting to Rs.921,583 Without Work**

Audit had observed: “Salary to the above tune was disbursed to the cooks but they were not actually performing their duties as no diet was served to the indoor patients.”

**12-5-98:** The Department explained that although the diet was not being provided to indoor patients at Rural Health Centres, yet the cooks were appointed against old sanctioned posts. Anyhow, their services were being utilized for other works as Hospital servants of BPS-I in the best interest of Public. The matter had been referred to Finance Department for retrenchment of these posts.

The Finance Department suggested that these posts may be re-designated instead of retrenchment. The Committee accepted the explanation and **the para was settled.**

**29. Para 10.5: Page 112 – Payment to Twelve Cooks Without Work – Rs.352,752**

Audit had observed: “Twelve cooks were appointed in different rural Health Centers where no diet was being provided to the patients. Hence there was no need of appointment of cooks. The expenditure on their salaries was thus wasteful. The appointing authority be taken to task for un-necessary appointment resulting in loss to Government of Rs.352,752. Matter needs to be regularized with special sanction of Finance Department.”

**12-5-98:** The Department explained that although the diet was not being provided to indoor patients at Rural Health Centres, yet the cooks were appointed against old sanctioned posts. Anyhow, their services were being utilized for other works as Hospital servants of BPS-

I in the best interest of public. The matter had been referred to Finance Department for retrenchment of these posts.

The Finance Department suggested that these posts may be re-designated instead of retrenchment. The PAC accepted the explanation and **the para was settled.**

**30. Para 10.6(1): Page 113 – Less Deposit/Non-Deposit of Government Dues on Account of Purchee Fee & Ambulance Charges – THQ Hospital, Rajanpur – Rs.288,310**

Audit had observed: “Purchee fee, admission fee and ambulance charges realized during the period 1987-92 from the patients of the Tehsil Headquarter Hospitals and various Rural Health Centers and Basic Health Units, were either less deposited or not deposited into the Government Accounts.”

**12-5-98:** The Department explained that collection on account of OPD fee and ambulance charges worth Rs.288,310 had been deposited but the relevant record was with the concerned Junior Clerk who was absconding since 11 November 1996. The official had been dismissed. FIR had been lodged and all out efforts were underway to retrieve the official record. The para was kept pending for recovery of loss/record at the earliest.

**11-1-99:** The Department explained that recovery as arrears of land revenue had been ordered. The P.A.C kept the item pending for recovery of loss as arrears of land revenue.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**31. Para 10.6(2): Page 113 – Less Deposit/Non-Deposit of Government Dues on Account of Purchee Fee & Ambulance Charges – DHO, Okara – Rs.25,374**

For Audit observation, *see* Sr.No.30 above

**12-5-98:** The Department explained that full recovery had been effected and deposited with the Government. The para was settled subject to verification of recovery by Audit.

**11-1-99:** The Department explained that record pertaining to recovery had been got verified by Audit. The P.A.C accepted the explanation and **the item was settled.**

**32. Para 10.6(3): Page 113 – Less Deposit/Non-Deposit of Government Dues on Account of Purchee Fee & Ambulance Charges – THQ Hospital, Burewala, Vehari – Rs.22,951**

For Audit observation, *see* Sr.No.30 above

**12-5-98:** The Department explained that full amount had been recovered and verified by

Audit. The explanation was accepted and **the para was settled.**

**33. Para 10.6(4): Page 113 – Less Deposit/Non-Deposit of Government Dues on Account of Purchee Fee & Ambulance Charges – DHO, Rajanpur – Rs.61,713**

For Audit observation, *see* Sr.No.30 above

**12-5-98:** The Department explained that an inquiry had been conducted which revealed that a sum of Rs.57,894 had been embezzled by Mr. Manzoor Hussain, who had since been dismissed. Case had also been registered with Anti-Corruption. A case for disciplinary action against the D.D.O. concerned was also underway.

The Committee directed the Department that the amount may be recovered from the defaulter and disciplinary action may also be completed at the earliest. The para was kept pending.

**11-1-99:** The Department explained that the disciplinary action against the defaulters was under process.

The PAC was not satisfied with the explanation and directed that disciplinary action against the defaulter may be completed without further loss of time and loss of Rs.61,713 may also be made good from them as directed by the PAC previously on 12 May 1998. The PAC may also be intimated about the fate of the case registered with the Anti-corruption Department. The item was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**34. Para 10.6(5): Page 113 – Less Deposit/Non-Deposit of Government Dues on Account of Purchee Fee & Ambulance Charges – DHO Okara – Rs.66,072**

For Audit observation, *see* Sr.No.30 above

**12-5-98:** The Department explained that full recovery had been effected and deposited into the Treasury. The para was settled by the Committee subject to verification by Audit.

**11-1-99:** The Department explained that relevant record had been produced to Audit for verification.

The Audit apprised the PAC that Department could not produce the record for verification. The PAC directed the Department that record demanded by the Audit may be produced to Audit for necessary verification. The item was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**35. Para 10.6(6): Page 113 – Less Deposit/Non-Deposit of Government Dues on Account of Purchee Fee & Ambulance Charges – DHQ Hospital, Gujranwala – Rs.15,255**

For Audit observation, *see* Sr.No.30 above

**12-5-98:** The Department explained that it was a Charity Hospital and in compliance with the Government orders contained in letter No.SO(H&D)12-13/73 dated 16-11-73 free X-Ray facility was being provided to the poor and deserving patients, and also to emergency, Cancer, T.B., Aids, road side accidents, indoor patients and Government servants. The explanation was accepted and **the para was settled.**

**36. Para 10.6(7): Page 113 – Less Deposit/Non-Deposit of Government Dues on Account of Purchee Fee & Ambulance Charges – DHO Khanewal – Rs.18,341**

For Audit observation, *see* Sr.No.30 above

**12-5-98:** The Department explained that full recovery had been effected and verified by Audit. The explanation was accepted and **the para was settled.**

**37. Para 10.6(8): Page 113 – Less Deposit/Non-Deposit of Government Dues on Account of Purchee Fee & Ambulance Charges – DHO Muzaffargarh – Rs.176,125**

For Audit observation, *see* Sr.No.30 above

**12-5-98:** The Department explained that inquiry was conducted which revealed that less deposit was of Rs.87,385 instead of Rs.176,125 out of which an amount of Rs.56,848 had already been deposited with the Government and verified by Audit. The concerned DHO had been directed to made good the balance amount by 10-5-98.

The para was settled subject to verification of reduction of loss from Rs.176,125 to 87,385 and finalization of balance recovery at the earliest.

**11-1-99:** The Department explained that total amount had been recovered and got verified by Audit. The PAC accepted the explanation and **the item was settled.**

**38. Para 10.6(9): Page 113 – Less Deposit/Non-Deposit of Government Dues on Account of Purchee Fee & Ambulance Charges – THQ Hospital Daska – Rs.10,019**

For Audit observation, *see* Sr.No.30 above

**12-5-98:** The Department explained that full recovery had been effected and verified by Audit. Ten concerned officials had been warned severely to be careful in future. The explanation was accepted and **the para was settled.**

**39. Para 10.6(10): Page 113 – Less Deposit/Non-Deposit of Government Dues on Account of Purchee Fee & Ambulance Charges – DHO Khanewal – Rs.32,275**

For Audit observation, *see* Sr.No.30 above

**12-5-98:** The Department explained that total amount had been deposited into the Treasury and verified by the Treasury Officer. The explanation was accepted and **the para was settled.**

**40. Para No. 10.7: Page 115 – Non-Accountal of Vaccine/Store & Stock Articles Rs.138,588**

Audit had observed: “Various articles of store and vaccine of E.P.L. store of District Health Office Kasur worth Rs.138.588 were found short at the time of physical verification of store.”

**13-5-98:** The Department explained that a board was constituted to probe into the matter which reported that Rs.747 were due against the EPI Store Keeper, Mr. Farzand Ali. This sum had since been recovered. Record for the balance amount of Rs.137,840 was available. Anyhow, an inquiry was also under process.

The Committee kept the para pending and directed the Department to complete the inquiry within 2 months and fix responsibility as to the defaulter.

**11-1-99:** The Department explained that relevant record had since been traced out and produced to Audit for verification. Action against the defaulter (Store Keeper Mr. Farzand Ali) would be taken in the light of the comments of the Audit. The PAC kept the para pending for verification of record by Audit.

**29-04-02:** Reiterating the decision of the PAC dated 11 January 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**41. Para 10.8: Page 115 – Non-Accountal of Medicines Valuing Rs.43,050**

Audit had observed: “The amount was spent on purchase of medicines. Neither the same were shown accounted for in the Stock Registers nor their distribution to BHU/RHC was available in the record of Assistant Director, Health Services, Murree. Non accountal of medicines into the stock register/distribution to BHU/RHCs could lead to misappropriation.

Recovery of the amount as well as appropriate action against the defaulting persons is stressed.”

**13-5-98:** The Department explained that an inquiry was under process to determine the accountal of the medicines and their distribution to RHCs/BHUs.

The Committee directed the Department to complete the inquiry within one month positively under intimation to the Committee. The relevant record may also be shown to Audit



for verification. The para was kept pending.

**11-1-99:** The Department explained that inquiry had been conducted and it was found that relevant record pertaining to entries in the Stock Register and consumption of medicines amounting to Rs.31,986 were available. However, non-accountal of medicines valuing Rs.11,064 had been proved. Therefore, recovery of Rs.11,064 had been imposed on the defaulter and same amount would be recovered.

The PAC directed that recovery of Rs.11,064 may be made and relevant record in respect of accountal of medicines valuing Rs.31,986 may be shown to Audit for verification. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**42. Para 10.9(1): Page 116 – Wasteful Expenditure on the Purchase of Instruments/ Equipments – M.S. General Hospital, Lahore – Rs.2,523,375**

Audit had observed: “In General Hospital, Lahore, medical equipments/instruments were purchased during the period between February 1986 to 1992, without immediate requirement vide Contract No.SO (P-IV)1/L/485/FEM/342, dated 29 June 1987, through Purchase Cell of the Health Department. Heavy Foreign Exchange was involved in the purchases. On physical verification it transpired that even after lapse of considerable period, the items were not put into operation and lying in deteriorating conditions.”

**13-5-98:** The Department explained that all the instruments/equipments were purchased according to the requirements and installed in the respective units.

The Finance Department apprised the Public Accounts Committee that all the purchases were made without immediate requirement and therefore, a detailed and comprehensive inquiry was needed.

The Committee was not satisfied with the explanation of the Department and therefore, constituted a Sub-Committee No.3 subject to approval of the Speaker comprising:-

- i) Dewan Mushtaq Ahmad, MPA
- ii) Haji Muhammad Sharif, MPA

Convener  
Member

The Sub-Committee shall conduct detailed inquiry and report its findings to the Public Accounts Committee for final decision. The para was kept pending.

**11-1-99:** The para was under consideration of the Sub Committee No.3 of the PAC

Therefore, the item was kept pending till the recommendations of the Sub Committee had been received.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter may be decided by the SDAC and further necessary action may be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**43. Para 10.9(2): Page 116 – Wasteful Expenditure on the Purchase of Instruments/ Equipments – Director Blood Transfusion Services, Lahore Rs.964,921**

For Audit observation, *see* Sr.No.42 above

**13-5-98:** This item was also referred to the Sub Committee No. 3 constituted for item 1 above for detailed inquiry and to report its findings to the Public Accounts Committee for final decision.

**11-1-99:** The para was under the consideration of Sub Committee No.3 of the PAC Therefore, the item was kept pending till the recommendations of the Sub Committee had been received.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter may be decided by the SDAC and further necessary action may be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**44. Para 10.10(1): Page 117 – Recovery on Account of Residential Telephone Charges in Excess of Prescribed Limits – DHO Sahiwal – Rs.24,621**

Audit had observed: In accordance with the Government of the Punjab Finance Department circular letter No.FD(PW-II) 2-1/Tele/82 dated 10 July 1982, the following DHO's and M.S. were entitled to 600 calls per month from their residential telephones. It was noticed that the officers made a large number of calls over and above the prescribed limits. The charges paid in excess of their ceilings out of the Government exchequer need to be recovered."

**13-5-98:** The Department explained that full recovery had been effected and deposited into the Government Treasury and got verified by Audit. The explanation was accepted and **the para was settled.**

**45. Para 10.10(2): Page 117 – Recovery on Account of Residential Telephone Charges in Excess of Prescribed Limits -DHQ Hospital Gujranwala – Rs.13,392**

For Audit observation, *see* Sr.No.44 above

**13-5-98:** The Department explained that full recovery had been made from the pension of the officer concerned and got certified by D.A.O. Sahiwal. The contention of the Department was not objected by the Audit. The explanation of the Department was accepted and **the para was settled.**

**46. Para 10.10(3): Page 117 – Recovery on Account of Residential Telephone Charges in Excess of Prescribed Limits – Nishtar Hospital Multan – Rs.56,860**

For Audit observation, *see* Sr.No.44 above

**13-5-98:** The Department explained that full recovery had been effected and deposited into the Treasury and got verified by Audit. Explanation was accepted and **the para was settled.**

**47. Para 10.11: Page 118 – Irregular Expenditure on Purchase of Electric Stores Worth Rs.485,400**

Audit had observed: “As per S.No.3(b) xxvii(b) of Delegation of Powers, 1990, the District Health Officer being an officer of category-II was competent to accord sanction up to Rs.2000 in each case for the purchase of recurring items, but he incurred expenditure to the above extent without obtaining the sanction of Competent Authority. The irregular expenditure was brought to the notice of the Administrative Department in July 1994 but no reply was received. The expenditure requires to be got regularized from the Government of the Punjab, Finance Department under report to Audit.”

**13-5-98:** The Department explained that inquiry had been conducted which revealed that from beginning to end the purchase process contained irregularities as:-

- (i) the demand was not advertised in the Press to ensure fair competition;
- (ii) the demand was split up to avoid sanction of higher Competent Authority; and
- (iii) the District Accounts Officer Bhakhar accepted the irregular expenditure at pre-Audit counter.

The irregularity had been committed by the DHO Dr. Abdul Qayyum Niazi and DHS, Dr. Abdul Majeed. A summary had been sent to the Chief Minister recommending disciplinary action against the defaulters. On receipt of the orders of the Chief Minister necessary action will be initiated.

The Committee kept the para pending for the said disciplinary action against the defaulters. The Committee also directed the Finance Department to take action against the concerned DAO Bhakhar for accepting the irregular expenditure at the pre-Audit counter.

**11-1-99:** The Department explained that the disciplinary action was under process.

The PAC directed the Health Department and Finance Department to complete the disciplinary action against the defaulters including D.A.O. within three months positively. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para**

**subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**48. Para 10.12: Page 118 – Un-Necessary Expenditure of Rs.249,500**

Audit had observed: “An amount of Rs.249,500 was drawn from Government Treasury and paid to M/s Interrex Company on account of repair of Ultramark-4 Ultra Sound Machine. The machine was purchased from M/s Akbar Brothers, Lahore in December 1987 and put into use in January 1988 but went out of order in June 1989. The supplier was bound to repair and replace the spare parts free of cost up to the period of five years as per contract bearing No. AID/SO/FD/42, dated 15 May 1986. The loss to Government may be recouped from the defaulter.”

**13-5-98:** The Department explained that Ultra Sound machine was purchased which was installed in the Hospital on 5-01-88 and on 3-6-89. The machine was reported as defective as its Scan Head developed certain defects. The suppliers were asked to replace the said Scan Head free of cost but they refused to do so. As such new Scan Head was purchased at cost of Rs.249,500. The original supplier was being Pressed to refund the cost of Scan Head. The requisite cost of Head had not yet been received. Anyhow, the matter was subjudice and the Department shall have to wait for the decision of the court. The para was kept pending till the court's decision.

**11-1-99:** The Department explained that supplier firm had agreed to pay the sum of Rs.249,500 and requested to adjust the same against the amount of their commission amounting to Rs.263,722 which was lying with the Department. Accordingly the A.G. Punjab had been requested to confirm the said adjustment/deduction. The PAC kept the para pending for the recovery of Rs.249,500 from the defaulting firm.

**29-04-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**49. Para 10.13: Page 119 – Un-Authorized Payment of Octroi Charges – Rs.46,734**

Audit had observed: “Under rule 137 of chapter xviii of Exemption of Octroi Rules, Punjab, Government property is exempted from octroi. But the amount of Rs.46,734 was paid on account of octroi charges in contravention of above rule.”

**13-5-98:** The Department explained that actual recovery came to Rs.37,960 and full amount had been refunded and got verified by Audit. The explanation was accepted and **the para was settled.**

**50. Para 10.14: Page 119 – Infuctuous Expenditure of Rs.1,971,792**

Audit had observed: “Orthopaedic and Prosthetic Workshop was established in Nishter Hospital, Multan in 1986-87 and since then an amount of Rs.1,971,792 was spend thereon for the purchase of raw material, tool, Plants and Machinery during the period from 1986-87 to 1993. But not a single job was completed up-to-date for which the workshop was established. In accordance with the provision of financial rules purchases could not be made simply to avoid lapse of funds.”

**13-5-98:** The Department explained that actual amount expended for the Orthopaedic and Prosthetic Workshop came to Rs.1,852,942 and not Rs.1,971,792 as worked out by Audit. The said scheme of Workshop was started in 1986-87 and an amount of Rs.771,547 was expended on the purchase of equipment/machinery. In the same year some other machinery/equipment costing Rs.1,070,000 was required to be purchased under UNDP component for the scheme but due to close of UNDP in Pakistan the said purchee of machinery/equipment could not materialize. Some posts meant for the Workshop remained vacant due to non availability of suitable candidates and then due to ban on recruitments. Also the Government did not provide requisite funds to start the scheme in time. In 1990-91 an amount of Rs.463,144 and in 1991-92 an amount of Rs.618,209 was expended to make the workshop operative. In nutshell, the non-functioning of the workshop was due to:-

- (i) Lack of proper machinery/equipment;
- (ii) Lack of technical staff ; and
- (iii) Lack of funds for the raw material.

However, the Department apprised the Committee that the workshop was functional at this stage. The Public Accounts Committee kept the para pending and directed the Department to reconcile the amount under observation with the Audit.

**11-1-99:** The Department explained that relevant record had been got verified by Audit and the amount of expenditure had been confirmed as Rs.1,852,942. The PAC accepted the explanation and **the para was settled.**



## **51. Para 10.15: Page 120 – Irregular Appointment/Loss to Government – Rs.761,099**

Audit had observed: “As required in Article 22 of Punjab Civil Services Rules, 1974 the ad hoc appointment can be made for six months and is extendable up to the maximum limit of one year or up to the date of regular appointment whichever is earlier. But during the checking of the service book of the staff, it was noticed that the ad hoc appointments were neither got regularized nor the services were terminated, resultantly the Government sustained a loss of Rs.761,099. The same needs to be recovered from the officers responsible for such payments and appropriate action be taken against them.”

**13-5-98:** The Department explained that the ad hoc period of the appointments in different cadres had since been regularized by the Competent Authority of the Health Department. The Audit apprised the PAC that ad hoc appointments could be made for six months and extended up to one year, whereas in this case ad hoc period continued from August 89 to May 94 for about 5 years. As such regularization from the Services, General Administration and Information Department was necessary instead of departmental regularization.

The Public Accounts Committee kept the para pending for the regularization of ad hoc period by the Services, General Administration and Information Department or approval by the Chief Minister.

**11-1-99:** The Department explained that services of the ad hoc appointees had been got regularized by the Chief Minister. The PAC accepted the explanation and **settled the para.**

## **52. Para 10.16: Page 120 – Purchase Amounting to Rs.485,600 Without Sanction**

Audit had observed: “The purchases of Wavir Ezee, Spray Oil, Phynol Strychines etc., costing Rs.485,600 were made in April 1991 by splitting up the indent thus violating Rules 15.2(c) & 18.2 of P.F.R. Vol-I to avoid sanction of the higher authority. The District Health Officer being category-III officer was competent to accord sanction for the purchase of pharmaceutical not exceeding Rs.5,000 at a time vide S.No.2(IV) under caption “Health Department Special Powers of Financial Rules, 1990.”

**13-5-98:** The Department explained that inquiry had been conducted which revealed that the Purchase contained financial and procedural irregularities. The then DHO, Sheikhpura Dr. Rasheed Javaid and other were responsible for exceeding their financial power. The case had been sent to the Chief Minister on 9-5-98 to seek permission to take disciplinary action against the defaulters. District Accounts Officer Sheikhpura was equally responsible for accepting the irregular expenditure at pre-Audit counter.

The Committee directed the Department to finalize the disciplinary action against the

defaulters and to recover the loss. The Committee also directed the Finance Department to proceed against the D.A.O. Sheikhpura for accepting the irregular expenditure at pre-Audit counter. The para was kept pending.

**11-1-99:** The Department explained that disciplinary action was under process.

The PAC was not satisfied with the explanation and directed that disciplinary action against the defaulters may be completed within three months along with the recovery of loss from them. The Finance Department was also directed to proceed against the concerned D.A.O. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **53. Para 10.17: Page 121 – Irregular Purchase of Medicines – Rs.1,227,274**

Audit had observed: “Local purchase of medicines was made in excess of the limit of 15% of the total budget under pharmaceutical, in contravention of Government Instructions issued vide letter No.III/I/431-ix/67, dated 23 March 1969”.

**13-5-98:** The Department explained that inquiry had been conducted which revealed that in making local purchases of medicines both financial and procedural irregularities were committed by Dr. Rauf Baig Mirza the then, M.S. Dr. Nisar Bajwa and Dr. Altaf Hussain Gardezi. Purchases were made beyond prescribed limit. Huge expenditure was incurred without giving advertisement in the Press to ensure competitive rates. Re-appropriation was made directly for local purchase whereas 25% and 75% ratio was required to be maintained for local purchase and MSD. Instructions regarding day to day and bulk purchases were not adhered to. The case was under active consideration for disciplinary action against the defaulters.

The para was kept pending to finalize the disciplinary action against the defaulters including the D.D.O. at the earliest. The Public Accounts Committee also directed the Finance Department to take action against the D.A.O. concerned for accepting the irregular expenditure at the pre-Audit counter.

**11-1-99:** The Department explained that disciplinary action was under process. The PAC was not satisfied with the explanation and directed for the compliance of the previous directive of PAC by the Health Department and Finance Department in letter and spirit within three months without fail. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para**

**subject to the following direction –**

The Department shall implement the directive of the PAC dated 13 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**54. Para 10.18: Page 121 – Likely Loss Due to Expiry of Anti-Serum – Rs.1,186,823**

Audit had observed: “The Director, Blood Transfusion, Lahore, purchased anti-serum for the purpose of testing of blood in excess of actual requirements. The anti-serum material expired within a period of three months only. Due to non-utilization of the same Government was put to loss of Rs.1,186,823.”

**13-5-98:** The Department explained that replacement of the expired quantity of anti-serum had been received from the supplier.

The Audit apprised the PAC that stock entries of the medicine had been checked by Audit in the main stock register and have found many cuttings and over-writing in the consumption account which needed justification.

The Public Accounts Committee settled the para subject to the observation that the Department may take action against the persons responsible for the said cuttings/over-writing. The report of action taken against the officers at fault may be submitted to PAC in the next meeting.

**11-1-99:** The Department explained that as per directive of PAC dated 12 & 13.5.98 the defaulting senior Store Keeper had been punished by way of withholding his two annual increments. He had also been transferred from the store duty. The PAC accepted the explanation and **the para was settled.**

**55. Para 10.19: Page 122 – Loss of Rs.151,384 Due to Purchase of Medicines**

Audit had observed: “In the office of Medical Superintendent, Nishtar Hospital, Multan medicines were purchased from the local market. The rates charged for the supply of medicines, when compared with the trade rates given in the Pharma-guide “Quimp & Cipamox” and various rate lists were found excess and over, thus Government sustained a loss to the tune of Rs.151,384, which needs to be recovered”

**13-5-98:** The Department explained that inquiry had been conducted which revealed that both financial and procedural irregularities were committed in the purchase of medicines. The then, M.S. Dr. Sher Muhammad Saddozai and Dr. Nazir Ahmad Nazar were found responsible

for the said irregularities. The officer concerned had been retired about 3 years back, however, disciplinary proceedings against him had since been initiated and a show cause notice had been issued for recovery. The Department further explained that D.A.O. was also responsible who accepted the irregular expenditure at the pre-Audit counter.

The Committee kept the para pending and directed the Department to finalize the disciplinary action and recovery within shortest possible time. The Committee also directed the Finance Department to take action against the D.A.O for accepting the irregular expenditure at the pre-Audit counter.

**11-1-99:** The Department explained that disciplinary action was under process. The PAC was not satisfied with the explanation and directed for the compliance of the previous directive of PAC by the Health Department and Finance Department in letter and spirit within three months without fail. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **56. Para 10.20: Page 122 – Loss of E.C.G. & Gastroscopy Machine Amounting to Rs.212,520**

Audit had observed: “E.C.G. machine valuing Rs.23,000 was misplaced on 5 December 1990 and Dr Masood-ul-Haq, Registrar reported on 6 December 1990 but no steps were taken to recover the cost of the machine by fixing the responsibility.”

**13-5-98:** The Department explained that actual cost of E.C.G. Machine was Rs.7,907 out of which Rs.7,407 had been recovered leaving a balance of Rs.500. The Gastroscopy machine X-P-10 was lost in October 1991 and report to the higher authorities was submitted in January 1992 by the concerned Registrar. The machine was in the charge of Dr. Saud Ishaque. F.I.R. was lodged in November 1994. Dr. Saud was granted Ex-Pakistan leave in February 1992 on the basis of NDC issued by Professor incharge Dr. Shabbir Ahmad Nasir. The said leave was extended up to February 1995 but further extension was refused. The case had been referred to Admn: Wing for inquiry and recovery.

The Committee expressed dissatisfaction on the action taken by the Department as the F.I.R. with the Police was lodged after 4 years which showed negligence of the concerned departmental authorities towards the loss of the Government money. Further commenting on the negligent act of the Department, the Committee observed that it was astonishing that a No Demand Certificate was issued in favour of Dr. Saud while the case of lost machine was not decided and Ex-Pakistan leave was granted to him on the basis of the said N.D.C. This was reflective of carelessness on the part of the Department regarding the Government money. The para was kept pending for detailed inquiry and recovery of loss from the defaulters.

**11-1-99:** The Department explained that disciplinary action was under process. The PAC was not satisfied with the explanation and directed the Department for the compliance of the previous directive of PAC on the subject by the Health Department and Finance Department in letter and spirit within three months without fail. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**57. Para 10.21: Page 123 – Loss of Government Due to Expired Medicines Worth Rs.3,180,969**

Audit had observed: “Five contracts were placed for the purchase of medicines by the Chief Purchase Officer, Health Department, Punjab for the supply of medicines to the officer incharge M.S.D., Lahore. According to the provisions of contracts the Suppliers/Manufacturers had to furnish warranty certificate in terms of Drugs Act at the time of delivery, that they will replace unconsumed store without any further charges.”

**13-5-98:** The Department explained that 2 of the supplier firms had been black listed. All the supply/replacement cases were subjudice in the court and the decision of the court was awaited.

The Public Accounts Committee directed that inquiry may be conducted to ascertain as to how the expired medicines were accepted and who was responsible for such a blunder. It was further directed that responsibility may be fixed to make good the loss. The para was kept pending.

**11-1-99:** The Department explained that the matter had been enquired into and found that the medicines were not expired rather these were purchased without requirement. The three officers found defaulter had already been retired. The PAC directed the Department to effect the recovery of loss as arrears of land revenues. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**58. Para 10.22(1): Page 124 – Overpayment on Account of Pay and Allowances – Government Hospital for Psychiatric Disease, Lahore – Rs.147,000**



Audit had observed: "According to the instructions issued by the Government of the Punjab, S & GAD vide their letter No.G-IVSA (Uniform)/82 dated 27 November 1982 and 30 June 1991 farash, chowkidars and sweepers are entitled to dress allowance. Besides doctors posted at Basic Health Centres are entitled to draw compensatory allowance @ Rs.1,000 to 1,200 P.M. in case of their private practice in terms of Government of the Punjab Finance Department Notification No.FD/DR-12-91(P) dated 2 September 1991. It was also observed that some officials drew pay in scale No.II instead of scale No.1."

**13-5-98:** The Department explained that payment of Rs.62,000 was made to the officials as washing allowance and not as dress allowance. The Department further explained that a sum of Rs.34,100 was not recoverable due to retirement, death and dismissal of some officials. However, the remaining recovery of Rs.27,900 had been imposed and would be recovered from the officials concerned @ 1/3 of their pay.

The Public Accounts Committee observed that there was variance of amount involved. Therefore, the para was kept pending for balance recovery/ write off sanction and reconciliation of amount involved by the Audit on the basis of relevant record.

**11-1-99:** The Department explained that the figures of recoverable amount had been reconciled with Audit from where the amount had been confirmed as Rs.53,193 which had since been recovered and verified by Audit. The PAC accepted the explanation and **the para was settled.**

#### **59. Para 10.22(2): Page 124 – Overpayment on Account of Pay and Allowances – DHO Gujranwala – Rs.297,340**

For Audit observation, *see* Sr.No.58 above

**13-5-98:** The Department explained that a sum of Rs.94,399 had been recovered and balance recovery was in process.

The Committee directed that balance recovery may be made at the earliest and got verified by Audit. The Public Accounts Committee also directed the Finance Department to take action against the D.A.O. Gujranwala who accepted the irregular payment at the pre-Audit counter. The para was kept pending.

**11-1-99:** The Department explained that out of the total amount of Rs.297,340 a sum of Rs.124,821 had been recovered. The balance recovery was under process.

The PAC directed to proceed against the Doctor who got the irregular payment by producing fictitious certificate regarding residence and practice. Balance recovery may also be effected without further delay and got verified by Audit. The item was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**60. Para 10.22(3): Page 124 – Overpayment on Account of Pay and Allowances – DHO, Faisalabad – Rs.89,773**

For Audit observation, *see* Sr.No.58 above

**13-5-98:** The Department explained that overpayment was the result of making the payment to the Ward Servants BPS-I equal to Ward Boys in BPS-2. The Finance Department is being requested to regularize the amount involved in overpayment. The Public Accounts Committee directed that matter may be got regularized by Finance Department and the para was kept pending.

**11-1-99:** The Department explained that the recovery of overpaid amount was under process as the Finance Department had not accepted the fixation of pay in BPS-2 in favour of Ward Servants.

The PAC directed the Department to stop the recovery from Ward Servants forthwith and send the case again to the Finance Department with proper reasoning for the grant of BPS-2 to the Ward Servants. The item was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**61. Para 10.22(4): Page 124 – Overpayment on Account of Pay and Allowances – DHO, Toba Tek Singh – Rs.38,798**

For Audit observation, *see* Sr.No.58 above

**13-5-98:** The Department explained that overpayment was the result of making the payment to the Ward Servants BPS-I equal to Ward Boys in BPS-2. The Finance Department is being requested to regularize the amount involved in overpayment.

The Public Accounts Committee directed that matter may be got regularized by Finance Department and the para was kept pending.

**11-1-99:** The Department explained that a sum of Rs.18,753 had been recovered and balance recovery was under process. The PAC directed the Department to stop the recovery from Ward Servants forthwith and make a reference with reasons to Finance Department for the grant of BPS-2 to the Ward Servants. The item was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**62. Para 10.22(5): Page 124 – Overpayment on Account of Pay and Allowances – THQ Hospital Kamoki – Rs.30,655**

For Audit observation, *see* Sr.No.58 above

**13-5-98:** The Department explained that a sum of Rs.25,148 had been recovered. The remaining amount was not recoverable as one Staff Nurse was residing with her sister and the recovery was due from her sister. Explanation was accepted and **the para was settled.**

**63. Para 10.23(1): Page 125 – Irregular Purchase of Stationery and Payment of Dress/Washing Allowance – DHO Mianwali – Rs.213,820**

Audit had observed: “As per Serial No. 3(b)(I) of Delegation of Financial Powers Rules, 1990, the District Health Officer being an Officer of Category-II was competent to make local purchase of stationery up to Rs.5,000 at one time. Stationery for the stated amount was locally purchased which was a serious financial indiscipline. Quotations were also not called for in order to purchase stationery which was contrary to Rule 15.2(d) of PFR. Vol-I.”

**13-5-98:** The Department explained that inquiry had been conducted which revealed that purchases were made in clear violation of rules and procedure. The irregularity was committed by the then DHO, Mianwali, Sheikh Muhammad Latif and the then DHS, Sargodha Dr. Abdul Majeed by exceeding their financial powers. The case was being considered by Admn: Wing for disciplinary action against the defaulters. The DAO concerned was also responsible for the irregularity.

The para was kept pending by the Public Accounts Committee and the Department was directed to finalize the disciplinary action against the defaulters and get the expenditure regularized by the Finance Department. The Finance Department was also directed to take action against the DAO Mianwali for accepting the irregular expenditure at the pre-Audit counter.

**11-1-99:** The Department explained that a summary for initiating the disciplinary action had been moved to the Competent Authority.

The PAC directed the Department to complete the disciplinary action within three months. The expenditure may also be got regularized by the Finance Department. The item was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**64. Para 10.23(2): Page 125 – Irregular Purchase of Stationery and Payment of Dress/Washing Allowance – DHQ Hospital Faisalabad – Rs.68,310**

For Audit observation, *see* Sr.No.63 above

**13-5-98:** The Department explained that the matter was subjudice. The Committee kept the para pending and directed the Department to pursue the case vigorously in the Court.

**11-1-99:** The Department explained that the case was pending in the court. The PAC directed the Department to pursue the case vigorously in the court and kept the item pending.

**29-04-02:** The Committee settled the para with the direction that subject to the decision of the court, the recovery shall be effected and reported to the Audit for verification, the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**65. Para 10.23(3): Page 125 – Irregular Purchase of Stationery and Payment of Dress/Washing Allowance – D.H.O. Faisalabad – Rs.308,800**

For Audit observation, *see* Sr.No.63 above

**13-5-98:** The Department explained that inquiry had been conducted which revealed that Purchase was made in clear violation of rules and procedure. The irregularity was committed by Dr. Imtiaz Ahmad Gill, the then DHO, Faisalabad and Mr. Ghulam Ahmad Bhatti, Cashier. The D.A.O. concerned was equally held responsible for irregularity. The summary of the case had been sent to the Chief Minister for approval of disciplinary action and orders of Chief Minister were awaited. The Public Accounts Committee kept the para pending and directed the Department for finalization of disciplinary action and also to get the expenditure regularized by the Finance Department. The Public Accounts Committee also directed the Finance Department to proceed against the D.A.O. concerned for accepting the irregular claim at the pre-Audit counter.

**11-1-99:** The Department explained that a summary for initiating the disciplinary action had been moved to the Competent Authority.

The PAC directed the Department to complete the disciplinary action within three months. The expenditure may also be got regularized by the Finance Department. The item was kept pending.

**29-04-02:** On consideration of the facts of the case, the Committee settled the para subject to the following direction –

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**66. Para 10.24: Page 126 – Expenditure Over and Above the Budget Allocation – Rs.446,968**

Audit had observed: “Expenditure was incurred over and above the budget allocation during 1989-90 in violation of Rules 17.2(i) & 17.15 of P.F.R. Vol-I. In some cases expenditure was incurred under the heads where no budget was provided at all. Regularization from Finance Department is stressed.”

**13-5-98:** The Department explained that additional grant was allocated by the Government and therefore, the expenditure was within the allocation.

The Public Accounts Committee settled the para subject to verification of relevant record by Audit in respect of additional grant.

**11-1-99:** The Department explained that expenses over and above the budget allocation had been revised through the 2nd statement of the excesses and surrender. The PAC **settled the para subject to verification** of relevant record by Audit.

**67. Para 10.25(1): Page 127 – Non-Deduction of Income Tax – D.H.O., Gujranwala – Rs.58,935**

Audit had observed: “In accordance with the provision of sanction 50(4) of Income Tax Ordinance 1979, the Drawing and Disbursing Officers are required to deduct Income Tax at source @ 2.5% from the bills of suppliers/contractors but contrary to the above the tax was not deducted at all or less deducted while making payments. The recoveries from the suppliers/contractors concerned need to be made and deposited into Government Accounts in the following cases.”

**13-5-98:** The Department explained that at the time of payment the Income Tax was correctly deducted. Anyhow, afterwards it was noticed that Income Tax was deducted less by 0.50%. The concerned firm was asked to deposit the remaining amount of Income Tax. The para was kept pending for balance recovery of Income Tax and verification of the same by Audit.

**11-1-99:** The Department explained that a sum of Rs.36,534 had been recovered and balance recovery of Rs.22,396 was under process. The PAC kept the item pending for balance recovery and its verification by Audit.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**68. Para 10.25(2): Page 127 – Non-Deduction of Income Tax DHO, Kasur – Rs.44,477**



For Audit observation, *see* Sr.No.67 above

**13-5-98:** The Department explained that full recovery had been effected. The para was settled subject to verification of recovery by Audit.

**11-1-99:** The Department explained that full recovery had been effected and verified by Audit. The PAC accepted the explanation and **settled the item.**

**69. Para 10.25(3): Page 127 – Non-Deduction of Income Tax DHQ Hospital, Kasur – Rs.20,220**

For Audit observation, *see* Sr.No.67 above

**13-5-98:** The Department explained that full recovery had been effected and deposited into the Government Treasury. The Public Accounts Committee settled the para subject to verification of recovery by Audit.

**11-1-99:** The Department explained that actual amount of recovery was Rs.20,219 which had already been effected and deposited with the Government and verified by Audit. The PAC accepted the explanation and **the item was settled.**

**70. Para 10.25(4): Page 127 – Non-Deduction of Income Tax DHS Multan – Rs.24,967**

For Audit observation, *see* Sr.No.67 above

**13-5-98:** The Department explained that full recovery had been effected and deposited into the Government Treasury. The official concerned had been warned severely to be careful in future. The position had been verified by Audit. The Public Accounts Committee accordingly **settled the para.**

**71. Para 10.25(5): Page 127 – Non-Deduction of Income Tax DHO Khanewal – Rs.25,104**

For Audit observation, *see* Sr.No.67 above

**13-5-98:** The Department explained that Income Tax had been deducted from the concerned firms and got verified by Audit. **The para was settled.**

**72. Para 10.25(6): Page 127 – Non-Deduction of Income Tax DHO Vehari – Rs.19,424**

For Audit observation, *see* Sr.No.67 above

**13-5-98:** The Department explained that Income Tax had been deducted and got verified by Audit. **The para was settled.**

**73. Para 10.25(7): Page 127 – Non-Deduction of Income Tax Civil Hospital Multan – Rs.15,778**

For Audit observation, *see* Sr.No.67 above

**13-5-98:** The Department explained that full amount had been recovered and deposited into the Treasury. The position had also been verified by Audit. **The para was settled.**

**74. Para 10.25(8): Page 127 – Non-Deduction of Income Tax Nishtar Hospital Multan –**

**Rs.95,482**

For Audit observation, *see* Sr.No.67 above

**13-5-98:** The Department explained that full recovery had been made and deposited into the Treasury. The position had also been verified by Audit. **The para was settled.**

**75. Para 10.26(1): Page 128 – Non-Realization of Electricity, Sui Gas and Water Charges – Nishtar Hospital Multan – Rs.384,225**

Audit had observed: “According to the instructions issued by the Government of Punjab, Health Department vide their letter No.SO(B&A)1-1/91-92 dated 12 May 1992, all occupants of Government accommodations consuming electricity, sui gas and water are required to pay the utility charges according to their category at prescribed rates. The Government was put to financial loss as the charges were not realized from the officials/officers using the Government accommodations in the following cases.”

**13-5-98:** The Department explained that full recovery had been effected and deposited into the Treasury. The position had also been verified by Audit. **The para was settled.**

**76. Para 10.26(2): Page 128 – Non-Realization of Electricity, Sui Gas and Water Charges – D.H.O. Muzaffargarh – Rs.628,000**

For Audit observation, *see* Sr.No.75 above

**13-5-98:** The Department explained that actual recoverable amount was Rs.290,600 instead of Rs.628,000 as shown by Audit. An amount of Rs.140,200 had been recovered having a balance recovery of Rs.150,400.

The Public Accounts Committee kept the para pending and directed the Department to make good the balance recovery and also to reconcile the amount under observation with the Audit.

**11-1-99:** The Department explained that recovery on actual basis had been made and adjusted in the electricity bills. Four Basic Health Units were not electrified therefore, no recovery was due. A sum of Rs.160,652 had been recovered.

The PAC directed that difference of figures as shown by Audit and Department may be reconciled with Audit as directed previously on 12 & 13.5.1998. Recovery so far effected be got verified by Audit and finalize the balance recovery without further loss of time. The item was kept pending.

**29-04-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **77. Para 10.27: Page 129 – Non-Realization of Rs.292,293 on Account of Operation and Anesthesia Fee**

Audit had observed: “Operation fee, Anaesthesia fee is to be realized from the private patients treated in the Government hospitals as per notification of Government of Punjab, Health Department No. SO(M&D) 12-13/73, dated 11 April 1985. Government was put to loss of Rs.292,293 due to non-realization of the same.”

**13-5-98:** The Department explained that Audit observation with regard to the operation charges was not correct. The patients admitted in the general ward were exempted from operation fee and all the patients mentioned by Audit were admitted in general ward. As such, there was no question of charging any fee from them. Therefore, only an amount of Rs.13,360 was recoverable.

The Public Accounts Committee directed that amount under observation may be reconciled with Audit on the basis of relevant record and the para was kept pending.

**11-1-99:** The Department explained that actual recoverable amount of Rs.13,360 had been recovered.

The PAC kept the para pending and directed the Department to reconcile the reduction of amount from Rs.292,293 to Rs.13,360 with Audit by showing the relevant record in this regard. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter may be decided by the SDAC and further necessary action may be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter may be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **78. Para 10.28(1): Page 130 – Irregular Drawal of House Rent and Non-Deduction of Conveyance Allowance, Electricity/Gas Charges – Allama Iqbal Medical College, Lahore – Rs.134,409**

Audit had observed: “According to the Govt. instructions, the Officers, officials who were provided the facility of Government accommodation in the premises of Institutions are not entitled to draw house rent as well as conveyance allowance and they are liable to pay the house rent allowance @ 5% of their basic pay.

Further, as per orders of Health Department letter No.SO(B & A)1-1/91-92, dated 12 May 1992, all occupants of Government residences consuming electricity and gas from bulk supply would have to pay at rates fixed by the Department. The Government thus sustained a loss due to non-recovery of the above charges.”

**13-5-98:** The Department explained that a sum of Rs.37,103 had been recovered from the pay of the officials concerned. Electricity & Gas charges amounting to Rs.78,550 were paid

from hostel sources i.e. locally generated funds and nothing was paid out of Government Account. The amount of Rs.10,512 was not recoverable as one room without any related facility was shared by two persons and therefore, rent @ 5% was not leviable. In other case Dr. M. Saeed, working as Assistant Warden was exempted from the said deduction of house rent @ 5% of pay. The sum of Rs.8,244 paid as conveyance allowance had also been recovered. The Public Accounts Committee settled the para subject to verification of recovery and relevant record by Audit.

**11-1-99:** The Department explained that recovery and relevant record had been got verified by Audit. The PAC accepted the explanation and **settled the para.**

**79. Para 10.28(2): Page 130 – Irregular Drawal of House Rent and Non-Deduction of Conveyance Allowance, Electricity/Gas Charges – ADHO, Wazirabad – Rs.68,789**

For Audit observation, *see* Sr.No.78 above

**13-5-98:** The Department explained that out of Rs.68,789 a sum of Rs.60,019 had been recovered and balance recovery @ Rs.1,000 P.M. was in process.

The Public Accounts Committee directed that balance recovery may be finalized at the earliest and got verified by Audit. The para was settled subject to balance recovery and its verification by Audit.

**11-1-99:** The Department explained that total recoverable amount had been recovered and deposited with the Government and verified by Audit. The PAC accepted the explanation and **the para was settled.**

**80. Para 10.28(3): Page 130 – Irregular Drawal of House Rent and Non-Deduction of Conveyance Allowance, Electricity/Gas Charges King Edward Medical College, Lahore – Rs.223,483**

For Audit observation, *see* Sr.No.78 above

**13-5-98:** The Department explained that a sum of Rs.119,748 had been recovered from the monthly salary of Doctors concerned and a balance of Rs.9,175 was due from them which would be recovered in due course of time. The remaining amount of Rs.94,561 was recoverable from the Doctors who had either been retired or transferred/proceeded on deputation. Efforts were being made to effect recovery.

The Public Accounts Committee kept the para pending for balance recovery and its verification by Audit.

**11-1-99:** The Department explained that balance recovery was under process. The PAC kept the item pending for balance recovery and verification of the same by Audit.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly

Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **81. Para 10.29: Page 131 – Unauthorized and Unjustified Use of Vehicles – Rs.62,775**

Audit had observed: “In accordance with Services General Administration and Information Department letter No.TO(S&GAD)/2-77/75, dated 31 January 1978 and even No. dated 28 August 1978, the official transport should not be used for touring between the places connected with rail.

On 2 May 1992 the Director left for Lahore to attend A.D.P. meeting with Director General Health Services Punjab, Lahore on vehicle No.BNB-308 unauthorisedly. On way back to Bahawalpur the vehicle met with an accident on 3 May 1992 at 8:30 P.M. with the result that Government sustained a heavy loss of Rs.62,775 on account of purchase of spare parts entered on page 93 of history sheet. The loss needs to be made good from the person concerned who took vehicle un-authorisedly.”

**13-5-98:** The Department explained that vehicle was used in emergency as the D.H.S. Bahawalpur had to participate in the A.D.P meeting on 3-5-92 and on the next day he was required to attend the Public Accounts Committee meeting. In this way the vehicle met an accident. The driver and senior officers were injured. Inquiry was conducted and nobody was found at fault. No other mode of transportation was suitably and readily available on the occasion. It was an approved official tour programme. The Audit endorsed the departmental reply. The Public Accounts Committee accepted the explanation and **settled the para.**

### **82. Para 10.30: Page 131 – Un-authorized Replacement of Engine and Air Conditioners of Government Vehicle Amounting to Rs.55,200**

Audit had observed: “The above stated expenditure was incurred by the D.H.O., D.G. Khan. A sum of Rs.34,000 was spent for the replacement of engine of vehicle No.DGA 3194 and Rs.21,200 was spent for installation of air-conditioner in vehicle No.DGA-289 in contravention of the instructions issued by the Finance Department.”

**13-5-98:** The Department explained that inquiry had been conducted which revealed that all codal formalities were fulfilled regarding replacement of engine. In case of air conditioner the amount expended was Rs.21,200 against the competence for Rs.20,000 of the concerned officer. As such, this irregularity resulted in excess expenditure of Rs.1,200. These facts can be verified from the departmental record. The Public Accounts Committee kept the para pending and directed the Department to produce all the relevant record to Audit for verification of facts.

**11-1-99:** The Department explained that no doubt engine and spare parts had been purchased in June 1992 but due to rush of work in the workshop the vehicle was got repaired in October 92. The amount of Rs.21,200 pertaining to air conditioning of vehicle had also



been regularized/recovered by way of regularization of Rs.16,200 and recovery of Rs.5,000. The position had also been verified by Audit. The PAC accepted the explanation and **the para was settled.**

### **83. Para 10.31: Page 132 – Doubtful Disbursement Amounting to Rs.93,516**

Audit had observed: “Payments were shown made to the different officials in the Cash Book of A.D.H.O. Murree. No acknowledgements/receipts/acquittance rolls in violation of Rule 7.12 of P.F.R. (Punjab) Vol-I were obtained. This shows that such payment was made to the persons concerned. Matter needs investigation and recovery.”

**13-5-98:** The Department explained that all the salaries were paid to the concerned officials as per acquittance roll which is available for verification. The PAC settled the para subject to production of relevant record to Audit for verification.

**11-1-99:** The Department explained that the officer concerned had been directed to produce the record to Audit for verification.

The PAC directed the Department to get the relevant record verified by Audit. If the Department failed to produce the record to Audit for verification then the amount involved may be recovered from the officials concerned. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **84. Para 10.32: Page 132 – Pending Rent of Cycle Stand/Recovery of Rs.161,552**

Audit had observed: “Amount to the above extent, out of (Rs.227,302.35, (-) 65,750 = 161,552) on account of contract money of cycle stand for the year 1992-93 was found outstanding against contractor.”

**13-5-98:** The Department explained that full recovery had been effected and verified by Audit. The PAC accepted the explanation and **settled the para.**

### **85. Para 10.33: Page 133 – Non-Recovery of Property Rent – Rs.76,495**

Audit had observed: “The amount of Rs.76,495 on account of rent of hospital property situated inside Bhatti and Taksali Gate, Lahore was not recovered and deposited into Government Treasury. The amount needs to be recovered”

**13-5-98:** The Department explained that a sum of Rs.40,495 had been recovered and

deposited into the Government Treasury. The remaining amount of Rs.36,000 was not recoverable as the house had already been demolished in 1981 under the notice of Lahore Municipal Corporation.

The Public Accounts Committee kept the para pending and directed the Department to produce the relevant record to Audit for verification.

**11-1-99:** The Department explained that record pertaining to recovery had been got verified by Audit. The PAC directed the Department to intimate whether property No.1630-C which was demolished by the Municipal Corporation was constructed by the Department or not and what was its present position/utilization. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, the Committee observed that since the record pertaining to the recovery had been got verified from the Audit, **the PAC settled the para.**

#### **86. Para 10.34: Page 133 – Misuse of Green Villa Rest House – Loss of Rs.584,000 and recovery thereof**

Audit had observed: “The Government Rest House established with substantial amount on furnishing, crockery etc., was used by the visitors/guests throughout the year as evident from the huge payments of telephone electricity bills. Neither the register for visitors/guests was maintained nor the charges were realized from them. In this way the Government has sustained a loss to the stated amount.”

**13-5-98:** The Department explained that Green Villa Rest House was used as Camp Office by the higher officers and the Health Minister in summer season about 2 to 3 months and there did not exist any notification regarding charges of a camp office.

The Public Accounts Committee directed the Department to conduct an inquiry and fix responsibility for the non-recovery of rent charges. The para was kept pending.

**11-1-99:** The Department explained that Green Villa was a Camp Office for high ranking officers. It had never been declared as Rest House by the Finance Department. Previously it was a vaccine Institute. No. private persons/officers/officials ever lived there for residential purpose. Now this building was being used as hostel for doctors of T.H.Q. Hospital Murree as per directive of Chief Minister Punjab. The PAC accepted the explanation and **the para was settled.**

#### **87. Para 10.35: Page 134 – Loss of Rs.240,000 to Government**

Audit had observed: “In the premises of Nursing School a canteen was being run for the last 20 years or so but rent, sui gas, electricity or water charges were never deposited. Neither a contract nor an agreement was entered into with the canteen contractor.”

**13-5-98:** The Department explained that inquiry had been conducted which revealed that neither the notice for the award of contract was released in the Press nor contract was awarded after open bidding to the highest bidder neither any contractual money was deposited in the Treasury. Evidently financial and procedural irregularities had been committed by Mrs.

Shamim Mula Bux, Jamila Sharif, Mrs. Shamim Niamat Ali, Mrs. Nuzhat, Principals of Nursing School and others by exceeding their financial powers. The case for taking disciplinary action against the defaulters was under process. The Public Accounts Committee kept the para pending and directed the Department to finalize the disciplinary action at the earliest and also to recover Rs.240,000 from the defaulters.

**11-1-99:** The Department explained that the case was under active consideration of Administration Wing of the Department and final action was awaited. The PAC directed that disciplinary action against the defaulters and recovery of loss from them may be completed within three months. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. In case, recovery has not so far been effected, disciplinary action may be taken against those responsible for delay. Finance Department shall monitor the implementation of the directive of the PAC.

#### **88. Para 10.36: Page 134 – Irregular Purchase of Air Conditioners – Rs.140,000**

Audit had observed: “Two split type air conditioner were purchased locally for the stated amount from M/s. Riaz Shahzad & Co. Lahore. The purchase was held irregular due to the following reasons:-

- (i) Finance Department vide their letter No.EXP(G-11-22/92, dated 25<sup>th</sup> August, 1992 had imposed ban on the purchase of air conditioners.
- (ii) No quotations/tenders were invited as required under Rule 15.2(d) of P.F.R. Punjab Vol-I, Part-I
- (iii) N.O.C. from P.W.D. was not obtained.
- (iv) The purchase was made without specification.
- (v) Maker of the A.C. was not mentioned.”

**13-5-98:** The Department explained that two split type air conditioners were purchased for the office of the Principal, Allama Iqbal Medical College, Lahore after observing all codal formalities. The make of air conditioners along with specification was available on the tender invitation form. The purchase was effected from the development grant, therefore, the ban on expenditure did not affect the Purchee. N.O.C. from the P.W.D. was also obtained. As such the incurring of expenditure was quite regular. The explanation of the Department was accepted and **the para was settled.**

## **Commercial Audit**

### **1. Paras 87 & 88: Pages 56-57 – Working Results of the Punjab Pharmacy Council, Lahore for the Year 1993-94**

**29-4-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Council.

# Home Department

## Overview

Total Paras	Civil
11	11

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled</b>  <b>6</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 11.1, 11.4, 11.5, 11.7, 11.10, 11.11	<b>6</b>
<b>Paras Conditionally Settled</b>  <b>5</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Civil:</b> 11.2, 11.3, 11.6, 11.8, 11.9	<b>5</b>

**Discussed on 5 August 1998, 10 March 1999 and 29 April 2002**

## Civil Audit

### 1. Para 11.1: Page 136 – Loss to Government on Account of Hasty Purchase of Computer System on Proprietary Basis and Irregular Payment of Maintenance Charges – Rs.399,444

Audit had observed: “Computer Hardware “Sperry 5000 Model 80A Mini Computer System” and its allied component were purchased vide contract No.PO(Home) POL-7/86-87



(2) form M/S Digital Corporation Ltd., Shadman Colony, Lahore on a proprietary certificate issued by the Administrative Secretary, with a free service period of 90 days. (The Computer system went into operation in 7/88). The equipment was received on 29 January 1987 and was installed in May 1988. The firm claimed maintenance charges @ 10% of the total cost of the Computer System (Rs.3,047,081) amounting to Rs.266,963 for the period from 1 April 1987 to 31 August 1988 and Rs.132,481 for the period from 1 April 1988 to 30 September 1988.”

**5-8-98:** The Department explained that computer was purchased for Police during the financial year 1986-87 when the introduction of computer system was in its early stage. The terms and conditions were framed by the Police Department keeping all reservations in view. According to the terms and conditions the supplying firm deputed their staff for working and controlling the computer system for one and half year when the Police Department had no staff of its own for the job. The firm also imparted training to the Police officials. The computer remained operational during the year 1987. The regular inauguration of computer was done in July 1988 and due to some misunderstanding the Police Department desired to count the warranty period from July 1988. In fact the firm had assisted the Department in operation of computer along with imparting training to the official staff for 1-1/2 year from the date of delivery. The free maintenance period of 90 days was settled by the authorities concerned in good faith without any malafide intention.

The PAC settled the para subject to the condition that Department should produce all the relevant record to Audit for verification. The Department was also directed to send the case to the Finance Department for condonation.

**10-3-99:** The Department explained that in compliance with the directive of PAC dated 5.8.1998 the irregularity had been got regularized by the Finance Department and verified by Audit. The PAC accepted the explanation and **the para was settled.**

## **2. Para 11.2: Page 136 – Irregular supply of Uniforms to Police Quami Razakars – Rs.590,617**

Audit had observed: “The amount to the stated extent was incurred for the purchase of uniforms for Police Qaumi Razakars during 1990-91, 91-92 and 92-93. They were entitled to uniform allowance @ Rs.100 P.A. instead of uniform vide Government of Punjab Home Department letter No.20-I/HP-11/71 dated 1 April 1986. The purchase so made requires to be got regularized from the Finance Department.”

**5-8-98:** The Department explained that Police Quami Razakars were not permanent employees. They, being the members of an auxiliary force, worked on daily wages basis. The Police Quami Razakars person seldom continue to work for the whole year and their substitutions were continuing during the whole year. Therefore, payment of uniform allowance to one member @ Rs.100 per head was not practicable. It was, therefore, considered feasible to keep the stock of uniform with the District Police and the uniform was

being supplied to the members of Police Quami Razakars which they deposited back in District Police/Police Station after their duty. The stock of uniforms could be checked at any time. Anyhow, the case had been referred to the Finance Department for regularization.

The PAC settled the para subject to the condition that person responsible for irregular supply of uniform may be proceeded against for disciplinary action and regularization of the irregularity may be obtained from the Finance Department.

**10-3-99:** The Department explained that as per directive of the PAC dated 5.8.98 the case had been sent to the Government for regularization. The Finance Department apprised the PAC that uniforms were purchased only in Bahawalpur District and such purchase was not made in other Districts. The PAC directed the Department (I.G. Police) that:

- (i) the matter may be enquired into as to whether any malafide was involved in the purchase of uniforms; and
- (ii) regularization of expenditure may be pursued for early finalization by the Finance Department.

The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **3. Para 11.3: Page 137 – Excess/Unauthorised Payment of Residential Telephone Charges Beyond Prescribed Limits Worth Rs.226,122**

Audit had observed: “Payments were made over and above the limits, prescribed in Government Circular No.PHD(PSI/2-1/Tele/82 (Prov. dated 10-7-88 in respect of Government residential telephone provided to Police Officers of the specified formations.”

**5-8-98:** The Department explained that the Police Department was a law enforcing Agency and District Superintendent of Police being the Controlling Authority had to remain active round the clock and in touch with the higher authorities. He had to receive and pass on the information concerning law & order situation. All such informations and directives were mostly received and conveyed by telephone. Thus the calls so made and referred to in the Audit observation, were unavoidable to keep the law and order situation under control. However, an amount of Rs.66,856 had been recovered and deposited with the Government. Also a case had been referred to the Finance Department for regularization of excess telephone charges. The PAC settled the para subject to the regularization by the Finance Department.

**10-3-99:** The Department explained that the amount of Rs.66,856 pertaining to S.P./D.G. Khan had been recovered. The cases of S.S.P., Lahore and S.P., Layyah had been sent to the Government for regularization.

The PAC directed the Department that expenditure pertaining to S.S.P., Lahore and S. P. Layyah may be enquired into to ascertain whether these expenditures were the demand of urgency/emergency and justified to be got regularized. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. In case, regularization is not made, the recovery shall be effected from the concerned persons. Finance Department shall monitor the implementation of the directive of the PAC.

#### **4. Para 11.4: Page 138 – Misappropriation of P.O.L. Worth Rs.21,531**

Audit had observed: “5470 litres P.O.L. was shown used in Government vehicle of the office of the S.P. Traffic Highway, Gujranwala from 27 April 1991 to 29 May 1993 instead of actual consumption of 3653 litres. In this way 1817 litres P.O.L. was shown consumed in excess which appeared to have been misappropriated. Recovery of the amount is stressed.”

**5-8-98:** The Department explained that motorcycle involved was of 250 C.C. The actual consumption was 12 miles per liter. The journey performed from April 1991 to May 1993 was 65747 miles and quantity of petrol consumed was 5479 litre which was quite justified keeping in view the power of the engine. No misappropriation had taken place. The explanation of the Department was accepted by PAC and **the para was settled.**

#### **5. Para 11.5: Page 138 – Recovery of Rs.134,531 on Account of Salary**

Audit had observed: “A Policy Welfare Petrol Pump is being run out of Police Welfare Fund since February 1985. The payment to the above extent on account of pay etc., of members working at pump was paid out of Govt. Exchequer from July 1992 to 6 June 1993. The said amount is to be recovered from the above fund and credited into Government treasury under report to Audit.”

**5-8-98:** The Department explained that the staff deployed at the petrol pump was performing additional duty along with their regular Police Line duties. As they were regular Police employees, therefore, their salary was paid out of Government Exchequer.

The Audit apprised the PAC that S.S.P. Faisalabad certified that duties of Police Force on petrol pump had been discontinued since 1991-92 while factual position was quite contrary in as much as the services of the regular Police employees had been utilized during 1992-93 at the petrol pump.

The PAC was not satisfied with the explanation and directed to make good the amount of Rs.13,453 from the Police Welfare Fund and also the officer responsible for wrong certification may be proceeded against for disciplinary action. The para was kept pending.

**10-3-99:** The Department explained that the amount of Rs.13,453 had been recovered and got verified by Audit. The action against the delinquent was under-way. The PAC accepted the explanation and **the para was settled.**

#### **6. Para 11.6: Page 139 – Non-Deduction of Income Tax – Rs.78,886**

Audit had observed: “The settled amount was recoverable from Suppliers under Section-50 (4) of Income Tax Ordinance 1979. The Income tax was required to be deducted at source @ 2½ where the payments of Suppliers exceeded Rs.25,000. The recovery in the cases needs to be effected.”

**5-8-98** The Department explained that a sum of Rs.42,641 (22,402 SP Bahawalpur (+) 20,239 SP Khanewal) had been recovered and got verified by Audit. A further sum of Rs.35,413 (23,038 Add: I.G. Spl Branch Punjab (+) 12,375 DIG Multan) had been recovered but not yet verified by Audit.

The PAC settled the para subject to the verification of balance recovery with the relevant record by Audit and disciplinary action against the DDO who did not recover the income tax at source.

**10-3-99:** The Department explained that a sum of Rs.66,511 (22,402 + 19,344 + 24,765) had been recovered and got verified by Audit. The remaining amount of Rs.12,375 had also been recovered and could be verified by Audit. The PAC **settled the para subject to the verification of balance recovery.**

#### **7. Para 11.7: Page 140 – Undue Retention of Rs.500,000**

Audit had observed: “The above stated amount was drawn as advance payment with the approval of the Finance Department for the purchase of uniform, shoes & equipments for Civil Defence Razaqars, vide Cheque No.B-505120 dated 30<sup>th</sup> June, 1988. The amount remained lying unspent in a Schedule Bank in contravention of Rule 2.10(d) of P.F.R. Vol-I.”

**5-8-98:** The Department explained that the amount of Rs.500,000 was drawn as per

sanction of the Home Department for the purchase of uniforms/stores/equipments and for the welfare of Civil Defence Razakars. The tender notices were called time and again but the rates offered were always higher than market rates. Therefore, the tenders were cancelled. Then it was decided to deposit the amount in the Bank in the name of D.C. and Controller Civil Defence, Lahore. As such, neither the amount was embezzled nor misused. The amount now had become Rs.862,000 by including interest in it. Out of the Rs.862,000 an amount of Rs.263,000 had been used for purchase of uniforms. The remaining amount of Rs.599,000 was also being utilized.

The PAC kept the para pending and directed the Department to refer the case to Finance Department for permission to open and maintain the PLS account. Relevant record may also be produced to Audit for verification.

**10-3-99:** The Department explained that deposit of Rs.617,699 into Government Account had been got verified by Audit. Vouched Account of expenditure of Rs.265,995 had also been shown to Audit. As such there was no embezzlement and no need to open the PLS Account. The PAC accepted the explanation and **the para was settled.**

## **8. Para 11.8: Page 140 – Purchases Beyond Competency – Rs.15,950,126**

Audit had observed: “Officer of Category-I and II is competent to purchase an article or a class of similar articles of store without splitting the indent during a period of one year up to Rs.150,000 vide Government of the Punjab, Finance Department letter No.FD(FR)11-5/82, dated 2 November 1986 read with Rule 15-2(c) of P.F.R. Vol-I. In violation of this rule the store articles valuing Rs.15,950,126 were purchased beyond the limit of competency.”

**5-8-98** The Department explained that the Police Department was authorised to make purchases of clothing and equipments except imported items vide WP F.D. orders No. III-I/212-IX/69 dated 22.12.69 and that it was further authorised to make necessary delegation of powers to the subordinate offices as deemed fit. In accordance with the above referred orders the Government had vested full powers to I.G. Police to make purchases. As such the purchases were made with the approval of I.G. Police in accordance with the orders of Government. Therefore, no irregularity had been committed. The PAC settled the para subject to verification of relevant record by Audit.

**10-3-99:** The Department explained that as per directives of PAC all the relevant record had been shown to Audit for verification.

The Audit apprised the PAC that complete relevant record in support of departmental reply had not been produced to the Audit. During verification the departmental representative stated that articles valuing Rs.1,610,408 were purchased locally which was quite irregular. An expenditure of Rs.710,408 had been got regularized by the Finance Department which needed justification.

The PAC directed the Department to probe into the matter through an Inquiry



Committee as to why the purchases were made beyond competence. A representative of the D. G. Audit Punjab may also be included in the Inquiry Committee. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**9. Para 11.9: Page 141 – Irregular Purchase of Durable Goods for Rs.60,063**

Audit had observed: “The amount to the extent stated above was spent for the purchase of durable goods during the financial year 1992-93 in contravention of the instructions issued by the Government of Punjab Finance Department vide letter No.Exp(1)11-22/92, dated 25 August 1992 in which purchase in excess of Rs.25,000 was subject to prior approval of Finance Department.”

**5-8-98** The Department explained that durable goods including furniture and machinery was purchased for newly established SP/Range Crime Multan and SP/Legal Multan Range offices. The specific budget in this regard was provided by the Home Department. The PAC settled the para subject to verification of relevant record by Audit.

**10-3-99:** The Department explained that as per PAC directive dated 5.8.1998 all the relevant record had been produced to Audit for verification. The Audit apprised the PAC that the scrutiny of the record produced by the Department showed that quotations were without No., date and specification. These quotations seemed to have been arranged afterwards. Even many quotations did not indicate the name and address of the firms concerned. These were on the advertisement slips of the renowned firms like Urasice, Azma Cables.

The PAC directed the Department that the matter may be thrashed out to ascertain the justification of irregular purchases of durable goods. The D.G. Audit may be requested to depute the Dy Director Audit to assist the Department in sorting out the matter. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 10 March 1999 by

30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **10. Para 11.10: Page 141 – Irregular Repair of Police Station – Rs.105,500**

Audit had observed: “As per Sr. No. 3 of Special Powers to Police Department, the Superintendent of Police was competent to give technical sanction to estimates for expenditure on all petty and annual repairs to buildings incharge of the Police Department up to and for Rs.10,000. A construction work, the estimate cost of which is to exceed Rs.10,000 should not be entrusted for execution to outside firms or contractors by the Department other than P.W.D. without prior consultation of the Finance Department vide para 17.2 of PFR (Pb) Vol. I. In the instant case the Superintendent of Police has expended Government money beyond his financial powers.”

**5-8-98:** The Department explained that in accordance with the Delegation of Financial Powers Rules 1990 (Special Powers of Police Department) the repairs of buildings of Police Stations of Faisalabad were carried out which was within the competence of Superintendent of Police to incur Rs.10,000 on each work. So the 11 No. Police Stations buildings were repaired with the cost of Rs.105,500. The explanation was accepted and **the para was settled.**

#### **11. Para 11.11: Page 142 – Non-Deposit of Auction Money of Agricultural Land – Rs.62,500**

Audit had observed: “12 ½ acres agricultural land, with facility of canal water was attached to the residence of Superintendent of Police, Sahiwal. The land was auctioned during 1988-89. Neither the documents thereof were produced nor the auction money shown deposited into Government treasury.”

**5-8-98:** The area of S.P. House 12 1/2 acres as earmarked by the Government of India before Pakistan came into existence. The area consisted of S.P. House, Playground, quarters of Guards, Malies and Sweepers. No portion of this area was given on lease. The canal water through minor canal was made available to the bungalows of various Government Departments but subsequently due to construction of houses and shops on both sides of canal the canal water supply was discontinued. The land was not auctioned during the year 1988-89 and as such it yielded no income. The explanation was accepted and **the para was settled.**

# Housing, Urban Development and Public Health Engineering Department

## Overview

Total Paras	Civil	Works	Annexure Paras
423	1	138	284

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled</b>  27	Paras finally settled as the requisite action had been taken.	<b>Works:</b> <b>LDA:</b> I-A.2, I-A.3, I-A.5, I-B.1, I-B.4, II-A.9, II-C.2, II-D.2, II-E.1, IV.1	<b>10</b>
		<b>Annexure Paras:</b> Sr.No.2 & 4	<b>2</b>
		<b>MDA:</b> II-A.5(deleted), II-B.2, II-D.1	<b>3</b>
		<b>Annexure Paras:</b> Sr.No.1 & 2	<b>2</b>
		<b>FDA:</b> I-A.2, III-C.1	<b>2</b>
		<b>H&amp;PP:</b> II-A.2	<b>1</b>
		<b>PHE:</b> I-A.2, I-A.6, I-B.2, III-C.1, III-F.1, IV-B.2, V-A.1	<b>7</b>
<b>Paras Conditionally Settled</b>  94	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Works:</b> <b>LDA:</b> I-A.1, I-A.4, I-A.6, I-A.7, I-B.2, I-B.3, I-B.5, II-C.1, II-D.1, II-F.1, III-A.1, III-A.2, III-A.3, III-A.4, III-A.5, III-B.1	<b>16</b>
		<b>MDA:</b> I.1, II-A.2, II-A.3, II-A.4, II-A.6, II-B.1, III-A.1, III-A.2, III-C.1	<b>9</b>
		<b>FDA:</b> I-A.1, I-A.3, I-B.1, I-C.1, II-A.1, II-C.1, II-D.1, IV.1	<b>8</b>
		<b>H&amp;PP:</b> I-A.1, I-A.2, I-A.3, I-B.1,	<b>11</b>

		II-A.1, II-B.1, III-A.1, III-B.1, III-C.1, IV.1, V.1	
		<b>PHE:</b> I-A.1, I-A.3, I-A.4, I-A.5, I-A.7, I-A.8, I-A.9, I-A.10, I-A.11, I-B.1, I-B.3(i-ii), I-B.4, I-B.5, I-B.6, I-B.7(i-ii), I-B.8, I-B.9, I-B.10, I-C.1, I-C.2, I-D.1, I-D.2, I-E.1, II-A.1, II-A.2, II-A.3, II-B.1, II-B.2, III-A.1, III-A.2, III-A.3, III-B.1, III-B.2, III-B.3, III-C.2, III-D.1, III-D.2, III-E.1, III-E.2, III-G.1, IV-A.1, IV-A.2, IV-A.3, IV-A.4, IV-B.1, IV-B.3, IV-B.4, IV-C.1	<b>50</b>
<b>Paras Pended</b>	The paras were pended either because the Committee decided to have Working Papers for consideration or the Department has not taken satisfactory action.	<b>Civil:</b>	<b>1</b>
<b>302</b>		<b>H&amp;PP:</b> 14.1	
		<b>Works:</b>	<b>11</b>
		<b>LDA:</b> II-A.1, II-A.2, II-A.3, II-A.4, II-A.5, II-A.6, II-A.7, II-A.8, II-B.1, II-B.2, II-B.3	
		<b>Annexure Paras:</b> Sr.No. 1, 3, 5 to 73	<b>71</b>
		<b>MDA:</b> II-A.1, II-C.1, II-C.2, III-B.1	<b>4</b>
		<b>Annexure Paras:</b> Sr.No. 3 to 15	<b>13</b>
		<b>FDA:</b> II-B.1, III-A.1, III-B.1	<b>3</b>
		<b>Annexure Paras:</b> Sr.No. 1 to 45	<b>45</b>
		<b>H&amp;PP:</b>	<b>58</b>
		<b>Annexure Paras:</b> Sr.No. 1 to 58	
		<b>PHE:</b>	<b>1</b>
		V-B-1	
		<b>Annexure Paras:</b> Sr.No. 1 to 95	<b>95</b>
		<b>Performance Audit Report</b>	
		i) Sewerage and Drainage Scheme, Gujrat, Phase-I	
		ii) Construction of Underpass at Jail Road Canal Crossing, Lahore.	

**Discussed on 11 August, 3 & 10 September 1998, 4 & 5 January, 1 & 3 March 1999, 29 April, 23 and 30 May 2002**

## **Housing & Physical Planning**

# Civil Audit

## **1. Para 14.1: Page 148 – Irregular Drawal of Conveyance Allowance to the Officers Provided With Free Conveyance – Recovery of Rs.31,322**

Audit had observed: “The officers were provided with Govt. transport either from the Secretary Housing & Physical Planning or they drove vehicle from their subordinate offices, from residence to office and vice versa and also regularly claimed conveyance allowance to which they were not entitled. The same needs to be recovered from them and deposited into Government treasury.”

**10-9-98:** The Department explained that official vehicle was provided to the Secretary and Additional Secretary which was used by them for official duty and not for private journey. The Finance Department opined that the officers provided with official transport were not entitled to draw conveyance allowance. The P.A.C directed that the amount of conveyance allowance irregularly drawn by the said officers shall be recovered from them and got verified by Audit. The para was kept pending.

**29-4-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

## **Lahore Development Authority Works Audit**

## **1. Para I-A.1: Page 273 – Excess Payment to Contractors – Traffic Engineering and Planning Agency LDA – Rs.7,151,104**

Audit had observed: “The division measured the item “excavation in foundation of building, bridges and other structure etc.” and paid the unit of quantity as %(100) cft instead of the admissible unit of % (1000) cft as provided in the technically sanctioned estimate and bill of quantities. This un-authorized change of unit of measurement from % to % resulted in an overpayment of Rs.7,151,104 to a contractor in July 1993.”

**11-8-98:** The Department explained that payment was made as per agreement/letter of acceptance and Technical Sanction. No monetary loss had occurred. The PAC directed the Department to produce all the relevant record to Audit for verification of facts and the **para was settled subject to verification of record by Audit.**

## **2. Para I-A.2: Page 274 – Excess Payment to Contractors – Road Division No.II LDA – Rs.394,471**



Audit had observed: “The division measured depth for the item of base course from 4” to 12.16” instead of designed thickness of 6” and paid a quantity of 271335cft instead of the admissible quantity of 241337 cft as provided in the technically sanctioned estimate. This resulted in an excess payment of Rs.394,471 to a contractor in 1992.”

**11-8-98:** The Department explained that the work was done as per site requirements after getting the approval from the Competent Authority. The quantity paid as base course was well within the quantity provided in T.S. estimate. As such neither any quantity was paid over and above the T.S. estimate nor any irregularity was done while making entries in the measurement book. **The explanation was accepted and the para was settled.**

### **3. Para I-A.3: Pages 274-275 – Excess Payment to Contractors – Traffic Engineering and Planning Agency LDA – Rs.161,873**

Audit had observed: “The division measured and paid extra payment for the item of supply/compaction of back filling with non-cohesive soil mechanically compacted whereas this item of work was already included in item of excavation of earth as provided in Composite Schedule of Rates. This resulted in an excess payment of Rs.161,873 to a contractor in 1993.”

**11-8-98:** The Department explained that the rate paid to the contractor for the item of excavation did not include back filling beyond lead of one chain (100 feet) and lift equivalent to 5 feet. As such separate payment for back filling was not only justified but also it was covered under the Technically Sanctioned Estimate. **The explanation was accepted and the para was settled.**

### **4. Para I-A.4: Page 275 – Excess Payment to Contractors – Horticulture Directorate UD Wing LDA – Katchi Abaddis LDA – Rs.74,741**

Audit had observed: “The divisions made payment for excessive measurement of steel jungla and base course. While another division made payment due to incorrect application of rate for reinforced cement concrete and incorrect rate analysis for constructions of manholes. This resulted in an overpayment of Rs.74,741 to the contractors in 1993.”

**11-8-98:** The Department explained that this para is a composite para involving 4 paras No.52 (Rs.17,590) No.69 (Rs.15,490), No.73 (Rs.16,938) and No.74 (Rs.24,723) and para-wise reply was as under:-

#### **(1) Item No.52 (Rs.17,590)**

Tehsildar recovery, L.D-A. had been asked to effect the recovery from the contractor as arrears of land revenue. The Department was pursuing the recovery vigorously. The PAC kept this item pending for recovery of Rs.17,590 from the contractor.

**3-3-99:** The Department explained that the entire amount of Rs.17,590 had been recovered

and verified by Audit. The PAC accepted the explanation and **settled the item.**

**(2) Item No.69 (Rs.15,490)**

**11-8-98:** The Department apprised the PAC that deduction could not be made presently as funds were not available. The PAC kept the item pending for recovery.

**3-3-99:** The Department explained that full recovery had been effected and verified by Audit. **The PAC settled the item.**

**(3) Item No.73 (Rs.16,938)**

**11-8-98:** The Department explained that recovery of Rs.16,938 had been made. The PAC settled the para subject to verification of recovery.

**3-3-99:** The Department explained that recovery of Rs.16,938 had been made and got verified by Audit. The PAC accepted the explanation and **settled the item.**

**(4) Item No.74 (Rs.24,723)**

**11-8-98:** The Department explained that final bills of the contractors, from whom the recovery was due, were lying pending for want of funds and therefore, the recovery was also pending. As soon as the payments of these contractors were released the said recovery of Rs.24,723 would be effected.

The PAC settled the item subject to the recovery of Rs.24,723 and verification of the same by Audit.

**3-3-99:** The Department explained that the total recovery had been effected, but the Audit pointed out that the Department had not shown the original record for verification. The Committee **settled the item subject to verification of recovery by the Audit.**

**5. Para I-A.5: Page 275 – Excess Payment to Contractors – Traffic Engineering and Planning Agency LDA – Rs.71,865**

Audit had observed: “The division measured 700 rft for “main round about” whereas while measuring kerb wall of main round about reinforced cement concrete the length was measured and paid as 1050 rft. This resulted in an excess payment of Rs.71,865 to a contractor in 1993.”

**11-8-98:** The Department explained that as per revised Technical Sanction and final measurement, the length of round about came to 900 RFT and not 700/1050 RFT as pointed out by Audit. Necessary adjustment of Rs.71,865 had been made in the final bill which had been verified by Audit. The explanation was accepted and **the para was settled.**

**6. Para I-A.6: Page 276 – Excess Payment to Contractors – ADS Division No.1 UD Wing LDA – Rs.61,300**

Audit had observed: “The division made payment for 121 manholes of different dias to a

contractor but deduction of 111 manholes was made from the length of sewerage line. This resulted in an excess payment of Rs.61,300 to a contractor in 1993.”

**11.8.98:** The Department explained that the para was also discussed in the D-A-C. in 1/96 and after seeing the original record the D-A-C. had settled the para.

The PAC settled the para subject to the disciplinary action against the officer responsible for the excess payment to the contractor.

**3-3-99:** The Department explained that actual recoverable amount was Rs.4,525 and not Rs.61,300 as pointed out by Audit. The recoverable amount had been recovered and got verified by Audit.

The Committee took serious notice for non compliance of PAC’s previous directive and again directed that disciplinary action be finalized within one month under intimation to PAC Secretariat and Audit. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 3 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**7. Para I-A.7: Page 276 – Excess Payment to Contractors – Buildings Division No.II UD Wing LDA- Roads Division No.I UD Wing LDA – Buildings Division No.I UD Wing LDA – Rs.54,444**

Audit had observed: “The divisions did not deduct surplus earth available at site from the quantity of earth brought from outside and the area of mosaic dado skirting from the items of cement plaster and emulsion paint. While in other case a division executed items in excess of technically sanctioned estimate. This resulted in an overpayment of Rs.54,444 to the contractors in February 1992.”

**11-8-98:** The Department explained that recovery of Rs.54,444 had since been effected from the contractors. The PAC directed that the officer/official responsible for overpayment shall be proceeded against for disciplinary action and the para was settled.

**3-3-99:** The Department explained that recovery had been effected and got verified by the Audit. In the light of the previous directive of the PAC disciplinary action against the defaulter was under process.

The para was kept pending for finalization of the disciplinary action within one month.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 3 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **8. Para I-B.1: Page 277 – Higher Rates – Traffic Engineering and Planning Agency LDA – Rs.670,894**

Audit had observed: “The division executed the item of “excavation in foundation of buildings, bridges and other structure i-E. dagbelling, dressing, refilling around structure with excavated earth watering ramming including disposal outside the premises” and paid full rate of Rs.163.35 per % cft instead of the admissible rate of Rs.83.20 per % cft for the quantity of 2776879 cft of excavated earth which was not refilled by the contractor as per agreement. This resulted in an overpayment of Rs.670,894 to a contractor in July 1993.”

**11-8-98:** The Department explained that payment was made in accordance with the technical sanction agreement and letter of acceptance which was quite justified. Also the Department had to abide by the provisions of contract documents provided to the contractor. The explanation was accepted and **the para was settled.**

## **9. Para I-B.2: Page 277 – Higher Rates – Deputy Director ADS II UD Wing LDA – Rs.196,594**

Audit had observed: “In the division surplus earth of 226752 cft available at site was paid as earth brought from outside @ Rs.867 per % cft. This resulted in an overpayment of Rs.196,594 in 1992.”

**11-8-98:** The Department explained that recovery had already been made. The PAC settled the para subject to the verification of record pertaining to the final bill of the contractor concerned by Audit.

**3-3-99:** The Department explained that the recovery had already been made from the security of the Contractor who left the work. The Audit apprised the Committee that recovery could not be made from the security of the Contractor as the same was lying with the Department as secured amount. The recovery should have been made out of the work done by the Contractor. Therefore, recovery already made was not validly recovered an amount.

The Committee directed the Department that recoverable amount shall be effected and got verified by Audit. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 3 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**10. Para I-B.3: Page 277 – Higher Rates – Buildings Division No.I UD Wing LDA – Rs.81,985**

Audit had observed: “The division executed and made payment for the item of work” providing/ laying first class solid traditional burnt brick masonry without mild steel bars” @ Rs.5750 instead of the admissible rate of Rs.5275 per cubic meter as provided in the technically sanctioned estimate. This resulted in an excess payment of Rs.81,985 to a contractor in 1992.”

**11-8-98:** The Department explained that recovery had already been effected from the contractor. The PAC settled the para **subject to verification** of relevant record by Audit.

**3-3-99:** The Department explained that issuance of revised technical sanction was under process for regularization of excess payment made. The Audit apprised the Committee that the Department had not produced the record for verification. The PAC directed the Department that original estimate, B.O.Q. and T.S. alongwith other relevant record be got verified by Audit. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 3 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**11. Para I-B.4: Page 278 – Higher Rates – Traffic Engineering and Planning Agency LDA – Rs.59,000**

Audit had observed: “The division executed and paid the item of reinforced cement concrete 1:2:4 for toe/kerb wall of round about @ of Rs.21.05 per cft instead of the payable rate of Rs.15.70 per cft. The incorrect application of rate resulted in an overpayment of Rs.59,000 to the contractor in 1993.”

**11-8-98:** The Department explained that recovery of Rs.59,000 had been effected from the contractor and got verified by Audit. The explanation was accepted and **the para was settled.**

**12. Para I-B.5: Page 278 – Higher Rates – Deputy Director ADS II, UD Wing LDA – Rs.57,110**

Audit had observed: “The division paid for a quantity of 65871 Cft surplus earth available at site as a result of the work being done, as earth brought from outside at the rate of Rs.867 per % Cft without any Authority. This resulted in an overpayment of Rs.57,110 to a contractor in 1992.”

**11-8-98:** The Department explained that recovery had already been effected vide voucher No. NBP.432 dated 19-2-94. The PAC settled the para **subject to verification** of recovery by Audit.

**3-3-99:** The Department explained that recovery had already been made from the security deposit



of the contractor who left the work. The Audit apprised the Committee that recovery could not be made from the security of the Contractor as the same was lying with the Department as secured amount. The recovery should have been made from the work done by the contractor. Therefore, recovery already made was not acceptable.

The Committee directed the Department that recoverable amount shall be recovered and got verified by Audit. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 3 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **13. Para II-A.1: Page 279 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.39,110,039**

Audit had observed: “The division did not realize aquifer and sewerage charges from the consumers of commercial concerns from January 1988 to December 1993 as required under the Punjab Gazette Notification of 25th February, 1988. This resulted in non-realization of Government dues of Rs.39,110,039 since January 1988.”

**11-8-98:** The Department explained that an amount of Rs.9,005,336 had so far been made good by way of recovery or adjustment leaving a balance of Rs.30,104,703. Total 53 cases were involved out of which 14 defaulters had gone to the court and the Department was pursuing these cases in the court.

The PAC constituted a Departmental Committee consisting of Secretary Housing, Urban Development and Public Health Engineering Department, a representative of the Finance Department and Director General Audit (Works) to conduct a detailed inquiry into the matter to find out as to why a huge public money had not been recovered so far. The Committee shall submit its report/ findings to the PAC within one month. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

### **14. Para II-A.2: Page 280 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.35,217,804**

Audit had observed: “The division did not recover/realize aquifer and sewerage charges from industrial, commercial, Government and semi-Government organizations and corporate bodies as required under section 28 of Lahore Development Authority Act 1975. This resulted in Non-Recovery of Rs.35,217,804 from March 1988 to December 1993.”

**11-8-98:** The Department explained that Rs.21,971,804 pertained to Railways Department. The Railways Department was not making payment on the plea that Railways being a Federal Government Department was not subject to Provincial legislation/instructions/notifications. They also pleaded that Railways had its own tubewells installed on its own land and also had its own sewerage/drainage system. Therefore, it was not liable to pay any charges to LDA/WASA. It was further explained that out of the balance amount of Rs.13,246,000 a sum of Rs.869,926 had been recovered, of which major portion of recovery pertained to owners of Industries who had filed a writ petition against WASA in Lahore High Court. The other defaulters had also withheld payment because of the pendency of the matter in the Court. The PAC kept the para pending and referred it also to the Committee constituted on para II-A-1. above for inquiry and report.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

### **15. Para II-A.3: Page 280 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.24,075,913**

Audit had observed: “The division did not recover/realize aquifer and sewerage charges from industrial, commercial, Government and semi-Government organizations and corporate bodies as required under section 28 of the Lahore Development Authority Act 1975. This resulted in Non-Recovery of Rs.24,075,913 from March 1988 to December 1993.”

**11-8-98:** The facts of the case are that the division did not recover/realize aquifer and sewerage charges from industrial, commercial, Government and semi-Government organizations and corporate bodies as required under section 28 of Lahore Development Authority Act 1975. This resulted in non recovery of Rs.24,075,913.

The Department explained that a sum of Rs.1,349,405 had been recovered from the consumers. A further sum of Rs.1,038,064 had been adjusted/reduced on account of revision and deletion after site verification. Some consumers, liable to pay Rs.2,152,340 had gone to the court, As such, the net recoverable amount, excluding the amount involved in legal cases, was Rs.19,536,104. The PAC was not satisfied with the performance of the Department and referred the para to the Committee, constituted on Para II-A-1 for inquiry and report within a month. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For the purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

### **16. Para II-A.4: Page 280-281 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.6,713,169**

Audit had observed: “The division did not recover/realize aquifer and sewerage charges from

industrial, commercial, Government and semi-Government organizations and corporate bodies as required under section 28 of the Lahore Development Authority Act, 1975. This resulted in Non-Recovery of Rs.6,713,169 from March 1988 to December 1993.”

**11-8-98:** The Department explained that consumers liable to pay Rs.4,358,000 had gone to the court and decision of the court was awaited. In case of recovery of Rs.2,355,169. Recovery certificate had been issued through Tehsildar Recovery. As such, the arrears would be recovered under Land Revenue Act as arrears of Land Revenue.

The PAC kept the para pending and referred it to the Committee already constituted on para II-A-1 for inquiry and report within a month.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

### **17. Para II-A.5: Page 281 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.3,886,465**

Audit had observed: “The division did not recover water, sewerage and aquifer charges from domestic and commercial consumers which were accumulated upto December 1993. This resulted in Non-Recovery of Rs.3,886,465.”

**11.8.98:** The Department explained that a sum of Rs.929,424 had been recovered and verified by Audit. A further amount of Rs.2,591,793 had also been recovered but not yet verified by Audit. A balance of Rs.365,248 was still recoverable for which efforts were being made to realize the same at the earliest. The Committee was not satisfied with the pace of recovery and therefore, referred the para to the Committee already constituted on para II-A-1 for inquiry and report within a month. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For the purpose, the Department may **submit the requisite working paper**, containing the comments of the Audit.

### **18. Para II-A.6: Page 281 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.1,831,004**

Audit had observed: “The division did not recover water charges from the owners of domestic properties and commercial consumers. This resulted in Non-Recovery of Rs.1,831,004 upto October 1993.”

**11-8-98:** The Department explained that out of 100 consumers, recovery amounting to Rs.1,511,284 had been effected from 93 consumers leaving a balance of Rs.319,720. The pending cases of recovery had been referred to the Addl: Commissioner for recovery through arrears of land revenue.

The PAC was not satisfied with the Departmental progress and referred the para to the Committee already constituted on para II-A-1 for inquiry and report within a month. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

**19. Para II-A.7: Page 282 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.568,188**

Audit had observed: “The division did not recover water charges from domestic and commercial consumers accumulated upto December 1993. This resulted in Non-Recovery of Rs.568,188.”

**11-8-98:** The PAC also referred this para to the Committee already constituted on para II-A-1 for inquiry and report within a month. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

**20. Para II-A.8: Page 282 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.143,074**

Audit had observed: “The division did not recover water charges from the domestic and commercial consumers which were accumulated upto December 1993. This resulted in Non-Recovery of Rs.143,074 of Government dues.”

**11.8.98:** The PAC referred the para to the Committee already constituted on para II-A-1 for inquiry and report within a month. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department shall **submit the requisite working paper**, containing the comments of the Audit.

**21. Para II-A.9: Page 282 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.115,000**

Audit had observed: “The division did not recover hire-charges of road roller from the contractor. This resulted in Non-Recovery of Government dues of Rs.115,000 in 1992.”

**11-8-98:** The Department explained that total recoverable amount was Rs.253,838 instead of Rs.115,000 as shown by Audit. The said amount of Rs.253,838 had been recovered from the

contractor. The PAC settled the para subject to verification of record pertaining to the recovery of Rs.253,838 by Audit.

**3-3-99:** The Department apprised the Committee that full recovery had since been made and got verified by Audit. The PAC accepted the explanation and the **para was settled.**

## **22. Para II-B.1: Page 283 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.771,536**

Audit had observed: “The division allotted Plot No.7 of Kareem Block Allama Iqbal Town to M/s Farooq for Rs.821,536 in 1989-90 and recovered an amount of Rs.50,000. But the balance amount was not recovered to date. This resulted in Non-Recovery of Rs.771,536 of Government dues.”

**11-8-98:** The Department explained that bid of the bidder (Mr. M. Farooq) for a plot was cancelled as he had failed to deposit the 1/3 amount of total bid. He only deposited an amount of Rs.50,000 as a part of 1/3 of total bid which was forfeited. The plot was again auctioned on 8-3-94 at the rate of Rs.107,000 per marla and total cost of the plot had been recovered. The PAC settled the para subject to verification of relevant record by Audit.

**3-3-99:** The Department explained that entire recovery of Rs.771,56 had been effected and verified by Audit.

The Audit pointed out that the Department did not comply with the previous directive of the PAC. Rather the Department was making false statements and misleading replies. No recovery had actually been effected.

The Committee took serious notice of this lapse on the part of the Department and directed the Administrative Secretary that Director Estate Management, LDA and Assistant Director (Recovery), LDA shall be proceeded against under E & D Rules who had submitted the baseless and erroneous reply before the PAC in the shape of working papers signed by him. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

## **23. Para II-B.2: Page 283 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.559,333**

Audit had observed: “The division allotted Plot No.13 of Kareem Block, Allama Iqbal Town through auction to M. Siddique for Rs.826,000 in 1989-90 and recovered an amount of Rs.266,667 only. But the balance amount was not recovered to date. This resulted in Non-Recovery of Government dues of Rs.559,333.”

**11-8-98:** The Department explained that the entire recovery had since been effected. The PAC settled the para subject to verification of relevant record by Audit.

**3-3-99:** The Department explained that entire recovery had been effected and verified by Audit.



The Audit pointed out that the Department had not complied with the previous directive of the PAC. In fact the Committee observed that the Department was making false and misleading statements. No recovery had actually been effected.

The Committee took serious notice of this lapse on the part of the Department and directed the Administrative Secretary that Director Estate Management, LDA and Assistant Director (Recovery), LDA shall be proceeded against under E&D Rules who had submitted baseless and erroneous reply before the PAC in the shape of working papers signed by him. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

#### **24. Para II-B.3: Page 283 – Non Recovery of Aquifer, Water, Sewerage and Higher Charges – Rs.57,110**

Audit had observed: “The division disposed of shop(Khokha) @ Rs.200,000 per marla instead of Rs.250,000 per marla approved by the competent Authority in September 1990. This resulted in a short recovery of Rs.57,110 in January 1991.”

**11-8-98:** The Department explained that total amount of Rs.57,110 had since been recovered. The PAC settled the para subject to verification of relevant record by Audit and disciplinary action against the officer responsible for less recovery. Action taken against the defaulter shall be sent to Assembly Secretariat within two months positively for information of PAC

**3-3-99:** The Department explained that total recovery had been effected and disciplinary action had been initiated against the defaulters as directed by the PAC on 11.8.1998.

The Audit pointed out that the Department had not produced the relevant record for verification. Neither the disciplinary action had been taken against the defaulter.

The PAC observed that the Department had not complied with the previous directive of the Committee. Rather misleading and erroneous replies were being given to the Committee. The Committee showed its displeasure on the poor performance of the Department. The meeting was postponed with the direction that a reference shall be addressed to the Chairman, LDA, Chief Secretary and Administrative Secretary informing them about the inefficient and irresponsible working of the Department. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, The Department **shall submit the requisite working paper**, containing the comments of the Audit.

#### **25. Para II-C.1: Page 284 – Non-Recovery of Cost of Bitumen – Rs.1,303,526**

Audit had observed: “The division did not recover the cost of 139.34 metric ton bitumen supplied

to a contractor whereas the item of triple surface treatment was executed at site for which full payment was made to him. This resulted in Non-Recovery of Government dues of Rs.1,303,526 in 1992.”

**11.8.98:** The Department explained that recovery of Rs.1,303,526 had since been effected from the 5th and final bill of the contractor. The PAC **settled the para subject to verification** of recovery of Rs.1,303,526 having been made and disciplinary action against the officer who did not effect the recovery from the running bills of the contractor.

## **26. Para II-C.2: Pages 284-285 – Non Recovery of Cost of Bitumen – Rs.62,726**

Audit had observed: “The division made recovery of bitumen @ Rs.6404 per metric ton instead of Rs.7198 per metric ton prevailing at the time of agreement as required. This resulted in less recovery of Rs.62,726 from a contractor in 1992.”

**11-8-98:** The Department explained that the tender was invited on 30-4-90 when the recovery rate of bitumen was Rs.6,404 per metric Ton. The rate of Rs.7,198 per metric Ton, as pointed out by Audit, was effective from 10-5-90 and as such could not be made applicable to the tenders invited on 30-4-90. **The explanation was accepted and the para was settled.**

## **27. Para II-D.1: Page 285 – Services Rendered on Behalf of Other Agencies – Rs.10,321,599**

Audit had observed: “The division incurred an expenditure of Rs.20,643,198 on the maintenance of green verges and parks during 1992-93 but did not recover fifty percent of the total maintenance cost from the Lahore Metropolitan Corporation. This resulted in Non-Recovery of Rs.10,321,599 from July 1992 to June 1993.”

**11-8-98:** The Department explained that an amount of Rs.15,480,545 had been effected from the Lahore Metropolitan Corporation as 50% of the share of the expenditure incurred on the maintenance of green verges and parks.

The PAC **settled the para subject to verification** of record in respect of recovery of Rs.15,480,545.

## **28. Para II-D.2: Page 285 – Services Rendered on Behalf of Other Agencies – Rs.1,011,682**

Audit had observed: “The division incurred an expenditure in excess of the deposits received for a work in contravention of the provisions of Rule 7.130 of the Departmental Financial Rules. The unauthorized expenditure has not so far been recovered. This resulted in Non-Recovery of Rs.1,001,682 in 1993.”

**11-8-98:** The Department explained that work was done for Auqaf Department and expenditure incurred was subsequently received from the said Department. The explanation was accepted and **the**

**para was settled**

**29. Para II-E.1: Page 286 – Non Forfeiture of Earnest Money – Rs.150,000**

Audit had observed: “The division did not forfeit the earnest money of the contractors who failed to start the work allotted in June and August 1992 as required according to contractual terms. This resulted in Non-Recovery on account of non-forfeiture of earnest money of Rs.150,000.”

**11-8-98:** The Department explained that total amount of Rs.150,000 had been forfeited and credited to WASA Revenue Income Head. The explanation was accepted and **the para was settled.**

**30. Para II-F.1: Page 286 – Non-Recovery of Advance Payment – Rs.50,823**

Audit had observed: “The division made advance payment to an officer on account of visit to Middle East to see some development projects in July 1988, but later on his visit was cancelled by the competent Authority. This resulted in Non-Recovery of Rs.50,823 since July 1988.”

**11-8-98:** The Department explained that recovery of Rs.50,823 had since been effected from the person concerned and deposited into L.D-A. Account vide challan No. 63 dated 23.10.93. The PAC **settled the para subject to verification** of recovery by Audit.

**31. Para III-A.1: Page 287 – Acceptance of Tenders at Higher Rates – Rs.4,349,329**

Audit had observed: “Delegation of Financial Powers and Rules 1990 authorises engineering Departments/authorities to accept tenders upto 4.5% above the amount of technically sanctioned estimate. The division accepted tenders in April, July and December 1990 at 14.49%, 17.56%, and 28.20% above the estimated cost in violation of ceiling fixed by the Government. This resulted in a loss of Rs.4,349,329 to the agency in January, March and August 1992.”

**11-8-98:** The Department explained that tenders for the work “Construction of Bridge/Culverts” were called for twice but the rates quoted were high. Therefore, it was decided to get the special permission for the revision of premium on CSR 1979 items. The case was placed before the Competent Authority (Managing Director WASA/LDA) for the approval of special premium on CSR items. The Competent Authority accorded the requisite approval and then the work was allotted to the contractor. As the work was allotted after the approval of special premium, therefore, no irregularity had been committed and no loss was involved.

The PAC kept the para pending and directed the Department to refer the case to the Finance Department and obtain the clarification about the validity of premium rate by special or general orders. The Department was also directed to get verified the Admn: Approval, revised Admn: Approval and Technical Sanction by Audit within a month.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 August 1998 by 30

September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **32. Para III-A.2: Page 287 – Acceptance of Tenders at Higher Rates – Rs.4,193,645**

Audit had observed: “ The division accepted tenders of a work at 14.75 per cent above the estimated cost against the permissible limit of 4.5 per cent fixed by the Government in Delegation of Financial Powers and Rules 1990. This resulted in a loss of Rs.4,193,645 to the Authority in March 1992.”

**11-8-98:** The Department explained that there was ambiguity in the notification of the Finance Department regarding the cushion to be provided above the estimated cost to meet with the variation of rates of Material and as such the L.D-A. utilized 10% cushion while according the technical sanction. Therefore, it was clear that no malafide intention was involved. The PAC directed that relevant record showing whether or not the payment was made at 14.50 % including permissible limit of 4.5% shall be produced to Audit for verification. **The para was settled subject to verification of record.**

### **33. Para III-A.3: Page 288 – Acceptance of Tenders at Higher Rates – Rs.2,130,780**

Audit had observed: “Delegation of Financial Powers and Rules 1990 authorises the engineering Department/authorities to accept tenders upto 4.5% above the amount of technically sanctioned estimate. The division accepted tender in February 1991 at 23.14% above the estimated cost by adding the cost of general items and 10% contingencies in the estimated cost while evaluating the tenders in violation of the ceiling fixed by the Government. This resulted in a loss of Rs.2,130,780 to the Authority due to extra expenditure in June 1992.”

**11-8-98:** The Department explained that as per contract agreement clause the cost for general items was included in the T.S. estimate according to which the tenders were called. Accordingly the contractor without any hesitation provided all items covered under section 9.5 (general items) by fulfilling the contractual obligations. The 10% cushion was included in the T.S. estimate and tenders were called accordingly. While preparing the comparative statement this cushion was also added. The evaluation of tender was got approved by the evaluation committee. Therefore, it was quite clear that all the work was done according to the provisions of contract agreement observing codal provisions. The PAC **settled the para subject to the condition** that relevant record shall be shown to Audit for verification.

### **34. Para III-A.4: Page 289 – Acceptance of Tenders at Higher Rates – Rs.973,587**

Audit had observed: “The division invited tenders for a work in July 1990 and the lowest tender was accepted in October 1990 @ 12.60% above the estimated cost against the permissible limit of 4.50% fixed in Delegation of Financial Powers and Rules 1990. The un-authorized acceptance of

higher rates resulted in a loss of Rs.973,587 to the Authority in March 1992.”

**11-8-98:** The Department explained that there was ambiguity in the notification of the Finance Department regarding the cushion to be provided above the estimated cost to meet with the variation of rates of Material, and as such the L.D-A. utilized 10% cushion while according the technical sanction. Therefore, it was quite clear that no malafide intention was involved.

The PAC directed that relevant record showing whether or not the payment was made at 14.50 % including permissible limit of 4.5% shall be produced to Audit for verification. **The para was settled subject to verification of record.**

### **35. Para III-A.5: Page 289 – Acceptance of Tenders at Higher Rates – Rs.140,375**

Audit had observed: “Delegation of Financial Power authorises engineering Departments to accept tenders upto 4.5% above the amount of technically sanctioned estimate. The division accepted tenders for two works in October and December 1991 at 9.10% and 8.71% above the estimated cost by adding the cost of general items in the estimated cost while evaluating the tenders in violation of the ceiling fixed by the Government. This resulted in a loss of Rs.140,375 to the Authority due to extra expenditure in 1991.”

**11-8-98:** The Department explained that there was ambiguity in the notification of the Finance Department regarding the cushion to be provided above the estimated cost to meet with the variation of rates of Material and as such the L.D-A. utilized 10% cushion while according the technical sanction. Therefore, it was quite clear that no malafide intention was involved.

The PAC directed that relevant record showing whether or not the payment was made at 14.50% including permissible limit of 4.5% shall be produced to Audit for verification. **The para was settled subject to verification of record.**

### **36. Para III-B.1: Page 290 – Negligence – Rs.581,089**

Audit had observed: “The division paid demurrage charges to Karachi Port Trust from November 1991 to October 1992 on account of non-completion of customs and port formalities within the free period contrary to the provisions of clause-IV “Demurrage” of the agreement executed with clearing agent in June 1992, according to which it was the liability of the agent. This resulted in a loss of Rs.581,089 to the Authority.”

**11-8-98:** The Department explained that as a result of court proceeding an arbitrator was appointed and decision of the arbitrator was awaited in the matter. The PAC kept the para pending and directed the Department to pursue the case vigorously for early decision of the arbitrator.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.



**37. Para IV.1: Page 290 – Un-Justified Expenditure – Rs.435,319**

Audit had observed: “The division paid for repair of different plants/machinery whereas log book/ plant register of same machinery had shown that these were working continuously at site. This resulted in an un-justified expenditure of Rs.435,319 from June 1991 to June 1992.”

**11-8-98:** The Department explained that minor repairs were carried out during the working of Asphalt Premix Plants. Moreover, double sets of electric motors were provided so that in case of damage to a working motor the same could be replaced with spare one within the shortest time. The old Material was disposed off through open auction. Therefore, the expenditure was justified. The PAC accepted the explanation and **settled the para.**

## Annexure Paras Lahore Development Authority Paras Settled

**1. Para No.117(3)(1982-83): Page 487 read with Sr. No.2 of Audit Report for the year 1993-94 – Overpayment – Rs.125,000.**

**2. Para No.97(1)(1983-84): Page 487 read with Sr. No.4 of Audit Report for the year 1993-94 – Non-Recovery – Rs.121,900.**

**23-5-02:** On verification of recovery/record Audit had recommended that the above mentioned 2 paras (Sr.No.1 and 2) be settled.

**The Committee settled the paras accordingly.**

## Actionable Paras

**1. Para No.110(7)(1982-83): Page 487 read with Sr. No.1 of Audit Report for the year 1993-94 – Overpayment – Rs.50,000.**

**2. Para No.95(5)(1983-84): Page 487 read with Sr. No.3 of Audit Report for the year 1993-94 – Overpayment – Rs.44,346.**

**3. Para No.96(1)(1983-84): Page 487 read with Sr. No.5 of Audit Report for the year 1993-94 –**

**Non-Recovery – Rs.1,347,545.**

**4. Para No.96(2)(1983-84): Page 488 read with Sr. No.6 of Audit Report for the year 1993-94 – Non-Recovery – Rs.1,020,000.**

**5. Para No.96(3)(1983-84): Page 488 read with Sr. No.7 of Audit Report for the year 1993-94 – Non-Recovery – Rs.88,000.**

**6. Para No.97(2)(1983-84): Page 488 read with Sr. No.8 of Audit Report for the year 1993-94 – Non-Recovery – Rs.33,344.**

**7. Para No.IV-9(1984-85): Page 488 read with Sr. No.9 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.145,000.**

**8. Para No.1-2(1984-85): Page 488 read with Sr. No.10 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.106,620.**

**9. Para No.1-6(1984-85): Page 488 read with Sr. No.11 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.8,859,241.**

**10. Para No.1-15(1984-85): Page 488 read with Sr. No.12 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues.**

**11. Para No.11(1984-85): Page 489 read with Sr. No.13 of Audit Report for the year 1993-94 – Irregular Payment – Rs.145,842.**

**12. Para No.IV-8(1984-85): Page 489 read with Sr. No.14 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.663,757.**

**13. Para No.1-6(1985-86): Page 489 read with Sr. No.15 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.130,600.**

**14. Para No.1-4(1985-86): Page 489 read with Sr. No.16 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.4,325,093.**

**15. Para No.1-8(1985-86): Page 489 read with Sr. No.17 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.101,440.**

**16. Para No.1(1985-86): Page 489 read with Sr. No.18 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.17,000,000.**

**17. Para No.1-2(1985-86): Page 489 read with Sr. No.19 of Audit Report for the year 1993-94 –**

**Non-Recovery of Government Dues – Rs.96,621.****18. Para No.1-3(1985-86): Page 489 read with Sr. No.20 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.17,000,000.****19. Para No.1-5(1985-86): Page 489 read with Sr. No.21 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.144,956.****20. Para No.1-9(1985-86): Page 490 read with Sr. No.22 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.3,376,341.****21. Para No.1-10(1985-86): Page 490 read with Sr. No.23 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.659,791.****22. Para No.1-11(1985-86): Page 490 read with Sr. No.24 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.21,400.****23. Para No.1-12(1985-86): Page 490 read with Sr. No.25 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.71,680.****24. Para No.1-17(1985-86): Page 490 read with Sr. No.26 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.20,100.****25. Para No.V-1(1985-86): Page 490 read with Sr. No.27 of Audit Report for the year 1993-94 – Loss to Government – Rs.309,250.****26. Para No.V-2(1985-86): Page 490 read with Sr. No.28 of Audit Report for the year 1993-94 – Loss to Government – Rs.300,000.****27. Para No.111(3)(1985-86): Page 490 read with Sr. No.29 of Audit Report for the year 1993-94 – Non-Adjustment of advance – Rs.3,253,515.****28. Para No.IV-I(1985-86): Page 490 read with Sr. No.30 of Audit Report for the year 1993-94 – Misappropriation of Store – Rs.159,630.****29. Para No.IV-2(1985-86): Page 491 read with Sr. No.31 of Audit Report for the year 1993-94 – Misappropriation of Store – Rs.74,450.****30. Para No.IV-4(1985-86): Page 491 read with Sr. No.32 of Audit Report for the year 1993-94 – Misappropriation of Temporary Advance – Rs.85,875.****31. Para No.11-2(1985-86): Page 491 read with Sr. No.33 of Audit Report for the year 1993-94 –**

**Excess Payment to Contractor – Rs.62,800.**

**32. Para No.II-1(1985-86): Page 491 read with Sr. No.34 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.167,674.**

**33. Para No.II-4(1985-86): Page 491 read with Sr. No.35 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.115,592.**

**34. Para No.II-5(1985-86): Page 491 read with Sr. No.36 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.79,776.**

**35. Para No.1-4(1986-87): Page 491 read with Sr. No.37 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.1,181,177.**

**36. Para No.1-10(1986-87): Page 492 read with Sr. No.38 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.127,042.**

**37. Para No.V-1(1986-87): Page 492 read with Sr. No.39 of Audit Report for the year 1993-94 – Misappropriation of Bitumen – Rs.1,185,000.**

**38. Para No.1-7(1986-87): Page 492 read with Sr. No.40 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.52,196.**

**39. Para No.1-9(1986-87): Page 492 read with Sr. No.41 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.196,850.**

**40. Para No.1-11(1986-87): Page 492 read with Sr. No.42 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.152,071.**

**41. Para No.1-13(1986-87): Page 492 read with Sr. No.43 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.82,440.**

**42. Para No.1-22(1986-87): Page 492 read with Sr. No.44 of Audit Report for the year 1993-94 – Excess Payment – Rs.6,477.**

**43. Para No.1-23(1986-87): Page 493 read with Sr. No.45 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.275,889.**

**44. Para No.11-13(1986-87): Page 493 read with Sr. No.46 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.221,063.**

**45. Para No.11-15(1986-87): Page 493 read with Sr. No.47 of Audit Report for the year 1993-94**

– Non-Recovery of Government Dues – Rs.817,248.

46. Para No.11-16(1986-87): Page 493 read with Sr. No.48 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.649,054.

47. Para No.11-17(1986-87): Page 493 read with Sr. No.49 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.4,159,965.

48. Para No.11-18(1986-87): Page 493 read with Sr. No.50 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.1,523,760.

49. Para No.11-19(1986-87): Page 494 read with Sr. No.51 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.395,137.

50. Para No.11-20(1986-87): Page 494 read with Sr. No.52 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.49,360.

51. Para No.111-1-1(1986-87): Page 494 read with Sr. No.53 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.23,800.

52. Para No.IV-1(1986-87): Page 494 read with Sr. No.54 of Audit Report for the year 1993-94 – Loss to Government – Rs.2,975,561.

53. Para No.IV-2(1986-87): Page 494 read with Sr. No.55 of Audit Report for the year 1993-94 – Loss to Government – Rs.32,000.

54. Para No.IV-3(1986-87): Page 494 read with Sr. No.56 of Audit Report for the year 1993-94 – Loss to Government – Rs.749,199.

55. Para No.I-1(1986-87): Page 495 read with Sr. No.57 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.6,900,523.

56. Para No.I-2(1986-87): Page 495 read with Sr. No.58 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.144,550.

57. Para No.I-3(1986-87): Page 495 read with Sr. No.59 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.140,912.

58. Para No.I-5(1986-87): Page 495 read with Sr. No.60 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.42,133.

59. Para No.11-12(1986-87): Page 495 read with Sr. No.61 of Audit Report for the year 1993-94



**– Non-Recovery of Government Dues – Rs.427,286.****60. Para No.11-6(1986-87): Page 495 read with Sr. No.62 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.20,900.****61. Para No.11-7(1986-87): Page 495 read with Sr. No.63 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.50,271.****62. Para No.11-8(1986-87): Page 495 read with Sr. No.64 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.1,266,515.****63. Para No.11-9(1986-87): Page 496 read with Sr. No.65 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.44,123.****64. Para No.11-3(1986-87): Page 496 read with Sr. No.66 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.515,138.****65. Para No.11-4(1986-87): Page 496 read with Sr. No.67 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.493,982.****66. Para No.11-5(1986-87): Page 496 read with Sr. No.68 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.125,000.****67. Para No.11-2(1986-87): Page 496 read with Sr. No.69 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.493,932.****68. Para No.1(1)(1987-88): Page 496 read with Sr. No.70 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.151,600.****69. Para No.1(2)(1987-88): Page 497 read with Sr. No.71 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.127,360.****70. Para No.1(4)(39)(1987-88): Page 497 read with Sr. No.72 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.213,159.****71. Para No.1(4)(41)(1987-88): Page 497 read with Sr. No.73 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.490,787.**

**23-5-02:** The Committee directed that the Department should comply with the directives of the PAC by 30 September 2002 in respect of the above mentioned 71 paras (Sr.No.1 to 71 above) and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The paras (Sr.1 to 71 above) were kept pending.**

## Multan Development Authority Works Audit

### **1. Para I.1: Page 303 – Excess Payment to Contractors – Rs.65,291 (15,376+19,500+30,415)**

Audit had observed: “The division recorded double measurements for earth work from Rd 810 to 900 and measured excessive length of 100 feet for earth work, sub-base and base course in RD 175 to 200 instead of the admissible length of 25 feet. While in another case the division did not recover the cost of 4685 Cft dismantled crush stone. This resulted in an excess payment of Rs.65,291 (15,376+19,500+30,415) to the contractors in 1988.”

**3-9-98:** The Department explained that a sum of Rs.15,376 had been recovered from the contractor. An amount of Rs.19,500 was subsequently reduced to Rs.8,822 which was being pursued for recovery. The payment of Rs.30,415 was correctly made in accordance with the provision of contract agreement and detailed estimate technically sanctioned by the Competent Authority.

The Finance Department apprised the Public Accounts Committee that so far as the payment of Rs.15,376 was concerned, double measurement were recorded and double payments were made. The PAC was not satisfied with the explanation of the Department and directed that inquiry shall be conducted with regard to all the three payments i-E. Rs.15,376, Rs.19,500 and Rs.30,415 to ascertain as to:-

- (i) who was responsible for double measurement and double payments;
- (ii) who was responsible for excess payment of Rs.19,500 and Rs.30,415; and
- (iii) who was responsible for not effecting timely recovery.

The Committee further directed that responsibility shall be fixed for disciplinary action against the defaulters. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 3 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **2. Para II-A.1: Page 304 – Non-Adjustment of Advances – Rs.15,891,913**

Audit had observed: “The division made advance payments of Rs.15,891,913 on account of compensation of land from July 1978 to January 1987 but these advances had not been adjusted since long. In absence of Non-Adjustment of these advances and non-submission of vouched accounts, it was not known whether or not the advances were spent on the object for which these were given.”

**3-9-98:** The Department explained that total advances meant for adjustment were Rs.15,891,913 out of which an amount of Rs.14,753,091 had since been adjusted. The remaining balance of Rs.2,138,822 was in process of adjustment.

The PAC kept the para pending and directed the Department to adjust the balance amount at the earliest and produce the relevant record to Audit for verification in respect of adjustment of advances.

**23-5-02:** Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

### **3. Para II-A.2: Page 305 – Non-Adjustment of Advances – Rs.2,625,998**

Audit had observed: “The division made payments to the contractor for execution of work and placed the amount in “Misc. P.W. Advances” against the various Departments and offices. This resulted in Non-Adjustment of advances of Rs.2,625,998 from September 1984 to October 1991.”

**3-9-98:** The Department explained that the amounts involved in this para were advanced to WAPDA, T&T and Sui Gas Departments against their demand notices before the formation of WASA Multan for obtaining electric connections for tubewells and disposal stations, cost of burnt meters and laying of Sui gas pipe lines etc. The requisite assignments were completed by the said Departments but they did not submit the vouched accounts. Therefore, the proper adjustment could not be made and it was proposed that either the local reconciliation should be accepted and treated as final or the matter should be taken up with the Federal Government for the supply of requisite vouched account. Anyhow, the efforts were being made to get the vouched accounts from the same Departments alongwith completion certificate.

The PAC kept the para pending for the adjustment of the advances given to WAPDA, T&T & Sui Gas Departments.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **4. Para II-A.3: Page 305 – Non-Adjustment of Advances – Rs.2,134,999**

Audit had observed: “The division made advance payments to different officers/agencies from

March 1977 to March 1989 but these advances have not been adjusted since long. In absence of Non-Adjustment of these advance and non-submission of vouched accounts, it was not known whether or not these advances were spent on the object for which these were given. This abnormal delay in adjustment of advances of Rs.2,134,999 since 1977 was against financial propriety.”

**3-9-98:** The Department explained that advance payments were made against the demand notices of WAPDA, and T&T Departments by the MDA before the formation of WASA Multan for shifting of poles, obtaining electric connections for tubewells and disposal stations. The requisite assignments for which the advance payments were made were completed by the said Departments satisfactorily but these Departments did not submit the vouched accounts to the Department despite the personal contacts and therefore, necessary adjustment of the advance payments could not be carried out.

The PAC kept the para pending and directed the Department to complete the process of necessary adjustment of advance payment within three months positively and also to take action against the officer who failed to clear the advance payments so far.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 3 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **5. Para II-A.4: Page 306 – Non-Adjustment of Advances – Rs.898,532**

Audit had observed: “The division made advance payments to different agencies/officers from May 1979 to April 1989 but these advances had not been adjusted since long. In absence of Non-Adjustment of these advances and non-submission of vouched accounts, it was not known whether or not the advances were the advances were spent on the object for which these were given. This resulted in abnormal delay in the adjustment of advances amounting to Rs.898,532 since 1979.”

**3-9-98:** The Department explained that the matter related to the period of 1979 to 1989 when different amounts were released to Estate Management for the payment of TA/DA, leave salary, property tax, telephone charges and imprest money etc. The officers responsible for the expenditure had since retired and it was very difficult to get the vouched accounts. Anyhow, with great efforts all the vouchers had been traced except an amount of Rs.37,000 for which hectic efforts were made but to no avail.

The Public Accounts Committee kept the para pending and directed the Department to produce the relevant record in support of Departmental explanation to Audit for verification.

**23-5-02:** Reiterating the decision of the PAC dated 3 September 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **6. Para II-A.5: Page 306 – Non-Adjustment of advances – Rs.808,855**

Audit had observed: “The division made advance payments to different officials/agencies during 1987 but these advances had not been adjusted since long. In absence of non-submission of vouched accounts, it was not known whether or not these advances were spent on the object for which these were given. This resulted in abnormal delay in the adjustment of advances of Rs.808,855 since 1987.”

**3-9-98:** The Department explained that the amount of this para (Rs.808,855) was included in draft para No.II-1 (Rs.2,612,122) for the year 1991-92 and as such it was a duplication of draft para No.II-1 for the year 1991-92 to the extent of Rs.808,855. Therefore, this para shall be deleted from the report of 1993-94. The contention of the Department was also endorsed by the Audit. The PAC **accepted the explanation and deleted the para from the report** for the year 1993-94 with the remarks that it would be dealt with in the report of 1991-92 as para No.II-I.

#### **7. Para II-A.6: Page 306 – Non-Adjustment of Advances – Rs.58,939**

Audit had observed: “The division made advance payments to different agencies/offices from December 1986 to October 1987 which had not been adjusted since long. In absence of non adjustment of these advances and non-submission of vouched accounts, it was not known whether the advances were spent on the object for which these were given. This resulted in abnormal delay in adjustment of advances amounting to Rs.58,939 since 1986.”

**3-9-98:** The Department explained that advances were paid to different agencies by the M.D-A. before the formation of WASA. Efforts were being made to get the vouched accounts from the concerned Departments/offices and after the receipt of vouched accounts necessary adjustment of the advances would be made.

The PAC kept the para pending for the adjustment of advances and directed the Department to complete the process within three months. Adjustment so done shall be got verified by Audit.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**



The Department shall implement the directive of the PAC dated 3 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **8. Para II-B.1: Page 307 – Non-Recovery of Cost of Material – Rs.66,584**

Audit had observed: “The division recovered Rs.70,916 out of Rs.137,500 being the cost of 2500 cement bags issued at the rate of Rs.55 per bag. This resulted in short recovery of Rs.66,584 in May 1980.”

**3-9-98:** The Department explained that total recoverable amount was Rs.1,37,500 including the amount of Rs.66,584 which had since been recovered. The Public Accounts Committee kept the para pending and directed the Department to produce the relevant record to Audit for verification of recovery.

**23-5-02:** Reiterating the decision of the PAC dated 3 September 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **9. Para II-B.2: Page 307 – Non-Recovery of Cost of Material – Rs.48,535**

Audit had observed: “The division issued 40 metric ton bitumen to the contractor for use on work and made recovery for 34.34 metric ton only. This resulted in Non-Recovery of Rs.48,535 for balance 5.66 metric ton bitumen in October 1992.”

**3-9-98:** The Department explained that total recovery had been effected and got verified by Audit. The Public Accounts Committee accepted the explanation and **settled the para.**

#### **10. Para II-C.1: Page 308 – Non-Recovery of Water/Sewerage Charges – Rs.6,636,261**

Audit had observed: “The divisions did not recover water and sewerage charges from April 1992 to December 1993 from the consumers. This resulted in Non-Recovery of Rs.6,636,261 since 1992.”

**3-9-98:** The Department explained that before the inception of WASA Multan only water charges @ Rs.15 P.M. were in vogue. The people were not accustomed to pay the sewer/drainage charges. Therefore, the consumers were reluctant to pay the dues and opted for litigation against the billing of sewer charges specially the commercial and industrial consumers. Anyhow, the Department was trying its best to recover the arrears from the defaulters under Land Revenue Act.

The PAC was not satisfied with the progress of the Department and termed it as hopeless

performance and directed the Department to make strenuous efforts for recovery of outstanding dues within three months positively and get the same verified by Audit. Progress of recovery may also be reported to PAC The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

#### **11. Para II-C.2: Page 308 – Non-Recovery of Water/Sewerage Charges – Rs.3,560,068**

Audit had observed: “The division failed to recover water supply/sewerage charges from the various consumers. This resulted in Non-Recovery of Rs.3,560,068 of Government dues in September 1992.”

**3-9-98:** The Department explained that before the inception of WASA Multan only water charges @ Rs.15 P.M. were in vogue. The people were not accustomed to pay the sewer/drainage charges. Therefore, the consumers were reluctant to pay the dues and opted for litigation against the billing of sewer charges specially the commercial and industrial consumers. Anyhow, the Department was trying its best to recover the arrears from the defaulters under the Land Revenue Act.

The PAC was not satisfied with the hopeless progress of the Department and directed it to make strenuous efforts for recovery of outstanding dues within three months positively and get the same verified by Audit. Progress of recovery may also be reported to PAC The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

#### **12. Para II-D.1: Page 309 – Non-Recovery of Mobilization Advance – Rs.372,093**

Audit had observed: “The division did not make recovery of balance amount of mobilization advance paid to the contractor in November 1991. This resulted in non recovery of Rs.372,093 of outstanding dues in June 1992.”

**3-9-98:** The Department explained that total recovery on account of mobilization advance had since been effected and got verified by Audit. The explanation was accepted and the **para was settled.**

#### **13. Para III-A.1: Page 310 – Non-Deduction of Advance Income Tax – Rs.102,277**

Audit had observed: “The division did not deduct 3% income tax from a payment of Rs.3,409,217 made to a contractor as required under section 50(4-A) of Income Tax Ordinance 1979. This resulted in a loss of Rs.102,277 to Government in February and May 1986.”

**3-9-98:** The Department explained that pay order for the payment of Rs.3,409,217 was approved/signed on 28-1-86 and 30-1-86 by the Deputy Director (Accounts) MDA and RAD (Audit) respectively, while the contractor had been exempted from income tax by the concerned income tax Authority and exemption certificate was valid upto 31-1-86. Therefore, income tax was not deducted from the payment of contractor. The Audit pointed out that payment was made to the contractor on 1.2.86 and the exemption certificate was valid upto 31.1.86.

The PAC kept the para pending and directed the Department to produce the exemption certificate in original, issued by the Commissioner of Income Tax Department Multan in the name of the contracting firm to Audit for verification.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 3 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **14. Para III-A.2: Page 310 – Non-Deduction of Advance Income Tax – Rs.78,436**

Audit had observed: “The division did not deduct 3% advance income tax from the payment of Rs.2,614,540 made to a contractor as required under section 50(4-A) of Income Tax Ordinance 1979. This resulted in a loss of Rs.78,436 to Government in April 1986.”

**3-9-98:** The Department explained that the contractor had been exempted from the deduction of income tax by the concerned income tax Authority and exemption certificate was valid upto 31.1.86 while the bill for payment was passed on 12-1-86. As such the non-deduction of income tax was correct and regular.

The Public Accounts Committee directed the Department to produce the exemption certificate in original, issued by the Commissioner Income Tax Department Multan in the name of contractor concerned, to Audit for verification. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 3 September 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **15. Para III-B.1: Page 311 – Mis-Appropriation of Material – Rs.5,482,307**

Audit had observed: “The division advertised in the newspaper “Nawa-i-Waqt” on 23 November 25 December 1991 and 16 January 1992 for auctioning of the dismantled Material but the result thereof was not available even in the divisional office record. This resulted in a loss/misappropriation of Rs.5,482,307 of Government Material in 1992.”

**3-9-98:** The Department explained that M.D-A. acquired land for certain development purposes e. g. Northern by pass, Southern by pass, entrance to Shah Shamas Park etc. The landowners were paid compensation for gardens/trees and houses/structures existing within the acquired land. Later on these gardens/trees and houses/structures were offered for sale in open auction but no offer was received. The matter was reviewed and it was found that erroneously the compensation cost was advertised as reserve price for the said auction. The compensation price was fixed keeping in view further benefits which the owner might derive from the fruit plants, gardens/trees, houses/structures otherwise there was no logic to fix the same as reserve price for the auction of firewood and debris of the house structures. Therefore, assessment of Rs.250,829 for the Material of houses/structures and trees was received by the XEN concerned and Material was auctioned with the approval of Auction Committee. Against the assessed amount of Rs.250,829 an amount of Rs.311,520 had been recovered.

The Audit apprised the Committee that the amount of Rs.250,829 assessed by the Department was fictitious. Similarly, the recovered amount of Rs.311,520 was also much less than that pointed out by the Audit. Therefore, this matter needed investigation in detail. The Public Accounts Committee was not satisfied with the explanation and constituted a Departmental Committee consisting of the following to conduct a detailed inquiry and submit its findings to the PAC within 30 days:-

1. Director General, Multan Development Authority.
2. Director General, Audit (Works).
3. S-E. Buildings Multan. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

#### **16. Para III-C.1: Page 311 – Defective Agreement – Rs.63,344**

Audit had observed: “The division executed a defective agreement containing stipulation for supply of bitumen but without specifying the rate. A quantity of 296 metric tons bitumen was issued from March to September 1987 and recovery was made @ Rs.4636 instead of Rs.4850 per metric ton, the issue rate at the time of recovery in October 1987. This resulted in a loss of Rs.63,344 to Government.”

**3-9-98:** The Department explained that total recovery was Rs.59,985 which had since been effected and got verified by Audit. The Audit stressed for a further recovery of Rs.5,375 due to difference of rate of bitumen which was not justified as a quantity of 25 M.Tons was issued to the

contractor @ Rs.4,635 P.M.T. and remaining quantity of 279 M.T. was issued @ Rs.4,850 P.M.T. after the increase of rate from 4,635 to 4,850. Therefore, no further recovery was due.

The PAC settled the para subject to verification of recovery and relevant record by Audit.

## **Annexure Paras Paras Settled**

**1. Para No.127(2)(1982-83): Page 505 read with Sr. No.1 of Audit Report for the year 1993-94; Non-Recovery – Rs.35,400.**

**2. Para No.128(2)(1982-83): Page 505 read with Sr. No.2 of Audit Report for the year 1993-94; Non-Recovery – Rs.17,000.**

**23-5-02:** On verification of recovery/record Audit had recommended that the above mentioned 2 paras (Sr. No.1 and 2) be settled. **The Committee settled the said paras.**

### **Actionable Paras**

**1. Para No.128(1)(1982-83): Page 505 read with Sr. No.3 of Audit Report for the year 1993-94; Non-Recovery – Rs.1,266,700.**

**2. Para No.103(1)(1983-84): Page 505 read with Sr. No.4 of Audit Report for the year 1993-94; Outstanding Recovery – Rs.567,300.**

**3. Para No.II(1985-86): Page 505 read with Sr. No.5 of Audit Report for the year 1993-94; Irregular Award of Work – Rs.68,495,975.**

**4. Para No.III(1985-86): Page 505 read with Sr. No.6 of Audit Report for the year 1993-94; Irregular Payment – Rs.1,133,317.**

**5. Para No.IV(1985-86): Page 506 read with Sr. No.7 of Audit Report for the year 1993-94; Overpayment – Rs.220,212.**

**6. Para No.1-4(1986-87): Page 506 read with Sr. No.8 of Audit Report for the year 1993-94; Non-Recovery of Government Dues – Rs.110,900.**

**7. Para No.1-1(1986-87): Page 506 read with Sr. No.9 of Audit Report for the year 1993-94; Non-Recovery of Government Dues – Rs.461,936.**

**8. Para No.1-3(1986-87): Page 506 read with Sr. No.10 of Audit Report for the year 1993-94; Non-Recovery of Government Dues – Rs.23,862.**

**9. Para No.11-1(1986-87): Page 506 read with Sr. No.11 of Audit Report for the year 1993-94; Excess Payment – Rs.78,828.**



**10. Para No.11-2(1986-87): Page 506 read with Sr. No.12 of Audit Report for the year 1993-94; Excess Payment – Rs.7,087,466.**

**11. Para No.11-3(1986-87): Page 506 read with Sr. No.13 of Audit Report for the year 1993-94; Non-Recovery – Rs.4,890,464.**

**12. Para No.III-I(1986-87): Page 507 read with Sr. No.14 of Audit Report for the year 1993-94; Loss to Government – Rs.4,676,380.**

**13. Para No.III-II(1986-87): Page 507 read with Sr. No.15 of Audit Report for the year 1993-94; Loss to Government – Rs.277,779.**

**23-5-02:** The Committee directed that the Department should comply with the directives of the PAC by 30 September 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The above mentioned paras (Sr. No.1 to 13 above) were kept pending.**

## **Faisalabad Development Authority Works Audit**

### **1. Para I-A.1: Page 294 – Higher Rates – Rs.243,680**

Audit had observed: “The division made payment for reinforced cement concrete (RCC) @ Rs.21.05 per Cft instead of the admissible rate of Rs.15.70 per Cft vide item No.5(a)(ii)(3) page 53 of the Composite Schedule of Rates 1979. This resulted in an excess payment of Rs.243,680 to the contractors in 1992.”

**5-1-99:** The Department explained that the agreement was executed at the rate of Rs.21/05 per Cft before the decision of the Punjab Government. The payment had been made under the schedule item No. 5 (a) (ii) of CSR 1979 according to the technically sanctioned estimate. Therefore, no excess payment was involved.

The PAC directed that original record i.e. Technically Sanctioned Estimate, Agreement and Measurement Book shall be got verified by Audit. If Audit was not satisfied then recovery shall be effected from the officer who executed the agreement. The para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 5 January 1999, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **2. Para I-A.2: Page 294 – Higher Rates – Rs.151,310**

Audit had observed: “The division made payment at job rate of Rs.5 per cft for dismantling of shuttering relating to reinforced cement concrete (R-C.C.) in base slabs walls of a disposal work instead of the admissible rate of Rs.2 per cft works out on the basis of the Composite Schedule of Rates 1979. This resulted in an overpayment of Rs.151,310 to a contractor in 1992.”

**5-1-99:** The Department explained that payment had correctly been made in accordance with the composite schedule of rates contained in CSR 1979. Hence no overpayment was involved.

The Audit endorsed the view point of the Department and recommended the para for settlement. The PAC accepted the explanation and **the para was settled.**

### **3. Para I-A.3: Page 295 – Higher Rates – Rs.65,453**

Audit had observed: “The division changed the specification of a scheduled item converting it into a non-scheduled item and payment made at higher rates than that provided in the technically sanctioned estimate/bill of quantities. This resulted in an excess payment of Rs.65,453 in August 1993.”

**5-1-99:** The Department explained that an amount of Rs.43,770 had already been recovered. The balance amount of Rs.21,683 would be recovered from the final bill of the contractor which was under process.

The PAC directed that recovery so far made shall be got verified by Audit. The balance recovery may also be effected at the earliest and got verified by Audit. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **4. Para I-B.1: Page 295 – Payment Against Specification – Rs.282,156**

Audit had observed: “The division made payment to the contractors for the disposal of surplus earth obtained from the excavation of sewer line for which no provision was made in the bid schedule/ agreement. According to Public Health Engineering specification serial No.12 page 499 “the contractor shall at his own costs and charges provide places for disposal of all surplus Material not required to be used on the work”. This resulted in an excess payment of Rs.282,156 to the contractors in 1992.”

**5-1-99:** The Department explained that due to verification of original record the para had been reduced from Rs.282,000 to Rs.31,000. An amount of Rs.16,433 had been recovered leaving a balance recovery of Rs.14,918 and the same would be adjusted against the final bill of the contractor which was under process.

The Audit also confirmed that the para had been reduced from Rs.282,000 to Rs.31,000. The PAC directed that the balance recovery shall be made good within two months positively and got verified by Audit. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**5. Para I-C.1: Page 296 – Price Variation – Rs.88,344**

Audit had observed: “The division made payment on account of escalation for asbestos cement pipe due to increase in rates for which secured advance was already paid to a contractor in contravention of instructions of the Finance Department of October 1987. This resulted in an excess payment of Rs.88,344 to a contractor in September 1991.”

**5-1-99:** The Department explained that total recovery had since been effected. The PAC **settled the para subject to verification of total recovery by Audit.**

**6. Para II-A.1: Page 297 – Non-Recovery of Rent – Rs.1,357,170**

Audit had observed: “The division rented out some godowns under Nishatabad overhead bridge to some bidders from October 1987 to March 1994 but did not recover the outstanding dues. This resulted in Non-Recovery of outstanding rent of Rs.1,357,170 since October 1987.”

**5-1-99:** The Department explained that actual rent was Rs.471,459 and not Rs.1,357,169 as worked out by the Audit and out of the said amount of Rs.471,459 an amount of Rs.390,572 had been recovered leaving a balance of Rs.80,887.

The PAC directed that recovery so far effected shall be got verified by Audit and remaining recovery shall be finalized as early as possible. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**7. Para II-B.1: Page 297 – Non-Recovery Cost of Plots and Shops – Rs.21,128,875**

Audit had observed: “The division allotted various plots and shops to various persons through auction and ballots but did not recover the cost of plots and shops. This resulted in Non-Recovery of Rs.21,128,875 since March 1987.”

**5-1-99:** The PAC referred this para to the Sub-Committee consisting of Ch. Talib Hussain, MPA (Convener) and Dewan Mushtaq Ahmad, MPA for detailed examination of allotment of plots, shops, and recovery so far made and Non-Recovery of the Government dues. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the

Audit.

#### **8. Para II-C.1: Page 297 – Non-Recovery of Sewerage Charges – Rs.8,644,873**

Audit had observed: “The division did not recover sewerage charges from 1989-90 to 1993-94 from the consumers. This resulted in Non-Recovery of Government dues of Rs.8,644,873.”

**5-1-99:** The Department explained that a sum of Rs.1,441,540 had been recovered leaving a balance of Rs.7,203,333. Concerned consumers were being pressed for the balance recovery. Anyhow, a portion of recovery was not possible as the consumers had left the area.

The PAC directed that recovery so far effected shall be got verified by Audit and remaining recovery shall be made good within the shortest possible time. In cases where the consumers had left the area, the recovery shall be made as arrears of land revenue. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **9. Para II-D.1: Page 298 – Non-Recovery of Penalty – Rs.1,550,000**

Audit had observed: “The division did not recover the penalty imposed Rs.25,000 each from 62 allottees of Arshad Market who had made illegal partitions in their shops as per decision of the administrative Department. This resulted in Non-Recovery of Rs.1,55,000 in March 1992.”

**5-1-99:** The Department explained that an amount of Rs.467,500 had been recovered from the allottees leaving a balance of Rs.1,082,500. Notices had been issued for the remaining recovery.

The PAC was not satisfied with the explanation and observed that the Department had not shown keen interest towards the recovery of Government money. Leniency had been shown towards the defaulting allottees. The PAC directed the Department that:-

- i) The allottees who had not paid the penalty of Rs.25,000 shall be issued final notice containing warning that their allotments would be considered for cancellation.
- ii) Recovered amount shall be got verified by Audit. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall recover the penalty, and produce the relevant record for verification by the Audit. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 December 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**10. Para III-A.1: Page 298 – Negligence – Rs.6,608,910 and US\$ 274,281**

Audit had observed: “In the division 65% imported telemetry equipment was completely damaged during riots in Faisalabad. Neither the Authority reported the loss to Audit as required under rule 2.34 of the Punjab Financial Rules nor initiated any inquiry for fixing responsibility. This resulted in a loss of Rs.6,608,910 and US \$274,281 in October 1988.”

**5-1-99:** The Department explained that machinery costing crores of rupees had been burnt in 1988 during public riots. An inquiry was under way with the Commissioner Multan. Further action would be taken on receipt of the inquiry report.

The PAC directed the Department to request the Commissioner Multan to expedite the inquiry for finalization of the case. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

**11. Para III-B.1: Page 299 – Excessive Issue of P.O.L. – Rs.254,429**

Audit had observed: “The division issued POL to the vehicles standing in workshop or in excess beyond the limit fixed by the Government of the Punjab in July 1991. This resulted in a loss of Rs.254,429 to the Authority from July 1992 to June 1993.”

**5-1-99:** The Department explained that P.O.L. was issued to the different vehicles of WASA maintained by the construction field staff. All the relevant record e.g. Log Books of the vehicles showing utilization of P.O.L. for the supervision of on-going work had already been produced to Audit for verification. As a result of verification the amount of the para had been reduced to Rs.131,063. An amount of Rs.45,348 pertained to the vehicle which was used by the then Minister Housing Urban Development & Public Health Engineering/Chairman Faisalabad Development Authority.

The PAC directed that all the relevant record pertaining to the vehicle used by the then Minister/Chairman Faisalabad Development Authority shall be produced to the Audit for verification of factual position. If the Departmental contention was found correct through the verification of record then the amount involved shall be got regularized from Finance Department. Otherwise, recovery shall be effected from the user of the vehicle. Position with regard to other vehicles may also be got verified by Audit. The para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

**12. Para III-C.1: Page 299 – Non-Deduction of Income Tax – Rs.66,510**



Audit had observed: “The division did not make recovery on account of income tax @ 3% of auction money of Rs.2,217,000 as required by section 50(7A) of the Income Tax Ordinance 1979. This resulted in a loss of Rs.66,510 to the Government in August 1992.”

**5-1-99:** The Department explained that total auction money including Income Tax was deposited in the account of Faisalabad Development Authority which had been verified by Audit. The PAC accepted the explanation and **the para was settled.**

### **13. Para IV.1: Page 300 – Un-Authorized Payment – Rs.350,000**

Audit had observed: “The division made payment to a contractor for the supervision services for installation of chlorinating equipments, which was the contractual responsibility of the contractor who supplied the chlorinating equipments in the first place. This resulted in an unauthorized payment of Rs.350,000 in January 1993.”

**5-1-99:** The Department explained that full recovery of Rs.350,000 had since been made from the contractor. The PAC **settled the para subject to verification of total recovery by Audit.**

## **Annexure Paras Actionable Paras**

- 1. Para No.1-3(1985-86): Page 499 read with Sr. No.1 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.1,065,428.**
- 2. Para No.1-14(1985-86): Page 499 read with Sr. No.2 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.44,607,516.**
- 3. Para No.1-11(1985-86): Page 499 read with Sr. No.3 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.372,210.**
- 4. Para No.1-12(1985-86): Page 499 read with Sr. No.4 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.33,668.**
- 5. Para No.1-13(1985-86): Page 499 read with Sr. No.5 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.25,819.**
- 6. Para No.1-15(1985-86): Page 500 read with Sr. No.6 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.182,610.**
- 7. Para No.II-I(1985-86): Page 500 read with Sr. No.7 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.1,128,773.**

8. Para No.11-2(1985-86): Page 500 read with Sr. No.8 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.93,919.
9. Para No.1-17(1985-86): Page 500 read with Sr. No.9 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.31,535.
10. Para No.III(1985-86): Page 500 read with Sr. No.10 of Audit Report for the year 1993-94 – Irregular Award of Work – Rs.774,227,205.
11. Para No.1-5(1985-86): Page 500 read with Sr. No.11 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.1,695,048.
12. Para No.1-8(1985-86): Page 500 read with Sr. No.12 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.543,791.
13. Para No.1-9(1985-86): Page 501 read with Sr. No.13 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.262,846.
14. Para No.11-3(1985-86): Page 501 read with Sr. No.14 of Audit Report for the year 1993-94 – Excess Payment – Rs.35,700.
15. Para No.111-9(1984-85): Page 501 read with Sr. No.15 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.5,132,834.
16. Para No.1-7(1984-85): Page 501 read with Sr. No.16 of Audit Report for the year 1993-94 – Excess Payment – Rs.17,800.
17. Para No.11-1(1984-85): Page 501 read with Sr. No.17 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.141,160.
18. Para No.11-2(1984-85): Page 501 read with Sr. No.18 of Audit Report for the year 1993-94 – Loss Due to Defective Planning of Work – Rs.338,100.
19. Para No.III-2(1984-85): Page 501 read with Sr. No.19 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.656,089.
20. Para No.III-iv(1984-85): Page 501 read with Sr. No.20 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.1,554,805.
21. Para No.III-(7)(1984-85): Page 501 read with Sr. No.21 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.505,600.

**22. Para No.111-(13)(1984-85): Page 502 read with Sr. No.22 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.406,365.**

**23. Para No.111(14)(1984-85): Page 502 read with Sr. No.23 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.210,982.**

**24. Para No.111(15)(1984-85): Page 502 read with Sr. No.24 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.149,099.**

**25. Para No.1-8(1986-87): Page 502 read with Sr. No.25 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.16,358.**

**26. Para No.II-1(1986-87): Page 502 read with Sr. No.26 of Audit Report for the year 1993-94 – Excess Payment – Rs.2,401,558.**

**27. Para No.1-1(1986-87): Page 502 read with Sr. No.27 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.5,155,820.**

**28. Para No.1-5(1986-87): Page 502 read with Sr. No.28 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.91,480.**

**29. Para No.1-3(1986-87): Page 502 read with Sr. No.29 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.121,545.**

**30. Para No.111-II(1986-87): Page 503 read with Sr. No.30 of Audit Report for the year 1993-94 – Excess Payment – Rs.12,532,125.**

**31. Para No.1-12(1986-87): Page 503 read with Sr. No.31 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.1,139,000.**

**32. Para No.III-I(1984-85): Page 503 read with Sr. No.32 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.13,144,326.**

**33. Para No.1-5(1984-85): Page 503 read with Sr. No.33 of Audit Report for the year 1993-94 – Excess Payment – Rs.44,000.**

**34. Para No.1-10(1984-85): Page 503 read with Sr. No.34 of Audit Report for the year 1993-94 – Excess Payment – Rs.73,460.**

**35. Para No.1-6(1985-86): Page 503 read with Sr. No.35 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.12,758.**

**36. Para No.1-4(1985-86): Page 503 read with Sr. No.36 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.1,321,055.**

**37. Para No.1-1(1985-86): Page 503 read with Sr. No.37 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.13,999,000.**

**38. Para No.1-2(1985-86): Page 503 read with Sr. No.38 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.10,890,000.**

**39. Para No.1(1)(1987-88): Page 503 read with Sr. No.39 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.209,245.**

**40. Para No.1(2)(1987-88): Page 504 read with Sr. No.40 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.2,189,985.**

**41. Para No.1(3)(1987-88): Page 504 read with Sr. No.41 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.63,849.**

**42. Para No.1(4)(1987-88): Page 504 read with Sr. No.42 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.792,510.**

**43. Para No.1(5)(1987-88): Page 504 read with Sr. No.43 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.57,827,070.**

**44. Para No.1(6)(1987-88): Page 504 read with Sr. No.44 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.2,447,300.**

**45. Para No.11(1)(1987-88): Page 504 read with Sr. No.45 of Audit Report for the year 1993-94 – Excess Payment – Rs.20,000.**

**23-5-02:** The Committee directed that the Department should comply with the directives of the PAC by 30 September 2002 in respect of the above mentioned 45 paras (Sr.No.1 to 45 above) and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The paras (Sr.1 to 45 above) were kept pending.**

## **Housing And Physical Planning Works Audit**

**1. Para I-A.1: Page 262 – Payment of Excessive Quantities – Rs.170,160**

Audit had observed: “The division measured and paid a quantity of 506794 Cft instead of the admissible quantity of 327232 Cft for earth work embankment and excessive length of dry brick

pavement soling as compared to the approved X-sections attached with the technically sanctioned estimate. This resulted in an excess payment of Rs.170,160 to the contractors in February 1993.”

**4-1-99:** The Department explained that according to the entries in the relevant measurement book the actual quantity of earth work was 633602 Cft against which the payment was made for 506794 Cft after making deductions of crust/camber and crossing of roads/streets. The first PC-I was approved in 1/92 and quantity of earth work was provided therein as 691434 Cft. Therefore, no excess payment was involved.

The Finance Department apprised the PAC that allotment of work was done in 8/91 while Technical Sanction was approved in 10/92. This was an infringement of rules and therefore, required to be regularized from Finance Department as the said work had been executed without properly abiding by the rules.

The PAC directed the Department to fix responsibility for the allotment of work without prior approval of Technical Sanction. The defaulter shall be proceeded against for disciplinary action. The relevant record i-E. (i) agreement L-section, technical sanction estimate/revised estimate and relevant M-B. shall be produced to Audit for scrutiny. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para I-A.2: Page 262 – Payment of Excessive Quantities – Rs.121,259**

Audit had observed: “The division initially made record entries of certain items of work showing lesser quantities but subsequently increased these quantities on the basis of overall measurements and made payment for those excessive quantities which was not possible at a later stage as these were no longer visible. This resulted in an excess payment of Rs.121,259 to a contractor in September 1992.”

**4-1-99:** The Department explained that on completion of entire work the overall measurement of the whole work was taken to avoid any ambiguity. But the Audit and the Finance Department did not agree with the Department and pointed out that payment can be made only on record entry or individual record entry.

The PAC directed that record pertaining to overall measurement and individual record entries shall be got verified by Audit. If the Audit did not feel satisfied then excess paid amount shall be recovered from the person responsible for the same. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 4 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.



### **3. Para I-A.3: Page 263 – Payment of Excessive Quantities – Rs.112,727**

Audit had observed: “The division measured and paid a quantity of 285530 cft earth work for making embankment instead of the admissible quantity of 143458 cft provided in the bill of quantities. This resulted in an excess payment of Rs.112,727 to the contractors in July 1993.”

**4-1-99:** The Department explained that approved quantity of earth work was 225489 Cft while actual executed work was 285530 Cft. Thus 60041 Cft work was in excess which was utilized for making embankments along the water courses which was necessary and Un-avoidable. The Department further explained that some advance payment was made to the first contractor who abandoned the work without refunding the said advance paid amount. Anyhow, the payment to the 2nd contractor was correctly made.

The PAC was not satisfied with the explanation and observed that Ist contractor got the overpayment and left the work without refunding the overpaid amount. The 2nd contractor got the excess payment and the Department did not take any action for the Government loss. Therefore, the PAC directed that a fact finding inquiry shall be conducted to ascertain as to why the overpayment was made to the Ist contractor and why wrong payment was made to the 2nd contractor. The Department should also mention in the inquiry report the amount of the Administrative Approval and Technical Sanction. This process should be completed within three months. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **4. Para I-B.1: Page 263 – Violation of Specification – Rs.482,349**

Audit had observed: “The division executed the item of sand filling in trenches of sewer instead of filing with the excavated earth in violation of specification No.13.9 of the Public Health Engineering Department. This resulted in an excess payment of Rs.482,349 to the contractors in 1990.”

**4-1-99:** The Department explained that the work was required to be completed within the shortest possible time taking preventive measures for earth settlement at a later stage. Therefore, keeping in view the nature and necessity of work the back filling was done with sand instead of earth with the approval of Competent Authority.

The PAC was not satisfied with the explanation and therefore, directed the Department to provide the relevant record e.g. Technical Sanction, Administrative Approval etc. to Audit for verification of factual position. Enhancement of amount may also be got verified by Audit. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to**

**the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**5. Para II-A.1: Page 264 – Non-Forfeiture of Security Deposit – Rs.115,520**

Audit had observed: “The division rescinded contracts of the contractors under clause 3(a) of the agreement but did not forfeit the security deposit as required under the rules. This resulted in Non-Recovery of Rs.115,520 of Government dues in June and October 1991.”

**4-1-99:** The Department explained that according to the agreement the amount of earnest money had not been forfeited and the same was adjusted. Anyhow, 10% security of work done amounting to Rs.54,015 had already been adjusted and accounted for in the monthly account of 2/96.

The Audit was of the view that earnest money was a part of Security Deposit. The PAC directed the Department to make a reference to Finance Department for clarification as to whether earnest money was part of Security Deposit or not. The para was kept pending.

**23-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**6. Para II-B.1: Page 265 – Non-Recovery of Cost of Plots – Rs.14,942,000**

Audit had observed: “The division failed to recover the cost of 664 plots from the allottees. This resulted in Non-Recovery of Rs.14,942,000 of Government dues since 1984-85.”

**4-1-99:** The Department explained that this housing scheme was located in Sangla Hill and was spread over an area of 43 acres divided into 674 plots of different categories. The scheme could not be started due to land acquisition problems. Anyhow, it was completed in 1990-91 and was handed over to concerned local body in 5/91 against projected recovery of Rs.34,688,000. The recovery from sale of plot was a gradual process. An amount of Rs.5,884,000 had so far been recovered.

The PAC directed the Department to produce the relevant record pertaining to the recovery of Rs.5,884,000 to Audit for verification and remaining recovery be made good at the earliest. The para

was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **7. Para III-A.1: Page 266 – Extra Expenditure – Rs.236,898**

Audit had observed: “The division allotted a work to a contractor in March 1989 at an agreemental amount of Rs.1,278,690 with completion date of March 1990. The contractor failed to complete the work within the stipulated period. His contract was rescinded under clause 3(a) in June 1991 and the remaining work of Rs.1,099,108 was allotted to another contractor with agreemental amount of Rs.1,336,000 in December 1991. The delay in processing of the contract resulted in extra expenditure and subsequent loss of Rs.236,898 to Government.”

**4-1-99:** The Department explained that the work of “Construction of roads/streets in ADS Mandi Bahauddin was allotted to the contractor in 3/89 and was required to be completed by 3/90. The scheme remained un-funded during 89-90 due to change in financing pattern which was switched over from normal A-D.P. to Deposit account. In 1990-91 a sum of Rs.0.400 million was released which was paid to the contractor against previous work done. Later on the contractor abandoned the work and the agreement was rescinded in 6/91. The balance work was allotted to another contractor. Since Department has taken proper action at the proper time, therefore, there was no lapse involved.

The PAC directed the Department to produce all the relevant record to Audit for verification of factual position. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **8. Para III-A.2: Page 266 – Extra Expenditure – Rs.513,440**

Audit had observed: “In the division the contract of two contractors were finalized without the approval of the higher authorities or their refusal on record to do the work at their accepted rates in March 1992. The works were, however, re-allotted to other contractors at higher rates in February

1992. This resulted in a loss of Rs.513,440 to Government due to extra expenditure.”

**4-1-99:** The Department explained that Labour Department was the sponsoring Department and total works were allotted to the contractors at the cost of Rs.3,485,891, while total provision of these works was approved as Rs.3,739,052 in the revised P.C-I of the Labour Colony, Toba Tek Singh. As such it was clear that expenditure of Rs.3,488,891 had been incurred against the provision of 3,739,052 and there was no loss to the Government. The PAC accepted the explanation and **the para was settled.**

#### **9. Para III-B.1: Page 267 – Negligence – Rs.3,787,320**

Audit had observed: “The division made payment of Rs.3,787,320 (including legal fee of Rs.41,100) on account of 8% compound interest from 8 June 1954 to 8 February 1985 for not paying 15% compulsory acquisition charges of Rs.430,705 as required under section 23(2) of Land Acquisition Act. This resulted in a loss of Rs.3,787,320 to Government in December 1991.”

**4-1-99:** The Department explained that payment had been made to the Land owners as decided by the learned court after getting the Bank guarantees. However, Rs.25,594,943 as capital and interest Rs.1,056,677 had been recovered from the allottees of the plots. Hence no irregularity was involved. The PAC **settled the para subject to verification of record by the Audit.**

#### **10. Para III-C.1: Page 267 – Tampering of Record – Rs.921,276**

Audit had observed: “The division invited tenders for a work with estimated cost of Rs.4,190,000. The lowest tender was for Rs.3,871,522 but the rate of an item quoted by him was changed after opening the tenders from Rs.71.50 to 7150 making the second lowest bidder as first lowest with tendered amount of Rs.4,792,521. This resulted in a loss of Rs.921,276 to the Government in June 1991.”

**4-1-99:** The Department explained that recovery of Rs.921,276 had not yet been established and therefore, the same could not be made good from any person. The inquiry had been conducted and decision of the inquiry officer was awaited. Further action would be taken on receipt of the inquiry report.

The PAC directed that relevant record i.e. tender register, comparative statement, Administrative Approval, Technical Sanction and inquiry report shall be produced to the Audit for verification of factual position. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the

Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **11. Para IV.1: Page 268 – Non-Accountal of Material – Rs.428,712**

Audit had observed: “The division procured stock, tools and plant Articles from different contractors but did not account for the Material in the accounts as required under rules. This resulted in non-accountal of Government Material worth Rs.428,712 in July 1988.”

**4-1-99:** The Department explained that Material worth Rs.266,787 had been got verified in DAC meeting held on 24-3-1992 and 26-3-92. The remaining Articles worth Rs.161,925 had also been accounted for. The PAC **settled the para subject to verification of relevant record** relating to consumption of Material by Audit.

#### **12. Para V.1: Page 269 – Un-Justified Payment of Rs.646,226**

Audit had observed: “The division made payment to work charge establishment without sanctioned estimate, identity card No., father’s name and sanction of the competent Authority. This resulted in a fictitious and unjustified payment of Rs.646,226 from August 1991 to June 1992.”

**4-1-99:** The Department explained that work charged employees were engaged on two on-going schemes and three completed schemes and the expenditure pertained to the said work charged establishment and was charged to these schemes. It was covered under 2% contingency for on-going schemes and under maintenance provision in the estimate of completed schemes.

The PAC **settled the para subject to verification of relevant record** by Audit.

### **Annexure Paras Actionable Paras**

**1. Para No.14(1968-69): Page 477 read with Sr. No.1 of Audit Report for the year 1993-94 – Shortage of Bitumen – Rs.78,793.**

**2. Para No.48(1972-73): Page 477 read with Sr. No.2 of Audit Report for the year 1993-94 – Non-Recovery of Material – Rs.372,263.**

**3. Para No.75(1972-73): Page 477 read with Sr. No.3 of Audit Report for the year 1993-94 – Non-Recovery – Rs.248,467.**

**4. Para No.76(1972-73): Page 477 read with Sr. No.4 of Audit Report for the year 1993-94 – Non-Recovery – Rs.10,976.**

**5. Para No.73/74(1972-73): Page 477 read with Sr. No.5 of Audit Report for the year 1993-94 –**



**Shortage of Timber – Rs.220,117.**

**6. Para No.9(3)(1978-79): Page 477 read with Sr. No.6 of Audit Report for the year 1993-94 – Infuctious Expenditure – Rs.20,007.**

**7. Para No.63(2)(1981-82): Page 477 read with Sr. No.7 of Audit Report for the year 1993-94 – Loss – Rs.137,000.**

**8. Para No.63(6)(1972-73): Page 478 read with Sr. No.8 of Audit Report for the year 1993-94 – Theft of Stone – Rs.11,433.**

**9. Para No.63(8)(1972-73): Page 478 read with Sr. No.9 of Audit Report for the year 1993-94 – Loss to Government – Rs.48,190.**

**10. Para No.64(7)(1972-73): Page 478 read with Sr. No.10 of Audit Report for the year 1993-94 – Allowing Higher Rates – Rs.5,497.**

**11. Para No.65(4)(1972-73): Page 478 read with Sr. No.11 of Audit Report for the year 1993-94 – Unjustified Payment – Rs.5,500.**

**12. Para No.81(3)(1972-73): Page 478 read with Sr. No.12 of Audit Report for the year 1993-94 – Non-Recovery of Water Charges – Rs.90,000.**

**13. Para No.82(2)(1982-83): Page 479 read with Sr. No.13 of Audit Report for the year 1993-94 – Shortage of Tools & Plant Articles – Rs.49,514.**

**14. Para No.82(3)(1982-83): Page 479 read with Sr. No.14 of Audit Report for the year 1993-94 – Shortage of Store – Rs.14,510.**

**15. Para No.84(1982-83): Page 479 read with Sr. No.15 of Audit Report for the year 1993-94 – Non-Recovery of Hire Charges of Machinery – Rs.36,746.**

**16. Para No.85(1982-83): Page 479 read with Sr. No.16 of Audit Report for the year 1993-94 – Non-Recovery of Income Tax – Rs.28,623.**

**17. Para No.86(1982-83): Page 479 read with Sr. No.17 of Audit Report for the year 1993-94 – Loss to Government – Rs.24,875.**

**18. Para No.87(1982-83): Page 480 read with Sr. No.18 of Audit Report for the year 1993-94 – Non-Recovery – Rs.18,176.**

**19. Para No.71(1)(1983-84): Page 480 read with Sr. No.19 of Audit Report for the year 1993-94**

– Excess Payment – Rs.19,833.

20. Para No.72(1)(1983-84): Page 480 read with Sr. No.20 of Audit Report for the year 1993-94  
– Loss to Government – Rs.8,736,000.

21. Para No.72(2)(1983-84): Page 480 read with Sr. No.21 of Audit Report for the year 1993-94  
– Loss to Government (Non-Accountal of Bitumen – Rs.626,000.

22. Para No.72(3)(1983-84): Page 480 read with Sr. No.22 of Audit Report for the year 1993-94  
– Loss to Government (Leakage of Bitumen) – Rs.217,512.

23. Para No.72(4)(1983-84): Page 481 read with Sr. No.23 of Audit Report for the year 1993-94  
– Loss to Government – Rs.117,000.

24. Para No.72(5)(1983-84): Page 481 read with Sr. No.24 of Audit Report for the year 1993-94  
– Overpayment – Rs.33,355.

25. Para No.73(2)(1983-84): Page 481 read with Sr. No.25 of Audit Report for the year 1993-94  
– Non-Recovery – Rs.138,524.

26. Para No.73(3)(1983-84): Page 481 read with Sr. No.26 of Audit Report for the year 1993-94  
– Non-Recovery – Rs.120,685.

27. Para No.73(5)(1983-84): Page 481 read with Sr. No.27 of Audit Report for the year 1993-94  
– Non-Recovery (Security Deposit) – Rs.53,000.

28. Para No.73(7)(1983-84): Page 482 read with Sr. No.28 of Audit Report for the year 1993-94  
– Non-Recovery on Account of Secured Advance – Rs.39,694.

29. Para No.74(1)(1983-84): Page 482 read with Sr. No.29 of Audit Report for the year 1993-94  
– Loss to Government – Rs.88,400.

30. Para No.74(2)(1983-84): Page 482 read with Sr. No.30 of Audit Report for the year 1993-94  
– Loss to Government – Rs.10,000.

31. Para No.74(3)(1983-84): Page 482 read with Sr. No.31 of Audit Report for the year 1993-94  
– Loss to Government – Rs.9,800.

32. Para No.74(4)(1983-84): Page 482 read with Sr. No.32 of Audit Report for the year 1993-94  
– Loss to Government – Rs.16,000.

33. Para No.74(5)(1983-84): Page 482 read with Sr. No.33 of Audit Report for the year 1993-94

**– Loss to Government – Rs.10,366.**

**34. Para No.75(1)(1983-84): Page 482 read with Sr. No.34 of Audit Report for the year 1993-94 – Non-Recovery of Risk and Cost – Rs.473,122.**

**35. Para No.75(5)(1983-84): Page 482 read with Sr. No.35 of Audit Report for the year 1993-94 – Non-Recovery of Risk and Cost – Rs.6,900.**

**36. Para No.76(1)(1983-84): Page 483 read with Sr. No.36 of Audit Report for the year 1993-94 – Non-Recovery – Rs.2,555,482.**

**37. Para No.76(2)(1983-84): Page 483 read with Sr. No.37 of Audit Report for the year 1993-94 – Non-Recovery – Rs.177,096.**

**38. Para No.76(3)(1983-84): Page 483 read with Sr. No.38 of Audit Report for the year 1993-94 – Non-Recovery – Rs.85,250.**

**39. Para No.77(1)(1983-84): Page 483 read with Sr. No.39 of Audit Report for the year 1993-94 – Shortage of Store – Rs.60,000.**

**40. Para No.I(3)(1984-85): Page 483 read with Sr. No.40 of Audit Report for the year 1993-94 – Excess Payment – Rs.57,129.**

**41. Para No.I(4)(1984-85): Page 483 read with Sr. No.41 of Audit Report for the year 1993-94 – Excess payment – Rs.53,060.**

**42. Para No.II(1)(1984-85): Page 483 read with Sr. No.42 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.126,923.**

**43. Para No.II(2)(1984-85): Page 484 read with Sr. No.43 of Audit Report for the year 1993-94 – Non-Recovery of Risk and Cost – Rs.46,747.**

**44. Para No.II(5)(1984-85): Page 484 read with Sr. No.44 of Audit Report for the year 1993-94 – Non-Recovery of Secured Advance and Interest – Rs.49,783.**

**45. Para No.II(8)(1984-85): Page 484 read with Sr. No.45 of Audit Report for the year 1993-94 – Non-Recovery of Risk and Cost – Rs.85,268.**

**46. Para No.II(9)(1984-85): Page 484 read with Sr. No.46 of Audit Report for the year 1993-94 – Non recovery of Secured Advance and Interest – Rs.183,261.**

**47. Para No.I(2)(1985-86): Page 484 read with Sr. No.47 of Audit Report for the year 1993-94 –**

**Non-Recovery of Risk and Cost – Rs.246,628.****48. Para No.I(3)(1985-86): Page 485 read with Sr. No.48 of Audit Report for the year 1993-94 – Non-Recovery Due to Defective Work – Rs.50,314.****49. Para No.II(1985-86): Page 485 read with Sr. No.49 of Audit Report for the year 1993-94 – Less Recovery From the Contractor – Rs.10,350.****50. Para No.III(1985-86): Page 485 read with Sr. No.50 of Audit Report for the year 1993-94 – Theft of Stone Bitumen – Rs.25,000.****51. Para No.IV(1985-86): Page 485 read with Sr. No.51 of Audit Report for the year 1993-94 – Overpayment – Rs.38,820.****52. Para No.V(1985-86): Page 485 read with Sr. No.52 of Audit Report for the year 1993-94 – Fraudulent Expenditure – Rs.2,512,270.****53. Para No.VII(1985-86): Page 486 read with Sr. No.53 of Audit Report for the year 1993-94 – Shortage of Store (Bitumen) – Rs.92,100.****54. Para No.VI(1985-86): Page 486 read with Sr. No.54 of Audit Report for the year 1993-94 – Non-Accountal of Brick – Rs.9,900.****55. Para No.I(3)(1986-87): Page 486 read with Sr. No.55 of Audit Report for the year 1993-94 – Excess Payment – Rs.17,812.****56. Para No.I(5)(1986-87): Page 486 read with Sr. No.56 of Audit Report for the year 1993-94 – Excess Payment – Rs.17,591.****57. Para No.I(6)(1986-87): Page 486 read with Sr. No.57 of Audit Report for the year 1993-94 – Excess Payment – Rs.42,110.****58. Para No.II(1)(1986-87): Page 486 read with Sr. No.58 of Audit Report for the year 1993-94 – Non Recovery of Hire Charges – Rs.294,959.**

**23-5-02:** The Committee directed that the Department should comply with the directives of the PAC by 30 September 2002 in respect of the above mentioned 58 paras (Sr.No.1 to 58 above) and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The paras (Sr.1 to 58 above) were kept pending.**

## Public Health Engineering Department Works Audit

### **1. Para I-A.1: Page 228 – Excessive Measurements – Rs.78,590**

Audit had observed: “The division measured and paid the quantities of 5869 cft and 20982 cft for pacca brick work and brick pavement/soling instead of the quantities of 3375 cft and 19400 cft respectively as provided in the draft notice inviting tender and agreement. This resulted in an excess payment of Rs.78,590 to a contractor in May 1993.”

**2-3-99:** The Department explained that the items of work objected by Audit had been provided in the technically sanctioned estimate approved by the competent Authority. The detailed estimate covered the entire work completed in this scheme. All the quantities executed had been compared with the total provision of T.S. part I and part II of the estimate.

**The PAC settled the para subject to verification of record by Audit.**

### **2. Para I-A.2: Page 228 – Excessive Measurements – Rs.164,438**

Audit had observed: “The division made payment on account of cost of specials in excess of the provision of 5% of the cost of pipe as provided in the technically sanctioned estimate. This resulted in an overpayment of Rs.164,438 to the contractors in May and June 1993.”

**1-3-99:** The Department explained that specials were used in laying the pipes as per actual site condition. However, in the rough cost estimate a provision of 5 to 10 % was made arbitrarily as the details of actual site conditions were not available at that time. The specials used in laying pipes in respect of the scheme were in accordance with the actual site conditions. The provision for the C.I. specials had been made in the revised T.S. Estimate approved by the Competent Authority. The manufacturer of PVC Pipe were not manufacturing specials like Tee, Cross, Reducers, Bend, Flanges, Dead Ends etc. and therefore, C.I. specials had to be used.

**The PAC accepted the explanation and the para was settled.**

### **3. Para I-A.3: Page 229 – Excessive Measurements – Rs.237,884**

Audit had observed: “The division measured and paid a quantity of 13880 Cft for pacca brick work in foundation and plinth instead of the admissible quantity of 2990 Cft provided in the drawing/cross-sections and technically sanctioned estimate. This resulted in an excess payment of Rs.237,884 to a contractor in June 1993.”

**2-3-99:** The Department explained that estimate was revised wherein the quantity of 9730 Cft brick work in foundation plinth with 1:3 Cement, Sand, Motor was provided. The Audit pointed out that payment for quantity of 18855.44 Cft Brick work was made against approved quantity of 9730



Cft. This resulted in excess payment of Rs.199,332.

The PAC directed that officer responsible for the excess payment shall be proceeded against for disciplinary action under E & D Rules. Excess paid amount may also be recovered from him within three months after due process. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 2 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **4. Para I-A.4: Page 229 – Excessive Measurements – Rs.54,700**

Audit had observed: “The division made payment for asbestos cement pipe of length equal to the length of trench but did not deduct space covered by cast irons specials from the length of asbestos cement pipe. This resulted in an overpayment of Rs.54,700 to a contractor in January 1994.”

**2-3-99:** The Department explained that as per record entries made in the Measurement Book the measurement of A-C. Pipe was done special to special. Hence the deduction of the special was not involved.

The PAC **settled the para subject to verification of record in support of Departmental contention by Audit.**

#### **5. Para I-A.5: Page 230 – Excessive Measurements – Rs.214,157**

Audit had observed: “The division made payment for excessive quantities of the item of reimbursement than provided in the technically sanctioned estimate. This resulted in an excess payment of Rs.214,157 to the contractor in July 1990 and May 1991.”

**1-3-99:** The Department explained that length of Tega and reimbursement could not remain equal. The Tega was always constructed to protect the house wall and where open space was available on both sides the reimbursement had to be constructed. Accordingly the quantity of reimbursement had been increased. This variation always depended upon the site conditions and as such the entire work was correctly executed and correctly paid without the involvement of any excess payment.

The PAC directed the Department to produce the Rough Cost Estimate, T.S.E (original/revised) relevant M.B., Agreement, B.O.Q. Approved design and record showing the change of site position to Audit for verification. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to**

**the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**6. Para I-A.6: Page 230 – Excessive Measurements – Rs.196,864**

Audit had observed: “The division made payment of excessive quantities of reimbursement and portland cement concrete 1:6:12 than provided in the technically sanctioned estimate. This resulted in an overpayment of Rs.196,864 to the contractor in September and December 1990.”

**1-3-99:** The Department explained that there was no hard and fast rule for the calculation of Tega and reimbursement along the drain. The estimates were prepared on rough estimation by assessing the condition of work. The quantities of work could be increased/decreased according to the site condition and requirements. The Tega was constructed along pacca building line of drain. Reimbursement was used on the other side of the drain and if there was Katcha building line or open plot the reimbursement was constructed instead of Tega. The Tega and reimbursement had been paid correctly according to the site conditions/requirements. The PAC accepted the explanation and the **para was settled.**

**7. Para I-A.7: Page 230 – Excessive Measurement – Rs.246,115**

Audit had observed: “The division made payment for a quantity of 161748 Cft and 49949 Cft for the items of brick pavement and earth filling instead of the admissible quantities of 140800 Cft and 30938 Cft as provided in the technically sanctioned estimate and bill of quantities. This resulted in an excess payment of Rs.246,115 to a contractor in January 1993.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**8. Para I-A.8: Page 231 – Excessive Measurement – Rs.66,893**

Audit had observed: “The division measured and paid for 22765 rft PVC pipe whereas the length of trench was worked out to 20737 rft. This resulted in an excess payment of Rs.66,893 to a contractor in April 1993.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30

September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**9. Para I-A.9: Page 231 – Excessive Measurement – Rs.126,323**

Audit had observed: “The division paid for a quantity of 11340 Cft for pacca brick work instead of the admissible quantity of 4883 Cft as per approved drawing/design. This resulted in an excess payment of Rs.126,323 to a contractor in August 1993.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**10. Para I-A.10: Page 232 – Excessive Measurement – Rs.161,406**

Audit had observed: “The division measured and paid a quantity of 609080 Cft instead of the admissible quantity of 369375 Cft of earth-filling provided in the technically sanctioned estimate. This resulted in an excess payment of Rs.161,406 to the contractors in 1992.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**11. Para I-A.11: Page 232 – Excessive Measurement – Rs.141,686**

Audit had observed: “The division measured and paid 29753 rft asbestos cement pipe in trenches of length 25081 rft. Thus, 4672 rft asbestos cement pipe was laid in excess of the length of trenches. This resulted in an excess payment of Rs.141,686 during 1991-92.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**12. Para I-B.1: Page 233 – Excessive Rates – Rs.55,032**

Audit had observed: “The division measured and paid an item of PVC pipe 1 1/2” dia class-D at non-scheduled rate of Rs.17.25 per rft instead of the admissible rate of Rs.13.67 per rft as this was available in the Composite Schedule of Rates 1979 vide item 14(b) page-189. This resulted in an overpayment of Rs.55,032 to a contractor in June 1993.”

**2-3-99:** The Department explained that payment of 3<sup>2</sup> & 4<sup>2</sup> i/d P.V-C. pipe had been made which was covered by C.S.R. whereas PVC pipe 1½ i/d D-Class was not covered by CSR because pipe laying of blind pipes in tubewells and P/F water supply pipe line are not inter-changeable. If these had been inner changeable then there was no need to provide these items separately in the CSR. In a water supply pipe line any leakage damaged the surrounding structure which resulted in subsequent replacement by the contractor at his own cost. Contrary to this, in case of blind pipe there was no leakage effect. Moreover, the item paid included the cost of all kinds of specials e.g. bends, tees etc. Therefore, no excess payment was involved.

The PAC directed the Department to provide all the relevant record supporting the Departmental explanation to Audit for verification. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **13. Para I-B.2: Page 233 – Excessive Rates – Rs.79,449**

Audit had observed: “The division made an excess payment by allowing composite rate for the item of providing and fixing G.I. pipe which was required to be paid on labour rate as the pipe was issued by the Department. This resulted in an excess payment of Rs.79,449 to a contractor in April 1987.”

**2-3-99:** The Department explained that the first contractor supplied the pipe only without sockets and G.I. specials at site store. All the other items of work mentioned in the composite rate had to be carried out by the 2nd contractor which obviously could not be done on labour rates only as the work was to be done at the risk & cost of 1st contractor who died before execution of work. **The PAC accepted the explanation and the para was settled.**

### **14. Para I-B.3(i): Page 234 – Excessive Rates – Rs.55,096**

Audit had observed: “The divisions made payment @ Rs.21.05 per cft instead of the admissible rate of Rs.15.70 per Cft for reinforced cement concrete in base slab for construction of Punjab drain as it did not involve horizontal shuttering and also clarified by the Finance Department in May 1993. This resulted in an overpayment of Rs.55,096 to the contractors from July 1992 to June 1993.”

**1-3-99:** The Department explained that the case had been referred to the Standing Rates Committee for clarification in the matter.

The PAC directed the Department to get finalized the case from the Standing Rates Committee within three months. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **15. Para I-B.3(ii): Page 234 – Excessive Rates – Rs.55,096**

For Audit observation, *see* Sr.No.14 above.

**1-3-99:** The Department explained that para had been referred to the Standing Rates Committee for decision.

The PAC directed that the matter shall be got finalized from the Standing Rate Committee particularly to ascertain whether the correct rate was Rs.21.05 per cft or Rs.15.70 per cft for slabs. Matter should be got finalized within three months under intimation to the Additional Secretary Finance (Monitoring Wing). The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **16. Para I-B.4: Page 234 – Excessive Rates – Rs.69,241**

Audit had observed: “In the division rate for cement concrete in base slab for construction of Punjab drain was paid @ Rs.21.05 per Cft instead of admissible rate of Rs.15.70 per Cft as the operation of its execution did not involve horizontal shuttering as clarified by the Finance Department in May 1993. This resulted in an excess payment of Rs.69,241 from November 1991 to June 1993.”

**2-3-99:** The Department explained that the case had been referred to the Standing Rates Committee for clarification of the rate to be allowed for the R-C.C. used in the slabs.

The PAC directed that the case shall be got clarified by the Standing Rates Committee as



early as possible. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**17. Para I-B.5: Page 235 – Excessive Rates – Rs.131,991**

Audit had observed: “The division made payment for an item of reinforced cement concrete for base slab @ Rs.21.05 per Cft against the admissible rate of Rs.15.70 per cft as clarified by the Finance Department in May 1993. The incorrect application of rate resulted in an overpayment of Rs.131,991 to the contractors in May and June 1993.”

**1-3-99:** The Department explained that case had been referred to the Standing Rates Committee for clarification in the matter.

The PAC directed the Department to get finalized the case from the Standing Rates Committee within three months. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**18. Para I-B.6: Page 235 – Excessive Rates – Rs.111,729**

Audit had observed: “The division made payment for an item of reinforced cement concrete for base slab @ Rs.21.05 per Cft instead of the admissible rate of Rs.15.70 per Cft as per clarification of the Finance Department in May 1993. This resulted in an excess payment of Rs.111,729 to the contractors from March to June 1993.”

**1-3-99:** The Department explained that para had been referred to the Standing Rates Committee for decision.

The PAC directed that matter shall be got finalized from the Standing Rates Committee particularly to ascertain whether the correct rate was Rs.21.05 per Cft or Rs.15.70 per Cft for slabs. Matter should be got finalized within three months under intimation to the Additional Secretary Finance (Monitoring Wing). The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to**

**the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**19. Para I-B.7(i): Page 236 – Excessive Rates – Rs.75,337**

Audit had observed: “The divisions made payment @ Rs.21.05 per Cft instead of the admissible rate of Rs 15.70 per Cft for reinforced cement concrete for slabs over drains requiring no vertical shuttering in violation of the clarification of Finance Department of May 1993. This resulted in an excess payment of Rs.75,337 to the contractors from November 1992 to June 1993.”

**1-3-99:** The Department explained that the para had been referred to the Standing Rates Committee for decision.

The PAC directed that matter shall be got finalized from the Standing Rates Committee particularly to ascertain whether the correct rate was Rs.21.05 per cft or Rs.15.70 per cft for slabs. Matter should be got finalized within three months under intimation to the Additional Secretary Finance (Monitoring Wing). The para was kept pending.

**23-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**20. Para I-B.7(ii): Page 236 – Excessive Rates – Rs.75,337**

For Audit observation, *see* Sr.No.19 above.

**1-3-99:** The Department explained that para had been referred to the Standing Rates Committee for decision.

The PAC directed that matter shall be got finalized from the Standing Rates Committee particularly to ascertain whether the correct rate was Rs.21.05 per Cft or Rs.15.70 per Cft for slabs. Matter should be got finalized within three months under intimation to the Additional Secretary Finance (Monitoring Wing). The para was kept pending.

**23-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**21. Para I-B.8: Page 237 – Excessive Rates – Rs.284,428**

Audit had observed: “The division executed the item of laying jointing, cutting and disinfecting of asbestos cement pipe and paid composite rate plus premium of 57 percent instead of the Labour rate plus permissible premium. This resulted in an overpayment of Rs.284,428 to the contractors in 1990-91.”

**2-3-99:** The Department explained that the pipes for requisite works were arranged by the Department on approved rates contract in compliance with the Chief Engineers instructions on recoverable basis as per codal provisions. Rate of premium was reduced from 78% above CSR-1979 to 55% and 57% above CSR 1979 for P/L of Government furnished pipe of different sizes. The calling of tenders on labour rates was not found reasonable as in that case the Department had to bear additional expenses of collection, stockings, Watch & Ward of Material, Carriage of pipes etc. Therefore, the work was correctly carried out keeping in view the Government interest.

The PAC was not satisfied with the explanation and directed the Department that the officer responsible for the overpayment shall be proceeded against for disciplinary action under E & D Rules and overpaid amount shall be recovered from him. This action shall be completed within three months positively. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 2 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**22. Para I-B.9: Page 237 – Excessive Rates – Rs.214,147**

Audit had observed: “The division paid non-schedule rates of Rs.12.70, Rs.13.25 and Rs.13.50 per Cft for the item of work “providing and laying crush stone 3/4” under reinforced cement concrete pipes” based on unrealistic market rates instead of the admissible rates of Rs.7.62, Rs.8.27 and Rs.8.35 respectively derived from the Composite Schedule of Rates 1979 including quoted premium of the contractor. This resulted in an excess payment of RS.214,147 to the contractors in February, August and November 1992.”

**2-3-99:** The Department explained that rate analysis was carried out and resultantly rate of Rs.13 per Cft for 3/4” crushed stone was provided and subsequently sanctioned in the estimate. Accordingly the item of work was put to tender as non-schedule item and the lowest rates were approved by the S-E. The said item of work was got done against the approval accorded by S-E. and accordingly paid without involvement of any excess payment.

The PAC did not feel satisfied with the explanation and directed that payment of non-schedule item at higher rates over and above 4-1/2% shall be got condoned by the Finance Department. If no condonation then recovery shall be effected from the officer responsible after due process. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to**

**the following direction –**

The Department shall implement the directive of the PAC dated 2 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**23. Para I-B.10: Page 238 – Excessive Rates – Rs.69,462**

Audit had observed: “The division made payment for an item of reinforced cement concrete for base slab @ Rs.21.05 per Cft instead of the admissible rate of Rs.15.70 per Cft in violation of the clarification of the Standing Rate Committee of May 1993. This resulted in an overpayment of Rs.69,462 to the contractors in March, May and June 1993.”

**23-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**24. Para I-C.1: Page 238 – Excessive Lead – Rs.75,718**

Audit had observed: “The division made payment for the item of rehandling of gravel or excavated rock lead up to 50 feet in addition to the admissible items of excavation of rock dressed to grade including disposal of excavated Material with 100 feet provided vide item No.11 page 28 of the Composite Schedule Rates 1979. This resulted in an overpayment of Rs.75,718 to a contractor in July 1989.”

**2-3-99:** The Department explained that according to the provision of CSR-1979 the disposal of excavated Material means placing of the earth dug out of the trenches upto a distance of 100 feet if required. Whereas back filling mean shifting back of the excavated stuff as fill Material. Since both these items were two independent component in laying pipe lines, the cost of one could not be met out of the other unless provided specifically in the schedule of rates/ specification. As such there was no excess payment.

The PAC directed that the case shall be referred to the Standing Rates Committee for decision and The para was kept pending.

**23-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**25. Para I-C.2: Page 239 – Excessive Lead – Rs.303,934**

Audit had observed: “The division executed the item of earth work from outside borrow pit and made payment for a lead of one mile instead of the admissible lead of 1/2 mile sanctioned in the estimate. This resulted in an excess payment of Rs.303,934 to the contractors in 1990.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**26. Para I-D.1: Page 239 – Without Provision in the Estimates – Rs.92,345**

Audit had observed: “The division made payment for an item “providing/laying dry bricks pavement soling in streets” in such lanes which were neither provided in the site plan nor in the technically sanctioned estimate. This resulted in an excess payment of Rs.92,345 to a contractor in 1992.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**27. Para I-D.2: Page 240 – Without Provisions in the Estimates – Rs.117,812**

Audit had observed: “The division measured and paid the work in excess of provisions made in the design approved by the Chief Engineer. This resulted in an excess payment of Rs.117,812 to a contractor in March 1993.”

**1-3-99:** The Department explained that during the execution of work of storm water channel, the Municipal Committee Daska raised the road levels and as such the working levels were adopted according to the levels of newly constructed road/levels. At the time of Audit Inspection the Inspecting officer had agreed with Departmental viewpoint. Anyhow, overall quantity of different items of work were within the T.S. estimate.

The PAC was not satisfied with the explanation and directed the Department that overpaid amount shall be recovered from the officer who increased the masonry work alongwith disciplinary proceedings against him under E&D Rules. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**



The Department shall implement the directive of the PAC dated 1 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **28. Para I-E.1: Page 240 – Payment Against Administrative Instructions – Rs.150,964**

Audit had observed: “The division made payment for PVC sockets in contravention of the Chief Engineer’s orders of January 1985, according to which jointing of PVC pipes with PVC sockets was strictly disallowed. This resulted in an excess payment of Rs.150,964 to the contractors from August 1987 to October 1988.”

**1-3-99:** The Department explained that the work was done according to the T.S. Estimate and specification. Therefore, no overpayment or excess payment was involved.

The PAC **settled the para subject to verification** of T.S. Estimate alongwith other relevant record by Audit.

### **29. Para II-A.1: Page 241 – Non-Recovery of Secured Advance – Rs.231,336**

Audit had observed: “The division made payment on account of secured advance for 3000 feet G. I. Pipe and recovered the amount of secured advance only for 700 feet pipe. Neither the Department recovered the cost of the balance G.I. Pipe of 2300 feet nor taken back the pipe from the contractor. This resulted in Non-Recovery of Rs.231,336 (206,550 + 12% interest) of Government dues in March 1989.”

**2-3-99:** The Department explained that the work for which the secured advance in shape of G.I. pipe was given could not be executed due to a conflict between the land owners and contractor/Deptt: The matter remained un-resolved during the financial year. After the close of financial year the scheme became un-funded. The funds were being demanded during each year. Now, the Government has proposed a new scheme and the work had been taken in hand. The said pipe would be utilized in the new scheme.

The PAC did not feel convinced with the explanation and directed the Department to recover the secured advance with interest thereon from the officer who issued the secured advance without site and source. Disciplinary proceedings under E & D Rule may also be initiated against the defaulter. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 2 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **30. Para II-A.2: Page 242 – Non-Recovery of Secured Advance – Rs.151,940**

Audit had observed: “The division failed to recover the secured advance granted to four contractors for different schemes. This resulted in Non-Recovery of Government dues of Rs.151,940 from October 1983 to February 1986.”

**2-3-99:** The Department explained that secured advance had since been recovered from the contractor concerned.

The PAC **settled the para subject to verification of the final bill of the contractor by Audit** in which the balance amount of Rs.57,308 had been adjusted.

**31. Para II-A.3: Page 242 – Non-Recovery of Secured Advance – Rs.459,650 Reduced to Rs.281,750)**

Audit had observed: “The division incurred an expenditure as maintenance charges of a water supply sewerage system on behalf of Twon Committee Niaz Baig but did not make recovery thereof. This resulted in Non-Recovery of Government dues of Rs.459,650 since 1977-78.”

**1-3-99:** The Department explained that major portion of recovery had been made good and only an amount of Rs.4,015 had been left to be recovered.

The PAC **settled the para subject to verification** of recovery made by the Department.

**32. Para II-B.1: Page 243 – In Excess of Deposit – Rs.1,183,642**

Audit had observed: “The division incurred an expenditure of Rs.1,183,642 upto June 1993 without deposit or obtaining deposit from the respective Town Committee in contravention of the provisions of rule 7.130 of Departmental Financial Rules. This resulted in Non-Recovery of Rs.1,183,642 of Government dues since June 1993.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**33. Para II-B.2: Page 243 – In Excess of Deposit – Rs.8,058,487**

Audit had observed: “The division incurred an expenditure on deposit works/schemes either without deposit or in excess of deposit in contravention of the provisions of rule 7.130 of Departmental Financial Rules. The Department neither effected recovery nor placed outstanding amount in “Misc. P.W. Advances” to watch recovery. This resulted in Non-Recovery of Rs.8,058,487 of Government dues in 1985.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**34. Para III-A.1: Page 244 – Acceptance of Tenders at Higher Rates – Rs.437,904**

Audit had observed: “The division accepted tenders of different works at 104.93%, 26.77%, 18.65%, 15.05%, 16.75% and 16.32% above technically sanctioned amount instead of the permissible limit of 4.5% above in violation of ceiling fixed by the Government in Delegation of Financial Powers and Rules 1990. This resulted in a loss of Rs.437,904 to Government in May 1991, February, May and September 1992.”

**2-3-99:** The Department explained that excess expenditure involved was 4.5 % of the overall estimate. This minor excess was to be adjusted from saving of other Heads. All the schemes had been completed within the permissible limit of Admn: Approval.

The PAC directed the Department to refer the case to Finance Department for regularization of tender accepted above the ceiling of 4.5 %. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 2 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**35. Para III-A.2: Page 245 – Acceptance of Tenders at Higher Rates – Rs.657,651**

Audit had observed: “The division accepted tenders of three works at 27.10%, 38.09% and 45.80% above technically sanctioned amount against permissible limit of 4.5% in violation of ceiling fixed by the Government in Delegation of Financial Powers and Rules 1990. This resulted in a loss of Rs.657,651 to Government in July 1992 and May 1993.”

**1-3-99:** The Department explained that each scheme was completed within the permissible excess of 15 % over the Admn: Approval and 4.5 % over T.S. estimate. The said codal provisions were not violated in any case. The position was to be considered as whole project without any reference to the increase in item rate as well as scope of work etc. The funds for the various schemes were allocated by the Government in piecemeal and time period was stretched over several years. Tenders were invited according to the funds available in a particular financial year. With the passage of time

market rates had been increased. Therefore, the estimate was revised.

The PAC was not convinced with the explanation and directed the Department that an inquiry shall be conducted to ascertain as to who was responsible for the acceptance of tenders at higher rates. The defaulter shall be proceeded against under E & D Rules and loss shall be recovered from the defaulter after due process. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 1 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **36. Para III-A.3: Page 245 – Acceptance of Tenders at Higher Rates – Rs.280,325**

Audit had observed: “The division accepted tenders of three works at 8.76%, 9.83% and 10.04% above the amount of technically sanctioned estimate instead of the permissible limit of 4.5% fixed by the Government in Delegation of Powers and Rules 1990. This resulted in a loss of Rs.280,325 due to extra expenditure in June and November 1991 and July 1992.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **37. Para III-B.1: Page 246 – Shortage and Non-Accountal of Material – Rs.436,399**

Audit had observed: “In the division tools and plant Articles were found short against a sub-engineer at the time of taking/handing over charge in July 1992. The Department did not conduct any inquiry into the case for fixing responsibility for the shortage of its recovery. This resulted in a loss of Rs.436,399 to Government.”

**2-3-99:** The Department explained that all the T & P Articles had been handed over by the Sub Engineer concerned (Mr. Abdul Hamid Bhatti) to his successor except 5 No. Articles costing Rs.63,300. Therefore, the para shall be reduced to Rs.63,300.

The PAC kept the para pending for the verification of relevant record in support of recovery and accountal of shortage Articles by Audit.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**38. Para III-B.2: Page 247 – Shortage and Non-Accountal of Material – Rs.153,754**

Audit had observed: “In the division store Articles were found short against a sub-engineer in February 1988. The Department did not conduct any Departmental inquiry for fixing responsibility for the shortage and its recovery. This resulted in a loss of Rs.153,754 to Government.”

**2-3-99:** The Department explained that whole the recovery had been effected. The PAC **settled the para subject to verification of recovery by Audit** and disciplinary action against the defaulter Sub Engineers under E & D Rules.

**39. Para III-B.3: Page 247 – Shortage and Non-Accountal of Material – Rs.246,807**

Audit had observed: “The division made payment for 19061 rft pipe in the first instance which was subsequently reduced to 14050 rft in overall measurements and final bill turned into minus for Rs.33,038. The accountal of 5011 rft pipe was also not shown. This resulted in a loss of Rs.246,807 due to misappropriation of Material in 1992.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**40. Para III-C.1: Page 247 – Misappropriation of Material – Rs.118,750**

Audit had observed: “The division made payment for carriage of 20433 feet PVC pipe by charging the expenditure to the work. Only 18058 feet PVC pipe was got laid but the remaining quantity of 2375 feet PVC pipe was neither laid nor recovery thereof was made from the contractor. This resulted in misappropriation of Government Material amounting to Rs.118,750 in June 1986.”

**2-3-99:** The Department explained that 20312 Rft PVC pipe had been laid. The balance quantity of 121 Rft pipe was wasted in cut pieces during execution of work. The position had also been got verified by Audit. **The PAC accepted the explanation and the para was settled.**

**41. Para III-C.2: Page 248 – Misappropriation of Material – Rs.542,545**



Audit had observed: “The division made payment for supplying of cast iron spun with rubber rings without any provision in the technically sanctioned estimate of work to which the cost thereof was charged. The pipe was not actually received and fictitious debit to work was afforded to utilize the budget grant on the last day of the financial year. This resulted in misappropriation of Government Material amounting to Rs.542,545 in June 1992.”

**1-3-99:** The Department explained that the C.I. Spun pipe was purchased in 6/92 and was used in 6/97 on the work rehabilitation of sewerage and drainage in Theing More. Therefore, the amount under objection had since been adjusted against the said work of rehabilitation of sewerage & drainage.

The PAC was not convinced with the explanation and observed that the pipe was purchased in 6/92 and utilized in 6/97 which showed that purchase of pipe was made without any requirement. Therefore, PAC directed that officer responsible for the purchase of C.I. pipe on 30.6.1992 without any immediate requirement shall be proceeded against for disciplinary action under intimation to PAC and Audit. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 1 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **42. Para III-D.1: Page 248 – Non-Disposal of Material – Rs.2,905,248**

Audit had observed: “In the division stock Material had been lying in the stores since long. The Department neither used this Material on any work nor disposed it of. Unnecessary blockage of the Material worth lacs of rupees was not justified. Wear and tear/pilferage of the Material could not be ruled out. This resulted in non-disposal of Government Material of Rs.2,905,248 since June 1989.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **43. Para III-D.2: Page 249 – Non-Disposal of Material Rs.1,457,694**

Audit had observed: “The division failed to dispose of a large quantity of Material declared as unserviceable, since long. This would cause a loss to Government as its value was reducing day by day due to deterioration and also the chances of its pilferage could not be ruled out. This resulted in unnecessary blockage of unserviceable Material worth Rs.1,457,694 since August 1991.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**44. Para III-E.1: Page 249 – Negligence – Rs.86,000**

Audit had observed: “The division failed to credit depreciation charges to revenue as required under rules. This resulted in a loss of Rs.86,000 to Government 1979-80.”

**2-3-99:** The Department explained that the vehicles involved in the Audit observation had out lived their estimated life and as such the adjustment of depreciation charges was not justified. Mazda car No. LES-3768 was transferred to the Division concerned temporarily and was subsequently withdrawn.

**The PAC settled the para subject to verification of relevant record by Audit.**

**45. Para III-E.2: Page 250 – Negligence – Rs.137,872**

Audit had observed: “The division made payment to a contractor for an expenditure incurred in tubewell boring executed without trial bore which subsequently failed due to non-availability of strata. This resulted in a loss of Rs.137,872 to Government in September 1990.”

**2-3-99:** The Department explained that 10” dia boring for the proposed tubewell was carried out upto 415 feet but the water bearing formation was not appeared and a stony lair was found under neath. Therefore, a new site was selected and boring upto 425 feet indicated sufficient water bearing formation and as such the bore hole was converted into tubewell. This tubewell successfully worked for a long time. A revised estimate including the expenditure of un-successful tubewell bore was sanctioned by the S-E. concerned.

The Audit apprised the PAC that the S-E. was not competent to accord sanction in this regard. The PAC directed the Department to get regularize the expenditure by the Finance Department and if no regularization then loss shall be recovered from the officer responsible for the loss after due process under the rules. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 2 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**46. Para III-F.1: Page 250 – Sub-Standard Work – Rs.257,049**

Audit had observed: “The division allowed reduced rates for use of 2<sup>nd</sup> class bricks in the 3<sup>rd</sup> and 4<sup>th</sup> running bills for the items of “pacca brick work and providing/laying dry brick pavement”, thus compromising on the specification for which the engineer incharge was not competent to do against that provided in technically sanctioned estimate and agreement. The acceptance of sub-standard work and poor technical supervision resulted in a loss of Rs.257,049 to Government in 1992.”

**2-3-99:** The Department explained that according to the provisions of CSR-1979 the Engineer Incharge was fully competent to reduce the rates of pacca bricks by 7% to 14% in case of IInd Class & 3rd Class bricks were used. In this case the Engineer Incharge had classified 2nd class bricks and had therefore, reduced the rate by 7%. The plea of Audit was not supported by provisions of CSR-1979.

The PAC accepted the explanation and **the para was settled.**

**47. Para III-G.1: Page 251 – Payment at Higher Rates – Rs.363,583**

Audit had observed: “The division accepted the tenders for providing and laying asbestos cement pipe on composite rates instead of the Labour rates against the instructions of the Chief Engineer of January 1990 as the asbestos cement pipe was available with the Department. This resulted in a loss of Rs.363,583 to Government in January 1993.”

**2-3-99:** The Department explained that as per conditions laid down in the tender documents the required quantity of A-C. Pipes was to be supplied by the Department on recoverable basis. Accordingly the tender rates were approved by the S-E. concerned. As per comparative statement the cost of work was Rs.3,743,605 against estimated amount of Rs.4,583,832 and as such there was saving of Rs.786,307. Therefore, the work was got executed on much economical rates. The calling of tenders on labour rates, as desired by Audit, was not feasible and would have cost very high.

The PAC directed the Department and Audit to prepare comparative statements of their own so that both the statements could be compared to find out whether the rates paid were economical or otherwise. The comparison of both statements would be verified by Audit. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**48. Para IV-A.1: Page 252 – Enhancement of Agreemental Amount – Rs.879,967**

Audit had observed: “The division enhanced lowest bid amount from Rs.59,399 to Rs.879,967 without the approval of the competent Authority and against the Finance Department’s instructions of April 1993. This resulted in un-authorized expenditure of Rs.879,967 in September 1992.”

**2-3-99:** The Department explained that the lowest bidder was also willing to execute the remaining work at the same rates as per his undertaking dated 2.9.92 in this regard. As the rates already offered were reasonable and it was also apprehended that in fresh tendering high rates would be quoted by the bidders. Therefore, the competent Authority enhanced the tendered amount to Rs.879,967 by incorporating the balance work of the scheme in the schedule of quantities. No financial loss was involved.

The PAC was not satisfied with the explanation of the Department and directed to ascertain as to who was responsible for the irregularity in violation of order of Finance Department. Irregularity shall be got condoned by the Finance Department. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 2 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **49. Para IV-A.2: Page 253 – Enhancement of Agreemental Amount – Rs.2,915,592**

Audit had observed: “The division executed five agreements with different contractors with agreed amounts ranging from Rs.26,800 to Rs.600,000 which were subsequently enhanced for amounts ranging from Rs.187,000 to Rs.840,000 without the approval of the competent Authority against the instruction of Finance Department of April 1993. This resulted in an un-authorized expenditure of Rs.2,915,592 in October 1990, June and October 1991.”

**1-3-99:** The Department explained that work of Rural Water Supply & S/D scheme was required to be executed in two villages of Farrakhabad and Nain Sukh which were at the distance of six miles from each other. The execution in two villages by one contractor was not thought advisable by the competent Authority. Also the work had to be executed in consultation with local public representatives. Keeping in view these factors suitable groups of work were formed by the Engineer incharge. This grouping could not be termed as splitting up of work as the grouping was done as per necessity of circumstances. In subsequent years more funds had been received for the said schemes and therefore, the contracts had to be enhanced by the competent Authority on the previous rates.

The PAC was not convinced by the explanation of the Department and directed that irregular enhancement of contracts shall be got regularized by the competent Authority. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 1 March 1999 by 30

September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**50. Para IV-A.3: Page 253 – Enhancement of Agreemental Amount – Rs.3,850,000**

Audit had observed: “The division executed nine agreements with various contractors from May 1991 to August 1992 with contacts ranging from Rs.52,682 to 56,767 which were subsequently enhanced to amounts ranging from Rs.250,000 to Rs.1,200,000 without the approval of the competent Authority in violation of Finance Department’s instructions of April 1993. Irregular enhancement of agreed amount resulted in un-authorized expenditure of Rs.3,850,000 in 1991 and 1992.”

**1-3-99:** The Department explained that case had been referred to the Standing Rates Committee for clarification in the matter.

The PAC directed the Department to get finalized the case from the Standing Rates Committee within three months. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**51. Para IV-A.4: Page 254 – Enhancement of Agreemental Amount – Rs.2,944,300**

Audit had observed: “The division executed agreements with three contractors in May 1990 and September 1991 with agreed amount ranging from Rs.52,000 to Rs.279,011 which were subsequently enhanced for amounts ranging from Rs.662,000 to Rs.1,174,300 without the approval of the competent Authority as required by instructions of the Finance Department of April 1993. This resulted in an un-authorized expenditure of Rs.2,944,300.”

**1-3-99:** The Department explained that the original work was advertised in the press and the rates of lowest bidder were accepted as executing contractor. Subsequently the contractors were willing to execute the balance work of the scheme on the same rates. The Competent Authority enhanced the amount of agreement in the public interest. In case of fresh tendering there was every likelihood of higher rates and this could cause wastage of time and money.

The PAC directed the Department to get regularized the irregularity by the Finance Department. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be



reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **52. Para IV-B.1: Page 255 – Expenditure Without Provision in the Estimates – Rs.74,773**

Audit had observe: “The division made payments for supply of 61257 Cft earth for filling with one mile lead to five contractors on work orders basis and charged to different completed schemes. Neither the lead of one mile was approved by the competent Authority nor provided in the sanctioned estimates. This resulted in unjustified payment of Rs.74,773 to the contractors in December 1992.”

**1-3-99:** The Department explained that amount paid for the earth filling was far less than the amount provided in T.S. estimates of the different drainage schemes. As such no excess payment was made.

The PAC was not satisfied with explanation of the Department and observed that this transaction seemed to be superfluous. The PAC desired to know as to what were the reasons for procurement of earth on work order basis and why this item of work was not executed by the original contractor while earth filling was part and parcel of the work as a whole. Therefore, PAC directed that the matter shall be investigated to ascertain as to who was responsible for this superfluous item of work and excess paid amount shall be recovered from the defaulter. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 1 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **53. Para IV-B.2: Page 255 – Expenditure Without Provision in the Estimates – Rs.192,031**

Audit had observed: “The division dismantled an existing drain and re-constructed the same at the same place although there was no provisions in the technically sanctioned estimated. This resulted in an un-authorized expenditure of Rs.192,031 in 1993.”

**1-3-99:** The Department explained that work was executed as per site conditions. The level and conditions of the existing drains were not suited to the levels of new drains constructed against this scheme. Hence these had to be dismantled and type I & II drains as per design requirement were constructed. The entire work has been completed at a total cost of Rs.18.15 lac against the approved cost of Rs.18.49 lac. Therefore, no excess payment was involved.

The PAC accepted the explanation and **the para was settled.**

## **54. Para IV-B.3: Page 256 – Expenditure Without Provision in the Estimates – Rs.175,676**

Audit had observed: “The division measured and paid for an item of pacca brick work for side

wall whereas no such provision for the construction of sided wall was available in the technically sanctioned estimate. Similarly, thickness of reinforced cement concrete (R-C.C.) slab was measured 9” to 11” instead of the admissible thickness of 6” as provided in the sanctioned estimate. This resulted in an irregular/un-authorized expenditure of Rs.175,676 in 1993.”

**2-3-99:** The Department explained that revised detailed estimate incorporating the pacca brick work for side walls had been prepared and technically sanctioned by the Competent Authority. The entire scope of work on the scheme had been completed within the approved cost without involving any irregular/un-authorized expenditure.

**The PAC settled the para subject to verification** of revised estimate alongwith relevant record.

#### **55. Para IV-B.4: Page 256 – Expenditure Without Provision in the Estimates – Rs.1,950,000**

Audit had observed: “The acceptance of tender was linked with the technical sanction by the Finance Department in March 1990 to ascertain the reasonableness of rates received and to check the tendency of incurring expenditure without technical sanction of the competent Authority. The division however, incurred expenditure from 1990-91 to 1992-93 on the Health Education Programme in contravention of the above orders of Finance Department. This resulted in an irregular expenditure of Rs.1,950,000.”

**1-3-99:** The Department explained that estimate of Health Education Programme was of a special nature and therefore rates of advertisement/display on Radio/T.V. were obtained from different consultants/firms. Estimate in this regard was prepared. As it was special in nature so this estimate could not be sanctioned before award of contract. However, estimate covering the expenditure from the year 1990-91 to 1992-93 was got sanctioned from the S-E., P.H-E. circle, Lahore for an amount of Rs.2,877,700 inclusive of the amount of Rs.1,950,000. Therefore, there was no irregular incurring of expenditure.

The PAC was not satisfied with the explanation and directed the Department to conduct an inquiry to ascertain as to who was responsible for the irregularity in violation of orders of the Finance Department. The defaulter shall be proceeded against for disciplinary action specially S.E & XEN concerned. Irregularity shall be got condoned by the Finance Department. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 1 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **56. Para IV-C.1: Page 257 – Expenditure Against Financial Rules – Rs.755,450**

Audit had observed: “Delegation of Financial Powers 1990 authorizes a Superintending Engineer to sanction expenditure upto Rs.150,000 for local purchase during the period of one year without splitting the indent. Contrary to above instructions/rules, the division called for and accepted a tender for local purchase of Rs.298,960 by the Superintending Engineer in January 1993 which was enhanced to Rs.656,460 in April 1993 and again enhanced to Rs.755,450 in May 1993. This resulted in an irregular expenditure of Rs.755,450.”

**1-3-99:** The Department explained that the item of work was inclusive a huge work of photography, preparation of slides for display on projector and advertisement on Radio about the importance of drinking water for the human health. There was no splitting of work as all the work was of the same nature. The work was special in nature and got carried out by a firm. The agreement was subsequently enhanced from Rs.298,560 to Rs.755,460 by the XEN concerned who was empowered to do so.

The PAC was not satisfied with the explanation and directed the Department to conduct an inquiry to ascertain as to who was responsible for the irregularity in violation of the orders of the Finance Department. The defaulter shall be proceeded against for disciplinary action specially S.E & XEN concerned. Irregularity shall be got regularized by the Finance Department. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 1 March 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **57. Para V-A.1: Page 258 – Fictitious Payment – Rs.1,445,846**

Audit had observed: “ The division made doubtful payment to the contractor on account of providing 16000 rft 4” dia G.I.pipe to be laid whereas excavation had been made for 800 rft only. Thus, the payment for the quantity 15200 rft G.I.pipe without corresponding entry of excavation was unjustified and resulted in fictitious payment of Rs.1,445,846 to a contractor in August 1989.”

**2-3-99:** The Department explained that laying of 16850 Rft 4<sup>2</sup> 1/d G.I. pipe was allotted to the contractor against which a quantity of 16250 Rft had been laid. However the excavation in length of 14800 Rft was carried out by the contractor and paid upto the 9th & final bill. As such the pipe in length of 1450 Rft was laid in an open surface because of rocky soil strata. This laying of 1450 Rft pipe in open surface was also certified by the S-E. concerned. **The PAC accepted the explanation and the para was settled.**

#### **58. Para V-B.1: Page 258 – Embezzlement – Rs.340,134**

Audit had observed: “In the division a sum of Rs.556,460 was fraudulently withdrawn by an

official of the division out of interest bearing securities of various contractors lying in the National Bank of Pakistan out of which an amount of Rs.216,326 only was re-deposited. This resulted in embezzlement of Rs.340,134 in March and June 1992.”

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

## Actionable Paras Annexure Paras

1. Para No.17(A)25(2) (1960-61) Page 461 read with Serial No.1 of Audit Report for the year 1993-94 – Excess Expenditure – Rs.4,970,000.
2. Para No.131(i) (1965-66) Page 461 read with Serial No.2 of Audit Report for the year 1993-94 – Shortage of Material – Rs.48,778.
3. Para No.131(ii) (1965-66) Page 461 read with Serial No.3 of Audit Report for the year 1993-94 – Shortage of Tools and Plants Articles – Rs.23,433.
4. Para No.131(iii) (1965-66) Page 461 read with Serial No.4 of Audit Report for the year 1993-94 – Shortage of Tools and Plants Articles – Rs.86,523.
5. Para No.135(i) (1965-66) Page 461 read with Serial No.5 of Audit Report for the year 1993-94 – Shortage of Tools and Plants Articles – Rs.35,996.
6. Para No.131(vi) (1965-66) Page 461 read with Serial No.6 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.38,948.
7. Para No.161 (1966-67) Page 462 read with Serial No.7 of Audit Report for the year 1993-94 – Overpayment – Rs.5,846.
8. Para No.126(ii) (1968-69) Page 462 read with Serial No.8 of Audit Report for the year 1993-94 – Shortage of Material – Rs.20,632.
9. Para No.126(iii) (1968-69) Page 462 read with Serial No.9 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.73,236.
10. Para No.128 (1968-69) Page 462 read with Serial No.10 of Audit Report for the year 1993-94 – Shortage of Stores/Material – Rs.41,240.
11. Para No.129 (1968-69) Page 462 read with Serial No.11 of Audit Report for the year 1993-94

**– Mis-Appropriation of Material/Stores – Rs.35,294.**

**12. Para No.131 (1968-69) Page 462 read with Serial No.12 of Audit Report for the year 1993-94 – Non-Recovery – Rs.7,528.**

**13. Para No.118 (1970-71) Page 463 read with Serial No.13 of Audit Report for the year 1993-94 – Excess Payment – Rs.30,983.**

**14. Para No.120 (1970-71) Page 463 read with Serial No.14 of Audit Report for the year 1993-94 – Overpayment – Rs.135,379.**

**15. Para No.124(i) (1970-71) Page 463 read with Serial No.15 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.13,597.**

**16. Para No.124(8)(14) (1970-71) Page 463 read with Serial No.16 of Audit Report for the year 1993-94 – Shortage of Tools & Plants Articles – Rs.12,235 & 374,221.**

**17. Para No.125 (1970-71) Page 463 read with Serial No.17 of Audit Report for the year 1993-94 – Non-Recovery of Liquidated Charges – Rs.118,199.**

**18. Para No.136 (1970-71) Page 464 read with Serial No.18 of Audit Report for the year 1993-94 – Loss to Government – Rs.57,373.**

**19. Para No.137 (1970-71) Page 464 read with Serial No.19 of Audit Report for the year 1993-94 – Non-Recovery – Rs.30,355.**

**20. Para No.138 (1970-71) Page 464 read with Serial No.20 of Audit Report for the year 1993-94 – Overpayment – Rs.8,932.**

**21. Para No.70 (1971-72) Page 464 read with Serial No.21 of Audit Report for the year 1993-94 – Purchase of Material Without Requirement – Rs.38,663.**

**22. Para No.74(2) (1971-72) Page 464 read with Serial No.22 of Audit Report for the year 1993-94 – Loss Due to Shortage of Stores – Rs.11,340.**

**23. Para No.74(3) (1971-72) Page 465 read with Serial No.23 of Audit Report for the year 1993-94 – Shortage of Material – Rs.56,960.**

**24. Para No.75 (1971-72) Page 465 read with Serial No.24 of Audit Report for the year 1993-94 – Non-Recovery – Rs.34,792.**

**25. Para No.90 (1971-72) Page 465 read with Serial No.25 of Audit Report for the year 1993-94**



**– Overpayment – Rs.5,362.****26. Para No.91 (1971-72) Page 465 read with Serial No.26 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.143,223.****27. Para No.106(IV) (1972-73) Page 465 read with Serial No.27 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.42,935.****28. Para No.106(v) (1972-73) Page 466 read with Serial No.28 of Audit Report for the year 1993-94 – Shortage of Material – Rs.102,829.****29. Para No.120 (1972-73) Page 466 read with Serial No.29 of Audit Report for the year 1993-94 – Loss of Rs. 50,038.****30. Para No.115 (1972-73) Page 466 read with Serial No.30 of Audit Report for the year 1993-94 – Loss to Government – Rs.21,454.****31. Para No.17 (1973-74) Page 466 read with Serial No.31 of Audit Report for the year 1993-94 – Infertuous Expenditure – Rs.27,800.****32. Para No.15 (1975-76) Page 466 read with Serial No.32 of Audit Report for the year 1993-94 – Non-Recovery – Rs.10,393.****33. Para No.19(v) (1975-76) Page 466 read with Serial No.33 of Audit Report for the year 1993-94 – Loss of Store – Rs.5,188.****34. Para No.12-1(1) (1978-79) Page 466 read with Serial No.34 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.110,000.****35. Para No.12(4)(i) (1978-79) Page 467 read with Serial No.35 of Audit Report for the year 1993-94 – Mis-Appropriation of Store – Rs.21,544.****36. Para No.12(4)(ii) (1978-79) Page 467 read with Serial No.36 of Audit Report for the year 1993-94 – Shortage of Matrerial – Rs.187,688.****37. Para No.67(2) (1981-82) Page 467 read with Serial No.37 of Audit Report for the year 1993-94 – Overpayment – Rs.128,784.****38. Para No.68(i) (1981-82) Page 467 read with Serial No.38 of Audit Report for the year 1993-94 – Wasteful Expenditure – Rs.1,040,500.****39. Para No.68(2) (1981-82) Page 467 read with Serial No.39 of Audit Report for the year 1993-**

**94 – Loss to Government – Rs.25,243.**

**40. Para No.69(i) (1981-82) Page 467 read with Serial No.40 of Audit Report for the year 1993-94 – Non-Recovery of Mobilization Advance – Rs.518,698.**

**41. Para No.69(3) (1981-82) Page 468 read with Serial No.41 of Audit Report for the year 1993-94 – Loss to Government – Rs.84,389.**

**42. Para No.69(7) (1981-82) Page 468 read with Serial No.42 of Audit Report for the year 1993-94 – Loss to Government – Rs.34,700.**

**43. Para No.69(8) (1981-82) Page 468 read with Serial No.43 of Audit Report for the year 1993-94 – Loss to Government – Rs.20,939.**

**44. Para No.70(1) (1981-82) Page 468 read with Serial No.44 of Audit Report for the year 1993-94 – Mis-Appropriation of Material – Rs.232,009.**

**45. Para No.70(3) (1981-82) Page 468 read with Serial No.45 of Audit Report for the year 1993-94 – Mis-Appropriation of Material – Rs.34,167.**

**46. Para No.71(5) (1981-82) Page 468 read with Serial No.46 of Audit Report for the year 1993-94 – Non-Recovery – Rs.23,982.**

**47. Para No.72(1) (1981-82) Page 468 read with Serial No.47 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.48,728.**

**48. Para No.72(2) (1981-82) Page 469 read with Serial No.48 of Audit Report for the year 1993-94 – Loss Due to Hire Charges – Rs.73,033.**

**49. Para No.132(1) (1982-83) Page 469 read with Serial No.49 of Audit Report for the year 1993-94 – Fictitious Utilization of Budget – Rs.464,500.**

**50. Para No.132(2) (1982-83) Page 469 read with Serial No.50 of Audit Report for the year 1993-94 – Non-Recovery – Rs.90,334.**

**51. Para No.133(1) (1982-83) Page 469 read with Serial No.51 of Audit Report for the year 1993-94 – Non-Recovery – Rs.73,629.**

**52. Para No.134(i) (1982-83) Page 469 read with Serial No.52 of Audit Report for the year 1993-94 – Non-Recovery – Rs.152,311.**

**53. Para No.134(ii) (1982-83) Page 470 read with Serial No.53 of Audit Report for the year 1993-**

**94 – Non-Recovery From Local Bodies – Rs.33,625.**

**54. Para No.135(i) (1982-83) Page 470 read with Serial No.54 of Audit Report for the year 1993-94 – Shortage of Material – Rs.71,232.**

**55. Para No.135(ii) (1982-83) Page 470 read with Serial No.55 of Audit Report for the year 1993-94 – Embezzlement/Theft of Stores – Rs.60,370.**

**56. Para No.136(i) (1982-83) Page 470 read with Serial No.56 of Audit Report for the year 1993-94 – Excess payment – Rs.126,000.**

**57. Para No.136(ii) (1982-83) Page 470 read with Serial No.57 of Audit Report for the year 1993-94 – Loss to Government – Rs.14,456.**

**58. Para No.104(3) (1983-84) Page 470 read with Serial No.58 of Audit Report for the year 1993-94 – Excess Payment – Rs.17,874.**

**59. Para No.105(1) (1983-84) Page 470 read with Serial No.59 of Audit Report for the year 1993-94 – Mis-Appropriation of Material – Rs.365,823.**

**60. Para No.105(3) (1983-84) Page 471 read with Serial No.60 of Audit Report for the year 1993-94 – Mis-Appropriation of Material – Rs.12,803.**

**61. Para No.106(2) (1983-84) Page 471 read with Serial No.61 of Audit Report for the year 1993-94 – Loss to Government – Rs.309,473.**

**62. Para No.108(2) (1983-84) Page 471 read with Serial No.62 of Audit Report for the year 1993-94 – Shortage of Stores, Tools & Plant Articles – Rs.173,300.**

**63. Para No.112(2) (1983-84) Page 471 read with Serial No.63 of Audit Report for the year 1993-94 – Non-Recovery – Rs.48,600.**

**64. Para No.112(3) (1983-84) Page 471 read with Serial No.64 of Audit Report for the year 1993-94 – Loss Due to Non-Recovery From the Contractor – Rs.17,781.**

**65. Para No.113(2) (1983-84) Page 471 read with Serial No.65 of Audit Report for the year 1993-94 – Non-Recovery – Rs.200,909.**

**66. Para No.113(3) (1983-84) Page 471 read with Serial No.66 of Audit Report for the year 1993-94 – Non-Recovery – Rs.85,235.**

**67. Para No.115 (1983-84) Page 472 read with Serial No.67 of Audit Report for the year 1993-94**

– Embezzlement of Cash – Rs.57,300.

68. Para No.116 (1983-84) Page 472 read with Serial No.68 of Audit Report for the year 1993-94 – Non-Forfeiture of Security Deposit – Rs.31,065.

69. Para No.117 (1983-84) Page 472 read with Serial No.69 of Audit Report for the year 1993-94 – Embezzlement – Rs.29,286.

70. Para No.11(i) (1984-85) Page 472 read with Serial No.70 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.181,232.

71. Para No.11(ii) (1984-85) Page 472 read with Serial No.71 of Audit Report for the year 1993-94 – Non-Recovery of Material – Rs.56,132.

72. Para No.11(iii) (1984-85) Page 472 read with Serial No.72 of Audit Report for the year 1993-94 – Fictitious Receipt and Issue of Stock – Rs.108,717.

73. Para No.11(iv) (1984-85) Page 472 read with Serial No.73 of Audit Report for the year 1993-94 – Loss to Government – Rs.58,820.

74. Para No.1(6) (1984-85) Page 472 read with Serial No.74 of Audit Report for the year 1993-94 – Excess Payment – Rs.99,719.

75. Para No.11(7) (1984-85) Page 472 read with Serial No.75 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.217,504.

76. Para No.ii(8) (1984-85) Page 473 read with Serial No.76 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.14,546.

77. Para No.iii(5) (1984-85) Page 473 read with Serial No.77 of Audit Report for the year 1993-94 – Shortage of Tools & Plant Articles – Rs.12,570.

78. Para No.iii(6) (1984-85) Page 473 read with Serial No.78 of Audit Report for the year 1993-94 – Shortage of G.I. Pipe – Rs.320,481.

79. Para No.1(1) (1985-86) Page 473 read with Serial No.79 of Audit Report for the year 1993-94 – Loss Due to Defective Execution of Work – Rs.18,000.

80. Para No.1(2) (1985-86) Page 473 read with Serial No.80 of Audit Report for the year 1993-94 – Loss Due to Defective Execution of Work – Rs.23,577.

81. Para No.1(3) (1985-86) Page 473 read with Serial No.81 of Audit Report for the year 1993-

**94 – Overpayment – Rs.116,209.****82. Para No.11(3) (1985-86) Page 474 read with Serial No.82 of Audit Report for the year 1993-94 – Non-Recovery on Account of Mobilization Advance – Rs.629,229.****83. Para No.11(5) (1985-86) Page 474 read with Serial No.83 of Audit Report for the year 1993-94 – Non-Recovery/Cost of Steel – Rs.12,010.****84. Para No.iv(1) (1985-86) Page 474 read with Serial No.84 of Audit Report for the year 1993-94 – Infuctuous Expenditure – Rs.606,518.****85. Para No.vi(1) (1985-86) Page 474 read with Serial No.85 of Audit Report for the year 1993-94 – Fraudulent Payment – Rs.15,890.****86. Para No.vii(1) (1985-86) Page 474 read with Serial No.86 of Audit Report for the year 1993-94 – Mis-Appropriation of Government Material – Rs.60,042.****87. Para No.viii(1) (1985-86) Page 475 read with Serial No.87 of Audit Report for the year 1993-94 – Non-Receipt of Material – Rs.276,970.****88. Para No.1(5) (1985-86) Page 475 read with Serial No.88 of Audit Report for the year 1993-94 – Overpayment – Rs.31,700.****89. Para No.1(7) (1985-86) Page 475 read with Serial No.89 of Audit Report for the year 1993-94 – Excess payment – Rs.117,300.****90. Para No.1(8) (1985-86) Page 475 read with Serial No.90 of Audit Report for the year 1993-94 – Overpayment – Rs.134,764.****91. Para No.1(9) (1985-86) Page 475 read with Serial No.91 of Audit Report for the year 1993-94 – Overpayment – Rs.165,751.****92. Para No.ii(2) (1985-86) Page 476 read with Serial No.92 of Audit Report for the year 1993-94 – Non-Recovery on Account of Risk and Cost – Rs.19,800.****93. Para No.iii(3) (1985-86) Page 476 read with Serial No.93 of Audit Report for the year 1993-94 – Shortage of Material – Rs.70,600.****94. Para No.iii(4) (1985-86) Page 476 read with Serial No.94 of Audit Report for the year 1993-94 – Non-Disposal of Unserviceable Stock – Rs.1,539,131.****95. Para No.iii(5) (1985-86) Page 476 read with Serial No.95 of Audit Report for the year 1993-94 – Infuctuous Expenditure – Rs.59,600.**

**23-5-02:** The Committee directed that the Department should comply with the directives of the PAC by 30 September 2002 in respect of the above mentioned 95 paras (Sr. No.1 to 95 above) and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The paras (Sr. No.1 to 95 above) were kept pending.**



## Performance Audit Report

on

### Sewerage and Drainage Scheme, Gujrat, Phase-I

**30-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working papers** with Audit comments along with the proposals for improving the performance of the projects. The steps being taken to improve their economy, efficiency and effectiveness, should also be indicated in the working papers.

## Performance Audit Report

on

### Construction of Underpass at Jail Road Canal Crossing, Lahore.

**30-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working papers** with Audit comments along with the proposals for improving the performance of the projects. The steps being taken to improve their economy, efficiency and effectiveness, should also be indicated in the working papers.

# Industries and Mineral Development Department

## Overview

Total Paras	Civil	Commercial
<b>67</b>	<b>4</b>	<b>63</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  <b>39</b>	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	<b>Commercial:</b> 3 (xvi to xix), 17, 20, 89, 90, 91, 93, 96, 97, 98, 106, 107, 108, 109, 110, 114, 115, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 133, 135, 137, 139, 140, 142, 144	<b>39</b>
<b>Paras Finally Settled</b>  <b>2</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 16.2, 16.4	<b>2</b>
<b>Paras Conditionally Settled</b>  <b>26</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Civil:</b> 16.1, 16.3	<b>2</b>
		<b>Commercial:</b> 17, 18, 19, 21, 22, 92, 94, 95, 99, 100, 101, 102, 103, 104, 105, 111, 112, 113, 116, 132, 134, 136, 138, 141, 143	<b>24</b>
<b>Paras Pended</b>	Performance Audit Report was pended because the Committee decided to have working paper for consideration.	<b>Performance:</b> Report on Small Industries Estate Project, Faisalabad.	

**Discussed on 3 August 1998, 29 April and 30 May 2002**

## Civil Audit

### 1. Para 16.1: Page 152 – Outstanding Recoveries Against Contractors – Rs.543,113

Audit had observed: “An amount of Rs.543,113 representing recoveries against the contractors on account of lease of minerals under the jurisdiction of Deputy Director, Mineral Development D.G. Khan was outstanding since long. No effective steps were taken to recover the amount, which was a violation of Rule 4.1 of PFR Vol.1. Strenuous efforts were required to effect the recovery.”

**3-8-98:**The Department explained that licensing authority had reduced the recoverable amount of Rs.273,742 pertaining to D.G. Khan to Rs.152,303. Out of the reduced amount of Rs.152,303 an amount of Rs.83,300 had been recovered.

The Public Accounts Committee was not satisfied with the explanation as the Department could not justify the reduction in the recoverable amount neither any plausible explanation was offered regarding the balance recovery of Rs.459,812

The PAC directed the Department to institute an enquiry and fix responsibility for accumulation of Government revenue and non-recovery of the same in time from the contractors. Disciplinary action may also be taken against the defaulters under the rules. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 3 August 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para 16.2: Page 152 – Loss to the Extent of Rs.57,443 – Price Less Charged Than Cost Price**

Audit had observed: “The Department sold stitched clothes to various parties at less than the cost price and thus put the Government to a loss of Rs.57,442 which needs to be recovered and deposited.”

**3-8-98:** The Department explained that no item was sold at less rate than cost price, as such, the Government had suffered no loss. Clothes were sold at sale price based on cost price + gross profit of 8%. Stitching charges were also included in overhead charges. The explanation was accepted and **the para was settled.**

## **3. Para 16.3: Page 152 – Blockade of Government Money – Rs.3,258,430**

Audit had observed: “The Department manufactured the cloth of various qualities and size without demand. The sale of which is no longer expected. The cost of such cloth worked out to Rs.3,258,430.

The Department had to pay Rs.13,000 daily as labour/pay charges.

The blockage of such heavy amount needs to be justified and effective steps taken to dispose them off to avoid their deterioration.”

**3-8-98:** The Department explained that cloth was manufactured according to the requirement of different Departments/hospitals and the same had since been supplied to them.

The PAC **settled the para subject to the verification** of relevant record containing the demands of Departments/hospitals by Audit.

#### **4. Para 16.4: Page 153 – Overpayment of Pay & Allowances of Rs.22,194**

Audit had observed: “Hafiz Jamil Ahmad, Stentoring Master was on Ex-Pakistan leave for 730 days w.e.f. 1<sup>st</sup> February, 1989 to 1<sup>st</sup> February, 1991 out of which 120 days were on full pay and the remaining 610 days on half pay. He was not entitled to any conveyance allowance which he continued to draw throughout his leave period. As such he over drew a sum of Rs.22,194 which needs to be recovered from him.”

**3-8-98:** The Department explained that the said amount of Rs.22,194 had since been recovered from the person concerned and deposited into the Treasury, which had been verified by Audit. The explanation was accepted and **the para was settled.**

## **Commercial Audit**

### **1. Para 3(xvi to xix): Pages 5-6 – Non Compilation of Accounts**

Audit had observed: “23 current and 29 arrears accounts which have not been compiled and/or sent by the organizations to Audit are listed below:

(xvi) Government Weaving and Finishing Centre, Shahdra, Lahore 1990-91 to 1993-94

(xvii) Government Wool Spinning and Weaving Development-cum Training Centre, Jhang 1989-90 to 1993-94

(xviii) Punjab Mineral Development Corporation, Lahore 1992-93 to 1993-94

(xix) Punjab Small Industries Corporation, Lahore 1993-94”

**30-5-02:** The PAC **noted** the contents of the Audit paras and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that the accounts are compiled and submitted to Audit on time.

## **2. Para 17: Page 21 – Unjustified and Avoidable Expenditure of Rs.482,725 On Account of A Pajero Jeep**

Audit had observed: “In Punjab Industrial Development Board Sugar Mills at Kamalia, the Board of Directors, under the directive of Government of Punjab, appointed an M.P.A. as the nominee director of the Government on the Board of the company with effect from August 28, 1989. A Pajero Jeep bearing No.TSA-244 was purchased for Rs.450,626 in December, 1989, and was placed at the disposal of the concerned M.P.A. All the repairs and maintenance expenses of the Jeep, alongwith pay and allowances and bonus of the driver, TA/DA of the MPA., POL expenses of the vehicle amounting to Rs.482,725 from December, 1989 to May 1992 were incurred by Kamalia Sugar Mills.”

**30-5-02:** The Committee **noted the para** as the Mills had since been wound up.

## **3. Para 18: Page 21 – Non-Recovery of Rs.418,783 On Account of Sale Proceeds of Goods in International Fairs**

Audit had observed: “In Punjab Small Industries Corporation (HO), Lahore a sum of Rs.418,783 was lying outstanding from different parties since 1980-81 to 1984-85 on account of the cost of goods sent to international fairs through Directorate of Export.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter may be decided by the SDAC and further necessary action may be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## **4. Para 19: Page 22 – Non Recovery of Mis-Utilized Loan of Rs.347,052 From a Loanee**

Audit had observed: “In Punjab Small Industries Corporation District Development Office, Kasur, a loan of Rs.300,000 was disbursed upto October 1, 1990 in favour of Mr Aslam Randhawa for setting up M/s Aslam Randhawa Oil Mills, Kasur. However, the party established a poultry farm at the same site instead of Oil Mills. Thus the amount of loan was misutilized by the loanee. Hence lumpsum recovery of the loan i.e. Rs.347,052 including mark up and admn. charges was required to be made form the above loanee but the management did not make recovery of any amount from the loanee.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30



September 2002. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **5. Para 20: Page 22 – Wasteful Expenditure of Rs.2.172 Million Due to Operating Dehi Mazdoor Training Centres at Unsuitable Places**

Audit had observed: “The Punjab Small Industries Corporation opened five new Dehi Mazdoor Training Centres during the year 1982-83 for providing technical training to rural people as approved by the Planning and Development Department of the Punjab Government. Out of these; one centre initially proposed for Kot Mithan was established at Fort Munro without proper survey of location after its approval through PC-1. The centre did not work satisfactorily there and was shifted to Sakhi Sarwar in 1986-87 after incurring expenditure of Rs.781,600 from 1982-83 to 1986-87. Even the centre at Sakhi Sarwar could not function properly as only six mazdoors could be trained during 1986-87 to 1990-91 against the target of 67 trainees, incurring an expenditure of Rs.1,389,910 on the functioning of the centre. Keeping in view the poor performance of the centre at Sakhi Sarwar it was shifted to Kot Mithan in 1991-92; originally proposed site for the center where it was functioning satisfactorily. Thus due to wrong planning and establishing centres at unsuitable places, the Corporation incurred wasteful expenditure of Rs.2,171,510 upto 1990-91.”

**30-5-02:** The Committee **noted the para** with the observation that the Department may take appropriate action to settle the observation.

#### **6. Para 21: Page 23 – Non-Recovery of Rs. 690,239 as Arrears of Land Revenue**

Audit had observed: “In Punjab Small Industries Corporation, Regional Office, Lahore a loan of Rs.425,000 was disbursed to M/s Abdullah Oil Industries Batapur Lahore upto July 12, 1987. The loan was sanctioned in 1986 and 1st installment towards repayment of loan was due on July 11, 1988. The party not only defaulted on 1st installment but also defaulted on all subsequent installments. Thus an amount of Rs.690,239 including 7% mark up and 3% admn. charges were recoverable from the party on July 11, 1993. No action was taken to recover the loan as arrears of land revenue.”

**30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**7. Para 22: Page 24 – Loss of Rs.56,145 Due to Non-Recovery of Advance From the Suppliers**

Audit had observed: “In Small Industries Corporation Pottery Development Centre, advances amounting to Rs.56,145 were outstanding against suppliers since 1985 and 1986.”

**30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**8. Para 89: Page 58 – Working Results of the Punjab Government Printing Press, Bahawalpur For the Years 1992-93 and 1993-94**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Press.

**9. Para 90: Page 58 – Work-in-Progress**

Audit had observed: “Although, the declining trend of the balance under the head ‘Work-in-Progress’ was noticed, i.e. Rs.3.462 million as on June 30, 1994 and Rs.3.925 million as on June 30, 1993 as compared with Rs.4.110 million as on June 30, 1992, the desirability of finalization of maximum work in future needs to be considered”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results of the Press in the light of the suggestion/observation of the Audit.

**10. Para 91: Page 58 – Physical Verification of Assets**

Audit had observed: “Fixed assets valuing Rs.1.293 million (1992-93 = Rs.1.338 million) were shown to have been possessed by the Press as on 30th June, 1994. No physical verification of these assets was carried out at the close of the financial year 1993-94, in the absence of which, the above amount did not represent the real value of these assets. In order that the real value in respect thereof could be ascertained, necessary action to conduct physical verification of all the fixed assets needs to be taken and results reported as early as possible”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working of the Press.

## **11. Para 92: Page 58 – Non-Recovery of Sundry Debts**

Audit had observed: “Sundry debts increased from Rs.0.059 million as on June 30, 1992 to Rs.0.497 million as on June 30, 1993 and Rs.0.6561 million as on June 30, 1994. Early recovery/adjustment of these sundry debts is stressed upon the management”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **12. Para 93: Page 58 – Non-Maintenance of Books of Accounts**

Audit had observed: “The accounts for the years 1993-94 and 1992-93 were based on various statements and certain Memorandum Registers, as was done in the past. Since no proper books of accounts were maintained, the figures appearing in these accounts cannot be held as authentic. The need to maintain proper books of account is once again impressed upon the management”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results of the Press in the light of the suggestion/observation of the Audit.

## **13. Para 94: Page 59 – Outstanding Advance Deposits**

Audit had observed: “Stationery Depot, Punjab Government Press, Bahawalpur was closed with effect from 1st November, 1993, under Government order dated 5th October 1993. The Stationery office did not perform any operational activities during the period under review. A sum of Rs.0.114 million (1992-93 = Rs.0.100 million) was spent on pay and allowances of the staff of the defunct Depot during the year, 1993-94. The closing capital of the Depot stood at (-) Rs.0.900 million on 30th June 1993 and (-) Rs.0.900 million) at the closing of the financial year 1993-94. The minus balance of the closing capital was adjusted against advance deposit amounting to Rs.0.917 million during the year 1992-93 and 1993-94. These advance deposit of Rs.0.917 million were lying outstanding during both the years 1992-93 and 1993-94. The said adjustment of minus closing capital amounting to Rs. (-) 0.900 million during 1993-94 and of the same amount during 1992-93 against advance deposits amounting to Rs.0.917 during both the years needs approval of the Government of the Punjab, which should be obtained early”.

**30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **14. Para 95: Page 59 – Incorrect Income Statement**

Audit had observed: “The Depot incurred expenditure, in aggregate, amounting to Rs.0.114 million and Rs.0.100 million during the years 1993-94 and 1992-93 respectively. The expenditure was offset against credit balances to the same extent in the Income Statement under the heading “No profit/No loss” during the years under review, which was incorrect. Neither, the Depot earned any income nor did it receive any subsidy/grant from the Government which could offset the aforesaid expenditure, resulting in “No profit-No loss” during these two years. In fact these were the “Deficits” of two years 1992-93 and 1993-94 (excess of expenditure over income) which accumulated to Rs.0.214 million at the close of the financial year, 1993-94. Either the deficits need to be shown distinctly in the accounts or the Government be approached to obtain specific grant/subsidy equal to aggregate expenditure during the years under review as well as in the years to come”.

**30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of

the PAC.

### **15. Para 96: Page 59 – Improper Books of Accounts**

Audit had observed: “The figures appearing in these accounts (for 1993-94 and 1992-93) were not authentic as the same were recorded on various statements, registers and other memorandum record instead of keeping proper books of account essentially required in commercial accounting.”

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results of the Depot in the light of the suggestion/observation of the Audit.

### **16. Para 97: Page 60 – Working Results of Government Printing Press Punjab, Lahore For the Years 1983-84 to 1993-94**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Press.

### **17. Para 98: Page 62 – Incorporation of Work in Progress**

Audit had observed: “ The work in progress on closing of the given years had been shown in the production account. No work in progress at the closing of years 1983-84 to 1988-89 has been incorporated in accounts which is unbelievable in an industrial unit. Therefore, the accounts for the years 1983-84 to 1988-89 do not depict true picture of the affairs of the press and loss thus remained under stated which needs to be justified”.

**30-5-02:** The Committee **noted** the contents of the para.

### **18. Para 99: Page 62 – Suspence Head**

Audit had observed: “The shortages and excesses were found to have been debited/credited to the Profit & Loss Account/Trading Account. The shortages and excesses should have been placed under suspense head of account and action for charging them off taken only after thorough investigation of excesses and shortages. This may kindly be done”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**



The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **19. Para 100: Page 63 – Shortages and Excesses in Accounts**

Audit had observed: “The shortages and excesses detected during the specific years were charged/taken into account less. The loss was therefore over/under stated to the extent. This may please be looked into and justified”.

#### **30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **20. Para 101: Page 63 – Shortages in Accounts**

Audit had observed: “The shortages detected as a result of physical verification during the years 1989-90 to 1993-94 were neither charged to the accounts nor placed under suspense head of account as advised earlier. Thus shortages remained unaccounted for in the accounts. The reasons for the same may please be stated”.

#### **30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **21. Para 102: Page 63 – Non-Accountal of Adjustments**

Audit had observed: “Misc. adjustments of Rs.1.045 million made in the stores on account of revaluation of stores i.e. local bodies/union council/marketing committees forms and registers and other forms and Registers during the year 1987-88 were not accounted for in the accounts as result the loss was overstated to that extent. The commission may be looked into and adjustments made in future years accounts”.

#### **30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30

September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **22. Para 103: Page 64 – Non-Accountal to Government – Responsibility Not Fixed**

Audit had observed: “The press sustained a loss of Rs.0.658 million on account of deterioration of stores of Pakistan Law Report and Civil List, other publications and Gazette etc. during the years 1988-89 to 1990-91. The loss occurred due to excess printing of Law Report, Civil List and other publications without assessment of actual requirements for which responsibility needs to be fixed. Moreover, the losses so sustained were not accounted for in the accounts for the respective years and the loss in these years remained understated to that extent. This also needs to be looked into”.

### **30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **23. Para 104: Page 64 – Shortages and Excess Not Accounted**

Audit had observed: “Shortages and excess shown in the material account during the years under review were neither charged nor taken into account. Thus the loss was over/under stated to that extent”.

### **30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **24. Para 105: Page 64 – Non-Maintenance of Books of Accounts**

Audit had observed: “In a fire incident in the press on 15th August, 1989 the stocks and stores and assets of Rs.52.514 million were burnt out. The loss of fixed assets of Rs.17.554 million was adjusted in the accounts for the year 1990-91 by reducing assets, Rs.31.100 million in the year 1991-92 by reducing balances of stores and stocks and remaining loss of Rs.3.860 million through an adjustment without investigation. An enquiry may be instituted for fixing responsibility. Neither judicial/departmental enquiry report regarding fire incident broke out in August 1989 was produced to assess the reasons and responsibility of the incident nor the basis of the loss worked out made known to audit. Hence the authenticity of the same could not be ensured. The same may be done next year”.

### **30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **25. Para 106: Page 64 – Non-Maintenance of Books of Accounts**

Audit had observed: “The books of accounts were not maintained on commercial pattern. The figures appearing in the accounts under examination were posted/adopted from certain statements etc. Therefore, the authenticity of same is open to doubt. Need for maintaining the books of accounts on commercial pattern is stress upon”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps for maintenance of books of accounts on commercial pattern.

#### **26. Para 107: Page 64 – No Financial Review on Accounts**

Audit had observed: “No financial Review on the accounts for the year 1983-84 to 1993-94 was prepared by the press management”.

**30-5-02:** The Committee **noted** the contents of the para.

#### **27. Para 108: Page 65 – Non-Reflection of Accounts**

Audit had observed: “The Provincial Stationery Office, Lahore was abolished with effect from 1st November 1993, vide Government of the Punjab, Finance Department Lahore’s letter No.BI-3(103)92, dated 5th October 1993 as economy measures suggested by the Economy Committee constituted by the Chief Minister, Punjab, Lahore. Therefore, the accounts of Provincial Stationery Office, Lahore for the year 1993-94 reflect the 4 months activities only”.

**30-5-02:** The Committee **noted** the para but observed that the Organization no longer existed.

#### **28. Para 109: Page 65 – Working Results of Provincial Stationery Office, Punjab Lahore for the years 1989-90 to 1993-94**

Audit had observed: “ Working results of Provincial Stationery office, Lahore for the years 1989-90 to 1993-94 as compared with the year 1988-89 are as given in the table. The Provincial Stationery Office, Lahore earned profits of Rs.0.329 million in 1989-90 and Rs.1.467 million in 1990-91 but sustained losses of Rs.0.340 million in 1991-92, Rs.1.128 million in 1992-93 and Rs.0.838 million in 1993-94. The increase in profit in 1990-91 was due to 94.96% increase in sales as compared to the year 1989-90 and decrease in cost of Sales from 93.84% to 93.75% despite increase in Admn and other

expenses from 1.260 million in 1989-90 to Rs.1.677 million in 1990-91. The losses in the years 1991-92, 1992-93 and 1993-94 can be attributed to the reasons of decrease in sales as compared to the year 1990-91”.

**30-5-02:** The Committee **noted the para** but observed that the Organization no longer existed.

## **29. Para 110: Page 65 -- Non-Accountal of Debts**

Audit had observed: “Neither the details of Sundry debtors was provided nor ages of the debts were made known to audit. Provision for doubtful debts was also not made in the accounts for the year 1989-90- to 1993-94. Debts of Rs.0.964 million stood as on 30th June 1992 were however, written off/adjusted during the year 1992-93 through capital account without obtaining specific approval of the competent authority which needs to be justified”.

**30-5-02:** The Committee **noted the para** that the Organiztion no longer existed.

## **30. Para 111: Page 66 – Non-Reconciliation of Figures**

Audit had observed: “The figures of withdrawals and remittances into treasury during the years under review were not reconciled with the Audit Office/Department. Needful needs to be done now”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **31. Para 112: Page 66 – Non-Accountal of Stores**

Audit had observed: “The stock valuing Rs.0.223 million as on 30th June 1994 includes unserviceable/unusable stores valuing Rs.0.136 million (Rs.0.065 million unserviceable Rs.0.071 million unusable) which need to be written off/disposed off under the orders of competent authority and rest of the stores transferred to Government of Punjab Press, Lahore”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of

the PAC.

### **32. Para 113: Page 66 – Asset Register Not Maintained**

Audit had observed: “No Assets Register was produced during examination of accounts and as such the assets and depreciation charged thereon in accounts for the year 1989-90 to 1993-94 remained unverified”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **33. Para 114: Page 66 – Deterioration of Fixed Assets**

Audit had observed: “Fixed Assets valuing Rs.0.241 million (Rs.0.342 million– Depreciation Reserve Fund Rs.0.101 million) may either be disposed off or transferred to Government of Punjab Press/Controller’s Office, Lahore, if required, to save it from deterioration with the passage of time”.

**30-5-02:** The Committee **noted the para** that the Organization no longer existed.

### **34. Para 115: Page 66 – Advance Deposit Not Liquidated/Adjusted**

Audit had observed: “Deposits received in advance amounting to Rs.23.677 million as on 30th June 1994 represents the amount received in advance from various Government departments for the supply of stationery etc. The liability needs to be liquidated/adjusted at the earliest”.

**30-5-02:** The Committee **noted the para** that the Organization no longer existed.

### **35. Para 116: Page 66 – Non-Adjustment of Surplus Staff**

Audit had observed: “The surplus staff of the defunct Provincial Stationery Office need to be adjusted in accordance with the decision of Reviewing Committee constituted by the Chief Minister, as and when received, in order to minimize the financial burden on the defunct Provincial Stationery Office, Punjab, Lahore”.

**30-5-02:** The Committee **noted the para** but observed that the Organization no longer existed.

### **36. Para 117: Page 66 – Non-Maintenance of Books of Accounts**



Audit had observed: “No books of accounts on commercial pattern have been maintained as such the authenticity of accounts is open to doubt”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**37. Para 118: Page 67 – Working Results of Punjab Industrial Development Board, Lahore for the year 1992-93 and 1993-94**

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

**38. Para 119: Page 68 – Decrease in Capital Work-in-Progress**

Audit had observed: “The capital work-in-progress decreased to Rs.1.764 million at the end of the year under review from Rs.37.461 million at the end of the previous year. The decrease of Rs.35.697 million was not due to capitalization of the work-in-progress, but it was due to writing off of capital works-in-progress. The reasons due to which the capital work could not be materialized even after incurring heavy expenses of Rs.35.697 million needs to be investigated with a view to making recovery of the loss by fixing responsibility”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

**39. Para 120: Page 68 – Non-Accountal of Charges**

Audit had observed: “Other Charges” of Rs.24.812 million stand debited to Income and Expenditure Account of the Board for the year under review against “other charges” of Rs.61.960 million debited to the said account during the previous year. The nature and detail of such heavy charges was not given by the management in the notes to the account despite demand and advice of audit vide para 81 of the Audit Report for the year 1992-93. The necessary details of these charges were also not furnished to audit even on demand. Audit would again stress upon the management to provide details of these charges and disclose their nature and break up through the notes to accounts in future”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

**40. Para 121: Page 69 – Working Results of Kamalia Sugar Mills Limited, Kamalia for the year ended September 30, 1994**

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

#### **41. Para 122: Page 70 – Outdated Stores and Spares**

Audit had observed: “The stock of stores, spares and loose tools increased from Rs.30.090 million at the end of the previous year to Rs.33.761 million at the end of the year under review. The stock of Rs.30.090 million at the end of the previous year was sufficient to meet nine year’s requirement of the company at the consumption rate of Rs.3.315 million of the year 1993-94, the addition of Rs.3.671 million in the stock of stores and spares during the year under review is indicative of the fact that the same mostly consisted of obsolete and unserviceable stores and spares otherwise there was no need of making fresh purchase. The increase in the stock of stores and spares needs to be justified”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

#### **42. Para 123: Page 70 – Increase in Trade Debts**

Audit had observed: “The trade debtors increased from nil balance at the end of the previous year to Rs.1.968 million at the end of the year under review. The management has been making unsecured credit sales due to which the full recovery may not be possible. The credit sale policy may be reviewed and vigorous efforts made to recover the outstanding amount from the debtors”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

#### **43. Para 124: Page 70 – Increase in Stock in Trade**

Audit had observed: “The stock in trade increase to Rs.107.535 million at the end of the year under review from Rs.29.367 million at the end of the previous year. The increase of 266.15% in the stock-in-trade warrants special attention of the management to sell the stock of sugar so as to release the blocked up funds and to minimize the burden of financial charges”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

#### **44. Para 125: Page 70 – Doubtful Advances**

Audit had observed: “The balance of Advances, Deposits, prepayments and other receivables also increase to Rs.45.849 million at the end of the year under review from Rs.30.625 million at the end of the previous year. The balance included doubtful advances of Rs.1.831 million in respect of which no provision has been made in the accounts. The balance advances, deposits, prepayments and other receivables need to be reduced by making recovery and the reasons for which the advances of Rs.1.831 million became doubtful of recovery be investigated”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

**45. Para 126: Page 71 – Working Results of Pattoki Sugar Mills Limited, Pattoki for the year ended September 30, 1994**

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

**46. Para 127: Page 72 – Increase in Stock-in-Trade**

Audit had observed: “The stock in trade increased to Rs.58.963 million at the end of the current year from 21.943 million at the end of the previous year. The stock mostly consisted of sugar and molasses which increased by 167.10% and 998.71% respectively over the previous year. Since the company is running on borrowed funds on which financial charges of Rs.23.202 million and Rs.15.725 million were paid during the years 1992-93 and 1993-94 respectively, the stock needs to be disposed of so as to minimize the burden of financial charges”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

**47. Para 128: Page 72 – Increase in Trade Debts**

Audit had observed: “Similarly, the trade debtors and advances, repayments and other receivables increased from 0.009 million and Rs.12.922 million at the end of the previous year to Rs.3.611 million and Rs.17.384 million respectively at the end of the year under review. The increase of 41389.96% in unsecured trade debts over the previous year, out of borrowed funds, not only needs recovery, but also needs justification”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

**48. Para 129: Page 73 – Working Results of Punjab Mineral Development Corporation, Lahore for the years 1990-91 and 1991-92**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Corporation.

**49. Para 130: Page 74 – Increase in Trade Debts**

Audit had observed: “Although the trade debtors decreased from Rs.13.078 million on June 30, 1990 to Rs.7.244 million on June 30, 1991 year again increased to Rs.15.938 million on June 30, 1992. Year wise analysis of trade debtors was not provided to audit in the absence of which the ages of debts and prospects of recovery could not be verified. Necessity of the preparation of year-wise and part wise details is enjoined upon the Management”.

**30-5-02:** The Committee **noted the para** with the direction that the requisite information may be provided to the Audit for further necessary action.

**50. Para 131: Page 74 – Increase in Stores and Spares**

Audit had observed: “Stores and spares increased from Rs.5.193 million on June 30, 1991 to Rs.7.63 million on June 30, 1992 registering an increase of 47.06% over the previous year. Reasons of building up a huge inventory within a year need to be explained and steps taken to avoid such accumulation in future”.

**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results of the Corporation in the light of the suggestion/observation of the Audit.

**51. Para 132: Page 75 – Increase in Value of Advances**

Audit had observed: “Similarly, Advances, deposits and prepayments and other receivables increased from Rs.8.099 million on June 30, 1990 to Rs.9.982 million on June 30 in 1991 and Rs.13.705 million on June 30, 1992. Reasons of abnormal increase under this head and progress of recovery may be stated”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**52. Para 133: Page 76 – Working Results of Punjab Small Industries Corporation for the years 1991-92 and 1992-93**

**30-5-02:** The Committee **noted the working results** with the direction that the Department should take effective steps to improve the working of the Corporation.

**53. Para 134: Page 77 – Increase in Receivable Interest**

Audit had observed:

“(i) Interest receivable increase from Rs.7.733 million as June 30, 1991 to Rs.10.029 million as on June 30, 1992 and Rs.31.020 million as on June 30, 1993.

(ii) Mark up receivable also increase from Rs.2.424 million as on June 30 1991 to Rs.8.687 million as on June 30, 1992 and Rs.18.510 million as on June 30, 1993.

(iii) Advance, deposits and prepayments increase from Rs.37.149 million as on June 30, 1991 to Rs.44.381 million as on June 30, 1992 but slightly decreased to Rs.43.215 million as on June 30, 1993.

(iv) The same amount of Rs.65.895 million was outstanding at the end of three

financial years under “Roll Over Scheme C/A”.

(v) Accounts receivable amounted to Rs.20.496 million as on June 30, 1993.

The increase in the above balance needs to be explained. Early recovery/ adjustment of the above debtors and other receivable is stressed upon the Management”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **54. Para 135: Page 78 – Increase in Value of Loan**

Audit had observed: “The disbursement of loan has increased to a great extent in 1991-92 and 1992-93 as compared to the year 1990-91. The present position of the loans recovered and outstanding needs to be stated”.

**30-5-02:** The Committee **noted the para.**

#### **55. Para 136: Page 78 – Non-Profitable Investment**

Audit had observed: “A sum of Rs.55.152 million (1991-92 = Rs.165.457 million and 1990-91 = Rs.236.465 million) was invested in National Saving Scheme during the year 1992-93. The investment was made to cover expenditure incurred on retirement and pensionary benefits of the Corporation employees. A separate Trust needs to be created for this purpose. For as long as such a Trust is not created, the upto date liability of all the employees on account of their prospective retirement needs to be determined and the short fall of amount so far invested be fully provided which may not be utilized by the Corporation for its own business in future”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **56. Para 137: Page 78 – Non-Accountal of Stock**

Audit had observed: “Finished goods stock was valued at Rs.17.138 million as on 30th June 1993 (30th June 1992 = Rs.14.778 million and 30th June 1991 = Rs.12.065 million). The ever increasing trend in valuation of goods stock at the close of each financial year needs to be controlled effectively so that the public funds are not unnecessarily locked up and the Corporation is saved as far as possible from suffering any possible financial losses as this account”.



**30-5-02:** The Committee **noted the para** with the direction that the Department should take effective steps to improve the working and financial results of the Corporation in the light of the suggestion/observation of the Audit.

#### **57. Para 138: Page 78 – Non Accountal of Sundry Debts**

Audit had observed: “Sundry Debtors stood at 8.171 million at the close of financial year 1992-93 (1991-92 = Rs.8.048 million). No year wise analysis of these debtors’ balance was prepared with the result that their position regarding recoverability or otherwise could not be determined. Early preparation of year wise analysis of all the debtors’ balance is stressed upon the management. Credit sale in the Corporation also needs to be discouraged as far as possible so that the debtors’ balance could be reduced in the days to come”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **58. Para 139: Page 79 – Non-Recovery of Bad Debts**

Audit had observed: “Bad debts provision amounting to Rs.1.294 million existed in the accounts for the year 1992-93. The provision was created in the accounts during the past years and its balance was being brought forward unchanged in the accounts for the subsequent years. Since no further movement in the said previous Account has been noticed since long, the above amount was apparently provided in the accounts to meet any possible irrecoverability of certain specific debts, details of which need to be provided for further examination and scrutiny”.

**30-5-02:** The Committee **noted the para subject to** the following direction –

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **59. Para 140: Page 79 – Physical Verification of Fixed Assets**

Audit had observed: “Fixed assets valuing Rs.240.681 million were shown possessed by the Corporation at the close of the financial year 1992-93. The same included value of land Rs.112.416 million, building, Rs.40.751 million, roads Rs.17.088 million, Sewerage and Water Rs.22.980 million, leased hold property Rs.1.437 million free hold property Rs.3.235 million and consultant fee Rs.0.127 million. Remaining value of Rs.42.647 million pertained to assets like machinery and equipment, tools and implements, Office equipments, furniture and fixture, installation vehicles, boons and kilns etc. No physical verification of these assets was carried out as on 30th June 1993 or at any subsequent date, with the result that the above amount represent merely the book value in respect thereof. In order that their real value could be ascertained, effective steps need to be taken to conduct physical verification of all the fixed assets without further loss of time”.

**30-5-02:** The Committee **noted the para subject to** the following direction –

The Department shall take action in accordance with the observations/ suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **60. Para 141: Page 79 – Non-Scrutinization of Documents**

Audit had observed: “A sum of Rs.0.975 million was placed under the heading “Subsidy from Dutch Government in the accounts for the period under review. The amount in question was being brought forward from previous years without any change in its status. The original documents through which the said amount was received from the Dutch Government need to be scrutinized with a view to finding its real status and its correct position shown in the accounts for the subsequent years accordingly”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **61. Para 142: Page 79 – Non-Valuation of Stock**

Audit had observed: “The annual accounts of the Corporation for the year under review consist of three statements i.e. balance sheet income and expenditure account and schedule of fixed assets. Notes to the accounts in support of these financial statements have not been given. In the absence of notes to the accounts the nature and change in balances of accounting heads cannot be ascertained. The basis of treating income and valuation of stores and stocks and other significant accounting policies are not

forthcoming from the accounts under review. The needful is required to be depicted through the notes of the accounts for the year 1993-94 and onward so as to facilitate easy reading, understanding and analysis of such financial statements by any individual/user. In this regard financial statements of the organization like Punjab Mineral Development Corporation, Punjab Industrial Development Board, Kamalia Sugar Mill, Pattoki Sugar Mills under the administrative control of the same Department of the Government of Punjab, are referred to”.

**30-5-02:** The Committee **noted the para.**

#### **62. Para 143: Page 79 – Non-Preparation of Financial and Working Review**

Audit had observed: “Financial and working review has not been prepared and furnished by the Corporation for the years 1990-91, 1991-92 and 1992-93. In the absence of the same operational commercial and development activities of the Corporation in other than monetary terms, could not be ascertained, examined and commented upon. The need for the preparation of Financial Review for each is stressed upon the management”.

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **63. Para 144: Page 79 – Non-Approval of Annual Accounts**

Audit had observed: “The annual accounts for the years 1991-92 and 1992-93 were not yet approved by the Board of Directors”.

**30-5-02:** The Committee **noted the para.**

## **Performance Audit Report on Small Industries Estate Project, Faisalabad of Punjab Small Industries Corporation**

The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working papers** with Audit comments along with the proposals for improving the performance of the projects. The steps being taken to improve their economy, efficiency and effectiveness should also be indicated in the working papers.



# Irrigation & Power Department

## Overview

Total Paras	Works	Civil	Revenue Receipts	Annexure Paras	Commercial
548	143	2	6	396	1

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  <b>2</b>	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	<b>Revenue Receipts:</b> 10.1  <b>Commercial:</b> 3(xx)	<b>1</b>  <b>1</b>
<b>Paras Finally Settled</b>  <b>5</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 15.1(referred to Agriculture Department)  <b>Works:</b> I-A.1, II-C.1, III-C.1, V-B.1	<b>1</b>  <b>4</b>
<b>Paras Conditionally Settled</b>  <b>143</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Civil:</b> 15.2 <b>Works:</b> I-A.2, I-A.3, I-A.4, I-A.5, I-A.6, I-A.7, I-A.8, I-A.9, I-A.10, I-A.11, I-A.12, I-A.13, I-A.14, I-A.15, I-A.16, I-A.17, I-A.18, I-A.19, I-B.1, I-B.2, I-B.3, I-B.4, I-B.5, I-B.6, I-B.7, I-B.8, I-B.9, I-B.10, I-B.11, I-B.12, I-B.13, I-B.14, I-B.15, I-B.16, I-B.17, I-B.18, I-C.1, I-C.2, I-C.3, I-C.4, I-C.5, I-C.7, I-C.8, I-C.9, I-C.10, I-C.11, I-C.12, I-C.13, I-C.14, I-C.15, I-C.16, I-D.1, I-D.2, I-D.3, I-D.4, I-D.5, I-D.6, I-D.7, I-E.1, I-E.2, I-E.3, I-E.4, I-F.1, I-F.2, II-A.1, II-A.2, II-A.3, II-A.4, II-A.5, II-A.6, II-A.7, II-A.8, II-A.9, II-B.1, II-B.2, II-B.3, II-B.4, II-B.5, II-B.6, II-B.7, II-C.2, II-D.1, II-D.2, II-F.1, III-A.1, III-A.2, III-A.3, III-A.4, III-A.5, III-A.6, III-A.7, III-A.8, III-A.9, III-A.10, III-A.11, III-A.12, III-A.13, III-B.1, III-B.2, III-B.3, III-B.4, III-B.5, III-B.6, III-B.7, III-C.2, III-C.3, III-C.4, III-C.5, III-C.6, III-C.7, III-D.1, III-D.2, III-D.3, III-D.4, III-D.5, III-D.6, III-E.1, IV-A.1, IV-A.2, IV-A.3, IV-A.4, IV-A.5, IV-A.6, IV-A.7, IV-B.1, IV-B.2, IV-B.3, IV-B.4, IV-B.5, V-A.1, V-A.2, V-A.3, V-B.2, V-B.3, VI-A.1, VI-A.2, VI-B.1.  <b>Revenue Receipts:</b> 8(A), 8(B)(1), 8(B)(2), 8(C), 8(D)	<b>1</b>  <b>137</b>  <b>5</b>
<b>Paras Pended</b>	Paras pended either because the Department had not taken	<b>Works:</b> I-C.6, II.E.1	<b>2</b>



398	satisfactory action or the Committee decided to have working paper for consideration..	Annexure Paras: Sr. No. 1 to 396	396
		Revenue Receipts:	
		Subject Study  Abiana (Water Rate, Occupiers' Rates)	

**Discussed on 5 May, 3 August, 5-7 October 1998, 29 April, 23 and 30 May, 2002**

## Civil Audit

### **1. Para 15.1: Page 150 – Irregular Utilization of Funds for Rs.80,114 – Purchase of Store Articles**

Audit had observed: “Rs.80,114 was provided for Expenditure in the Office of Project Director, Fordwah Eastern Sadiqia (South) Project, Bahawalnagar but this amount was spend on Purchase of Store Articles and other misc: Expenditure for the office of the Water-management Specialist, Bahawalnagar, (Haroonabad) under Phase-III Project.”

**3-08-98:** The Department explained that Draft Para 15.1 related to Agriculture Department and therefore, the same shall be referred to Agriculture Department for explanation before the PAC

The Audit also supported the Department. Accordingly the PAC directed that **Draft Para 15.1 shall be deleted** from the Irrigation and Power Department and referred to the Agriculture Department for necessary explanation before the PAC

### **2. Para 15.2: Page 150 – Overpayment of Conveyance Allowance – Rs.134,819**

Audit had observed: “The conveyance allowance would not be admissible to cases where office and residential buildings are located within the same boundary wall but the officials were drawing the conveyance allowance in contravention of Government instructions. The Overpayment of Rs.134,819 worked out on this Account for the period from 18 March 1990 to 31 May 1992 needs to be recovered from the officials concerned.”

**3-08-98:** The Department explained that the payment of conveyance allowance was stopped from August 1992. The recovery of the amount already paid had also been started and first instalment was recovered in January 1993. Meanwhile, the aggrieved staff filed a writ petition in the High Court against the recovery order. The Court suspended the recovery of conveyance allowance. The case being followed up in the court.

The PAC kept the para pending and directed the Department to pursue the case in the court.

**29-4-02:** On consideration of the facts of the case, **the Committee decided to settle the para subject to the decision** of the competent court. The recovery, if any, be effected and got verified from the Audit by 30 September, 2002. The Finance Department shall monitor the implementation of the directive of the PAC.

## Works Audit

### 1. **Para I-A.1: Page 154 – Excessive Rates – Rs.73,917**

Audit had observed: “The division measured and paid @ Rs.119.35 per % numbers instead of the admissible rate of Rs.59.75 per % numbers for an item of dressing and chamfering of bricks. This resulted in an Overpayment of Rs.73,917 to the Contractors in June 1993.”

**7-10-98:** The Department explained that bricks used for construction of wheel guards Para pets corner/cornice and arches which required dressing and chamfering of bricks as the work was of special architectural nature. The rate of Rs.119.35 was Sanctioned by the Chief Engineer, Sargodha in the original estimate and paid accordingly. Thus, there was no Overpayment.

The PAC accepted the explanation and **settled the para.**

### 2. **Para I-A.2: Page 154 – Excessive Rates – Rs.84,050**

Audit had observed: “The division made Payment for carriage of 145044 cft stone from quarry to site of works involving lead of 99 and 97 miles at the rate of Rs.313.11 and Rs.307.95 per % cft instead of the admissible rate of Rs.282.61 and Rs.277.45 per % cft respectively. This resulted in an Overpayment of Rs.84,050 to the Contractors during March 1990 to October 1990.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### 3. **Para I-A.3: Page 154 – Excessive Rates –Rs.336,092**

Audit had observed: “The division executed the item of earthwork compaction vide item 24(a)(b)(ii) page 32-33 instead of the item 25(ii) page 33 of the Composite Schedule of Rates (CSR) 1979 and paid rate of Rs.57.78 and Rs.61 per % cft instead of the admissible rate of Rs.41.40 per % cft as per decision of the Public Accounts Committee of 17 April 1990. Incorrect application of rate resulted in an Overpayment of Rs.336,092 between May and August 1990.”

**7-10-98:** The Department explained that 95% density of compaction was required as per specification of the consultant which could be achieved only by animal driven rollers. The said roller was arranged by the Contractor as the same was not available in the Division. Therefore, the rate of Rs.61 had correctly been paid and no recovery was Due.

The PAC kept the para pending and directed the Department to produce (i) T.S. Estimate (ii) date of NIT/BOQ (iii) Contract agreement (iv) All the connected M.Bs. and (v) final bill of the Contractor to Audit for verification.

**23-5-02:** Reiterating the decision of the PAC dated 7 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **4. Para I-A.4: Page 155 – Excessive Rates – Rs.69,251**

Audit had observed: “The division measured and paid @ Rs.144.40, Rs.153.60, Rs.162.80, Rs.135.20, Rs.172 and Rs.181 per % cft instead of the admissible rate of Rs.121.40 per % cft provided in technically Sanctioned estimate by allowing Excessive lead. This resulted in an Excess Payment of Rs.69,251 to various Contractors in April 1993.”

**5-10-98:** The Department explained that the estimate was Sanctioned on the basis of actual lead which was as per site conditions. All the Payments were made on the basis of actual lead provided in the Technical Sanction, while Audit had framed the observation on the basis of lead provided in the work order which was tentative. Therefore, there was no Irregularity involved.

The PAC kept the para pending and directed the Department to get verified the record by Audit up to 23 October 98.

**23-5-02:** Reiterating the decision of the PAC dated 5 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **5. Para I-A.5: Page 155 – Excessive Rates – Rs.61,104**

Audit had observed: “The division paid @ Rs.21.05 per cft instead of the admissible rate of Rs.15.70 per cft vide item 5(a)(ii)(3) page 53 of the Composite Schedule of Rates (CSR) 1979 for the item of reinforced cement concrete (RCC) in transom slab. This resulted in an Overpayment of Rs.61,104 in 1987.”

**5-10-98:** The Department explained that Contractors had been asked to deposit the overpaid amount in accordance with the decision of Standing Rates Committee.

The Public Accounts Committee kept the para pending for recovery from the Contractors and verification of the same by Audit.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **6. Para I-A.6: Page 156 – Excessive Rates – Rs.58,491**

Audit had observed: “The division measured the item of borrow pit excavation undressed lead up to 250 feet and paid @ Rs.128.90 per % cft instead of the admissible rate of Rs.119.70 per % cft. This resulted in an Overpayment of Rs.58,491 to a Contractor in March 1993.”

**5-5-98:** The Department explained that according to technical Sanction the lead of earthwork was up to 350 feet. Therefore, the Payment for 350 feet earthwork had been made and no Overpayment was involved.

The representative of the Finance Department apprised the Public Accounts Committee that the Contractor had himself claimed Payment for 250 feet lead and it was astonishing that the Department paid for 350 feet lead.

The Public Accounts Committee directed the Department to conduct an inquiry into the matter and fix responsibility for the said

Overpayment of Rs.58,491. The Para was kept pending.

**6-10-98:** The Department explained that as per previous directive of Public Accounts Committee the inquiry was being conducted which was expected to be finalized very soon.

The Public Accounts Committee kept the para pending for completion of inquiry and fixing responsibility for the Overpayment within a month.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the ara subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **7. Para I-A.7: Page 156 – Excessive Rates – Rs.166,980**

Audit had observed: “The division paid incorrect rate of Rs.148.20 per % cft for supply of stone pitching instead of the admissible rate of Rs.137.50 per % cft vide item No.27 and 29(a) page 113-134 of the Composite Schedule of Rates (CSR) 1979. The incorrect application/computation of rate resulted in an Overpayment of Rs.166,980 to various Contractors from June 1987 to November 1988.”

**6-10-98:** The Department explained that rate for supply of stone pitching was correctly applied and no Overpayment was made.

PAC directed the Department to refer the case to the Standing Rates Committee to resolve the dispute of rates. The Department was further directed that relevant record like (i) T.S. estimate (ii) NIT (iii) BOQ/Agreement (iv) Stock register for Account of stone (v) Total issue and consumption of stone and (vi) All connected M.Bs shall be produced to Audit for verification. The Para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 6 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **8. Para I-A.8: Page 157 – Excessive Rates – Rs.73,543**

Audit had observed: “The division paid an incorrect rate of Rs.298.14 per % cft for carriage of stone from Sakhi Sarwar quarry to site of work with lead of 47 miles instead of the admissible rate of Rs.284.69 per % cft as provided in the Composite Schedule of Rates 1979 and paid in a similar work to another Contractor. This resulted in an Overpayment of Rs.73,543 to the Contractor in March 1992.”

**6-10-98:** The Department explained that the rate applied for the supply of stone with the lead of 47 miles from Sakhi Sarwar quarry to site of work was correct rather less as compared to the quantity/quality of work. Therefore, there was no loss to the Government.

The PAC kept the para pending for verification of record in support of the explanation by Audit.

**23-5-02:** Reiterating the decision of the PAC dated 6 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**9. Para I-A.9: Page 157 – Excessive Rates – Rs.56,679**

Audit had observed: “The division made Payment for carriage of stone from quarry to site of work with average lead of 131 miles @ Rs.323.16 per % cft instead of the admissible rate of Rs.314.65 per % cft provided in contract agreement. This resulted in an Overpayment of Rs.56,679 to a Contractor in June 1993.”

**5-5-98:** The Department explained that average lead from the starting point to stack yard was 131 miles with hilly area. Therefore, the estimate was revised and technically Sanctioned by the Competent Authority. Hence no Overpayment was involved.

The Department was directed to produce the relevant record to Audit for verification and the Para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 5 May 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**10. Para I-A.10: Page 158 – Excessive Rates – Rs.80,786**

Audit had observed: “The division did not deduct a quantity of 55600 cft available earth at site from the bank Measurement of earth brought from outside. While in other two cases the division made Payment at the rates of Rs.40.10 per % cft and Rs.21.05 per cft instead of the admissible rates of Rs.33.76 per % and Rs.13.06 per cft respectively for earthwork and plain cement concrete. This resulted in an Excess Payment of Rs.80,786 to the Contractors in June and September 1993.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**11. Para I-A.11: Page 158 – Excessive Rates – Rs.59,015**

Audit had observed: “The division paid incorrect rates of Rs.348.90 and Rs.426.90 per % cft for undressed earthwork excavation outside borrow pits lead up to half mile and one mile instead of Rs.280.90 and Rs.416.90 per % cft. The incorrect application of rates resulted in an Overpayment of Rs.59,015 to the Contractors in March 1993 and February 1994.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**12. Para I-A.12: Page 158 – Excessive Rates – Rs.514,244**

Audit had observed: “The division made Payment for the item of carriage of stone from Sakhi Sarwar to site of work average lead 67 miles (1st 3 miles hilly and last 4 miles Kacha) and paid @ Rs.196.70 per % cft instead of the admissible rate of Rs.185.50 per % cft for the item of



carriage of stone from Sakhi Sarwar to site of work average lead 67 miles (last 4 miles Kacha) as per agreement. This resulted in an Excess Payment of Rs.514,244 to a Contractor in January 1993.”

**6-10-98:** The Department explained that the Contractor concerned had been asked to deposit the overpaid amount. Anyhow, the said Contractor had filed a civil suit against the recovery orders.

The Public Accounts Committee kept the para pending and directed that officer who was responsible for the wrong Payment shall be proceeded against and if he was found guilty of the loss it shall be made good from him along with disciplinary action under E & D Rules. This process shall be completed within 120 days.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **13. Para I-A.13: Page 159 – Excessive Rates – Rs.79,747**

Audit had observed: “The division paid carriage of 479594 cft stone received from 15 August to 27 August 1993 and allowed re-carriage for a quantity of 436970 cft stone on the same dates @ Rs.208.61 instead of the admissible rate of Rs.201.31 per % cft just to give unDue benefit to the Contractors. This resulted in an Overpayment of Rs.79,747 to the Contractors in October 1993.”

**6-10-98:** The Department explained that work was executed during the flood days of 1993. The stone was being carried to the Taunsa Barrage to save the J-Head spur which had been endangered by the river-erosion. There was not enough place at J-Head to stack all the stone quantity and therefore, the Contractor was allowed to stack a certain quantity away from the J-Head portion. This quantity was carried to the J-Head portion later on and re-carriage for this was paid.

The Audit apprised the PAC that re-carriage was done on the same day and Payment was paid on higher rate.

The Public Accounts Committee kept the para pending and directed to probe the matter within 2 months to ascertain the factual position and facts of the case shall be brought to the notice of PAC

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **14. Para I-A.14: Page 159 – Excessive Rates – Rs.68,049**

Audit had observed: “The division made Payment to various Contractors at the rate of Rs.61 per % cft instead of the admissible rate of Rs.52.65 and Rs.51.36 per % cft for 82% and 80% dry density as per specification issued by M/s NESPAK authorities regarding rehabilitation schemes of distributories and minor channels. This resulted in an Overpayment of Rs.68,049 in June 1992.”

**6-10-98:** The Department explained that all the work was executed according to the specifications and after meeting with all the codal requirements. Thus no overpayment was made to any Contractor. If the Contractor, due to the pressure for recovery, filed a suit in the court the

Government would not be in a position to defend the case in the presence of documentary record of work executed and Payments made.

The Public Accounts Committee **settled the para subject to the verification** of all the original record in support of the explanation by Audit.

#### **15. Para I-A.15: Page 160 – Excessive Rates – Rs.822,646**

Audit had observed: “The division made Payment for compaction of earthwork @ Rs.57.78 per % cft vide item No.24(a) and 24(b) page 32-33 of the Composite Schedule of Rates 1979 instead of the admissible rate of Rs.43.60 per % cft vide item No.24(a) and 24(c) page 32-33 of the Composite Schedule of Rates 1979. The application of incorrect rate resulted in an Overpayment of Rs.822,646 to the Contractors from October 1991 to August 1992.”

**7-10-98:** The PAC on the request of Department deferred the consideration of this Para to the next meeting.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **16. Para I-A.16: Page 161 – Excessive Rates – Rs.812,881**

Audit had observed: “The division executed the item of “formation, dressing and preparing sub-grade for concrete lining in new channels” and paid rates of Rs.17.65 and Rs.24.20 per % sft meant for old channels in violation of specification for prePara tion of formation, dressing and preparing sub-grade, in Book of Specification as these items were included in the rate of “earthwork excavation in irrigation channels and compaction of embankment”. This resulted in an Overpayment of Rs.812,881 to the Contractors in March and May 1992.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **17. Para I-A.17: Page 161 – Excessive Rates – Rs.6,493,293**

Audit had observed: “The division executed the item of “formation, dressing and preparing sub-grade for concrete lining in new channels” and paid rates of Rs.17.65 and Rs.24.20 per % sft meant for old channels in violation of specification for prePara tion of formation, dressing and preparing sub-grade of Book of Specification because these items were already included in the rate of “earthwork excavation in irrigation channels and compaction of embankment.” This resulted in an Overpayment of Rs.6,493,293 from October 1991 to August 1992.”

**7-10-98:** The PAC on the request of Department deferred the consideration of this Para to the next meeting.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance

Department shall monitor the implementation of the directive of the PAC.

### **18. Para I-A.18: Excessive Rates – Rs.111,753**

Audit had observed: “The division made Payment for compaction of earthwork @ Rs.57.79 per % cft instead of the admissible rate of Rs.43.60 per % cft vide item No. 24(a) and (c) pages 32-33 of the Composite Schedule of Rates 1979 and as per decision of the Public Accounts Committee of 17 April 1990 because no animal driven roller was supplied by the Department to the Contractors. The application of incorrect rate resulted in an Overpayment of Rs.111,753 to the Contractors in March and May 1992.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **19. Para I-A.19: Page 163 – Excessive Rates – Rs.110,230**

Audit had observed: “The division made Payment at composite rate of Rs.20.15 per % cft instead of labour rate of Rs.15.15 per % cft for cutting and supplying of brush-wood from canal Plantation within one mile as per item No.43 page 142 of the Composite Schedule of Rates 1979. This resulted in an Overpayment of Rs.110,230 to a Contractor in January 1994.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **20. Para I-B.1: Page 163 – Excessive Measurements – Rs.1,406,348**

Audit had observed: “The division made Payment for 24558142 cft of bailing out water by pumps to various Contractors. The sePara te Payment on this Account was not admissible to the Contractors as the Cost of bailing out water was included in the rate paid for sinking of well as per Public Works Department Specifications. This resulted in an Overpayment of Rs.1,406,348 to various Contractors in March, June and August 1993.”

**7-10-98:** The Drainage Division Mandi Bahauddin made Payment for 24558142 cft of bailing out water by pumps to various Contractors.

The Department explained that Payment was made on Account of bailing out water after sinking of wells to lower the Sub Soil Water level in order to complete the work. The provision was also made by the Competent Authority as well as by the NESPAK Consultant. Therefore, there was no Irregularity. The Public Accounts Committee kept the para pending for verification of relevant record e.g. Technical Sanction and Agreement etc by Audit.

**23-5-02:** Reiterating the decision of the PAC dated 7 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**21. Para I-B.2: Page 163 – Excessive Measurements – Rs.1,442,774**

Audit had observed: “The division made Payment for concrete lining on slope for the full width of formation without deducting the area covered by the concrete lining in the bed which was measured and paid separately. This incorrect Measurement resulted in an Overpayment of Rs.1,442,774 to the Contractors during March to August 1992.”

**7-10-98:** The PAC on the request of Department deferred the consideration of this Para to the next meeting.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**22. Para I-B.3: Page 164 – Excessive Measurements – Rs.146,092**

Audit had observed: “The division measured and paid thickness of brick lining as 0.40 foot instead of actual thickness of 0.375 foot in violation of note 3 page 125 of Composite Schedule of Rates 1979 and Administrative Department’s instructions of 16 July 1988. This resulted in an Excess Payment of Rs.146,092 to various Contractors during June 1993.”

**5-10-98:** The Department explained that Contractors concerned were being moved for recovery from their outstanding claims/dues as they had given undertaking to deposit the Excess paid amount at the time of clearance of their final bills.

The PAC directed the Department to make good the excess amount from the Contractors and get verified by Audit and to take disciplinary action under E & D Rules against the officers/officials responsible for the Excess Payment to the Contractors. Public Accounts Committee also directed that NOC for renewal/ enlistment may not be issued to the Contractors who were defaulters/involved in the Para in connection with outstanding dues against them as agreed upon by the Secretary, Irrigation & Power. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**23. Para I-B.4: Page 164 – Excessive Measurements – Rs.116,840**

Audit had observed: “The division made an extra Payment of Rs.116,840 for deploying one dozer in addition to Payment of Rs.2,805,599 for 4481787 cft earthwork at the rate of Rs.626 per % cft which was complete item. This resulted in an Excess Payment of Rs.116,840 in December 1990.”

**5-10-98:** The Department explained that dozer worked for 115 hours as entered at page 16 of M.B.No. 245/1813 and page 189-190 of M.B. No.174/4669. Accordingly, the Payment was made for running/working hours of dozer as 115 hours @ Rs.1016 per hour amounting to Rs.116,840 which was quite in order. No excess payment was involved. The PAC kept the para pending for the verification of (i) T.S. Estimate, (ii) Contract agreement (iii) B.O.Q. (IV) Log Book of the dozer along with manufacture estimate of dozer; and (V) All connected M.B. by Audit.

**23-5-02:** Reiterating the decision of the PAC dated 5 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **24. Para I-B.5: Page 165 – Excessive Measurements – Rs.222,847**

Audit had observed: “The division incorrectly made separate payment for dressing of earthwork of an embankment in addition to paying the rate of compaction of same earthwork which included the operation and rate of dressing. The separate payment for dressing of earth being non-admissible resulted in an Overpayment of Rs.222,847 to the Contractor in October 1993.”

**5-5-98:** The Department explained that the item paid was finished and composite which was only meant for construction of embankment. The Payment was made to the Contractor correctly and no Overpayment was involved.

The Department was directed to produce all the relevant record to the Audit for verification and the Para was kept pending.

**6-10-98:** The Department explained that the matter was subjudice in the court of Senior Civil Judge.

The Audit apprised the Public Accounts Committee that the item of work earthworks excavation from outside borrow pits etc provided with “Bid Schedule” and “Contract Agreement” was changed while making record entries in the M.B. due to which the Contractor was overpaid. Therefore, incorrect record entries needed to be investigated.

The PAC kept the para pending and directed that inquiry shall be conducted to fix responsibility for the wrong Payment to the Contractor within 120 days under intimation to Public Accounts Committee. The case in the Court may also be pursued vigorously.

**23-5-02:** Reiterating the decision of the PAC dated 6 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter; recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **25. Para I-B.6: Page 165 – Excessive Measurements – Rs.55,089**

Audit had observed: “The division measured a quantity of 1579628 cft as undressed earth in May 1993 and made payment for dressed earth in July 1993 without making any sePara te record entry of the item as required under the rules. This resulted in an Overpayment of Rs.55,089 to the Contractor in July 1993.”

**5-5-98:** The Department explained that the Payment for the quantity of 1579628 cft earthwork excavation undressed for embankment lead 350 feet was made. The same item of work was provided in the Technical Sanction and as such no overpayment was made.

The Public Accounts Committee directed the Department to produce the relevant record to Audit for verification of the factual position. The Para was kept pending.



**6-10-98:** The Department could not get verified the record by Audit as directed by Public Accounts Committee on 5 May 1998. Therefore, the PAC reiterated its decision to get the relevant record verified by Audit and kept the Para pending.

**23-5-02:** Reiterating the decision of the PAC dated 6 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **26. Para I-B.7: Page 166 – Excessive Measurements – Rs.195,634**

Audit had observed: “The division made extra payments to the various Contractors for dressing of earthwork in addition to the Payment for mixing, moistening of earth in layers for compaction etc., which was not admissible as per decision of the Standing Rates Committee. This resulted in an overpayment of Rs.195,634 in June and November 1986.”

**5-5-98:** The Department explained that an amount of Rs.146,217 had been recovered and verified by Audit. The remaining recovery of Rs.24,132 was being pursued as arrears of Land revenue. The Para was kept pending for balance recovery and verification by Audit.

**6-10-98:** The Department explained that balance recovery of Rs.24,132 was being pursued as arrears of land revenue. The PAC kept the para pending for balance recovery and verification of the same by Audit.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **27. Para I-B.8: Page 166 – Excessive Measurements – Rs.180,207**

Audit had observed: “The division did not deduct a quantity of 610407 cft earth available at site from the quantity of earth brought from outside sources. This resulted in an Excess Payment of Rs.180,207 to the Contractors in June and August 1993.”

**5-5-98:** The Department explained that the work was executed according to the rules and regulations and payment was made accordingly. This fact could be verified from the record.

The Department was directed to produce the following relevant record for verification by Audit.

- (i) T.S. Estimate.
- (ii) NIT/BOQ.
- (iii) Contract Agreement and

(iv) All the M.Bs. and final bill. The Para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 5 May 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **28. Para I-B.9: Page 166 – Excessive Measurements – Rs.64,623**

Audit had observed: “The division made deduction on Account of settlement of earth at the rate of 4% instead of 10% provided for, as the record entries did not indicate that the work was done by machinery. This resulted in an Excess Payment of Rs.64,623 to a Contractor in January 1993.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and effect recovery. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **29. Para I-B.10: Page 167 – Excessive Measurements – Rs.188,460**

Audit had observed: “The division recorded entries for earthwork as undressed but paid them as for dressed. This resulted in an Overpayment of Rs.188,460 to the Contractors in December 1993.”

**5-5-98:** The Department explained that full recovery had been made from the 5th running bill of the Contractor.

The Committee directed that all the original relevant record pertaining to the said recovery, along with the final bill shall be produced to the Audit for verification and the Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **30. Para I-B.11: Page 167 – Excessive Measurements – Rs.50,374**

Audit had observed: “The division executed the item of brick lining and measured the thickness of brick as 0.40 foot instead of 0.375 foot in violation of note 3 of page 125 of the Composite Schedule of Rates 1979 and Administrative Department’s instructions of 16 July 1988. The Excessive Measurements of thickness resulted in an Overpayment of Rs.50,374 to a Contractor in July and August 1990.”

**5-5-98:** The Department explained that a sum of Rs.34,339 had been recovered leaving a balance recovery of Rs.16,035. All out efforts were underway to finalize the balance recovery.

The Department was directed to recover the balance amount of Rs.16,035 at the earliest and the Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **31. Para I-B.12: Page 168 – Excessive Measurements – Rs.76,630**

Audit had observed: “The division measured and paid thickness of brick lining of canals as 0.04 foot instead of actual thickness of 0.375 foot in violation of Note 3 page 125 of the Composite Schedule of Rates 1979 and Administrative Department’s instructions of 16 July 1988. This resulted in an Overpayment of Rs.76,630 to a Contractor in June and July 1993.”

**6-10-98:** The Department explained that total amount of Rs.76,630 had been recovered.

The Public Accounts Committee **settled the para subject to verification** of recovery by Audit.

### **32. Para I-B.13: Page 168 – Excessive Measurements – Rs.6,041,090**

Audit had observed: “The division made Payment for concrete lining on slope for the full formation width without deduction on Account of 3.5” thick area covered by the concrete lining and cement plaster in the bed of channels. This resulted in an Overpayment of Rs.6,041,090 to the Contractors from October 1991 to August 1992.”

**7-10-98:** The PAC on the request of Department deferred the consideration of this Para to the next meeting.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **33. Para I-B.14: Page 169 – Excessive Measurements – Rs.1,609,115**

Audit had observed: “The division made Payments for complete lining in bed and slopes without deducting the area of profiles in violation of specification attached with agreement. This resulted in an Excess Payment of Rs.1,609,115 to the Contractors from October 1991 to October 1992.”

**7-10-98:** The PAC on the request of Department deferred the consideration of this Para to the next meeting.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**34. Para I-B.15: Page 169 – Excessive Measurements – Rs.261,574**

Audit had observed: “The division made Payment for the items of “formation dressing and preparing sub-grade, cement plaster and cement concrete lining in bed profiles and panels” in a width of 10.16, 10.24 and 10.08 feet instead of the admissible width of 7.15, 7.225 and 7.075 feet provided in the technically Sanctioned estimate and approved design. This resulted in an Excess Payment of Rs.261,574 to a Contractor in September 1992.”

**7-10-98:** The PAC on the request of Department deferred the consideration of this Para to the next meeting.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**35. Para I-B.16: Page 170 – Excessive Measurements – Rs.224,390**

Audit had observed: “The division made Payment for concrete lining on slope for the full formation width without deducting the area covered by the concrete lining in the bed. This resulted in an Overpayment of Rs.224,390 to the Contractors in March 1992.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**36. Para I-B.17: Page 170 – Excessive Measurements – Rs.68,169**

Audit had observed: “The division made Payment of concrete lining of projects without deducting the area covered by crossings of long and vertical (cross) projects. While in another case the division measured and paid the bed width of cement concrete of 4.01 and 4.09 feet instead of the admissible width of 3.51 feet executed at site. This resulted in an Excess Payment of Rs.68,169(39,406+28,763) to the Contractors in March 1992.”

**7-10-98:** The PAC on the request of Department deferred the consideration of this Para to the next meeting.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and effect recovery. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**37. Para I-B.18: Page 171 – Excessive Measurements – Rs.93,843**

Audit had observed: “The division made Payment for brick lining of canal by recording Measurements of thickness as 0.38 foot instead of the actual thickness of 0.375 foot as required vide note 3 page 125 of the Composite Schedule of Rates 1979. This resulted in an Excess Payment of Rs.93,843 to the Contractors in November 1993 and January 1994.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and effect recovery. The same shall be got verified from the Audit and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **38. Para I-C.1: Page 171 – Payment of Excessive Quantities – Rs.182,291**

Audit had observed: “The division measured and paid a quantity of 2402280 cft instead of the admissible quantity of 1473300 cft provided in the technically Sanctioned estimate while in another case the division paid a lead of one mile instead of the admissible lead of 200 feet provided in the PC-I and agreement for the item of “excavation and transportation of earth brought from outside borrowpits.” This resulted in an Excess Payment of Rs.182,291 to the Contractors in August 1987, January and June 1988.”

**5-10-98:** The Department explained that the lead which had been overpaid work out for Rs.24,599 and not for Rs.182,291 as pointed out by Audit. Audit was not satisfied with the Departmental explanation.

The PAC kept the para pending with the direction that action be taken for recovery of Rs.24,599 from the defaulter and got verified along with supporting/relevant record by Audit.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **39. Para I-C.2: Page 172 – Payment of Excessive Quantities – Rs.185,137**

Audit had observed: “The division paid for a quantity of 1284457 cft earthwork (excavation from outside source and compaction) instead of the admissible quantity of 712668 (606472 + 106196) cft provided in the technically Sanctioned estimate and agreement duly vetted by the consultants. The Excessive Measurements resulted in an Excess Payment of Rs.185,137 to a Contractor in September 1992.”

**7-10-98:** The Department explained that the recovery of Rs.185,137 had been effected from the Contractor concerned.

The PAC **settled the para subject to verification of record pertaining to recovery by Audit.**

### **40. Para I-C.3: Page 172 – Payment of Excessive Quantities – Rs.124,312**

Audit had observed: “The division carted 1205853 cft of loose stone and paid the same quantity as completed/finished item instead of the admissible quantity of 1096229 cft without applying deduction factor. The Standing Rates Committee approved the rate analysis for item 19(1) vide page 132 of Composite Schedule of Rates 1979 which provides that for the item “filling of stone in wire crates/munj trangers etc.” 100 cft of completed item of work was required to be paid for 110 cft loose stone. The Department did not apply this deduction factor which resulted in an Excess Payment of Rs.124,312 to the Contractors in February and September 1992.”

**7-10-98:** The Department explained that there was no letter/circular of the Standing Rates Committee about the requirement of 110 cft stacked stone for every 100 cft completed stone apron. Item No. 9(i) Page 132 CSR 1979 was also without any reference to the supporting specification mentioned in CSR. In the absence of any circular issued by the Standing Rates Committee regarding the item of work stone pitching on unpublished and un-known analysis could not be considered as Authority for the work of laying stone apron.

The PAC kept the para pending and directed to refer the case to the Standing Rates Committee for its recommendations.



**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**41. Para I-C.4: Page 173 – Payment of Excessive Quantities – Rs.50,093**

Audit had observed: “The division executed the item of cement concrete lining of profiles on slops and bed and paid for a quantity of 1507 cft instead of admissible quantity of 374 cft. This resulted in an Overpayment of Rs.50,093 to a Contractor in October 1992.”

**7-10-98:** The Department explained that the entire recovery had been effected from the Contractor concerned.

The PAC **settled the para subject to verification of relevant record by Audit.**

**42. Para I-C.5: Page 173 – Payment of Excessive Quantities – Rs.276,407**

Audit had observed: “The division made Payment for a quantity of 469222 cft instead of the admissible quantity of 426565 cft for carriage of stone which was corrected during check Measurements but the same were again abstracted while making subsequent Payments to the Contractor. This resulted in an Excess Payment of Rs.276,407 to a Contractor in June 1993.”

**5-5-98:** The Department explained that the record entries of supplying and dumping of stone were made according to the conversion factor of 100/110 CFT by the Sub Engineer concerned, but during the pre-Audit the quantity of carriage of stone and supply and dumping of stone were erroneously paid equally in the Ist running bill. Anyhow, the said error was corrected in the 2nd running bill. Hence there was no Excess Payment.

The Public Accounts Committee directed the Department to produce the relevant record to Audit for verification. The Para was kept pending.

**6-10-98:** The Department explained that record had since been got verified by Audit.

The Audit apprised the PAC that scrutiny of the record had revealed that fictitious entries had been made in the record by way of overwriting to cover the Irregularity. The Public Accounts Committee kept the para pending and directed the Department to conduct an inquiry to ascertain the factual position about overwriting and fictitious entries. If the alleged overwriting and fictitious entries were proved then the responsible officer shall be proceeded against for disciplinary action. These proceedings shall be completed within two months. Relevant record may also be got verified by Audit.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**43. Para I-C.6: Page 173 – Payment of Excessive Quantities – Rs.153,996**

Audit had observed: “According to the rate analysis approved by the Standing Rates Committee vide item 15(a) page 132 of the Composite Schedule of Rates 1979 for the item of work “Supply & dumping of stone at site without boat etc.” 110 cft loose stone was required for 100 cft of

completed/finished item. The division carted 516916 cft loose stone and paid the same quantity as completed/finished item of work without applying deduction factor. This resulted in an Excess Payment of Rs.153,996 to various Contractors between September 1991 and January 1993.”

**5-5-98:** The Department explained that the record entries in M.Bs. were first made for supplying and dumping of stone at site and equal quantity of carriage was paid to the Contractor. In this way 10% less quantity was paid to the Contractor who was still claiming the less paid quantity but the Department did not pay the same in the absence of provision in the Technical Sanction. Hence there was no Excess Payment.

The Public Accounts Committee expressed that according to rate analysis approved by the Standing Rates Committee for the item of work “supplying and dumping of stone at site without boat “110 CFT loose stone was required for 100 CFT of completed/finished item. Contrary to this the Payment was made without applying the deduction factor i.e. 110 CFT loose stone for 100 CFT finished item. This fact was also evident from the Departmental explanation. Therefore, the Department should initiate an inquiry to ascertain as to how the deduction factor of 10 CFT was ignored and who was responsible for the same. The inquiry shall be completed within 2 months. The Para was kept pending.

**6-10-98:** The Department explained that a sum of Rs.56,173 had been recovered leaving a balance of Rs.97,823 and efforts were being made to recover the balance amount of Rs.97,823.

The PAC was not satisfied with the progress of the Department and observed that in the previous meeting on 5 May 1998 the Department was directed to conduct inquiry within two months which was not done despite the lapse of five months. The Department was again directed to conduct the inquiry and balance recovery shall be made good and got verified by Audit. The inquiry report may also be forwarded to PAC and Audit. The Para was kept pending.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

#### **44. Para I-C.7: Page 174 – Payment of Excessive Quantities – Rs.297,694**

Audit had observed: “According to the rate analysis of the Standing Rates Committee for item No.15(a) page-132 of the Composite Schedule of Rates 1979 for dumping of stone without boat, 110 cft loose stone was required for 100 cft of completed/finished item. The division measured the dumping of stone equal to the loose quantity carted at site of work without applying the required deduction factor. This resulted in an Excess Payment of Rs.297,694 to the Contractors in June 1993.”

**5-5-98:** The Department explained that a sum of Rs.188,040 had been recovered from the Contractors concerned. Balance recovery would be effected from the Contractors concerned very soon.

The Committee directed that balance recovery shall be pursued vigorously for early finalization of the same. The officer responsible for this Overpayment may also be proceeded against under the rules. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **45. Para I-C.8: Page 175 – Payment of Excessive Quantities – Rs.263,105**

Audit had observed: “According to the rate analysis of the Standing Rates Committee of item No.15(a) page 132 of the Composite Schedule

of Rates 1979 for dumping of stone without boat, 110 cft loose stone required for 100 cft of complete/finished item. The division measured and paid the dumping of stone equal to the loose quantity carted at site of work without applying deduction factor. This resulted in an Excess Payment of Rs.263,105 to the Contractors in June 1993.”

**5-5-98:** The Department explained that a sum of Rs.74,332 had been recovered and balance of Rs.188,773 was being pursued vigorously and would be finalized as early as possible.

The Committee directed to finalize the balance recovery at the earliest and the officers/officials responsible who made Overpayment may also be proceeded against under the rules. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **46. Para I-C.9: Page 175 – Payment of Excessive Quantities – Rs.107,709**

Audit had observed: “The division measured and paid a quantity of 330829 cft instead of the admissible quantity of 300754 cft without applying the deduction factor of 100/110 as required under rate analysis determined by Standing Rates Committee vide item No.15(a) page-132 of the Composite Schedule of Rates 1979. This resulted in an Excess Payment of Rs.107,709 to a Contractor in June 1993.”

**5-5-98:** The Department explained that all the work was executed according to rules, regulations and terms of the agreement. The Payment was made accordingly. As such no Overpayment was involved.

The Committee directed that all the relevant record shall be produced to Audit for verification of factual position and the Para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 5 May 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **47. Para I-C.10: Page 176 – Payment of Excessive Quantities – Rs.308,383**

Audit had observed: “According to the analysis of rate issued by the Standing Rates Committee for item No.15(a) page 132 of the Composite Schedule of Rates 1979 for supplying and dumping of stone without boat, 110 cft of loose stone was required for finished item of 100 cft of work in question. Contrary to that the division measured the finished items of work as 1220956 cft loose and paid for the same quantity of stone instead of the admissible quantity of 1141877 cft without applying the required deduction factor. This resulted in an excess payment of Rs.308,383 to the Contractors in June 1991, October and December 1993.”

**6-10-98:** The Department explained that item of work supplying and dumping of stone without boat was measured by the Department as finished item of work and therefore, deduction factor was not applied. The Payment was correctly made by applying correct rate and no

Overpayment was involved.

The PAC kept the para pending and directed the Department to produce (Civil) T.S. Estimate (ii) NIT/BOQ/Agreement; and (iii) all the connected M.B.s along with final bill to Audit for verification of factual position.

**23-5-02:** Reiterating the decision of the PAC dated 6 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **48. Para I-C.11: Page 176 – Payment of Excessive Quantities – Rs.68,239**

Audit had observed: “The division issued 11400 cft stone from Stock for “replenishing damaged stone apron of R.G.B.” but only 5508 cft of stone was used/dumped under water in wire crates by boats. Thus, 5892 cft stone was not only misappropriated but also measured in Excess for filling in wire crates. This resulted in an Overpayment of Rs.68,239 to a Contractor in June 1990.”

**6-10-98:** The Department explained that total quantity of stone issued was 11400 CFT. Out of the said quantity 5508 CFT stone was dumped under water in wire crates by boat. The other quantity of 5892 CFT was also measured for filling in wire crates for which providing and weaving of wire crates was paid. This quantity in wire crates was placed above the water level for which rate for tipping and anchoring was not paid as per actual site conditions. As such no Overpayment was made.

PAC kept the para pending for verification of relevant record by Audit.

**23-5-02:** Reiterating the decision of the PAC dated 6 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **49. Para I-C.12: Page 176 – Payment of Excessive Quantities – Rs.915,874**

Audit had observed: “The division made the Payment of supply and dumping of stone equal to that carted from quarry to site of work without applying deduction factor of 100/110 as per rate analysis of item No.15(a) page 132 of Composite Schedule of Rates 1979 issued by the Standing Rates Committee. This resulted in an Excess Payment of Rs.915,874 to the Contractor in June and December 1993.”

**6-10-98:** The Department explained that the matter had been checked in detail and as a result it had been found that Excess Payment amounting to Rs.86,499 and Rs.6,800 was involved. The amount of Rs.8,600 had since been recovered and accounted for in the monthly Account for 2/97. The other amount of Rs.86,499 would be recovered from the Contractor very soon. All other Payments were correctly made and no Overpayment was involved.

The Public Accounts Committee kept the para pending **and** directed the Department to produce all the relevant record to Audit in support of their explanation for verification.

**23-5-02:** Reiterating the decision of the PAC dated 6 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the

Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **50. Para I-C.13: Page 177 – Payment of Excessive Quantities – Rs.53,228**

Audit had observed: “The division carted 134535 cft stone and paid the same quantity of stone as dumping instead of the admissible quantity of 121720 cft without applying the deduction factor of 100/110 as required under rate analysis of the Standing Rates Committee vide item No.15 (a) page 132 of Composite Schedule of Rates 1979. This resulted in an Excess Payment of Rs.53,228 to the Contractors in June and August 1993.”

**6-10-98:** The Department explained that full recovery had been made. The PAC **settled the para subject to verification of record** in support of recovery of Rs.53,228.

#### **51. Para I-C.14: Page 177 – Payment of Excessive Quantities – Rs.736,049**

Audit had observed: “According to the analysis of rate of item No.15(a) “supply and dumping of stone without boat etc.” page 132 of the Composite Schedule of Rates 1979 issued by the Standing Rates Committee, 110 cft of loose stone was required for finished item of 100 cft of work in question. Contrary to this the division measured and paid a quantity of 2306421 cft as finished/completed item instead of the admissible quantity of 2096740 cft without applying the required deduction factor. This resulted in an Excess Payment of Rs.736,049 to the Contractors from May 1993 to February 1994.”

**5-5-98:** The Department explained that the Audit had jumbled up 6 Advance Paras of different nature to frame this Draft Para and therefore, it needed to be explained separately. Anyhow, in different cases a sum of Rs.243,607 had been recovered and remaining cases were also being pursued vigorously. In some cases the Audit observations were not justified as no Irregularity had been committed by the Department and no Excess Payment was involved.

The Department was directed by the PAC to produce the relevant original record in all the cases for verification and the Para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 5 May 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **52. Para I-C.15: Page 178 – Payment of Excessive Quantities – Rs.489,367**

Audit had observed: “According to the rate analysis of item No.15(a) page 132 of the Composite Schedule of Rates 1979 for dumping stone without boat issued by the Standing Rates Committee, 110 cft loose stone was required for 100 cft completed item of work. The division carted a quantity of 2034719 cft stone and dumped without boat the same quantity without applying the deduction factor. This resulted in an Excess Payment of Rs.489,367 to various Contractors in May and June 1993.”

**5-5-98:** The Department explained that works had been completed before the decision of the Standing Rates Committee came into force. Therefore, checking of these works by Audit with reference to the decision of the Standing Rates Committee was not justified.

The Public Accounts Committee directed that case shall be referred to the Standing Rates Committee for decision and the Para was kept pending.



**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**53. Para I-C.16: Page 178 – Payment of Excessive Quantities – Rs.356,365**

Audit had observed: “According to the rate analysis of item No.27 page 133 of the Composite Schedule of Rates 1979 for providing and laying stone pitching dry hand packed behind the retaining walls or in apron/slope, 125 cft of loose stone was required for 100 cft of completed item of work. Contrary to that formula the division carted 408318 cft stone and paid the same quantity as finished/completed item instead of the admissible quantity of 326654 cft without applying deduction factor. This resulted in an Excess Payment of Rs.356,365 to the Contractors in May 1993.”

**5-5-98:** The Department explained that work was executed and Payment made correctly according to the rules and regulations.

The Public Accounts Committee directed the Department to produce the relevant record to Audit for verification i.e. (i) T.S. Estimate (ii) Stock Register of stone (iii) Stock returns of Sub Division and Divisional Officer of the respective months when the stone was utilized (iv) Vouchers through which stone had been carted (v) M.Bs containing record entries and paid bills. The Para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 5 May 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**54. Para I-D.1: Page 179 – Excessive Lead and Premium – Rs.61,732**

Audit had observed: “The division measured and paid a lead of 1.75 miles instead of the admissible lead of one mile for earthwork provided in the technically sanctioned estimate. This resulted in an Overpayment of Rs.61,732 to a Contractor in March 1993.”

**7-10-98:** The Division made Payment to the Contractor for a lead of 1.75 miles instead of lead of one mile as provided in Technical Sanction and the contract agreement.

The PAC did not accept the explanation of the Department that the Technical Sanction has been later on revised accordingly and directed that the officer responsible for making overpayment shall be proceeded against under Efficiency & Disciplinary Rules for effecting the recovery from him. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**55. Para I-D.2: Page 179 – Excessive Lead and Premium – Rs.144,383**

Audit had observed: “The division allowed and paid a lead of 500 to 2500 feet for the item of work “earthwork dressed/undressed ordinary soil outside borrowpits” in various reaches instead of the admissible lead of 150 feet provided in PC-I and agreements. This resulted in an extra

Payment of Rs.144,383 to the Contractors from July 1987 to January 1988.”

**5-10-98:** The PAC was not satisfied with the explanation submitted by the Department for extra Payment of Rs.144,383 and directed to investigate the matter to ascertain as to who was responsible for the extra Payment of Rs.144,383 and the same shall be made good from him after due process along with disciplinary action under E & D Rules against him. The person responsible for not producing the record to Audit may also be proceeded against. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **56. Para I-D.3: Page 179 – Excessive Lead and Premium – Rs.117,588**

Audit had observed: “The division executed the item of formation, dressing and preparing sub-grade and paid premium of 236 and 239.95 percent quoted for brick lining instead of the permissible premium of 100 and 114.50 percent for earthwork. This resulted in an overpayment of Rs.117,588 between February 1991 and January 1992.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **57. Para I-D.4: Page 180 – Excessive Lead and Premium – Rs.101,105**

Audit had observed: “The division paid a lead of 200, 650, 950, 1320 and 3000 feet instead of the admissible lead of 150 and 350 feet provided in the technically Sanctioned estimate. This resulted in an Excess Payment of Rs.101,105 to the Contractors in June 1982.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **58. Para I-D.5: Page 180 – Excessive Lead and Premium – Rs.203,608**

Audit had observed: “The division allowed and paid a lead of 30 miles for carriage of pilchi instead of the admissible lead of 10 miles provided in the detailed estimate and agreement. This resulted in an Excess Payment of Rs.203,608 to a Contractor in June 1988.”

**6-10-98:** The Department explained that a lead of 30 miles for carriage of Pilchi as per actual site conditions and availability of Pilchi was paid instead of 10 miles lead as provided in the earlier estimate. The lead of 30 miles was also got verified by consultants. The matter was also got regularized by getting revised estimate technically Sanctioned from the Competent Authority (C.E. Irrigation Multan Zone) later on.

The PAC kept the para pending and directed that relevant record along with revised Technical Sanction shall be got verified by Audit. If the Audit did not feel satisfied then recovery shall be made good from the defaulter.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**59. Para I-D.6: Page 181 – Excessive Lead and Premium – Rs.1,173,164**

Audit had observed: “The division made Payment for premium @ 85% for earthwork instead of the admissible premium of 55% provided in the rough Cost estimate (PC-I) which was fixed by the Chief Engineer in September 1989. This resulted in an Excess Payment of Rs.1,173,164 in August 1990.”

**5-5-98:** The Department explained that the work was executed in accordance with the rules and regulations with the approval of Competent Authority. The Payments were accordingly made. Hence there was no Excess Payment involved.

The Committee directed the Department to produce the relevant record to the Audit for verification and the Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**60. Para I-D.7: Page 181 – Excessive Lead and Premium – Rs.639,928**

Audit had observed: “The division made Payment for a quantity of 1059728 cft for the item of earthwork from outside borrow-pits lead 4345 feet instead of the admissible lead of 100 feet provided in the bill of quantities (BOQ), technically Sanctioned estimate and agreement. This resulted in an Excess Payment of Rs.639,928 to the Contractor in September 1992.”

**7-10-98:** The Department explained that estimate of work was initially Sanctioned by S.E. for Rs.3,971,300 which was revised and technically Sanctioned by S.E. for Rs.4,575,370 after getting approval from the consultant NESPAK & NDC joint venture after site verification. Accordingly lead of 4395 Feet was provided. As such there was no Irregularity.

The PAC kept the para pending and directed the Department to conduct a fact finding inquiry to ascertain whether the Payment was made before December 1992 or after December 1992. If the Payment was made before 12/92 then recovery shall be effected from the defaulting officer who made Excess Payment to the Contractor.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the

PAC.

#### **61. Para I-E.1: Page 182 – Dressing and Chamfering of Bricks – Rs.259,146**

Audit had observed: “The division made extra Payments to the Contractors for dressing/ chamfering of bricks in the lining of canals against the provision of specification. This resulted in an Excess Payment of Rs.259,146 to the Contractors in 1987-88.”

**7-10-98:** The Department explained that dressing or chamfering of bricks was necessary to shape the bricks according to the required masonry work. Therefore, in case of lining of canal dressing of bricks was done for slopping side pitching. Accordingly, the Contractor was correctly entitled for extra Payment.

The Audit apprised the PAC that D.A.C. in April 1994 gave decision for recovery and Department also agreed to recover the Excess paid amount.

The PAC kept the para pending for recovery as decided in the D.A.C. meeting. PAC also directed to proceed against the officer who failed to effect recovery in compliance with the D.A.C. decision.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **62. Para I-E.2: Page 182 – Dressing and Chamfering of Bricks – Rs.68,805**

Audit had observed: “The division made an extra payment on account of dressing and chamfering of bricks @ Rs.59.75 numbers cft in lining of canal which was the responsibility of the Contractor as per specification. This resulted in an Excess Payment of Rs.68,805 to the Contractor in 1988.”

**5-5-98:** The Department reported to the Committee that Excess paid amount of Rs.68,805 had been recovered from the security deposit of the Contractor. The Public Accounts Committee settled the para.

**6-10-98:** The Department explained that full recovery of Rs.68,805 had been effected. The PAC **settled the para subject to verification** of recovery by Audit.

#### **63. Para I-E.3: Page 183 – Dressing and Chamfering of Bricks – Rs.129,407**

Audit had observed: “The division made an extra Payment for dressing of bricks used in brick lining of canals in contravention to specification (28.2). This resulted in an Overpayment of Rs.129,407 to the Contractor in 1989.”

**5-5-98:** The Department reported to the PAC that an amount of Rs.35,170 had been recovered and got verified by Audit. The balance recovery of Rs.92,010 had been referred to the Distt: Collector Faisalabad for recovery as arrears of Land revenue. The Committee directed the Department to pursue the balance recovery for early finalization and also to take action against the person responsible for overpayment. The para was kept pending.

**6-10-98:** The Department explained that inquiry had been completed and further action would be taken accordingly. Balance recovery was under process as arrears of Land revenue.

The PAC kept the para pending for action in accordance with the inquiry and for effecting balance recovery as arrears of land revenue.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **64. Para I-E.4: Page 183 – Dressing and Chamfering of Bricks – Rs.106,683**

Audit had observed: “The division made an extra Payment for dressing of bricks in addition to the rates paid for brick lining of distributory which was not admissible under Specification No.28.2 for execution of works (1967). This resulted in an Overpayment of Rs.106,683 to a Contractor between June and September 1989.”

**5-5-98:** The Department explained that an amount of Rs.106,683 had been recovered and verified by Audit. However, an amount of Rs.20,502 was still recoverable which was being pursued. The Para was settled subject to balance recovery and verification of the same by Audit.

**6-10-98:** The Department explained that balance recovery was due from two Contractors and the matter was being pursued vigorously. The PAC kept the para pending for balance recovery and verification of record of full recovery by Audit.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **65. Para I-F.1: Page 184 – Fictitious Payment – Rs.60,874**

Audit had observed: “The division made Payment on the basis of record Measurements of 2066 cft of brick lining which were subsequently scored out. This resulted in an Overpayment of Rs.60,874 to a Contractor in October 1992.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **66. Para I-F.2: Page 184 – Fictitious Payment – Rs.152,003**

Audit had observed: “The division paid for compaction of 1284457 cft earthwork without any record entry in the Measurement book. This resulted in an Excess Payment of Rs.152,003 to a Contractor in September 1992.”

**7-10-98:** The Public Accounts Committee on the request of the Department deferred the Para to the next meeting.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision



of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**67. Para II-A.1: Page 185 – Water, Machinery, Repair, Hire and Telephone Charges – Rs.14,155,255**

Audit had observed: “The division supplied water to Public Health Engineering Department Rawalpindi and Capital Development Authority Islamabad from 1966-67 to November 1983 but did not recover water charges from both the organizations. This resulted in Non-Recovery of Rs.14,155,255 since 1966-67”.

**7-10-98:** The Department explained that Para had been reduced to the tune of Rs.5,353,050 and this position had also been verified by Audit. The quarter concerned were being pressed for balance recovery. A summary in this regard had been submitted to Chief Minister, Punjab. It was directed to deduct the amount at source. Accordingly the amount will be credited to Irrigation Department.

The PAC kept the para pending for balance recovery.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**68. Para II-A.2: Page 186 – Water, Machinery, Repair, Hire and Telephone Charges – Rs.3,827,070**

Audit had observed: “The division did not recover water charges from the Municipal Committee/Public Health Engineering Division Chakwal from May 1980 to June 1992. This resulted in Non-Recovery of Rs.3,827,070 of Government Dues.”

**7-10-98:** The Department explained that despite the repeated requests the Chakwal Municipal Committee and Engineering Division was not making the Payment. The Finance Department had been requested to deduct the said water charges from the budget grant of the said organizations.

The PAC kept the para pending for recovery of outstanding Dues at the earliest.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**69. Para II-A.3: Page 186 – Water, Machinery, Repair, Hire and Telephone Charges – Rs.461,610**

Audit had observed: “The division did not recover water charges from Public Health Engineering Division and Municipal Committee Chakwal from June 1992 to June 1993. This resulted in Non-Recovery of Government Dues of Rs.461,610 in 1992-93.”

**7-10-98:** The Department explained that recovery was due from the Municipal Committee Chakwal and PHE Division Chakwal. The organization did not make the Payment despite repeated requests. The Finance Department had been requested to deduct the said water charges at source.

The PAC kept the para pending for recovery of Rs.461,610 at the earliest.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**70. Para II-A.4: Page 187 – Water, Machinery, Repair, Hire and Telephone Charges – Rs.2,123,195**

Audit had observed: “The division executed the rewinding/repair work of Tubewells on behalf of Tubewell Operation Division Lahore and transfer the Materials without obtaining advance Payments as required under the rules and failed to recover the outstanding Government Dues. This resulted in Non-Recovery of Rs.2,123,195 from September 1985 to March 1989.”

**5-10-98:** The Department explained that total amount had been recovered. The Public Accounts Committee **settled the para subject to verification** of recovery by Audit.

**71. Para II-A.5: Page 187 – Water, Machinery, Repair, Hire and Telephone Charges – Rs.10,021,839**

Audit had observed: “The division failed to recover repair charges of pump parts and electric motors from Tubewell Operation Division North and South Sheikhpura. This resulted in Non-Recovery of Rs.10,021,839 of Government Dues from July 1985 to January 1987.”

**5-10-98:** The Department explained that Tubewell Operation Division (North) & (South) to whom the recovery of Rs.10,021,839 related, had been closed and Store & Workshop Division Sheikhpura was functioning as successor agency. Additional funds amounting to Rs.10,021,839 had been demanded for book adjustment which would be made on receipt of funds.

The PAC kept the para pending for adjustment of outstanding amount of Rs.10,021,839 and Admn: Secretary was directed to take the matter at personal level.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**72. Para II-A.6: Page 188 – Water, Machinery, Repair, Hire and Telephone Charges – Rs.125,731**

Audit had observed: “the division did not recover electricity/telephone charges from the officers from March 1990 to May 1993. This resulted in Non-Recovery of Rs.125,731 of Government Dues.”

**5-5-98:** The Department explained that an amount of Rs.108,320 had since been recovered from the officers concerned leaving a balance recovery of Rs.17,411. Efforts were underway for the balance recovery.

The PAC directed the Department to get the recovery verified by Audit and to finalize the balance recovery at the earliest. The Para was kept pending for verification of recovery by Audit and effecting balance recovery.

**06-10-98:** The Department explained that a sum of Rs.108,320 had already been recovered and got verified by Audit. Out of the balance

amount of Rs.17,380 a further amount of Rs.14,811 had been recovered leaving a balance of Rs.2,600 which was expected to be recovered soon. The PAC **settled the para subject to verification** of relevant record by Audit.

### **73. Para II-A.7: Page 188 – Water, Machinery, Repair, Hire and Telephone Charges – Rs.1,412,400**

Audit had observed: “The division made Payment to Excavator Division Faisalabad for earth moving machinery arranged for deploying on a work. The amount, however, was not recovered from the final bill of the Contractor nor Account of the work done by the machine was produced to substantiate that the work was done Departmentally. This resulted in Non-Recovery of Rs.1,412,400 in January 1987.”

**5-5-98:** The Department explained that the work was executed correctly and Payments were made accordingly. This fact could be verified from the record.

The Department was directed to produce all the relevant record as required by Audit for verification of the factual position by Audit. The Para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 5 May 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **74. Para II-A.8: Page 188 – Water, Machinery, Repair, Hire and Telephone Charges – Rs.594,000**

Audit had observed: “The division made Payment to Machinery Division No.II Multan for machinery arranged for deploying on a work let out to a Contractor. The amount was placed in “Misc. P.W. Advances” in January 1988 but not recovered/adjusted so far. This resulted in Non-Recovery of Government Dues of Rs.594,000.”

**5-5-98:** The Department explained that total Cost of the scheme was 35.00 lac out of which the work let out to the Contractor was of Rs.16.50 lac only. The remaining work was got done through departmental machinery and this fact could be verified from the record.

The Department was directed to produce all the original relevant record to the Audit for verification and the Para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 5 May 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **75. Para II-A.9: Page 189 – Water, Machinery, Repair, Hire and Telephone Charges – Rs.411,854**

Audit had observed: “The division failed to recover hire charges from officers on Account of performing journey in Government vehicles placed in “Misc. P.W. Advances”. This resulted in Non-Recovery of Rs.411,854 of Government Dues in October 1988 and 1989.”

**5-5-98:** The Department explained that disciplinary action had been initiated against the defaulters.

The Finance Department apprised the Public Accounts Committee that Departmental authorities were advised in the meeting of Departmental Accounts Committee in May 92 and April 1994 to take up the matter with the District Accounts Officer concerned for effecting recovery from the pay of the officer concerned but no action had been taken by the Department.

The Public Accounts Committee directed that the officer who did not comply with the decision of D.A.C. shall be proceeded against and recovery shall be pursued vigorously for early finalization of the same. The Para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 5 May 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**76. Para II-B.1: Page 189 – Outstanding Government Dues – Rs.313,400**

Audit had observed: “The division did not recover an amount placed in “Misc. P.W. Advances” against various officers/officials in June 1985 on Account of Cost of old Material received by them from different damaged Tubewells but not deposited. This resulted in Non-Recovery of Rs.313,400 of Government Dues since 1985.”

**5-10-98:** The Department explained that Material worth Rs.21,700 had been recovered and was being incorporated in the Accounts in hand. So far as a balance of Rs.291,700 was concerned a Sub-Engineer Mr. Pervaiz Hussain Naqvi was responsible for Non-Recovery of the same. Higher authorities had been requested to initiate inquiry against him.

The PAC kept the para pending and directed the Department to conduct an inquiry and fix responsibility for not making timely recovery and balance recovery shall be made good from the defaulter within two months.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**77. Para II-B.2: Page 190 – Outstanding Government Dues – Rs.110,936**

Audit had observed: “The division failed to recover the Cost of Material/scrap Material placed in “Misc. P.W. Advances” against the officers/officials transferred from the division without handing over the charge. This resulted in Non-Recovery of Rs.110,936 of Government Dues from September 1989 to February 1990.”

**5-10-98:** The Department explained that an amount of Rs.11,144 had been recovered. Out of the remaining amount of Rs.99,791 a sum of Rs.33,371 was recoverable from Mr. Ashraf Ali Dhilun, S.D.O. who had since expired. The remaining sum of Rs.66,420 was recoverable from five Sub Engineers who had been charge sheeted. An inquiry was also under process and would be completed within a month.

The Public Accounts Committee kept the para pending and directed the Department that action shall be taken to make good the loss from the defaulter and got verified by Audit. Disciplinary action under E & D Rules may also be taken against S.E. & XEN concerned who did not make timely recovery in compliance with the directive of D.A.C.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**78. Para II-B.3: Page 190 – Outstanding Government Dues – Rs.785,405**

Audit had observed: “The division incurred Expenditure of Rs.2,373,990 for work done on behalf of other divisions but made recovery of only Rs.1,588,585 from them. This resulted in loss of Rs.785,405 to Government Due to Non-Recovery of balance outstanding amount from 1980-81 to 1982-83.”

**5-10-98:** The Department explained that Tubewell Operation Division (North) & (South) to whom the recovery of Rs.785,405 related, had been closed and Store & Workshop Division Sheikhpura was functioning as successor agency. Additional funds amounting to Rs.785,405 had been demanded for book adjustment which would be made on receipt of funds.

The PAC kept the para pending for adjustment of outstanding amount of Rs.785,405 and the Administrative Secretary was directed to take the matter at personal level.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**79. Para II-B.4: Page 191 – Outstanding Government Dues – Rs.1,422,855**

Audit had observed: “The division did not recover an amount placed in “Misc. P.W. Advances” as recoverable against various officers/officials on account of Excess Payment, un-authorized Payments/Expenditure incurred without allotment from August 1966 to April 1992. This resulted in Non-Recovery of Government Dues of Rs.1,422,855.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**80. Para II-B.5: Page 191 – Outstanding Government Dues – Rs.49,888**

Audit had observed: “The division failed to recover the Government Dues from the officers/officials outstanding against them from September 1946 to August 1982 on account of Excess/double Payment, Shortage and Materials issued without any authority. This resulted in Non-Recovery of Rs.49,888 since 1946.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the



directive of the PAC.

### **81. Para II-B.6: Page 191 – Outstanding Government Dues – Rs.19,244,030**

Audit had observed: “The division did not recover the Cost of work done from June 1990 to June 1993 for WAPDA and other sister divisions. This resulted in Non-Recovery of Government Dues amounting to Rs.19,244,030 since 1990.”

**7-10-98:** The Department explained that an amount of Rs.462,000 was recoverable from WAPDA and the remaining amount related to internal adjustment. An amount of Rs.5,170,487 had since been recovered leaving a balance of Rs.14,073,542 which was being pursued vigorously.

The PAC kept the para pending for balance recovery/adjustment.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **82. Para II-B.7: Page 192 – Outstanding Government Dues – Rs.556,858**

Audit had observed: “The division failed to recover the amount from officials/officers placed in “Misc. P.W. Advances” as recoverable from them. This resulted in Non-Recovery of Rs.556,858 of Government Dues from November 1986 to December 1987... The matter was brought to the notice of the Administrative Secretary in April 1988 and also discussed in the Departmental Accounts Committee meeting in March 1994.”

**5-5-98:** The Department explained that matter for the adjustment of the amount was under action and if the adjustment was not possible, then recovery would be effected. The Public Accounts Committee was also apprised that the Department was advised by the D.A.C. in March 1994 to effect recovery within 3 months but the Department did not do so.

The Public Accounts Committee directed the Department to proceed against the officer who did not take action according to the decision of Departmental Accounts Committee. The Para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 5 May 1998, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **83. Para II-C.1: Page 192 – Professional and Income Tax – Rs.319,487**

Audit had observed: “The division did not recover 5% income tax from the Payments made to the consultants as required under section 50(4) of Income Tax Ordinance 1979. This resulted in Non-Recovery of Government Dues of Rs.319,487 in 1992-93.”

**7-10-98:** The Department explained that recovery of Rs.319,487 on Account of Income Tax had since been effected. The PAC accepted the explanation and **settled the para.**

### **84. Para II-C.2: Page 193 – Professional and Income Tax – Rs.67,750**

Audit had observed: “The division did not recover professional tax for the year 1983-84 & 1984-85 and electricity charges pertaining to sub-divisional officers residences. This resulted in Non-Recovery of Rs.67,750 of Government Dues in September 1986.”

**5-10-98:** The Department explained that the Para pertained to Non-Recovery of electricity charges of Rs.15,570 from S.D.Os who were residing in Government residence and recovery of professional tax of Rs.52,180 from Contractors. Notices had been issued to the S.D.Os concerned to deposit the Government Dues. Out of the total amount of professional tax a sum of Rs.13,000 had been recovered from the Contractors concerned and balance recovery was being pursued.

The PAC kept the para pending for recovery of electricity charges and balance amount of professional tax.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **85. Para II-D.1: Page 193 – Compensation and Lease Money – Rs.71,722**

Audit had observed: “The division failed to deduct the compensation for delay in completion of works from the Contractors as per provision of the agreement. This resulted in Non-Recovery of Rs.71,722 of Government Dues in November and December 1984.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **86. Para II-D.2: Page 194 – Compensation and Lease Money – Rs.1,743,500**

Audit had observed: “The division leased out pond area to various leases who did not deposit the installments of their lease money from Kharif 1987 to Rubi 1990. This resulted in Non-Recovery of Rs.1,743,500 in February and June 1988...The matter was brought to the notice of the Administrative Secretary in February 1989 and March 1990 and also discussed in the Departmental Accounts Committee meetings in March and December 1992.”

**5-5-98:** The Department explained that an amount of Rs.267,000 had been recovered and verified by Audit. The remaining recovery of Rs.1,476,500 was underway as arrears of land revenue.

The Public Accounts Committee directed the Department to recover the balance amount of Rs.1,476,500 as early as possible. It was further directed that the lease agreements shall be cancelled if it was not in accordance with the relevant law. The Para was kept pending.

**6-10-98:** The Department explained that recovery was under process through District Collector as arrears of land revenue.

The PAC kept the para pending and directed to complete the inquiry within one month, as previously directed by PAC on 5-5-98, to

ascertain whether the case for cancellation of lease was initiated or not. PAC shall be apprised of the outcome of inquiry within one month.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **87. Para II-E.1: Page 194 – Rent of Residential Building and Rest House –Rs.5,365,028**

Audit had observed: “The division did not recover rent of residential buildings and rest house that remained occupied by the Members Provincial Assembly from 23 May 1985 to 31 October 1992. This resulted in Non-Recovery of Government Dues amounting to Rs.5,365,028 since 1985.”

**5-10-98:** The Department explained that recovery was outstanding against the MPAs, who resided in the Canal Rest House Mustafabad. Out of the total amount of Rs.5,365,028 a sum of Rs.1,133,640 had been recovered and balance recovery was being pursued for early finalization.

The Public Accounts Committee kept the para pending and directed that the Administrative Secretary may take up the matter with M.P. As. concerned at personal level and finalize it within 15 days.

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

#### **88. Para II-F.1: Page 195 – In Excess of Deposit – Rs.3,916,173**

Audit had observed: “The division incurred an Expenditure from April 1988 to July 1992 on job orders for manufacturing Articles for other divisions/ Departments in Excess of deposits received in contravention of the provisions of Rule 7.130 of the Departmental Financial Rules. This resulted in Non-Recovery of Government Dues amounting to Rs.3,916,173.”

**7-10-98:** The Department explained that recovery of Rs.1,157,961 had been effected out of which recovery of Rs.1,000,000 had been verified by Audit. Efforts were being made for the clearance of balance amount of Rs.2,758,211.

The PAC kept the para pending for balance recovery and verification of the same by Audit.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **89. Para III-A.1: Page 196 – Theft of Government Material/Trees and Cash – Rs.65,616**

Audit had observed: “In the division cash in chest was stolen by some un-known person on 12 October 1993 and amount was placed in “Misc. P.W. Advances” on 31 October 1993. Neither the Department reported the loss to Audit as required under rules 2.34 of Punjab Financial Rules nor conducted any inquiry for fixing responsibility. This resulted in a loss to Government of Rs.65,616 in October 1993.”

**7-10-98:** The Department explained that person at fault had filed an appeal in the Punjab Services Tribunal.  
The PAC kept the para pending till the decision of Services Tribunal.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**90. Para III-A.2: Page 196 – Theft of Government Material/Trees and Cash – Rs.364,410**

Audit had observed: “In the division 374 Government Trees were stolen/illegally cut down. Neither any Departmental inquiry was conducted nor loss was reported to Audit as required under rule 2.34 of Punjab Financial Rules. This resulted in a loss of Rs.364,410 to Government from March 1984 to April 1990.”

**7-10-98:** The Department explained that out of the total amount of Rs.364,410 a sum of Rs.55,000 had been recovered and remaining recovery was also in process. A Departmental inquiry was also in process.

The PAC kept the para pending and directed the Department for balance recovery and finalization of inquiry at the earliest.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**91. Para III-A.3: Page 197 – Theft of Government Material/Trees and Cash – Rs.471,605**

Audit had observed: “In the division various parts of Tubewells were stolen. The Theft cases were neither reported to Audit nor the amount placed under suspense head “Misc. P.W. Advances” to watch recovery/write off as required under rule 2.34 of Punjab Financial Rules. This resulted in a loss of Rs.471,605 to Government from March 1989 to December 1992.”

**5-10-98:** The Department explained that Theft cases for the Theft of various parts of Tubewells were got registered with the Police and the result of Police investigation was awaited. Departmental enquiries were also being conducted against officers/ officials and would be finalized within two months. Department also apprised the PAC that total number of Theft cases was 101.

The PAC kept the para pending and directed the Department to complete all the pending enquiries and also fix responsibility as to by whose negligence the theft of Government property had taken place. The defaulters shall be proceeded against under the rules.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**92. Para III-A.4: Page 197 – Theft of Government Material/Trees and Cash – Rs.362,463**

Audit had observed: “In the division various parts of Tubewells were stolen. Theft was neither reported to Audit nor Departmental inquiry

was conducted to fix responsibility as required under rule 2.34 of the Punjab Financial Rules. This resulted in a loss of Rs.362,463 to the Government in December 1984.”

**5-10-98:** The Department explained that actual amount of loss was Rs.54,298 and not Rs.107,363 as worked out by Audit Due to duplication of some cases. Theft cases had been got registered with the Police from where these were declared as untraceable.

The PAC kept the para pending and directed the Department to conduct enquiries in all the cases to ascertain as to by whose Negligence the Theft of Government Material had taken place and the defaulter shall be proceeded against under E & D Rules.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **93. Para III-A.5: Page 198 – Theft of Government Material/Trees and Cash – Rs.445,900**

Audit had observed: “In the division Trees were stolen from April 1993 to January 1994. The Department neither reported the Theft cases to Audit and Police as required under rule 2.34 of Punjab Financial Rules nor conducted any Departmental inquiry to fix responsibility for the loss. This resulted in a loss of Rs.445,900 to Government.”

**5-5-98:** The Department explained that an inquiry was underway and the Inquiry Officer had been directed to complete the same within one month. Date of hearing by the Inquiry Officer had been fixed as 29.4.98.

The Para was kept pending and after inquiry for making good the loss by the defaulter and for taking disciplinary action against the responsible officers/officials under the rules.

**6-10-98:** The Department explained that Departmental inquiry had been finalized and as result a loss of Rs.84,900 had not been proved. Balance recovery had been imposed upon the Sub-Engineer. The inquiry report had been submitted to the Chief Engineer concerned for final orders. The PAC kept the para pending for recovery from the Sub-Engineer.

The PAC also directed to move a case for write off Sanction of Rs.84,900.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **94. Para III-A.6: Page 198 – Theft of Government Material/Trees and Cash – Rs.129,455**

Audit had observed: “In the division various parts of Tubewells, circuit breakers, main switches, electric motors were stolen during 1977-78 to 1988-89. The Department neither reported the Theft to Audit as required under rule 2.34 of Punjab Financial Rules nor got conducted Departmental inquiry. This resulted in a loss of Rs.129,455 to the Government.”



**5-10-98:** The Department explained that Theft of different parts of Tubewells during 1977-78 to 1988-89 resulted in loss of Rs.129,455. A case for the write off Sanction had been sent to the Competent Authority and decision was awaited.

The Public Accounts Committee kept the para pending for the write off Sanction of the loss.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**95. Para III-A.7: Page 198 – Theft of Government Material/Trees and Cash – Rs.56,050**

Audit had observed: “In the division Government Trees were cut illegally unauthorisedly. The Department neither reported the Theft to Audit as required under rule 2.34 of the Punjab Financial Rules nor Departmental inquiry was initiated for fixing responsibility. This resulted in a loss of Rs.56,050 to Government from October 1985 to December 1986.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**96. Para III-A.8: Page 199 – Theft of Government Material/Trees and Cash – Rs.1,162,036**

Audit had observed: “In the division Government Trees were stolen. The Department neither reported the loss to Audit as required under rule 2.34 of the Punjab Financial Rules nor Departmental inquiries were initiated for fixing responsibility. This resulted in a loss of Rs.1,162,036 to Government from February 1981 to November 1990.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**97. Para III-A.9: Page 200 – Theft of Government Material/Trees and Cash – Rs.129,250**

Audit had observed: “In the division some unknown persons stole 152 Trees from different sites of canals/distributories during 1990-91 but the Department did not report the loss to Audit as required as per rule 2.34 of the Punjab Financial Rules. This resulted in a loss of Rs.129,250 to Government.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be

taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **98. Para III-A.10: Page 200 – Theft of Government Material/Trees and Cash – Rs.80,000**

Audit had observed: “In the division bricks were stolen from a Tubewell. The Department neither reported the Theft to Audit as required under rule 2.34 of Punjab Financial Rules nor any Departmental inquiry was initiated for fixing responsibility. This resulted in a loss of Rs.80,000 to Government in March 1993.”

**6-10-98:** The Department explained that Theft case was investigated by the Police and declared untraceable. Departmental inquiry was conducted from which it was concluded that SDO, Sub Engineer and Tubewell Operator were responsible for loss from whom the recovery should be effected. The higher competent authorities have issued direction to proceed against the defaulters under E & D Rules and accordingly the action was in process.

The PAC kept the para pending for recovery from the defaulting officers/officials and disciplinary action under E & D Rules.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **99. Para III-A.11: Page 201 – Theft of Government Material/Trees and Cash – Rs.58,600**

Audit had observed: “In the division Tubewell parts were stolen from March 1992 to November 1993. The Department neither reported the Theft to Audit as required under rule 2.34 of Punjab Financial Rules nor any Departmental inquiry was initiated for fixing responsibility. This resulted in a loss of Rs.58,600 to the Government.”

**6-10-98:** The Department explained that inquiry had been conducted and concluded that concerned Tubewell Operators were responsible for loss. Orders had been issued to effect recovery from the defaulter Tubewell Operators along with disciplinary action and punishment for the Negligence towards official duty.

The PAC kept the para pending for recovery of loss from the defaulters and disciplinary action against them.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**100. Para III-A.12: Page 201 – Theft of Government Material/Trees and Cash – Rs.300,000**

Audit had observed: “In the division Railway track was removed away/stolen by the staff of Railways Department in June 1992. Neither the FIR of the Theft was lodged with the Police nor the case reported to Audit as required under rule 2.34 of Punjab Financial Rules. Thus Government sustained a loss of Rs.300,000.”

**5-5-98:** The Department explained that S.D.O. concerned had been directed strictly to submit the copy of F.I.R. registered with Police against the Theft of Material. The inquiry was also being conducted which had not yet been completed. Nevertheless, the recovery would be effected from the persons at fault.

The Committee directed that fresh Departmental inquiry shall be conducted and completed within one month. Responsibility shall be fixed and the loss shall be made good without further delay. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**101. Para III-A.13: Page 201 – Theft of Government Material/Trees and Cash – Rs.186,000**

Audit had observed: “In the division Trees were stolen from various sites by illegal cutting. Neither the Theft cases were reported to Audit as required under rule 2.34 of Punjab Financial Rules nor the Theft was placed in “Misc. P.W. Advances” for watching recovery thereof. This resulted in a loss of Rs.186,000 to Government in 1989...The matter was reported to the Administrative Secretary in March 1990 and also discussed in the Departmental Accounts Committee meetings in May 1992 and March 1994.”

**5-5-98:** The Department explained that the cases of Theft of Trees were sent to the Police authorities concerned but they did not register the case. The matter was brought to the notice of Superintendent of Police but with no response so far and the Departmental inquiry initiated had not been finalized yet.

The Public Accounts Committee directed the Department to complete the inquiry within a month and to pin point the person responsible for the loss. The result of inquiry shall be reported to the Public Accounts Committee. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**102. Para III-B.1: Page 202 – Acceptance of Tenders at Higher Rates – Rs.1,039,564**

Audit had observed: “The division splitted the lining work of minors and distributories into two groups without according technical Sanction to the detailed estimate by the Competent Authority which was pre-requisite for invitation of tenders of a work. The tenders of first group were opened on 11 July 1991. No tenders were received till stipulated time and tenders received thereafter were rejected. In case of second group the tenders were opened on 25 July 1991 and the lowest rates/premium ranging from 109% to 109.50% above Composite Schedule of Rates 1979 for earthwork and 233.95 to 234.60% above Composite Schedule of Rates 1979 for lining work were accepted by arranging tenders in the absence of a member of “Tender Opening Committee”. The rates accepted were on very high side as became evident from the rates received on 22 October 1991 in case of reinvitation of rejected tenders of 1st group. The rates/premium received and accepted on 22 October 1991 (ranging from 74% to 99% and 198% to 224% above Composite Schedule of Rates 1979 for earthwork and lining work respectively) were far lower than the rates accepted in July 1991. As a matter of fact the rates of October 1991 should have been high due to rising price trend of labour and Material etc. This indicated that there was no real/proper competition in July 1991 in case of second group and acceptance of higher rates resulted in a loss of Rs.1,039,564 to Government up to July 1992.”

**7-10-98:** The PAC was not satisfied with the explanation tendered by the Department and directed that a fact finding inquiry shall be conducted and the factual position shall be brought to the notice of Public Accounts Committee. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **103. Para III-B.2: Page 203 – Acceptance of Tenders at Higher Rates – Rs.271,448**

Audit had observed: “Delegation of Financial Powers 1990 authorizes engineering Departments to accept tenders up to 4.5% above the amount of technically Sanctioned estimate. The division accepted tenders at 19% higher than technically Sanctioned estimate in violation of the ceiling fixed by the Government. This resulted in a loss of Rs.271,448 to Government in 1992.”

**5-5-98:** The Department explained that tender above the fixed ceiling was accepted with the approval of the Competent Authority. Therefore, no Excess Expenditure was involved.

The Committee directed the Department to move a case for regularization by the F.D. and if Finance Department did not agree, then loss shall be recovered from the person responsible for the same after completing the codal formalities. The Para was kept pending.

**6-10-98:** The Department explained that a case for regularization of the Expenditure had been sent to the Finance Department and its decision was awaited.

The PAC kept the para pending for regularization of Expenditure by the Finance Department.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **104. Para III-B.3: Page 203 – Acceptance of Tenders at Higher Rates – Rs.1,154,500**

Audit had observed: “Delegation of Financial Powers 1990 authorizes engineering Departments to accept tenders up to 4.5% above the amount of technically Sanctioned estimate. On the contrary the division accepted tenders of a work at 55.75% higher than the technically Sanctioned estimate in violation of the ceiling fixed by the Government. This resulted in a loss of Rs.1,154,500 to Government in June 1991.”

**5-5-98:** The Department explained that the work was executed with the approval of competent authorities after complying with all the codal formalities. Anyhow, the Excess Payment was due to price escalation in respect of labour and Material. Therefore, the Excess Expenditure shall be regularized by the Finance Department.

The Public Accounts Committee directed that a case for regularization of Excess Expenditure shall be sent to the Finance Department. In case the Finance Department did not agree for regularization then the loss shall be recovered from the person responsible for the Excess Expenditure, after completing the codal formalities. The Para was kept pending.

**6-10-98:** The Department explained that the case for regularization of the Expenditure by the Finance Department had been submitted to the Secretary, Irrigation & Power.

The Public Accounts Committee kept the para pending for regularization by Finance Department.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **105. Para III-B.4: Page 204 – Acceptance of Tenders at Higher Rates – Rs.241,800**

Audit had observed: “The division accepted tenders of a work at 24.87% above the Sanctioned estimate instead of the admissible limit of 4.50% as required under Delegation of Financial Powers 1990. This resulted in a loss of Rs.241,800 to Government in November 1991.”

**5-5-98:** The Department explained that the work was executed with the approval of Ministry of Water & Power, Government of Pakistan and therefore, the Expenditure so incurred stood regularized accordingly.

The Audit pointed out that acceptance of tenders over and above the fixed ceiling had resulted in a loss of Rs.241,800 which was required to be regularized by the Finance Department.

The Public Accounts Committee directed the Department to seek regularization of Excess Expenditure from the Finance Department and if it was not accorded by the Finance Department, then the loss shall be recovered from the person responsible, after meeting the codal formalities. The Para was kept pending.

**6-10-98:** The Department explained that case for regularization of the Expenditure by the Finance Department was being processed in the Department and would be forwarded to Finance Department very soon.

The PAC kept the para pending for the regularization of Expenditure by the Finance Department.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of



the PAC.

#### **106. Para III-B.5: Page 204 – Acceptance of Tenders at Higher Rates – Rs.3,576,702**

Audit had observed: “Delegation of financial Powers 1990 authorizes engineering Departments to accept tenders up to 4.5% above the amount of technically Sanctioned estimate. The division accepted tenders at 33.33% above the technically Sanctioned estimate in violation of ceiling fixed by the Government. This resulted in a loss of Rs.3,576,702 to Government Due to extra Expenditure in 1990.”

**5-5-98:** The Department explained that the work had been technically Sanctioned for Rs.6,883,564 by the Chief Engineer, Irrigation Zone D.G. Khan. Therefore, the Sanctioned estimate of Rs.6,883,564 was within 4.5% above the Technical Sanction as permissible under the relevant rules.

The Committee was not satisfied with the explanation and directed to refer the case to F.D. for regularization and if the F.D. did not agree then the loss shall be recovered from the officers/officials responsible after completing the codal formalities. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **107. Para III-B.6: Page 205 – Acceptance of Tenders at Higher Rates – Rs.79,204**

Audit had observed: “The division accepted the lowest tender at 6.26% above the amount of technically Sanctioned estimate of a work against the ceiling of 4.50% as provided in the Delegation of Financial Powers and Rules 1990. The acceptance of higher rates resulted in a loss of Rs.79,204 to Government in June 1993.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **108. Para III-B.7: Page 205 – Acceptance of Tenders at Higher Rates – Rs.88,500**

Audit had observed: “Delegation of Financial Powers 1990 authorizes engineering Departments to accept tenders up to 4.5% above the amount of technically Sanctioned estimate. Contrary to these instructions the division accepted the lowest tenders at 5.61% higher than technically Sanctioned estimate in violation of the ceiling fixed by the Government. This resulted in a loss of Rs.88,500 to Government in May 1992.”

**5-5-98:** The Department explained that the work was executed in accordance with rules and regulations and with the approval of the Competent Authority. The Payments were accordingly made and there was no Overpayment or loss involved in this case.

The PAC directed that the matter shall be referred to the F.D. for regularization and if F.D. did not agree, then the loss shall be

recovered from the person responsible for the same after completing the codal formalities. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**109. Para III-C.1: Page 205 – Negligence – Rs.205,204**

Audit had observed: “The division installed gates and gearing system for regulation purposes from November 1979 to June 1980 at a Cost of Rs.205,204 which were got manufactured from the Mughalpura Irrigation Workshop Lahore. This system of regulation failed and was replaced with sluice valve in May and June 1980 at an additional Cost of Rs.70,324. This resulted in a loss of Rs.205,204 originally spent for the purpose to the Government.”

**7-10-98:** The Department explained that gate and gearing system had failed due to dangerously high velocity of water flow at the entrance of outlet. Thus the gate and gearing were replaced by sluice valve under the direction of Chief Engineer Irrigation Research Institute, Lahore. The said replacement was carried out to save the dam from structural Damages. The replaced Material would be utilized when needed. There was no loss to the Government.

The Public Accounts Committee accepted the explanation and **settled the Para**

**110. Para III-C.2: Page 206 – Negligence – Rs.618,515**

Audit had observed: “The division allotted the work at premium of 35% above for earthwork and 60% above Composite Schedule of Rates 1979 for pacca work in December 1987 and made Payment on the above premium up to 9th running bill paid on 28 March 1988. contrary to above the division made Payment at 52% above for earthwork and 105% above Composite Schedule of Rates 1979 for pacca work in 10th and final bill on 31 March 1988. This resulted in a loss of Rs.618,515 to Government Due to Payment of Excessive premia.”

**7-10-98:** The Department explained that offer of the 4th lowest Contractor, who offered the rate of 52% for earthwork above CSR & 105% for pacca brick work above CSR, was accepted by the Chief Engineer (I) Sargodha. After the acceptance of the said offer of Contractor the S.E. concerned directed to pay rates of 35% above CSR and 60% above CSR to the Contractor. Against these orders of S.E. the Contractor filed a suit in civil court and the court ordered not to implement the orders of S.E. Accordingly, the Payments were made to the Contractor on the original rate. The estimate had also been sanctioned technically at the tendered rates. As such there was no Irregularity.

The PAC was not satisfied with the explanation and directed to probe the matter to ascertain as to who was responsible for the Payment at higher rates and accordingly the defaulter shall be proceeded against under E & D Rules. loss may also be recovered from the defaulter, after Due process. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**111. Para III-C.3: Page 207 – Negligence – Rs.305,228**

Audit had observed: “In the division a quantity of 39487 cft (17187+32300) stone was shown as washed away in floods in October 1988 and September 1992. Neither any Departmental inquiry was initiated to justify the washout of stone nor the incidence was reported to higher authorities and Audit as required under rule 2.34 of Punjab Financial Rules. This resulted in a loss of Rs.305,228 to Government.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**112. Para III-C.4: Page 207 – Negligence – Rs.115,103**

Audit had observed: “The division issued a special cheque to the Rasul Irrigation Division for the supply of 75000 cft stone in June 1991. Neither the stone was received nor the amount of special cheque was taken back till May 1994. This resulted in a loss of Rs.115,103 to Government Due to fictitious Stock adjustment in June 1991.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**113. Para III-C.5: Page 208 – Negligence – Rs.1,018,600**

Audit had observed: “In the division the Divisional Forest Officer during his visit of canal side Plantation in September 1988 reported that green shisham and kikar Trees of 5 to 9 feet girth had been cut for use in killa bushing although a sufficient number of dead, dry and fallen Trees were available at the site of work. This resulted in a loss of Rs.1,018,600 value assessed by him in his report to the Chief Engineer concerned in August 1989.”

**7-10-98:** The Department explained that an inquiry was conducted to look into the alleged loss Due to cutting of green Trees. According to the inquiry report the case was got regularized from the Competent Authority. After the regularization of the case the concerned officials previously held responsible were exonerated as no loss was reported by the Inquiry Officer in his ultimate findings.

The Public Accounts Committee kept the para pending and directed the Department to produce all the relevant record along with the report of Divisional Forest Officer to Audit for verification.

**23-5-02:** Reiterating the decision of the PAC dated 7 October 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **114. Para III-C.6: Page 208 – Negligence – Rs.507,992**

Audit had observed: “The division purchased certain chemicals during the period 1975-76 to 1985-86 which have not been consumed so far. This resulted in a loss of Rs.507,992 to the Government as the chemicals in question had lost their utility.”

**5-10-98:** The Department explained that certain chemicals were purchased during 1975-76 to 1985-86 which could not be utilized and by passage of time, these chemicals had expired. The matter had been investigated and report had been submitted to Chief Engineer Irrigation, Faisalabad on 27 April 1998. Final orders on the said inquiry report were awaited and further action was to be taken on receipt of these orders. Anyhow, it was a Negligence and in-efficiency on the part of concerned officer/agency. The officer concerned had since retired.

The Committee observed that purchase of chemicals was made without requirement and its disposal was not arranged before expiry and inquiry was not conducted in time.

The PAC directed that non-recoverable loss shall be got written off from the Finance Department. The officer who issued NOC/NDC in favour of the defaulter retiring officer shall be proceeded against for disciplinary action and recovery of loss.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **115. Para III-C.7: Page 209 – Negligence – Rs.42,600**

Audit had observed: “The division rented a building having 3832 sft covered area with 3000 sft as open area at a nominal rate of Rs.450 per month for a period of one year instead of letting it out in open bidding/auction. This resulted in a loss of Rs.42,600 to Government from September 1993 to September 1994.”

**5-5-98:** The Department explained that the official concerned had been asked to make good the loss which occurred due to renting out the building at lesser rate. At the same time, the lessee was also being pursued to remit the amount of Rs.42,600.

The Para was kept pending with the direction that steps shall be taken for early recovery.

**6-10-98:** The Department explained that inquiry was conducted which revealed that the then XEN Sahiwal was personally responsible for the loss who was being charge sheeted. Effective steps were also being taken to effect the recovery from the defaulters.

The PAC kept the para pending for completion of disciplinary action and recovery.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **116. Para III-D.1: Page 210 – Non-Disposal of Material and Lease of Land – Rs.99,476**

Audit had observed: “The division made payment for 12144 cft dismantling brick masonry duly provided in the estimate but the Cost of old bricks obtained from dismantling was neither provided in the regional/revised Sanctioned estimate nor the Material was auctioned. This resulted in a loss of Rs.99,476 to the Government in March and June 1993.”

**7-10-98:** The Department explained that provision of old dismantled Material had been made in the revised estimate and accordingly recovery of Rs.9,000 had been effected. The remaining recovery would also be made very soon.

The PAC **settled the para subject to verification of relevant record** and the final bill showing the said recovery by Audit.

#### **117. Para III-D.2: Page 210 – Non-Disposal of Material and Lease of Land – Rs.256,000**

Audit had observed: “The division did not auction the scrap Material up to May 1993. With the passage of time the value of the scrap Material would be deteriorated Due to rust and Theft of Material also could not be ruled out. This resulted in a loss of Rs.256,000 to the Government.”

**7-10-98:** The Department explained that scrap had since been auctioned.

The PAC **settled the para subject to verification** of relevant record by Audit.

#### **118. Para III-D.3: Page 210 – Non-Disposal of Material and Lease of Land – Rs.1,426,132**

Audit had observed: “The division failed to dispose of the surplus Store Purchased in Excess of requirement. With the passage of time the value of the Store Articles would be reduced. This resulted in a loss of Rs.1,426,132 to Government since 1982.”

**5-10-98:** The Department explained that dead Stock items were not Purchased rather the same were received from Defunct Land and Water Development Board. The list of items was circulated among the Departments but no demand from any quarter was received. Certain items had been consumed. Survey report had been prepared to arrange the auction of these dead Stock items.

The PAC kept the para pending for the disposal of surplus Material and to report the progress to PAC within three months.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **119. Para III-D.4: Page 211 – Non-Disposal of Material and Lease of Land – Rs.1,120,135**

Audit had observed: “The division failed to dispose of material purchased locally in excess of actual requirement. The material was purchased to utilize the funds available with the division which was unjustified and in contravention of codal provisions. This resulted in a loss of Rs.1,120,135 from September 1982 to June 1986.”



**5-10-98:** The Department explained that Dead Stock items were not purchased rather the same were received from Defunct Land and Water Development Board. The list of items was circulated among the Departments but no demand from any quarter was received. Certain items had been consumed. Survey report had been prepared to arrange the auction of these dead Stock items.

The PAC kept the para pending for the disposal of surplus material and to report the progress to PAC within three months.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**120. Para III-D.5: Page 211 – Non-Disposal of Material and Lease of Land – Rs.6,804,391**

Audit had observed: “The division did not dispose of un-serviceable material like B.G. rails, wooden sleepers, dog spiliors, fish bolts and nuts, fish plates etc., lying in the Store since long. Misappropriation/pilferage of Government Material could not be ruled out. This resulted in possible loss of Rs.6,804,391 in October 1993.”

**5-5-98:** The Department explained that open auction was held on 7.1.96, 18.6.96, 24.7.96, 28.10.96 and 3.12.97 to dispose of the surplus Material. The participants offered rates of Rs.10-11 per k.g. against the reserves price of Rs.15 per kg. The rates tendered by the participants had been referred to the Competent Authority for approval.

The Public Accounts Committee directed the Department that D.G. Audit (Works) may also be included in the Auction Committee for finalizing the disposal of surplus material. The Para was kept pending.

**6-10-98:** The Department explained that case for review of the reserve price had been submitted to the Chief Engineer, Irrigation Multan and its result was awaited.

The PAC kept the para pending for compliance of PAC’s directive dated 5 May 1998 in letter and spirit without further delay.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**121. Para III-D.6: Page 212 – Non-Disposal of Material and Lease of Land – Rs.205,635**

Audit had observed: “The division did not lease out Government Land from 1980-81 to 1988-89. Non-auctions of Government property

resulted in a loss of revenue amounting to Rs.205,635.”

**5-10-98:** The Department explained that Audit made the observation on the basis of incomplete record. The auction of Land was done for the period from 1980-81 to 1988-89 and an amount of Rs.151,194 was recovered from the bidders. For certain Land areas no bid was received in different years despite repeated auction notices. Some areas came under road and 7-marla schemes which could not be auctioned. Therefore, there was no loss as presumed by Audit.

The PAC **settled the para subject to verification** of recovery of Rs.151,194 along with relevant record supporting the departmental contention by Audit.

#### **122. Para III-E.1: Page 212 – Running of Vehicle – Rs.83,822**

Audit had observed: “In the division vehicles were running in loss but Department neither justified the loss nor recovered from the officers involved as required under Article 163 of Account Code Volume III. This resulted in a loss of Rs.83,822 to Government from 1979-80 to 1982-83.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **123. Para IV-A.1: Page 213 – Non-Accountal of Material – Rs.850,000**

Audit had observed: “In the division seventeen (17) Tubewells were closed due to damaged bores from April 1972 to November 1988 but the machinery of the same were not utilized on some other Tubewells and the same was deteriorating with the passage of time. This resulted in a Non-Accountal of Government Material amounting to Rs.850,000.”

**7-10-98:** The Department explained that in case a Tubewell bore collapses and the damage is beyond repairs the same could not be set right. However, the connected machinery could either be used on other operating Tubewells or disposed of through auction. The Tubewells in question were installed in 1964 and with the passage of time they collapsed. The machinery of such Tubewells would be auctioned in the near future.

The PAC kept the para pending for auction of Tubewells Material within three months and verification of the same by Audit.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **124. Para IV-A.2: Page 214 – Non-Accountal of Material – Rs.51,100**

Audit had observed: “The division carted 22351 cft stone from quarry and consumed a quantity of 17876 cft. Balance quantity of 4475 cft stone was neither consumed nor taken on Stock. This resulted in Mis-Appropriation of stone worth Rs.51,100 in February 1993.”

**5-10-98:** The Department explained that 22351 cft stone was carted from the quarry to the site of work out of which a quantity of 17876 cft was used and the remaining quantity of 4475 cft was taken on Stock register. There was no misappropriation.

The PAC kept the para pending and directed the Department to get verified the relevant record by Audit up to 23 October 1998, positively

**23-5-02:** Reiterating the decision of the PAC dated 5 October 1998, **the Committee settled the para subject to the following direction**

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The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **125. Para IV-A.3: Page 214 – Non-Accountal of Material – Rs.65,000**

Audit had observed: “In the division thirteen (13) iron girders obtained from dismantling of roofs were neither taken on Stock nor effective steps were taken to make good the shortage from the official concerned and amount placed in “Misc P.W. Advances” as required under rules. This resulted in a loss of Rs.65,000 to the Government in March 1989.”

**7-10-98:** The Department explained that the matter was enquired into and found that Mr. Iftikhar Ahmad, Sub Engineer was responsible for the misappropriation of iron girders costing Rs.65,000. He was directed to deposit the amount of Rs.65,000 but he did not accept the findings of Inquiry Officer. Now, C.E. concerned had ordered to proceed against him under E&D Rules and the action was in process.

The PAC kept the para pending and directed the Department to conduct inquiry within three months and fix responsibility. Recovery shall be effected from the defaulter along with disciplinary action against him.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **126. Para IV-A.4: Page 215 – Non-Accountal of Material – Rs.782,226**

Audit had observed: “The division purchased certain Stock, Tools and Plant Articles for use in specific works. The Material in question was not accounted for on Stock/Tools and Plant and Material at-site Account as required under the rules. Non-Accountal of the said material led to the apprehension that the same has been misappropriated. This resulted in a loss of Rs.782,226 to Government from April 1993 to October 1993.”

**5-5-98:** The Department explained that all the Articles so purchased had been taken on record and nothing had been misappropriated, but unfortunately the record pertaining to 6 items was not available.

The representative of Finance Department opined that there was every reason to believe that Articles purchased by the Department were not taken on record. The Public Accounts Committee directed the Department to probe into the matter and ascertain as to who was responsible for the purchase of said Articles and keeping of accountal right from the purchase to the consumption of the same. This process shall be completed within 2 months and defaulter be proceeded against accordingly. The para was kept pending.

**6-10-98:** An inquiry, in accordance with previous directive of Public Accounts Committee had been conducted and the report of inquiry was awaited. The Department further apprised the PAC that a sum of Rs.325,605 had been recovered.

The Public Accounts Committee kept the para pending for balance recovery and verification of whole recovery by Audit. The PAC also directed to intimate the result of inquiry conducted by the Department.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **127. Para IV-A.5: Page 215 – Non-Accountal of Material – Rs.3,926,600**

Audit had observed: “In the division bores of fifty eight (58) Tubewells were closed as damaged from October 1974 to October 1993. Neither the pumping equipment and other Materials of Tubewells were taken into Account nor its Cost recovered from the persons responsible. This resulted in a loss of Rs.3,926,600 to Government.”

**6-10-98:** The Department explained that Material of damaged Tubewells had since been taken into Account and relevant record was being collected for verification by Audit.

The PAC kept the para pending for verification of relevant record by Audit at the earliest.

**23-5-02:** Reiterating the decision of the PAC dated 6 October 1998, **the Committee settled the para subject to the following direction**

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The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **128. Para IV-A.6: Page 215 – Non-Accountal of Material – Rs.300,847**

Audit had observed: “The division issued 288772 cft stone of which 252350 cft was recorded as consumed. The balance quantity of 36422 cft stone was neither shown as consumed nor taken back on Stock Accounts. This resulted in Non-Accountal of stone worth Rs.300,847 in July 1993.”

**6-10-98:** The Department explained that total quantity of 36422 cft stone had been consumed as per final bill of the Contractor paid in June 1997.

The PAC kept the para pending for verification of relevant record in support of Departmental explanation.

**23-5-02:** Reiterating the decision of the PAC dated 6 October 1998, **the Committee settled the para subject to the following direction**

— The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**129. Para IV-A.7: Page 216 – Non-Accountal of Material – Rs.59,940**

Audit had observed: “The division Purchased certain component parts of Tubewells in June 1993, but neither the same were Accounted for in the Stock Accounts nor the consumption thereof was forthcoming with reference to technically Sanctioned estimate. This resulted in Mis-Appropriation of Stock Articles of Rs.59,940 in June 1993.”

**5-5-98:** The Department explained that all the Stock Articles had already been taken on Stock register of the Store section. As the Stock register was with the FIA, therefore, the same could not be produced for verification.

The Committee directed that original relevant record shall be produced to Audit for verification and the Para was kept pending.

**23-5-02:** Reiterating the decision of the PAC dated 5 May 1998, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**130. Para IV-B.1: Page 216 – Shortage of Material – Rs.549,036**

Audit had observed: “The division Purchased certain Stock Tools and Plant Articles for the use on specific work. The Material was neither consumed on the work nor taken on Stock Tools and Plant register. This resulted in a loss of Rs.549,036 to the Government in 1992-93.”

**7-10-98:** The Department explained that Material Purchased was directly charged to work and consumed at site on specific work. The Material was Accounted for in the Account Register. Therefore, there was no loss.

The PAC kept the para pending for verification of relevant record by Audit.

**23-5-02:** Reiterating the decision of the PAC dated 7 October 1998, **the Committee settled the para subject to the following direction**

—

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**131. Para IV-B.2: Page 217 – Shortage of Material – Rs.153,000**



Audit had observed: “The division failed to recover the Cost of vehicles placed in “Miscellaneous P.W. Advances” against the Sub-Engineer on Account of Shortage. This resulted in misappropriation of Rs.153,000 in February and March 1983.”

**5-10-98:** The Department explained that this para pertained to shortage of two vehicles costing Rs.75,000 plus Rs.78,000 which comes to Rs.1,53,000. Now both the vehicles had been traced and were lying in Store & Workshop Division in un-serviceable condition. Auction of these vehicles was being arranged.

The PAC **settled the para subject to the verification** of relevant record by Audit in support of departmental explanation.

### **132. Para IV-B.3: Page 217 – Shortage of Material – Rs.57,623**

Audit had observed: “In the division 10000 liter high speed diesel oil was found short against a junior Store Keeper as reported by the Sub-Divisional Officer. This resulted in a loss of Rs.57,623 to Government in November 1991.”

**7-10-98:** The Department explained that inquiry was conducted and as a result Junior Store Keeper was held responsible for the loss. Recovery @ Rs.800 p.m. was being effected. A sum of Rs.5,600 had so far been recovered.

The Public Accounts Committee kept the para pending for balance recovery.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **133. Para IV-B.4: Page 217 – Shortage of Material – Rs.55,624**

Audit had observed: “In the division Material costing Rs.55,624 was found short against a sub-Engineer as per report of the Executive Engineer in April 1990. As per record of the Department no effective efforts appeared to have been taken by Department to make recovery of the Shortage from the official responsible.”

**7-10-98:** The Department explained that inquiry was conducted and as a result Mr. Bashir Ahmad Nadeem, Junior Store Keeper was held responsible for the loss. Recovery @ Rs.800 P.M. was being effected from him. A sum of Rs.5,600 had so far been recovered.

The PAC kept the para pending for balance recovery.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **134. Para IV-B.5: Page 218 – Shortage of Material – Rs.1,666,161**

Audit had observed: “In the division Stock Materials, Tools and Plants Articles were found short against various Sub-Engineers during handing/taking over charge. This resulted in a loss of Rs.1,666,161 to Government in November 1986 and January 1987.”

**5-5-98:** The Department explained that an amount of Rs.92,736 had been recovered and balance recovery of Rs.1,573,425 was also under process. The Committee directed the Department to complete the balance recovery within 3 months and got verified by Audit. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**135. Para V-A.1: Page 219 – Payment Without Provision in the Estimates – Rs.108,181**

Audit had observed: “The division measured and paid for an item of work “up-rooting of sarkanda lead up to 100 feet” for which there was no provision in the PC-I/Sanctioned estimate. This resulted in an Irregular Payment of Rs.108,181 to the Contractors from July 1987 to June 1988.”

**5-10-98:** The Department explained that administrative approval was a formal approval to incur Expenditure and detailed provisions were not made in the PC-I as desired by Audit. However, detailed provisions were made in the detailed estimate. The scheme was approved in 1985 and work was executed in 1987-88 and by passage of time “Sarkanda” growth was cropped up on the site of work which was to be removed before the execution of work. Therefore, the uprooting of “Sarkanda” was got done. The actual Payment for the uprooting of “Sarkanda” was Rs.61,409 and not Rs.108,181 as worked out by Audit.

The Public Accounts Committee kept the para pending and directed the Department to show the following record to Audit for verification of Departmental contention:

(i) PC-I (ii) T.S. Estimate (iii) NIT/BOQ (iv) Contract agreement; and (v) Final bill of the Contractor.

**23-5-02:** Reiterating the decision of the PAC dated 5 October 1998, **the Committee settled the para subject to the following direction**

–

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**136. Para V-A.2: Page 219 – Payment Without Provision in the Estimates –Rs.130,900**

Audit had observed: “The division measured and paid a quantity of 382910 cft for earthwork in the reaches which were not provided in the detailed technically Sanctioned estimate. This resulted in an un-authorized Payment of Rs.130,900 to a Contractor in October 1993.”

**5-5-98:** The Department explained that the work of extension of Bund by R.D. 62,000 in order to ensure the protection of Seetpur Town was required to be executed.

This Excess of earthwork remained within the permissible limit of technical Sanction. Hence the Payment made was quite regular.

The Committee was not satisfied with the explanation and directed that a case for regularization of the Expenditure shall be referred to the F.D. and the Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of

the PAC.

### **137. Para V-A.3: Page 219 – Payment Without Provision in the Estimates – Rs.49,980**

Audit had observed: “The division made Payment for supply of patha or munj trungers whereas the said item of work was neither provided in the draft notice for inviting tenders nor in the Sanctioned estimate. This resulted in an Irregular Payment of Rs.49,980 in June 1992.”

**6-10-98:** The Department explained that Payment was made for “Patha” or “Munj Trungers” as per requirement of actual site conditions.

The PAC did not accept the explanation and directed to make good the loss from the defaulting officers who allowed the extra item of work. The Para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 6 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **138. Para V-B.1: Page 220 – Expenditure Against Government Rules – Rs.2,923,220**

Audit had observed: “The division got repaired tubwells from market instead of Mughalpura Irrigation Workshop without obtaining No Objection Certificate (NOC) from the Government workshop as required under the Delegation of Financial Powers and Rules 1990. This resulted in an Irregular Expenditure of Rs.2,923,220 during 1992-93.”

**5-10-98:** The Department explained that Irrigation Workshop Division, Lahore was basically designed and equipped for the fabrication and repair of gates & gearing of barrages and head works and not for the repair of Tubewells as presumed by Audit. As such the repair was carried out locally which was quite justified. There was no violation of Delegation of Financial Powers and Rules 1990.

The Public Accounts Committee accepted the explanation and the **Para was settled.**

### **139. Para V-B.2: Page 220 – Expenditure Against Government Rules – Rs.765,000**

Audit had observed: “The division paid Rs.765,000 on account of contingent expenditure incurred on behalf of the Irrigation and Power Department (Secretariat Office) during 1991-92 in contravention of the rules contained in Departmental Financial Rules Para 3.12 and Para 8.3 of Punjab Financial Rules. The rule 3.12 of Departmental Financial Rules (DFR) provides that “the contingent charges of special and direction office are to be drawn from the Treasury on bills like other civil offices”. Similarly rule 8.3 of Punjab Financial Rules further clarifies that “a drawing officer may draw money from the Treasury for contingent expenses subject to the sanction of the Competent Authority for incurring

such Expenditure”. The Department did not follow the above noted rules while making Payment on Account of contingent Expenditure, which made the Payment of Rs.765,000 as Irregular.”

**7-10-98:** The Department explained that funds were allocated by the Secretary Irrigation & Power. The Expenditure had been incurred after proper Sanction accorded by the Competent Authority. Anyhow, in compliance with the requirement of Audit a request had been made to the Finance Department for condonation. The case was under process in Finance Department.

The Public Accounts Committee kept the para pending for the said condonation of Expenditure by the Finance Department within one month.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **140. Para V-B.3: Page 221 – Expenditure Against Government Rules – Rs.93,635**

Audit had observed: “The division incurred an amount on the repair and replacement of parts of the vehicle in April 1992 in contravention of the powers delegated under Delegation of Financial Powers and Rules 1990 (S.No.10 page 68). This resulted in an Irregular Expenditure of Rs.93,635 in April 1992.”

**5-5-98:** The Department explained that different items for Government vehicle were purchased locally. As per Delegation of Financial Powers Rules 1990, the XEN was competent to make local purchase up to 60,000 at a time. Hence the Expenditure being within the competence of the XEN was not irregular.

The Committee directed that Expenditure shall be got regularised from the F.D. If the Finance Department did not agree then the amount involved shall be recovered from the person responsible after completing the codal formalities. The para was kept pending.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 5 May 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

#### **141. Para VI-A.1: Page 222 – Unjustified Procurement of Material – Rs.388,343**

Audit had observed: “The division Purchased Stock Materials for repair of machinery and vehicles which was lying unused since 1984. Un-necessary Purchases resulted in Blockade of Government resources to the tune of Rs.388,343.”

**7-10-98:** The Department explained that some items of un-serviceable Articles and scrap Costing Rs.1,67,695 had also been included in the Para . If this amount was excluded the balance would come to Rs.220,648 which pertained to local Purchase/transfer of Material at the time

of formation of Machinery Irrigation Division, Lahore. Scrap worth Rs.75,777 had been auctioned and Material worth Rs.45,215 had been utilized on work. As such the balance was left as Rs.99,656.

The PAC kept the para pending for verification of auctioned Material and disposal of remaining un-serviceable Material by Audit.

**23-5-02:** Reiterating the decision of the PAC dated 7 October 1998, **the Committee settled the para subject to the following direction**

—

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **142. Para VI-A.2: Page 223 – Unjustified Procurement of Material – Rs.219,781**

Audit had observed: “The division made Payment for carriage of 119372 cft stone from the quarry against the quantity of 89140 cft as provided in the technically sanctioned estimates. This resulted in unjustified procurement of stone worth Rs.219,781 in November 1991.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **143. Para VI-B.1: Page 223 – Fraudulent Payment of Rs.93,722**

Audit had observed: “The division disfigured/tampered official record and made payment of Rs.97,022 instead of Rs.77,022. Similarly a payment of Rs.73,722 was made twice to a Contractor once in July 1989 and again in June 1991. This resulted in fraudulent payment of Rs.93,722 to the Contractors in June 1991 and February 1992”.

**7-10-98:** A double refund of security deposit was made to the Contractor by tampering the record.

The Department explained that out of the total amount of Rs.93,722 a sum of Rs.73,722 had been recovered and balance recovery was in process. An inquiry was also being conducted.

The PAC kept the para pending and directed the Department to complete the inquiry and to fix responsibility and take disciplinary action accordingly, besides recovery.

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 7 October 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.



## Annexure Paras

### Actionable Paras

1. Para 16(A)17(1) (1955-56):Page 407 read with Serial No.1 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.10,368.
2. Para 17(A)47(1) (1956-57):Page 407 read with Serial No.2 of Audit Report for the year 1993-94 – Excess Payment – Rs.5,141.
3. Para 17(a)57 (1956-57):Page 407 read with Serial No.3 of Audit Report for the year 1993-94 – Short Recovery – Rs.7,540.
4. Para 17(a)62 (1956-57):Page 407 read with Serial No.4 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.123,583.
5. Para 17(a)62 (1957-58):Page 407 read with Serial No.5 of Audit Report for the year 1993-94 – Non-Recovery – Rs.81,200.
6. Para 17(a)18(i) (1958-59):Page 407 read with Serial No.6 of Audit Report for the year 1993-94 – Shortage of Store – Rs.261,040.
7. Para 17(a)18(2) (1958-59):Page 407 read with Serial No.7 of Audit Report for the year 1993-94 – Shortage of Store – Rs.22,662.
8. Para 17(a)18(8) (1958-59):Page 408 read with Serial No.8 of Audit Report for the year 1993-94 – Shortage of Store – Rs.23,812.
9. Para 17(a)23(i) (1959-60):Page 408 read with Serial No.9 of Audit Report for the year 1993-94 – Shortage of Store – Rs.4,973.
10. Para 60 (1960-61):Page 408 read with Serial No.10 of Audit Report for the year 1993-94 – Theft of Part of Tubewell – Rs.1,000.
11. Para 17(a)41(9) (1960-61):Page 408 read with Serial No.11 of Audit Report for the year 1993-94 – Additional Expenditure – Rs.58,350.
12. Para 14(iv) (1961-62):Page 408 read with Serial No.12 of Audit Report for the year 1993-94 – Shortage of Store – Rs.8,466.
13. Para 17(a)149 (1961-62):Page 408 read with Serial No.13 of Audit Report for the year 1993-94 – Fraudulent Payment – Rs.35,675.
14. Para 17(a)169 (1961-62):Page 408 read with Serial No.14 of Audit Report for the year 1993-94 – Shortage of Store – Rs.18,306.
15. Para 56(XXII) (1963-64):Page 408 read with Serial No.15 of Audit Report for the year 1993-94 – Shortage of Store – Rs.412,172.
16. Para 59(i) (1963-64):Page 409 read with Serial No.16 of Audit Report for the year 1993-94 – Excess Payment – Rs.4,046.
17. Para iii(i) (1965-66):Page 409 read with Serial No.17 of Audit Report for the year 1993-94 – Theft of Store – Rs.115,594.

18. Para iii(ii) (1965-66):Page 409 read with Serial No.18 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.65,155.
19. Para iii(viii) (1965-66):Page 409 read with Serial No.19 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.187,044.
20. Para iii(x) (1965-66):Page 409 read with Serial No.20 of Audit Report for the year 1993-94 – Short receipt of Material – Rs.242,119.
21. Para iii(xvi) (1965-66):Page 409 read with Serial No.21 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.9,169.
22. Para iii(xxi) (1965-66):Page 409 read with Serial No.22 of Audit Report for the year 1993-94 – Shortage of Stock & Tools and Plants – Rs.190,439.
23. Para iii(xxii) (1965-66):Page 409 read with Serial No.23 of Audit Report for the year 1993-94 – loss to Government – Rs.157,175.
24. Para iii(xxiii) (1965-66):Page 410 read with Serial No.24 of Audit Report for the year 1993-94 – Shortage of Store – Rs.59,668.
25. Para 112(xx) (1965-66):Page 410 read with Serial No.25 of Audit Report for the year 1993-94 – Overpayment – Rs.49,071.
26. Para 112(xxii) (1965-66):Page 410 read with Serial No.26 of Audit Report for the year 1993-94 – Excess Payment – Rs.28,537.
27. Para 112(xxxiv) (1965-66):Page 410 read with Serial No.27 of Audit Report for the year 1993-94 – Overpayment – Rs.5,417.
28. Para 115(i) (1965-66):Page 410 read with Serial No.28 of Audit Report for the year 1993-94 – Mis-Appropriation of Stores – Rs.11,457.
29. Para 116(viii) (1965-66):Page 410 read with Serial No.29 of Audit Report for the year 1993-94 – Recovery From Contractor – Rs.33,186.
30. Para 126(v) (1966-67):Page 410 read with Serial No.30 of Audit Report for the year 1993-94 – Shortage of Store – Rs.10,625.
31. Para 126(viii) (1966-67):Page 411 read with Serial No.31 of Audit Report for the year 1993-94 – Shortage of Store, Tools and Plants – Rs.5,563.
32. Para 152 (1967-68):Page 411 read with Serial No.32 of Audit Report for the year 1993-94 – Liquidate Damages – Rs.68,905.
33. Para 156 (1967-68):Page 411 read with Serial No.33 of Audit Report for the year 1993-94 – Irregular Local Purchase of Store – Rs.8,810.

34. Para 154 (1967-68):Page 411 read with Serial No.34 of Audit Report for the year 1993-94 – Liquidate Damages – Rs.10,636.
35. Para 156(i) (1967-68):Page 411 read with Serial No.35 of Audit Report for the year 1993-94 – Liquidate Damages – Rs.26,641.
36. Para 157(xi) (1967-68):Page 411 read with Serial No.36 of Audit Report for the year 1993-94 – Shortage of Store – Rs.29,987.
37. Para 168 (1967-68):Page 411 read with Serial No.37 of Audit Report for the year 1993-94 – Theft of Government Material – Rs.10,130.
38. Para 214 (1967-68):Page 411 read with Serial No.38 of Audit Report for the year 1993-94 – Excess Payment – Rs.34,531.
39. Para 98 (1968-69):Page 411 read with Serial No.39 of Audit Report for the year 1993-94 – Excess Payment – Rs.7,659.
40. Para 99 (1968-69):Page 412 read with Serial No.40 of Audit Report for the year 1993-94 – Excess Payment – Rs.8,351.
41. Para 103(i) (1968-69):Page 412 read with Serial No.41 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.21,341.
42. Para 103 (1968-69):Page 412 read with Serial No.42 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.14,075.
43. Para 106 (1968-69):Page 412 read with Serial No.43 of Audit Report for the year 1993-94 – Theft of Store – Rs.17,312.
44. Para 109 (1968-69):Page 412 read with Serial No.44 of Audit Report for the year 1993-94 – Non-Recovery – Rs.16,332.
45. Para 21 (1968-69):Page 412 read with Serial No.45 of Audit Report for the year 1993-94 – Infuctuous Expenditure – Rs.15,256.
46. Para III (1968-69):Page 412 read with Serial No.46 of Audit Report for the year 1993-94 – Non-Recovery – Rs.1,002,759.
47. Para 20 (1969-70):Page 412 read with Serial No.47 of Audit Report for the year 1993-94 – Excess Payment – Rs.8,028.
48. Para 102 (1970-71):Page 412 read with Serial No.48 of Audit Report for the year 1993-94 – Excess Payment – Rs.5,792.
49. Para 108(i) (1970-71):Page 413 read with Serial No.49 of Audit Report for the year 1993-94 – Shortage of Store – Rs.68,229.
50. Para 73 (1970-71):Page 413 read with Serial No.50 of Audit Report for the year 1993-94 – Shortage of Store – Rs.4,137.
51. Para 113 (1970-71):Page 413 read with Serial No.51 of Audit Report for the year 1993-94 – loss to Government – Rs.30,000.
52. Para 112 (1970-71):Page 413 read with Serial No.52 of Audit Report for the year 1993-94 – Non-Recovery Cost of Workdone –

Rs.9,236,000.

53. Para 110 (1970-71):Page 413 read with Serial No.53 of Audit Report for the year 1993-94 – Mis-Appropriation of Store – Rs.9,753.
54. Para 108(7) (1970-71):Page 413 read with Serial No.54 of Audit Report for the year 1993-94 – Shortage of Material – Rs.12,105.
55. Para 108(iii) (1970-71):Page 413 read with Serial No.55 of Audit Report for the year 1993-94 – Shortage of Store – Rs.300,602.
56. Para 54 (1971-72):Page 413 read with Serial No.56 of Audit Report for the year 1993-94 – loss to Government – Rs.437,849.
57. Para 55(i) (1971-72):Page 414 read with Serial No.57 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.233,569.
58. Para 84(12) (1972-73):Page 414 read with Serial No.58 of Audit Report for the year 1993-94 – Shortage of Store – Rs.57,564.
59. Para 84(13) (1972-73):Page 414 read with Serial No.59 of Audit Report for the year 1993-94 – Shortage of Store – Rs.13,739.
60. Para 4(14) (1972-73):Page 414 read with Serial No.60 of Audit Report for the year 1993-94 – Shortage of Store – Rs.31,940.
61. Para 89 (1972-73):Page 414 read with Serial No.61 of Audit Report for the year 1993-94 – Non-Recovery – Rs.696,535.
62. Para 94 (1972-73):Page 414 read with Serial No.62 of Audit Report for the year 1993-94 – Non-Recovery – Rs.15,991.
63. Para 96(5) (1972-73):Page 414 read with Serial No.63 of Audit Report for the year 1993-94 – Shortage of Store – Rs.17,009.
64. Para 99 (1972-73):Page 414 read with Serial No.64 of Audit Report for the year 1993-94 – Non-Recovery – Rs.270,491.
65. Para 101 (1972-73):Page 414 read with Serial No.65 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.279,700.
66. Para 10 (1973-74):Page 415 read with Serial No.66 of Audit Report for the year 1993-94 – loss to Government – Rs.21,109.
67. Para 11 (1973-74):Page 415 read with Serial No.67 of Audit Report for the year 1993-94 – loss to Government – Rs.11,028.
68. Para 5 (1974-75):Page 415 read with Serial No.68 of Audit Report for the year 1993-94 – Theft of Store – Rs.10,712.
69. Para 6 (1974-75):Page 415 read with Serial No.69 of Audit Report for the year 1993-94 – Recovery Risk Purchase – Rs.43,361.
70. Para 11(2) (1975-76):Page 415 read with Serial No.70 of Audit Report for the year 1993-94 – Shortage of Material – Rs.79,226.
71. Para 11(13) (1975-76):Page 415 read with Serial No.71 of Audit Report for the year 1993-94 – Shortage of Store – Rs.45,182.

72. Para 11(14) (1975-76):Page 415 read with Serial No.72 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.16,883.
73. Para 11(15) (1975-76):Page 415 read with Serial No.73 of Audit Report for the year 1993-94 – Shortage of Store – Rs.5,800.
74. Para 11(16) (1975-76):Page 415 read with Serial No.74 of Audit Report for the year 1993-94 – Shortage of Store – Rs.316,431.
75. Para 11(18) (1975-76):Page 416 read with Serial No.75 of Audit Report for the year 1993-94 – Shortage of Store – Rs.9,167.
76. Para 11(19) (1975-76):Page 416 read with Serial No.76 of Audit Report for the year 1993-94 – Shortage of Material – Rs.18,899.
77. Para 11(20) (1975-76):Page 416 read with Serial No.77 of Audit Report for the year 1993-94 – Shortage of Store – Rs.23,537.
78. Para 13 (1975-76):Page 416 read with Serial No.78 of Audit Report for the year 1993-94 – loss of Material – Rs.45,094.
79. Para 15 (1975-76):Page 416 read with Serial No.79 of Audit Report for the year 1993-94 – Excess Payment – Rs.22,173.
80. Para 16 (1975-76):Page 416 read with Serial No.80 of Audit Report for the year 1993-94 – Overpayment – Rs.13,059.
81. Para 19 (1977-78):Page 416 read with Serial No.81 of Audit Report for the year 1993-94 – Excess Payment – Rs.44,758.
82. Para 11(i) (1978-79):Page 416 read with Serial No.82 of Audit Report for the year 1993-94 – loss – Rs.6,921.
83. Para 11(4) (1978-79):Page 417 read with Serial No.83 of Audit Report for the year 1993-94 – loss on Account of Risk Purchase – Rs.4,524.
84. Para 46(i) (1980-81):Page 417 read with Serial No.84 of Audit Report for the year 1993-94 – Shortage of Store – Rs.55,815.
85. Para 46(3) (1980-81):Page 417 read with Serial No.85 of Audit Report for the year 1993-94 – Shortage of stone – Rs.7,800.
86. Para 46(5) (1980-81):Page 417 read with Serial No.86 of Audit Report for the year 1993-94 – Shortage of Stock and Tools & Plants – Rs.18,574.
87. Para 46(7) (1980-81):Page 417 read with Serial No.87 of Audit Report for the year 1993-94 – Shortage of Store – Rs.7,097.
88. Para 46(9) (1980-81):Page 417 read with Serial No.88 of Audit Report for the year 1993-94 – Misappropriation of Store – Rs.18,723.



89. Para 46(10) (1980-81):Page 417 read with Serial No.89 of Audit Report for the year 1993-94 – Shortage of Store – Rs.11,210.
90. Para 46(xi) (1980-81):Page 417 read with Serial No.90 of Audit Report for the year 1993-94 – Misappropriation of Store – Rs.10,492.
91. Para 46(12) (1980-81):Page 417 read with Serial No.91 of Audit Report for the year 1993-94 – Shortage of Material – Rs.10,391.
92. Para 46(16) (1980-81):Page 418 read with Serial No.92 of Audit Report for the year 1993-94 – Shortage of Material – Rs.98,123.
93. Para 46(17) (1980-81):Page 418 read with Serial No.93 of Audit Report for the year 1993-94 – Shortage of Tools & Plants – Rs.11,627.
94. Para 46(18) (1980-81):Page 418 read with Serial No.94 of Audit Report for the year 1993-94 – Shortage of Store – Rs.12,800.
95. Para 46(20) (1980-81):Page 418 read with Serial No.95 of Audit Report for the year 1993-94 – Shortage of Store – Rs.593,670.
96. Para 46(21) (1980-81):Page 418 read with Serial No.96 of Audit Report for the year 1993-94 – Shortage of Store – Rs.156,029.
97. Para 46(23) (1980-81):Page 418 read with Serial No.97 of Audit Report for the year 1993-94 – Shortage of Store – Rs.23,030.
98. Para 46(24) (1980-81):Page 418 read with Serial No.98 of Audit Report for the year 1993-94 – Mis-Appropriation of Material – Rs.93,591.
99. Para 46(26) (1980-81):Page 418 read with Serial No.99 of Audit Report for the year 1993-94 – Shortage of Store – Rs.139,331.
100. Para 47(1) (1980-81):Page 419 read with Serial No.100 of Audit Report for the year 1993-94 – loss Due to Theft – Rs.7,657.
101. Para 47(20) (1980-81):Page 419 read with Serial No.101 of Audit Report for the year 1993-94 – loss Due to Theft-204,190.
102. Para 50(3) (1981-82):Page 419 read with Serial No.102 of Audit Report for the year 1993-94 – Shortage of Store – Rs.90,623.
103. Para 50(4) (1981-82):Page 419 read with Serial No.103 of Audit Report for the year 1993-94 – Shortage of Store – Rs.84,034.
104. Para 50(6) (1981-82):Page 419 read with Serial No.104 of Audit Report for the year 1993-94 – Shortage of Tractor – Rs.65,000.
105. Para 50(8) (1981-82):Page 419 read with Serial No.105 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.58,800.
106. Para 50(9) (1981-82):Page 419 read with Serial No.106 of Audit Report for the year 1993-94 – Shortage of Material – Rs.41,848.

107. Para 50(10) (1981-82):Page 420 read with Serial No.107 of Audit Report for the year 1993-94 – Shortage of Material – Rs.41,523.
108. Para 50(11) (1981-82):Page 420 read with Serial No.108 of Audit Report for the year 1993-94 – Mis-Appropriation of Store – Rs.37,999.
109. Para 50(12) (1981-82):Page 420 read with Serial No.109 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.32,700.
110. Para 50(13) (1981-82):Page 420 read with Serial No.110 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.30,400.
111. Para 50(14) (1981-82):Page 420 read with Serial No.111 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.30,238.
112. Para 50(15) (1981-82):Page 420 read with Serial No.112 of Audit Report for the year 1993-94 – Shortage of Tools & Plants – Rs.30,025.
113. Para 50(17) (1981-82):Page 420 read with Serial No.113 of Audit Report for the year 1993-94 – loss to Government – Rs.24,558.
114. Para 50(18) (1981-82):Page 420 read with Serial No.114 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.32,069.
115. Para 50(19) (1981-82):Page 421 read with Serial No.115 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.22,712.
116. Para 50(20) (1981-82):Page 421 read with Serial No.116 of Audit Report for the year 1993-94 – loss to Government – Rs.22,386.
117. Para 50(22) (1981-82):Page 421 read with Serial No.117 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.21,037.
118. Para 50(27) (1981-82):Page 421 read with Serial No.118 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.16,070.
119. Para 50(31) (1981-82):Page 421 read with Serial No.119 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.15,038.
120. Para 50(32) (1981-82):Page 421 read with Serial No.120 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.12,995.
121. Para 50(33) (1981-82):Page 421 read with Serial No.121 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.11,852.
122. Para 50(34) (1981-82):Page 421 read with Serial No.122 of Audit Report for the year 1993-94 – Shortage of Tools & Plants – Rs.11,225.
123. Para 50(35) (1981-82):Page 421 read with Serial No.123 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.10,818.
124. Para 50(36) (1981-82):Page 422 read with Serial No.124 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.7,222.

125. Para 50(43) (1981-82):Page 422 read with Serial No.125 of Audit Report for the year 1993-94 – loss to Government – Rs.6,000.
126. Para 50(44) (1981-82):Page 422 read with Serial No.126 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.5,778.
127. Para 51(4) (1981-82):Page 422 read with Serial No.127 of Audit Report for the year 1993-94 – Theft Cases – Rs.124,132.
128. Para 1(6) (1981-82):Page 422 read with Serial No.128 of Audit Report for the year 1993-94 – loss Due to Theft – Rs.78,535.
129. Para 51(8) (1981-82):Page 422 read with Serial No.129 of Audit Report for the year 1993-94 – Misappropriation Stores – Rs.60,425.
130. Para 51(9) (1981-82):Page 422 read with Serial No.130 of Audit Report for the year 1993-94 – loss to Government – Rs.40,168.
131. Para 51(10) (1981-82):Page 422 read with Serial No.131 of Audit Report for the year 1993-94 – loss to Government – Rs.38,755.
132. Para 51(11) (1981-82):Page 423 read with Serial No.132 of Audit Report for the year 1993-94 – loss to Government – Rs.32,000.
133. Para 51(12) (1981-82):Page 423 read with Serial No.133 of Audit Report for the year 1993-94 – loss Due to Theft-29,328.
134. Para 51(13) (1981-82):Page 423 read with Serial No.134 of Audit Report for the year 1993-94 – loss to Government Sanction – Rs.27,670.
135. Para 51(15) (1981-82):Page 423 read with Serial No.135 of Audit Report for the year 1993-94 – loss to Government – Rs.63,076.
136. Para 51(21) (1981-82):Page 423 read with Serial No.136 of Audit Report for the year 1993-94 – Theft of Tools & Plants – Rs.8,138.
137. Para 52(1) (1981-82):Page 423 read with Serial No.137 of Audit Report for the year 1993-94 – Excess Payment – Rs.225,000.
138. Para 52(3) (1981-82):Page 423 read with Serial No.138 of Audit Report for the year 1993-94 – Overpayment – Rs.56,584.
139. Para 52(12) (1981-82):Page 423 read with Serial No.139 of Audit Report for the year 1993-94 – Overpayment – Rs.13,419.
140. Para 53(1) (1981-82):Page 423 read with Serial No.140 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs./366,691.
141. Para 53(2) (1981-82):Page 424 read with Serial No.141 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.262,000.

142. Para 53(8) (1981-82):Page 424 read with Serial No.142 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.19,124.
143. Para 53(10) (1981-82):Page 424 read with Serial No.143 of Audit Report for the year 1993-94 – Excess Payment – Rs.9,600.
144. Para 53(II) (1981-82):Page 424 read with Serial No.144 of Audit Report for the year 1993-94 – Non-Recovery – Rs.14,564.
145. Para 54(3) (1981-82):Page 424 read with Serial No.145 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.33,474.
146. Para 54(4) (1981-82):Page 424 read with Serial No.146 of Audit Report for the year 1993-94 – Misappropriation of Store – Rs.29,306.
147. Para 54(6) (1981-82):Page 424 read with Serial No.147 of Audit Report for the year 1993-94 – Shortage of Store – Rs.17,588.
148. Para 54(7) (1981-82):Page 424 read with Serial No.148 of Audit Report for the year 1993-94 – loss – Rs.16,370.
149. Para 54(10) (1981-82):Page 424 read with Serial No.149 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.9,755.
150. Para 54(11) (1981-82):Page 425 read with Serial No.150 of Audit Report for the year 1993-94 – Misappropriation of Store – Rs.9,685.
151. Para 55(1) (1981-82):Page 425 read with Serial No.151 of Audit Report for the year 1993-94 – loss to Government – Rs.428,600.
152. Para 55(6) (1981-82):Page 425 read with Serial No.152 of Audit Report for the year 1993-94 – loss to Government – Rs.46,355.
153. Para 56 (1981-82):Page 425 read with Serial No.153 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.595,080.
154. Para 62 (1981-82):Page 425 read with Serial No.154 of Audit Report for the year 1993-94 – Irregular Purchase – Rs.180,000.
155. Para 92 (1982-83):Page 425 read with Serial No.155 of Audit Report for the year 1993-94 – Non-Recovery – Rs.25,900.
156. Para 95(1) (1982-83):Page 425 read with Serial No.156 of Audit Report for the year 1993-94 – loss to Government – Rs.886,875.
157. Para 95(5) (1982-83):Page 426 read with Serial No.157 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.57,344.
158. Para 95(9) (1982-83):Page 426 read with Serial No.158 of Audit Report for the year 1993-94 – Excess Payment – Rs.30,611.

159. Para 95(II) (1982-83):Page 426 read with Serial No.159 of Audit Report for the year 1993-94 – loss to Government – Rs.8,865.
160. Para 96(2) (1982-83):Page 426 read with Serial No.160 of Audit Report for the year 1993-94 – loss to Government – Rs.468,261.
161. Para 96(8) (1982-83):Page 426 read with Serial No.161 of Audit Report for the year 1993-94 – Non-Recovery – Rs.72,696.
162. Para 95(5) (1982-83):Page 426 read with Serial No.162 of Audit Report for the year 1993-94 – Non-Recovery – Rs.16,500.
163. Para 97(1) (1982-83):Page 426 read with Serial No.163 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.109,460.
164. Para 97(3) (1982-83):Page 426 read with Serial No.164 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.1,432.
165. Para 97(4) (1982-83):Page 426 read with Serial No.165 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.66,794.
166. Para 97(6) (1982-83):Page 427 read with Serial No.166 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.64,992.
167. Para 97(II) (1982-83):Page 427 read with Serial No.167 of Audit Report for the year 1993-94 – Non-Recovery – Rs.20,474.
168. Para 97(12) (1982-83):Page 427 read with Serial No.168 of Audit Report for the year 1993-94 – Shortage of Material – Rs.19,824.
169. Para 97(15) (1982-83):Page 427 read with Serial No.169 of Audit Report for the year 1993-94 – Misappropriation of Store – Rs.15,776.
170. Para 97(20) (1982-83):Page 427 read with Serial No.170 of Audit Report for the year 1993-94 – Shortage of Material – Rs.12,670.
171. Para 97(22) (1982-83):Page 427 read with Serial No.171 of Audit Report for the year 1993-94 – Shortage of Material – Rs.11,598.
172. Para 97(24) (1982-83):Page 427 read with Serial No.172 of Audit Report for the year 1993-94 – Shortage of Store – Rs.8,854.
173. Para 97(25) (1982-83):Page 427 read with Serial No.173 of Audit Report for the year 1993-94 – Shortage of Tools & Plants – Rs.5,253.
174. Para 98(i) (1982-83):Page 427 read with Serial No.174 of Audit Report for the year 1993-94 – loss Due to Theft – Rs.184,675.
175. Para 98(4) (1982-83):Page 428 read with Serial No.175 of Audit Report for the year 1993-94 – loss Due to replacement of transformer – Rs.52,772.
176. Para 98(6) (1982-83):Page 428 read with Serial No.176 of Audit Report for the year 1993-94 – loss Due to Theft – Rs.11,000.



177. Para 98(7) (1982-83): Page 428 read with Serial No.177 of Audit Report for the year 1993-94 – loss Due to Theft – Rs.120,527.
178. Para 99(i) (1982-83): Page 428 read with Serial No.178 of Audit Report for the year 1993-94 – Non-Recovery of Irregular Payment – Rs.288,921.
179. Para 92(2) (1982-83): Page 428 read with Serial No.179 of Audit Report for the year 1993-94 – Non-Recovery – Rs.83,889.
180. Para 100(2) (1982-83): Page 428 read with Serial No.180 of Audit Report for the year 1993-94 – Overpayment – Rs.50,976.
181. Para 100(3) (1982-83): Page 428 read with Serial No.181 of Audit Report for the year 1993-94 – Excess Payment – Rs.42,694.
182. Para 100(6) (1982-83): Page 428 read with Serial No.182 of Audit Report for the year 1993-94 – Overpayment – Rs.12,850.
183. Para 101(2) (1982-83): Page 429 read with Serial No.183 of Audit Report for the year 1993-94 – Irregular Expenditure – Rs.33,927.
184. Para 101(3) (1982-83): Page 429 read with Serial No.184 of Audit Report for the year 1993-94 – Double Payment – Rs.6,382.
185. Para 102(i) (1982-83): Page 429 read with Serial No.185 of Audit Report for the year 1993-94 – Excess Payment – Rs.18,153.
186. Para 102(2) (1982-83): Page 429 read with Serial No.186 of Audit Report for the year 1993-94 – Overpayment – Rs.17,931.
187. Para 103(i) (1982-83): Page 429 read with Serial No.187 of Audit Report for the year 1993-94 – Non-Recovery of Cost of Material – Rs.13,800.
188. Para 104(i) (1982-83): Page 429 read with Serial No.188 of Audit Report for the year 1993-94 – loss of Revenue – Rs.6,105.
189. Para 105 (1982-83): Page 429 read with Serial No.189 of Audit Report for the year 1993-94 – Mis-Appropriation – Rs.88,000.
190. Para 106 (1982-83): Page 429 read with Serial No.190 of Audit Report for the year 1993-94 – Non-Recovery – Rs.26,389.
191. Para 108 (1982-83): Page 430 read with Serial No.191 of Audit Report for the year 1993-94 – Non-Recovery – Rs.13,301.
192. Para 82(i) (1983-84): Page 430 read with Serial No.192 of Audit Report for the year 1993-94 – Non-Recovery – Rs.104,300.
193. Para 82(3) (1983-84): Page 430 read with Serial No.193 of Audit Report for the year 1993-94 – Non-Recovery – Rs.23,885.

194. Para 83(2) (1983-84): Page 430 read with Serial No.194 of Audit Report for the year 1993-94 – Overpayment – Rs.36,282.
195. Para 83(6) (1983-84): Page 430 read with Serial No.195 of Audit Report for the year 1993-94 – Overpayment – Rs.6,745.
196. Para 83(7) (1983-84): Page 430 read with Serial No.196 of Audit Report for the year 1993-94 – Excess Payment – Rs.6,378.
197. Para 84(i) (1983-84): Page 430 read with Serial No.197 of Audit Report for the year 1993-94 – loss to Government – Rs.128,950.
198. Para 84(2) (1983-84): Page 430 read with Serial No.198 of Audit Report for the year 1993-94 – loss to Government – Rs.102,260.
199. Para 84(7) (1983-84): Page 430 read with Serial No.199 of Audit Report for the year 1993-94 – loss to Government – Rs.16,500.
200. Para 85(2) (1983-84): Page 431 read with Serial No.200 of Audit Report for the year 1993-94 – loss to Government – Rs.24,928.
201. Para 85(3) (1983-84): Page 431 read with Serial No.201 of Audit Report for the year 1993-94 – loss to Government – Rs.12,620.
202. Para 86(i) (1983-84): Page 431 read with Serial No.202 of Audit Report for the year 1993-94 – Non-recovery – Rs.4,208,057.
203. Para 86(3) (1983-84): Page 431 read with Serial No.203 of Audit Report for the year 1993-94 – Non-Recovery – Rs.145,693.
204. Para 87(i) (1983-84): Page 431 read with Serial No.204 of Audit Report for the year 1993-94 – Mis-Appropriation of Stores – Rs.428,916.
205. Para 89(6) (1983-84): Page 431 read with Serial No.205 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.45,000.
206. Para 89(7) (1983-84): Page 431 read with Serial No.206 of Audit Report for the year 1993-94 – Shortage of Stock – Rs.38,425.
207. Para 89(ii) (1983-84): Page 432 read with Serial No.207 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.18,000.
208. Para 91 (1983-84): Page 432 read with Serial No.208 of Audit Report for the year 1993-94 – Fraudulent Payment – Rs.58,589.
209. Para 94 (1983-84): Page 432 read with Serial No.209 of Audit Report for the year 1993-94 – loss to Government – Rs.1,246,489.
210. Para III(i) 1984-85): Page 432 read with Serial No.210 of Audit Report for the year 1993-94 – Non-Recovery on Account of rent of Building – Rs.211,106.
211. Para 9 1984-85): Page 432 read with Serial No.211 of Audit Report for the year 1993-94 – Shortage – Rs.28,012.
212. Para 1(12) 1984-85): Page 432 read with Serial No.212 of Audit Report for the year 1993-94 – Shortage – Rs.25,635 & 20,410.

- 213. Para II(2) 1984-85): Page 432 read with Serial No.213 of Audit Report for the year 1993-94 – loss Due to Defective Execution of Works – Rs.763,150.**
- 214. Para 1(5) 1984-85): Page 433 read with Serial No.214 of Audit Report for the year 1993-94 – Excess Payment – Rs.41,629.**
- 215. Para 1(3) 1984-85): Page 433 read with Serial No.215 of Audit Report for the year 1993-94 – Excess Payment – Rs.11,600.**
- 216. Para 1(1) 1984-85): Page 433 read with Serial No.216 of Audit Report for the year 1993-94 – Excess Payment – Rs.78,100.**
- 217. Para II(367) 1984-85): Page 433 read with Serial No.217 of Audit Report for the year 1993-94 – Risk Purchase – Rs.56,998.**
- 218. Para 1(II) 1984-85): Page 433 read with Serial No.218 of Audit Report for the year 1993-94 – Recovery of Shortage Material – Rs.424,120.**
- 219. Para III(18) 1984-85): Page 433 read with Serial No.219 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.2,637,799.**
- 220. Para 1(10) 1984-85): Page 433 read with Serial No.220 of Audit Report for the year 1993-94 – loss Due to Shortage of Material-1,137,655.**
- 221. Para 1(iii)5 1984-85): Page 434 read with Serial No.221 of Audit Report for the year 1993-94 – Non-Accountal of Store – Rs.30,708.**
- 222. Para 1(iii)7 1984-85): Page 434 read with Serial No.222 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.127,200.**
- 223. Para 1(7)17 1984-85): Page 434 read with Serial No.223 of Audit Report for the year 1993-94 – loss Due to Shortage of Stores – Rs.11,859.**
- 224. Para III(III)9 1984-85): Page 434 read with Serial No.224 of Audit Report for the year 1993-94 – loss Due to Shortage of Stores – Rs.92,600.**
- 225. Para 1(1)21 1984-85): Page 434 read with Serial No.225 of Audit Report for the year 1993-94 – loss Due to Shortage of Stores – Rs.26,501.**
- 226. Para 1(7)17 1984-85): Page 434 read with Serial No.226 of Audit Report for the year 1993-94 – Excess Payment – Rs.68,700.**

- 227. Para 1(III)3 1984-85): Page 434 read with Serial No.227 of Audit Report for the year 1993-94 – loss Due to Non-Accountal of Material – Rs.122,600.**
- 228. Para 11(6) 1984-85): Page 435 read with Serial No.228 of Audit Report for the year 1993-94 – Theft of Trees – Rs.39,000.**
- 229. Para 3(5)3 1984-85): Page 435 read with Serial No.229 of Audit Report for the year 1993-94 – Irregular Expenditure – Rs.45,819.**
- 230. Para 1(IV)5 1984-85): Page 435 read with Serial No.230 of Audit Report for the year 1993-94 – loss Due to Uniserviceable Stores – Rs.5,765,900.**
- 231. Para III(3)8 1984-85): Page 435 read with Serial No.231 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.26,090.**
- 232. Para 1(i)18 1984-85): Page 435 read with Serial No.232 of Audit Report for the year 1993-94 – Shortage of Tools and Plant Articles – Rs.44,045.**
- 233. Para II(1)5 1984-85): Page 435 read with Serial No.233 of Audit Report for the year 1993-94 – Theft of Trees – Rs.419,800.**
- 234. Para I(3) 1984-85): Page 435 read with Serial No.234 of Audit Report for the year 1993-94 – Shortage of Stock Tools & Plant – Rs.713,542.**
- 235. Para I(4) 1984-85): Page 436 read with Serial No.235 of Audit Report for the year 1993-94 – Shortage of Tools & Plant – Rs.336,015.**
- 236. Para 1(5) 1984-85): Page 436 read with Serial No.236 of Audit Report for the year 1993-94 – Shortage of Material – Rs.179,636.**
- 237. Para 1(7) 1984-85): Page 436 read with Serial No.237 of Audit Report for the year 1993-94 – Shortage of Stock and Tools and Plant Articles – Rs.34,263.**
- 238. Para 1(14) 1984-85): Page 436 read with Serial No.238 of Audit Report for the year 1993-94 – Excess Payment – Rs.19,500.**
- 239. Para 1(15) 1984-85): Page 436 read with Serial No.239 of Audit Report for the year 1993-94 – Excess Payment – Rs.10,494.**
- 240. Para 1(21) 1984-85): Page 436 read with Serial No.240 of Audit Report for the year 1993-94 – Overpayment – Rs.57,600.**
- 241. Para II(2) 1984-85): Page 436 read with Serial No.241 of Audit Report for the year 1993-94 – Theft of Components of Tubewells – Rs.134,897.**
- 242. Para II(3) 1984-85): Page 436 read with Serial No.242 of Audit Report for the year 1993-94 – Theft of Components of Tubewells –**

**Rs.16,000.**

**243. Para III(4) 1984-85): Page 437 read with Serial No.243 of Audit Report for the year 1993-94 – Non-Recovery of Dues – Rs.78,375.**

**244. Para III(5) 1984-85): Page 437 read with Serial No.244 of Audit Report for the year 1993-94 – Non-Recovery of rent – Rs.10,542.**

**245. Para IV(1) 1984-85): Page 437 read with Serial No.245 of Audit Report for the year 1993-94 – loss Due to Uniserviceable Stores – Rs.139,600.**

**246. Para IV(2) 1984-85): Page 437 read with Serial No.246 of Audit Report for the year 1993-94 – loss of 14 Nos Tubewells – Rs.350,000.**

**247. Para IV(3) 1984-85): Page 437 read with Serial No.247 of Audit Report for the year 1993-94 – loss to Government – Rs.176,044.**

**248. Para VII(i) 1984-85): Page 437 read with Serial No.248 of Audit Report for the year 1993-94 – Fictitious Payment – Rs.103,682.**

**249. Para 1(5) 1984-85): Page 437 read with Serial No.249 of Audit Report for the year 1993-94 – Theft of Machinery Parts – Rs.72,652.**

**250. Para I(11)4 1984-85): Page 438 read with Serial No.250 of Audit Report for the year 1993-94 – Theft of Store – Rs.135,711.**

**251. Para 1(14) 1984-85): Page 438 read with Serial No.251 of Audit Report for the year 1993-94 – Shortage of Material – Rs.6,815.**

**252. Para III(8) 1984-85): Page 438 read with Serial No.252 of Audit Report for the year 1993-94 – Overpayment – Rs.59,176.**

**253. Para III(13) 1984-85): Page 438 read with Serial No.253 of Audit Report for the year 1993-94 – Non-Recovery – Rs.4,833,830.**

**254. Para 3(12) 1984-85): Page 438 read with Serial No.254 of Audit Report for the year 1993-94 – Excess Payment – Rs.36,163.**

**255. Para 6(3) 1984-85): Page 438 read with Serial No.255 of Audit Report for the year 1993-94 – Fictitious Payment – Rs.73,000.**

**256. Para 1(24) 1984-85): Page 439 read with Serial No.256 of Audit Report for the year 1993-94 – Shortage of Store – Rs.30,230.**

**257. Para 11(1) 1984-85): Page 439 read with Serial No.257 of Audit Report for the year 1993-94 – loss – Rs.1,078,000.**

**258. Para 111(15) 1984-85): Page 439 read with Serial No.258 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.404,952.**



259. Para 1-3 (1985-86) Page 439 read with Serial No.259 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.13,216.
260. Para 1-6 (1985-86) Page 439 read with Serial No.260 of Audit Report for the year 1993-94 – Excess Payment to Contractor and loss – Rs.55,100.
261. Para 1-8 (1985-86) Page 439 read with Serial No.261 of Audit Report for the year 1993-94 – Excess Payment to Contractor and loss – Rs.191,543.
262. Para 1-9 1984-85): Page 439 read with Serial No.262 of Audit Report for the year 1993-94 – Excess Payment to Contractor and loss – Rs.20,564.
263. Para 1-12 (1985-86) Page 439 read with Serial No.263 of Audit Report for the year 1993-94 – Excess Payment to Contractor and loss – Rs.5,100.
264. Para 1-13 (1985-86) Page 440 read with Serial No.264 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.203,700.
264. Para 1-13 (1985-86) Page 440 read with Serial No.264 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.203,700.
265. Para 1-16 (1985-86) Page 440 read with Serial No.265 of Audit Report for the year 1993-94 – Excess Payment – Rs.67,827.
266. Para 1-18 (1985-86) Page 440 read with Serial No.266 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.45,486.
267. Para 1-19 (1985-86) Page 440 read with Serial No.267 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.18,658.
268. Para 1-20 (1985-86) Page 440 read with Serial No.268 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.6,091.
269. Para 1-21 (1985-86) Page 440 read with Serial No.269 of Audit Report for the year 1993-94 – Overpayment – Rs.92,611.
270. Para 1-23 (1985-86) Page 440 read with Serial No.270 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.23,344.
271. Para 1-24 (1985-86) Page 440 read with Serial No.271 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.17,429.

**272. Para 1-29 (1985-86) Page 441 read with Serial No.272 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.121,213.**

**273. Para 1-32 (1985-86) Page 441 read with Serial No.273 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.327,735.**

**274. Para 1-33 (1985-86) Page 441 read with Serial No.274 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.290,951.**

**275. Para 1-34 (1985-86) Page 441 read with Serial No.275 of Audit Report for the year 1993-94 – Excess Payment – Rs.222,393.**

**276. Para 1-35 (1985-86) Page 441 read with Serial No.276 of Audit Report for the year 1993-94 – Excess Payment – Rs.141,516.**

**277. Para 1-37 (1985-86) Page 441 read with Serial No.277 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.300,545.**

**278. Para 1-42 (1985-86) Page 441 read with Serial No.278 of Audit Report for the year 1993-94 – Excess Payment to Contractor – Rs.61,336.**

**279. Para (ii)(i) (1985-86) Page 442 read with Serial No.279 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.1,305,818.**

**280. Para (ii)(2) (1985-86) Page 442 read with Serial No.280 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.585,124.**

**281. Para II(4) (1985-86) Page 442 read with Serial No.281 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.80,675.**

**282. Para II(5) (1985-86) Page 442 read with Serial No.282 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.484,724.**

**283. Para II(6) (1985-86) Page 442 read with Serial No.283 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.5,505,569.**

**284. Para 2-13 (1985-86) Page 442 read with Serial No.284 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.650,000.**

**285. Para 2-10 (1985-86) Page 442 read with Serial No.285 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.509,072.**

**286. Para 13-11 (1985-86) Page 443 read with Serial No.286 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.2,019,897.**

**287. Para 11-15 (1985-86) Page 443 read with Serial No.287 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.56,892.**

**288. Para 11-17 (1985-86) Page 443 read with Serial No.288 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.59,589.**

**289. Para 11-19 (1985-86) Page 443 read with Serial No.289 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.22,365.**

**290. Para 2-22 (1985-86) Page 443 read with Serial No.290 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.23,500.**

**291. Para 2-23 (1985-86) Page 443 read with Serial No.291 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.47,215**

**292. Para 2-24 (1985-86) Page 443 read with Serial No.292 of Audit Report for the year 1993-94 – Non-Recovery of Government Dues – Rs.26,267.**

**293. Para 3(i)(i) (1985-86) Page 444 read with Serial No.293 of Audit Report for the year 1993-94 – Shortage of Stock and Trees – Rs.36,454.**

**294. Para 3(i)(i) (1985-86) Page 444 read with Serial No.294 of Audit Report for the year 1993-94 – loss Due to Shortage of Stock – Rs.14,310.**

**295. Para 3(i)(3) (1985-86) Page 444 read with Serial No.295 of Audit Report for the year 1993-94 – Shortage of Trees – Rs.253,000.**

**296. Para 3(i)(4) (1985-86) Page 444 read with Serial No.296 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.77,318.**

**297. Para 3(i)(5) (1985-86) Page 444 read with Serial No.297 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.163,518.**

**298. Para (i)(6) (1985-86) Page 444 read with Serial No.298 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.108,000.**

**299. Para 3(i)9 (1985-86) Page 445 read with Serial No.299 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.25,151.**

300. Para 3(i)10 (1985-86) Page 445 read with Serial No.300 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.78,185.
301. Para (3)ii (1985-86) Page 445 read with Serial No.301 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.66,800.
302. Para 3(i)12 (1985-86) Page 445 read with Serial No.302 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.30,140.
303. Para 3(ii)(i) (1985-86) Page 445 read with Serial No.303 of Audit Report for the year 1993-94 – Theft of Stores – Rs.2,658,000.
304. Para 3(ii)(2) (1985-86) Page 445 read with Serial No.304 of Audit Report for the year 1993-94 – Theft of Stores – Rs.45,200.
305. Para 3(ii)(3) (1985-86) Page 446 read with Serial No.305 of Audit Report for the year 1993-94 – Theft of Stores – Rs.61,360.
306. Para 3(ii)(4) (1985-86) Page 446 read with Serial No.306 of Audit Report for the year 1993-94 – Theft of Stores – Rs.109,500.
307. Para 3(ii)(5) (1985-86) Page 446 read with Serial No.307 of Audit Report for the year 1993-94 – Theft of Stores – Rs.34,000.
308. Para 3(ii)(6) (1985-86) Page 446 read with Serial No.308 of Audit Report for the year 1993-94 – Theft of Stores – Rs.361,000.
309. Para 3(ii)(7) (1985-86) Page 446 read with Serial No.309 of Audit Report for the year 1993-94 – Theft of Stores – Rs.110,709.
310. Para 3(ii)(9) (1985-86) Page 446 read with Serial No.310 of Audit Report for the year 1993-94 – Theft of Stores – Rs.29,210.
311. Para 3(ii)(10) (1985-86) Page 447 read with Serial No.311 of Audit Report for the year 1993-94 – Theft of Stores – Rs.67,350.
312. Para 3(ii)(ii) (1985-86) Page 447 read with Serial No.312 of Audit Report for the year 1993-94 – Theft of Stores – Rs.94,300.
313. Para (iii)(iii)2 (1985-86) Page 447 read with Serial No.313 of Audit Report for the year 1993-94 – Non-Accountal of Material – Rs.52,444.
314. Para IV(I) (1985-86) Page 447 read with Serial No.314 of Audit Report for the year 1993-94 – loss to Government – Rs.64,767.
315. Para IV(II) (1985-86) Page 447 read with Serial No.315 of Audit Report for the year 1993-94 – loss of Measurement Book.
316. Para IV(III) (1985-86) Page 447 read with Serial No.316 of Audit Report for the year 1993-94 – loss to Government – Rs.4,304,736.
317. Para IV(4) (1985-86) Page 448 read with Serial No.317 of Audit Report for the year 1993-94 – loss to Government – Rs.23,822.

- 318. Para IV(5) (1985-86) Page 448 read with Serial No.318 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.17,100.**
- 319. Para IV(6) (1985-86) Page 448 read with Serial No.319 of Audit Report for the year 1993-94 – Misappropriation of Material – Rs.16,670.**
- 320. Para IV(7) (1985-86) Page 448 read with Serial No.320 of Audit Report for the year 1993-94 – loss to Government – Rs.121,604.**
- 321. Para IV(8) (1985-86) Page 448 read with Serial No.321 of Audit Report for the year 1993-94 – loss to Government – Rs.1,280,425.**
- 322. Para IV(10) (1985-86) Page 448 read with Serial No.322 of Audit Report for the year 1993-94 – loss to Government – Rs.45,265.**
- 323. Para III(IV)12 (1985-86) Page 448 read with Serial No.323 of Audit Report for the year 1993-94 – loss Due to Uniserviceable Material – Rs.131,028.**
- 324. Para V(I) (1985-86) Page 449 read with Serial No.324 of Audit Report for the year 1993-94 – Fictitious Payment – Rs.83,168.**
- 325. Para V(1) (1985-86) Page 449 read with Serial No.325 of Audit Report for the year 1993-94 – Mis-Appropriation of Material – Rs.4,143,457.**
- 326. Para VI(3) (1985-86) Page 449 read with Serial No.326 of Audit Report for the year 1993-94 – Mis-Appropriation of Material – Rs.65,570.**
- 327. Para VI(2) (1985-86) Page 449 read with Serial No.327 of Audit Report for the year 1993-94 – Mis-Appropriation of Material – Rs.391,000.**
- 328. Para VI(4) (1985-86) Page 449 read with Serial No.328 of Audit Report for the year 1993-94 – Mis-Appropriation of Material – Rs.76,520.**
- 329. Para 1-1-1 (1986-87) Page 449 read with Serial No.329 of Audit Report for the year 1993-94 – Rent of Government Residential Building – Rs.14,277.**
- 330. Para 1-7 (1986-87) Page 450 read with Serial No.330 of Audit Report for the year 1993-94 – loss to Government – Rs.79,056.**
- 331. Para 1-8 (1986-87) Page 450 read with Serial No.331 of Audit Report for the year 1993-94 – loss to Government – Rs.40,062**
- 332. Para 1-12 (1986-87) Page 450 read with Serial No.332 of Audit Report for the year 1993-94 – Non-Recovery of Lease Money – Rs.64,675.**



- 333. Para 1-13 (1986-87) Page 450 read with Serial No.333 of Audit Report for the year 1993-94 – Non-Recovery – Rs.391,033.
- 334. Para 1-15(II) (1986-87) Page 450 read with Serial No.334 of Audit Report for the year 1993-94 – Non-Recovery – Rs.71,808.
- 335. Para 1-17 (1986-87) Page 450 read with Serial No.335 of Audit Report for the year 1993-94 – Non-Recovery – Rs.157,429.
- 336. Para 1-18 (1986-87) Page 450 read with Serial No.336 of Audit Report for the year 1993-94 – Non-Recovery – Rs.147,400.
- 337. Para 1-19 (1986-87) Page 451 read with Serial No.337 of Audit Report for the year 1993-94 – Non-Recovery – Rs.1,572,262.
- 338. Para 1-20 (1986-87) Page 451 read with Serial No.338 of Audit Report for the year 1993-94 – Non-Recovery – Rs.15,972.
- 339. Para II-1 (1986-87) Page 451 read with Serial No.339 of Audit Report for the year 1993-94 – Excess Payment – Rs.13,788.
- 340. Para II-3 (1986-87) Page 451 read with Serial No.340 of Audit Report for the year 1993-94 – Excess Payment – Rs.101,684.
- 341. Para II-5 (1986-87) Page 451 read with Serial No.341 of Audit Report for the year 1993-94 – Excess Payment – Rs.25,566.
- 342. Para II(8) (1986-87) Page 451 read with Serial No.342 of Audit Report for the year 1993-94 – Excess Payment – Rs.71,139.
- 343. Para II-10 (1986-87) Page 451 read with Serial No.343 of Audit Report for the year 1993-94 – Overpayment – Rs.26,323.
- 344. Para II-12 (1986-87) Page 451 read with Serial No.344 of Audit Report for the year 1993-94 – Excess Payment – Rs.58,255.
- 345. Para II-16 (1986-87) Page 452 read with Serial No.345 of Audit Report for the year 1993-94 – loss to Government – Rs.1,658,893.
- 346. Para II-17 (1986-87) Page 452 read with Serial No.346 of Audit Report for the year 1993-94 – Overpayment – Rs.375,820.
- 347. Para II-19 (1986-87) Page 452 read with Serial No.347 of Audit Report for the year 1993-94 – Excess Payment – Rs.960,000.
- 348. Para II-20 (1986-87) Page 452 read with Serial No.348 of Audit Report for the year 1993-94 – Overpayment – Rs.117,038.
- 349. Para II-24 (1986-87) Page 452 read with Serial No.349 of Audit Report for the year 1993-94 – Overpayment – Rs.247,826.
- 350. Para II-25 (1986-87) Page 452 read with Serial No.350 of Audit Report for the year 1993-94 – Overpayment – Rs.154,094.
- 351. Para II-26 (1986-87) Page 453 read with Serial No.351 of Audit Report for the year 1993-94 – Excess Payment – Rs.45,756.

352. Para III(I) (1986-87) Page 453 read with Serial No.352 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.12,878.
353. Para III(II) (1986-87) Page 453 read with Serial No.353 of Audit Report for the year 1993-94 – loss Due to Theft – Rs.109,500.
354. Para III(I)(I) (1986-87) Page 453 read with Serial No.354 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.25,298.
355. Para III(I)2 (1986-87) Page 453 read with Serial No.355 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.82,492.
356. Para III(i)(3) (1986-87) Page 453 read with Serial No.356 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.50,000.
357. Para III(i)4 (1986-87) Page 453 read with Serial No.357 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.57,188.
358. Para III(i)5 (1986-87) Page 454 read with Serial No.358 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.10,814.
359. Para III(i)7 (1986-87) Page 454 read with Serial No.359 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.14,152.
360. Para III(i)8 (1986-87) Page 454 read with Serial No.360 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.18,438.
361. Para III(i)9 (1986-87) Page 454 read with Serial No.361 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.1,343,469.
362. Para III(i)II (1986-87) Page 454 read with Serial No.362 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.686,320.
363. Para III(i)12 (1986-87) Page 454 read with Serial No.363 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.289,290.
364. Para III(i)14 (1986-87) Page 454 read with Serial No.364 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.25,710.
365. Para III(i)15 (1986-87) Page 455 read with Serial No.365 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.78,605.
366. Para III(i)17(ii) (1986-87) Page 455 read with Serial No.366 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.72,175.
367. Para III(i)19 (1986-87) Page 455 read with Serial No.367 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.94,000.
368. Para III(i)20 (1986-87) Page 455 read with Serial No.368 of Audit Report for the year 1993-94 – Shortage of Stores – Rs.284,500.
369. Para III(ii)2 (1986-87) Page 455 read with Serial No.369 of Audit Report for the year 1993-94 – loss Due to Theft of Trees – Rs.164,903.
370. Para III(ii)3 (1986-87) Page 455 read with Serial No.370 of Audit Report for the year 1993-94 – loss Due to Theft of Trees –

**Rs.56,285.**

**371. Para III(ii)4 (1986-87) Page 455 read with Serial No.371 of Audit Report for the year 1993-94 – loss Due to Theft of Trees – Rs.46,000.**

**372. Para III(ii)5 (1986-87) Page 455 read with Serial No.372 of Audit Report for the year 1993-94 – loss Due to Theft of Trees – Rs.25,608.**

**373. Para III(ii)6 (1986-87) Page 456 read with Serial No.373 of Audit Report for the year 1993-94 – loss Due to Theft of Trees – Rs.80,410.**

**374. Para III(ii)7 (1986-87) Page 456 read with Serial No.374 of Audit Report for the year 1993-94 – loss Due to Theft of Trees – Rs.19,000.**

**375. Para III(ii)8 (1986-87) Page 456 read with Serial No.375 of Audit Report for the year 1993-94 – loss Due to Theft of Trees – Rs.101,250.**

**376. Para III(ii)9 (1986-87) Page 456 read with Serial No.376 of Audit Report for the year 1993-94 – loss Due to Theft of Trees – Rs.19,375.**

**377. Para III(ii)10 (1986-87) Page 456 read with Serial No.377 of Audit Report for the year 1993-94 – loss Due to Theft of Trees – Rs.13,000.**

**378. Para III(ii)11 (1986-87) Page 456 read with Serial No.378 of Audit Report for the year 1993-94 – loss Due to Theft of Trees – Rs.152,608.**

**379. Para III(iv)1 (1986-87) Page 456 read with Serial No.379 of Audit Report for the year 1993-94 – loss Due to Stores rendered Uniserviceable.**

**380. Para IV(i) (1986-87) Page 457 read with Serial No.380 of Audit Report for the year 1993-94 – Mis-Appropriation of Store/ Bitumen.**

**381. Para IV(4) (1986-87) Page 457 read with Serial No.381 of Audit Report for the year 1993-94 – Mis-Appropriation of Store/ Bitumen.**

**382. Para IV(5) (1986-87) Page 457 read with Serial No.382 of Audit Report for the year 1993-94 – Mis-Appropriation of Store/ Bitumen.**

- 383. Para V(2) (1986-87) Page 457 read with Serial No.383 of Audit Report for the year 1993-94 – Fictitious Payment – Rs.24,816.**
- 384. Para V(3) (1986-87) Page 457 read with Serial No.384 of Audit Report for the year 1993-94 – loss Due to Land compensation – Rs.243,110.**
- 385. Para V(4) (1986-87) Page 457 read with Serial No.385 of Audit Report for the year 1993-94 – loss Due to Blockade of public funds – Rs.11,036,880.**
- 386. Para V(5) (1986-87) Page 457 read with Serial No.386 of Audit Report for the year 1993-94 – loss – Rs.3,148,650.**
- 387. Para V(6) (1986-87) Page 457 read with Serial No.387 of Audit Report for the year 1993-94 – loss Due to Negligence – Rs.2,192,941.**
- 388. Para V(7) (1986-87) Page 458 read with Serial No.388 of Audit Report for the year 1993-94 – loss – Rs.350,000.**
- 389. Para V(8) (1986-87) Page 458 read with Serial No.389 of Audit Report for the year 1993-94 – loss Due to Change/Manipulation – Rs.77,430.**
- 390. Para V(9) (1986-87) Page 458 read with Serial No.390 of Audit Report for the year 1993-94 – loss Due to False Measurement – Rs.58,651.**
- 392. Para V(11) (1986-87) Page 458 read with Serial No.392 of Audit Report for the year 1993-94 – loss Due to Irregular Payment – Rs.22,300.**
- 393. Para V(12) (1986-87) Page 458 read with Serial No.393 of Audit Report for the year 1993-94 – loss Due to Blockade – Rs.566,483.**
- 394. Para V(13) (1986-87) Page 458 read with Serial No.394 of Audit Report for the year 1993-94 – loss Due to Non-auction – Rs.67,929.**
- 395. Para V(14) (1986-87) Page 459 read with Serial No.395 of Audit Report for the year 1993-94 – loss Due to Irregular Payment to Police Department-63,960.**
- 396. Para V(15) (1986-87) Page 459 read with Serial No.396 of Audit Report for the year 1993-94 – Infuctuous Expenditure – Rs.615,878.**

**23-5-02:** The Committee directed that the Department should comply with the directives of the Public Accounts Committee by 30 September 2002 in respect of the above mentioned 396 Paras (Sr. No.1 to 396 above) and report

compliance to the Assembly Secretariat, Audit and the Finance Department. **The paras (Sr.No.1 to 396 above) were kept pending.**

## Commercial Audit

### 1. Para 3(xx): Page 6 – Non-Compilation of Accounts

Audit had observed: “23 current and 29 arrears accounts which have not been compiled and/or sent by the organizations to Audit are listed below.”

**30-5-02: The PAC noted** the contents of the Audit paras and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that the accounts are compiled and submitted to Audit on time.

## Revenue Receipts Audit

### 1. Para 8 (A): Page 75 – Non-Realization of Government Dues – Due to Non-Issuance of Demands – Rs.295,004,276

Audit had observed: “According to rule 11,12 and 13 of the Canal and Drainage Rules, the Divisional Canal Officer, with previous sanction of the Superintending Canal Officer, has the power to make contracts for the supply of canal water for the purpose other than irrigation; either by filling tanks or by direct flow contracts at special rates fixed by the Government from time to time for any term not exceeding one year. For any term exceeding one year the previous Sanction of the Provincial Government was necessary. Contrary to this, certain contracts once made were not renewed causing the supply made thereafter unauthorised attracting the levy of special charges in terms of rule 32 and 33 of the Rules ibid. Moreover, statements No.18 (Naqsha No.18) were also not issued in almost all the cases resulting into non-issuance of demands for recovery from the concerned parties/Departments/local or public bodies etc. leading to non-realization of Government Dues of Rs.295,004,276.”

**30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action including disciplinary action, if any to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### 2. Para 8 (B)(1): Page 76 – Short Assessment and Realization of Government Dues – Due to Application of Incorrect Rate– Rs.2,506,780

**(a)** Audit had observed: “According to Government of the Punjab, Irrigation and Power Department Notification No.W.O (Rev)2-



19/63-Vol/V, dated 19.9.1981 the water rates for non-irrigation uses were raised. Divisional Canal Officer, Kirana Division, Sargodha made contracts for bulk supply of water for manufacturing concrete slabs/poles of Pakistan Railways and WAPDA and assessed the charges @ Rs.31.25 per 10000 cft the rate applicable to industries instead of correct rate of Rs.0.75 per 100 cft which led to short realization of Government Dues of Rs.877,222 during 1981-82 to 1992-93.

**30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action including disciplinary action, if any to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

(b) Audit had observed: “Divisional Canal Officer, Sheikhpura (UCC) Sheikhpura, made an agreement for bulk supply of water to M/s Dawood Hercules but charged the water charges @ Rs.25 per 10000 cft instead of @ Rs.31.25 per 10000 cft leading towards short realization of Government Dues of Rs.7,629,558 during 1980-81 to 1993-94.”

**30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action including disciplinary action, if any to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**3     Para 8 (B)(2): Page 77 – Short Assessment and Realization of Government Dues – Due to Miscalculation– Rs.60,495**

Audit had observed: “Under Section 36 of the Canal and Drainage Act, 1873 the occupiers rate (Abiana) is required to be assessed in accordance with the rates given in the schedule of the Act. Divisional Canal Officer, Upper Gugera Division, Sheikhpura failed to calculate/ assess the occupiers rate correctly leading to short recovery of Government Dues of Rs.60,495.”

**30-5-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action including disciplinary action, if any to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**4.     Para 8 (C): Page 77 – Blocked Government Revenue of Rs.5,855,261 – Due to Non-Finalization of Cases of Special Charges**

Audit had observed: “According to the provisions of Section 33 of the Canal & Drainage Act, 1873 when the water of canal be used in an un-authorised manner the Divisional Canal Officer shall, after holding an inquiry or causing the inquiry to be held etc. levy charges in such cases as prescribed under Rule 32 and 33 of the Canal and Drainage Rules. However, 1060 cases for the levy of special charges of Rs.5,855,261 equal to 6 times of the amount involved were reported and verified by the field staff but were lying pending with the Divisional Canal Officer causing unDue Blockade of Government Dues to such a large extent in the given cases.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**5. Para 8 (D): Page 79 – Excessive Payment of Lambardar’s Fee– Rs.57,726**

Audit had observed: “According to Para 13 of Financial Commissioner’s Standing Order No.61 dated 7.6.1909 read with Section 47 of the Canal and Drainage Act and Rule 37 of the Canal & Drainage Rules, 1873 the allowance to lambardar’s or other persons at specified rate will be allowed for collecting occupier’s rate only from cultivators. Contrary to this the Divisional Canal Officer, Sheikhpura (U.C.C) assessed/allowed the said fee of Rs.57,726 during 1992-93 for the collection of special charges in addition to occupier’s rate (Abiana).”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## Subject Study Abiana (Water Rate, Occupier’s Rate)

**30-5-02:** The Committee noted the chapter with the direction that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

**Para 10.1: Delay in Disposal of Inspection Reports**

**30-5-02:** The Committee **noted the para** with the direction that the Department should assign high priority for the disposal of the Reports.

# Labour Department

## Overview

Total Paras	Civil
5	5

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled</b>  <b>1</b>	Para finally settled as the requisite action had been taken.	<b>Civil:</b> 18.1	<b>1</b>
<b>Paras Conditionally Settled</b>  <b>4</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Civil:</b> 6.1(3), 6.2(2), 6.4, 18.2	<b>4</b>
<b>Paras Pended</b>	Report was pended because the Committee decided to have working paper for consideration.	<b>Performance Audit Report Centre for the Improvement of working conditions and Environment, Lahore.</b>	

Discussed on 3 August 1998, 29 April and 30 May 2002

## Civil Audit

### 1. Para 6.1(3): Page 73 – Embezzlement of Tuition Fee, Rent of Land, Canteen and Cycle Stand – Rs.676,500

The Audit had observed: “The stated amount was collected on account of admission/ tuition fee, rent of land, canteen, cycle stand etc., but was not deposited into treasury as neither the treasury challans were shown to Audit nor the entries existed in cash book.”

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter may be decided by the SDAC and further necessary action may be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para 6.2(2): Page 74 – Misappropriation of Store Articles, Tuition Fee, P.O.L and Electricity Charges – Rs.763,420**

The Audit had observed: “The stated amount was spent on purchase of different store articles. Neither stock entries in respect of the given cases were made in the stock registers nor vouched account was produced to audit for verification, as such the amounts appeared to have been misappropriated.”

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter may be decided by the SDAC and further necessary action may be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## **3. Para 6.4: Page 77 – Over-Drawal on Account of House Rent, Conveyance Allowance and Non-Payment of Electricity Charges – Rs.87,379.**

The Audit had observed: “A building constructed for the residence of the Principal within the compound of the formation remained occupied by the officer. But the house rent allowance and conveyance allowance were also drawn. The electricity charges of the residence were also paid out of Government revenue which resulted in loss of Government revenue to the tune of Rs.87,379.”

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter may be decided by the SDAC and further necessary action may be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **4. Para 18.1: Page 158 – Loss of Rs.18,000 – Theft of ECG Machine**

Audit had observed: “An E.C.G. machine worth Rs.18,000 was stolen during office hours on 23 June 1990.

F.I.R. was not lodged, however, an official was held responsible. Recovery from him had been initiated while the Director wrote-off the loss which was not within his competency.”

**03-08-98:** The Department explained that ECG Machine was provided by UNDP/ILO. The said ECG Machine was stolen during office hours. The concerned Technicians were held responsible for negligence towards their duty. They were ordered to make good the loss. However, the Chief Technical Advisor of ILO provided a new ECG Machine at his own expenses with the condition that the accused Technicians may not be penalized. The offer was accepted by the Director Labour Welfare. As such, there was no loss to the Government.

The explanation was accepted and the **para was settled.**

#### **5. Para 18.2: Page 158 – Recovery of Rs.123,970 – Excess Calls From Residential Telephone**

Audit had observed: “The following officers made local calls from their residential telephones in excess of their entitlement in contravention of the instructions issued by the Finance Department vide their letter No.FD(PW-I)2(7)/Tele/78, dated 11 April 1985.

- (a) Telephone No. 890145 Maj (R) Tahir Sadiq, Dir
- (b) Telephone No.412037 Mr M. Zar Ch., Director
- (b) Telephone No.412037 Ch. M. Shafi, Joint Dir.

The amount of Rs.123,970 needs to be recovered.”

**03-08-98:** The Department explained that an amount of Rs.77,938 was recoverable from the Ex-Director Labour Welfare, Major Tahir Sadiq and Rs.45,637 was recoverable from Mr Muhammad Zar Ch., Ex-Director Labour Welfare. Both the officers had since retired from service. They were reminded time and again to deposit the outstanding amount but with no response. Anyhow, efforts were being made to make good the recovery.

The P.A.C. directed the Department to make good the recovery from the retired officers or from the officer who issued N.O.C/N.D.C. with regard to their pension case. The para was kept pending.

**29-04-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**



The Department shall implement the directive of the PAC dated 3 August 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **Performance Audit Report on Center for the Improvement of Working Conditions and Environment, Lahore**

**30-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working papers** with Audit comments along with the proposals for improving the performance of the projects. The steps being taken to improve their economy, efficiency and effectiveness should also be indicated in the working papers.

# Lahore High Court Department

## Overview

Total Paras	Civil
2	2

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled</b>  2	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 12.1, 12.2	<b>2</b>

**Discussed on 10 March 1999**

## Civil Audit

### 1. Para 12.1: Page 144 – Loss of Government Funds - Excess Local Calls – Expenditure on Residential Telephone – Rs. 11,975

Audit had observed: “According to Government of the Punjab, Finance Department letter No.FD (PW-II)2-1/82/Tele (Provl.) dated 10 July 1988, the District & Session Judge was entitled to 400 local calls per month on residential telephone, but the telephone charges to the above extent were paid out of Government funds instead by himself. Recovery needs to be effected from the officer concerned.”

**10-3-99:** The Department explained that Lahore High Court had revised the ceiling as 600 calls plus line rent for the Distt: & Sessions Judges. Audit may review the position according to the provision of Finance Department's circular letter No.F.D(DW-I)(7) Tele/78 dated 11.4.85 and if there was any excess then the recovery would be effected. Anyhow, the position of telephone calls was within the revised ceiling.

The P.A.C. accepted the explanation and **the para was settled.**

### 2. Para 12.2: Page 144 – Irregular Drawl of House Rent Allowance – Rs.59,754

Audit had observed: “The Government accommodation was available for the District & Session Judge, Muzaffargarh, But he was paid house rent of Rs.59,754 from 5 March 1990 to 30 June 1993 in

contravention of the Government of Punjab Finance Department letter No.FD/Sr. 1-9-6/84, dated 7 June 1988.”

**10-3-99:** The Department explained that Mr Ahmad Bakhsh Bapa, District & Session Judge was posted at Muzaffargarh in February, 1990 and he took over the charge on 12.3.1990. His predecessor Mr Sibtain Raza Naqvi died on 15.2.1990 and official residence remained in possession of the bereaved family upto 31.3.91. The position had been reported to the XEN Provincial Building Division. No recovery was possible from the family of the deceased officer and the amount would be got written off. After that the said house remained vacant and irregular drawal of House Rent Allowance had not been proved.

The PAC accepted the explanation and **the para was settled.**

# Livestock & Dairy Development Department

## Overview

Total Paras	Civil	Commercial
13	5	8

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  <b>8</b>	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews or category wise break up of irregularities.	<b>Commercial:</b> 1(xxxii), 145, 146, 147, 148, 149, 150, 151.	<b>8</b>
<b>Para Finally Settled</b>  <b>1</b>	Para finally settled as the requisite action had been taken.	<b>Civil:</b> 17.4	<b>1</b>
<b>Paras Conditionally Settled</b>  <b>4</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Civil:</b> 17.1, 17.2, 17.3, 17.5	<b>4</b>

**Discussed on 3 August 1998, 11 January 1999, 29 April and 30 May 2002**

## Civil Audit

### 1. Para 17.1: Page 155 – Sale Proceeds of Poultry Products Not Recovered – Rs.133,239

Audit had observed: “The poultry products were sold to various persons during the period from 1 July 1992 to 30 June 1993 but the sale proceeds were not recovered which was against the provisions of Rule 7.1 of S.T.R. Punjab. The amount be recovered along with disciplinary action against the defaulters.”

**3-8-98:** The Department explained that actual recoverable amount was Rs.132,239 instead of Rs.133,239 as worked out by Audit. An amount of Rs.113,514 had been recovered and deposited with the Government, which had been verified by Audit. A balance of Rs.18,725 was recoverable which was being pursued vigorously.

The PAC kept the para pending for balance recovery and verification of the same by Audit.

**11-1-99:** The Department explained that a case for the balance recovery of Rs.18,725 had been sent to District Collector Bahawalpur to effect recovery as arrears of land revenue.

The PAC was not satisfied with the explanation of the Department and directed that balance recovery may be effected from the officer/official by whose negligence Government dues could not be recovered in time. The recovery of Rs.18,725 may be effected and the defaulter may also be proceeded against for disciplinary action under E & D Rules for not performing the official duty properly. This process be completed within three months. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para 17.2: Page 155 – Non-Recovery of Rent of Government Land – Rs.206,296**

Audit had observed: “In Live Stock Experiment Station, Fazilpur, District Rajanpur, Rs.206,296 were recoverable from the tenants on account of yearly rent of Government land @ Rs.200 per acre.”

**3-8-98:** The Department explained that actual recovery was Rs.209,276 instead of Rs.206,296 as worked out by Audit. Total amount of Rs.209,276 had since been recovered from pattadars and deposited with the Government.

The Public Accounts Committee settled the para and also directed the Department to take action against the officer/official who did not manage the timely recovery and allowed to accumulate the rent to the tune of Rs.209,276.

**11-1-99:** The Department explained that an inquiry was conducted to ascertain as to who was responsible for not making the timely recovery of Government dues and who allowed to accumulate the same to the tune of Rs.206,296. From the inquiry it was concluded that the



recovery was delayed due to the following factors:-

1. Frequent transfer of officers-in-charge.
2. Non-cooperation of local revenue authorities.
3. The defaulting pattadars used delaying tactics by using political pressure.

Therefore, no officer/official was responsible for the accumulation of rent. The PAC was not satisfied with the explanation and directed that matter may be thrashed out and responsibility may be fixed for non-recovery of Government dues. So the recoverable amount may be made good within the shortest possible time and got verified by Audit. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 11 January 1999 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. Finance Department shall monitor the implementation of the directive of the PAC.

### **3. Para 17.3: Page 155 – Loss to Government Due to Theft of Vehicle No.DGB-1318 Worth Rs.124,000**

Audit had observed: “A Government vehicle Suzuki Jeep No.BDB-1318 was stolen on 2 November 1990 while on temporary duty at Bahawalpur for which the case was registered with Police but no further efforts for recovery of the loss to Government were made. The Departmental proceedings to fix the responsibility against the official concerned were not found to have been initiated as yet. Strenuous efforts are required to be made for early recovery/finalization of case.”

**3-8-98:** The Department explained that case for the theft of Government vehicle No. DGB-1318, stolen while on temporary duty at Bahawalpur, had been registered with the police on 2-11-1990, but the S.P. Police Bahawalpur, on the report of Police Station Kotwali Bahawalpur, declared the vehicle as un-traceable. A case for the write off sanction of the loss of Rs.124,000 had been moved and decision was awaited.

The PAC settled the para subject to the write off sanction of the loss by the competent Authority.

**11-1-99:** The Department explained that the accused official had since expired. A case for write off sanction of the loss of Rs.124,000 had been sent to the Finance Department and sanction was awaited.

The PAC considering the fact that accused official had since expired **settled the para with the direction** that this decision may not be quoted as precedent.

### **4. Para 17.4: Page 156 – Less/Non Deposit of Rs.31,963**

Audit had observed: “The stated amount was recoverable on account of less deposit of Rs.21,074 and non deposit of Rs.10,889 being the cost of vaccine and medicines respectively. Effective steps needs to be taken to recovery the amount from the person responsible and disciplinary action initiated against the defaulter.”

**3-8-98:** The Department explained that full amount had been recovered and deposited with the Government. The position had also been verified by Audit.

The PAC accepted the explanation and **settled the para.**

## **5. Para 17.5: Page 156 – Outstanding Government Dues – Rs.947,735**

Audit had observed: “Agricultural land (about 1000 Acres) had been leased to the tenants on the basis of annual cash rent since 1981. The scrutiny of the Ledger Book of Patadars revealed that the above stated amount was outstanding against the tenants. The matter needs to be investigated and strenuous efforts be made to recover the amount from tenants.”

**3-8-98:** The Department explained that as per Departmental record the total recoverable amount was Rs.8,73,393 and not Rs.947,735 as pointed out by Audit. The total amount of Rs.873,393 had been recovered from the tenants. The PAC settled the para subject to (i) justification for reduction of amount from Rs.947,735 to Rs.873,393 to be shown to Audit and (ii) to proceed against the officer/official for disciplinary action responsible for not managing the timely recovery and allowed the recoverable Government revenue to accumulate to the tune of Rs.873,393.

**11-1-99:** The Department explained that major portion of the outstanding amount had since been recovered and only a sum of Rs.74,341 was outstanding which would be recovered as arrears of land revenue.

The Audit apprised the PAC that actual recoverable amount was Rs.947,735 and not Rs.873,393 as contended by the Department. The P.A.C directed the Department to make good the balance recovery at the earliest. It was further directed that the lease agreements along with relevant lease condition may be provided to PAC for necessary perusal in its next meeting. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The outstanding amount shall be recovered and reported to the Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **Commercial Audit**

## **1. Para 1(xxxii): Page 5 – Non-Compilation of Accounts**

Audit had observed: “This Compilation was required to contain the audited accounts for 1993-94 along with Audit Observations, Comments and Reviews thereon in respect of the following commercial organizations in the Punjab Province:-

(xxxii) Punjab Dairy Corporation Limited Lahore.”

**30-5-02:** The PAC **noted** the contents of the Audit paras and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that the accounts are compiled and submitted to Audit on time.

## **2. Para 145: Page 80 – Working Results of Punjab Dairy Corporation Limited, Lahore for the year 1993-94**

**30-5-02:** The Committee **noted the working results** with the observation that the Corporation had since been wound up, no further action was required.

## **3. Para 146: Page 81 – Idle Plant**

Audit had observed: “Since the plant is redundant therefore there is every likelihood that its structure would deteriorate (due to idleness) with the passage of time. It is once again stressed upon the Punjab Government to decide the fate of the idle plant as early as possible”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

## **4. Para 147: Page 81 – Increase in Trade Debts**

Audit had observed: “Trade debtors of the Corporation stood at Rs.1.014 million which showed a nominal decrease of Rs.0.199 million over previous year i.e. Rs.1.212 million. Strenuous efforts need to be made to recover the balance amount from debtors”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

## **5. Para 148: Page 81 – Decrease in Stock of Stores and Spares**

Audit had observed: “The stock of stores and spares decreased from Rs.0.382 million as at June 30, 1993 to Rs.0.354 million as at June 30, 1994 on account of making provision of Rs.0.028 million for obsolete stock. The reasons for which the stock worth Rs.0.028 million become obsolete need to be investigated”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

## **6. Para 149: Page 82 – Loss to Government**

Audit had observed: “The Punjab Livestock Dairy and Poultry Development Board established under Punjab Live Stock Dairy and Poultry Development Act 1974 to manage, control and operate livestock Dairy, Poultry and other allied projects in the public sector. The aim of the Board was to provide quality beef, mutton, frozen chickens, milk and butter at cheaper rates to the public at places where these were not available. Since it failed to achieve its objectives and sustained huge losses the Board was dissolved vide Notification dated September 29, 1986. The accounts under review have therefore, been prepared for the period from July 1, 1986 to September 30, 1986 as the accounts upto the year 1985-86 have already been prepared and certified by Commercial Audit Directorate. The Board sustained a net loss of Rs.4.074 million during the period from July 1986 to September 30, 1986 as compared to net loss of Rs.13.166 million sustained in 1985-86 raising the accumulated losses to Rs.76.811 million. The losses sustained during the period under review mainly consisted of administrative and financial expenses which amounted to Rs.5.008 million. The accumulated losses have not been written off/regularized as yet. The losses need to be got written off/regularized under the orders of competent financial authority after proper investigation”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

## **7. Para 150: Page 82 – Sundry Debts**

Audit had observed: “The sundry debtors increased from Rs.4.196 million on June 30, 1986 to Rs.4.347 million on September 30, 1986. Year-wise analysis of sundry debtors have not been furnished in the absence of which the prospects of recoveries could not be verified. Strenuous efforts are required to be made for early realization of debts lest these are become bad debts”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

## **8. Para 151: Page 82 – Non-Reporting of Losses**

Audit had observed: “After the dissolution of the Board with effect from September 29, 1986, an Administrator was appointed to arrange the transfer/disposal the assets, liabilities. The results of transfer/disposal of the assets liabilities of the Board and resultant gains/losses have not been reported to Audit. Necessity of reporting the resultant gains/losses on transfer/disposal of assets liabilities to Audit is stressed upon the management”.

**30-5-02:** The Committee **noted the para** as the Organization had since been wound up.

# Local Government and Rural Development Department

## Overview

Total Paras	Civil	Works
2	1	1

## Abstract

Status	Decision	Para No.	Total
Paras Conditionally Settled  2	Para settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	Civil: 19.1	1
		Works: I.1	1

Discussed on 3 August 1998, 29 April and 23 May 2002

## Civil Audit

### 1. Para 19.1: Page 160 – Over-Drawal of House Rent Allowance Amounting to Rs.107,846

Audit had observed: “The residential bungalow had been constructed in the office for the residence of Project Manager but the said residence was not occupied by Mr Anis-ur-Rehman, Project Manager and he continued residing in his own house against the provisions of the rules framed by the Finance Department. The house rent allowance drawn by the officer from July 1980 to May 1991 @ Rs.619/50 and from June 1991 to December 1993 @ Rs.861 p.m. needs to be recovered and deposited into Government treasury.”

**3-8-98:** The Department explained that no House Rent Allowance was admissible to the



Government servants working in Rural areas up to 30-6-1982. Hence, no House Rent Allowance was paid to the officer upto 30-6-1982 against whom the Audit Observation was raised. From 1-7-1983 to 31-7-1984, 5% of the actual pay was deducted from the officer concerned. Hence, no recovery was due from him. Then the concerned officer was transferred to other station and as such nothing was due from him on account of House Rent Allowance.

The PAC kept the para pending and directed the Department to produce the relevant record to Audit for verification in support of its explanation.

**29-4-02:** Reiterating the decision of the PAC dated 3 August 1998, **the Committee settled the para subject to the following direction–**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Finance Department and the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## Works Audit

### **1. Para I-1: Page 323 – Overpayments to Contractors – Rs. 157,010 – Assistant Director Local Government and Rural Development Toba Tek Singh**

Audit had observed: “The division made payment for a non-scheduled item of work “prestressed roofing using girder with slab etc.” @ Rs.31.32 and Rs.34.75 per sft instead of the admissible rate of Rs.23 per sft approved by the Director General, Local Government and Rural Development and quoted as such by the contractors in their bids. This resulted in an overpayment of Rs.157,010 to the contractors in April 1990.”

**23-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter may be decided by the SDAC and further necessary action may be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

# Planning and Development Department

## Overview

Total Paras	Works
2	2

## Abstract

Status	Decision	Para Nos.	<u>Total</u>
<b>Paras Pended</b>  2	Paras pended because the Committee decided to have working paper for consideration.	<b>Works:</b> 1-A.1, 1-B.1	<b>2</b>

Discussed on 23 May 2002

## Cholistan Development Authority Bahawalpur Works Audit

### 1. Para I-A.1: Page 315 – Non Recovery of Water Charges – Managing Director CDA Bahawalpur – Rs.1,354,998

Audit had observed: “The division did not recover water charges outstanding against various parties. This resulted in Non-Recovery of Rs.1,354,998 of Government dues since 1984.”

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

### 2. Para I-B.1: Page 316 – Non Recovery of Lease Money – Managing Director CDA Bahawalpur – Rs.842,722

Audit had observed: “The division allotted plots and land for cultivation to various cultivators under grow more food scheme but did not recover installments for the allotted land from the allottees. This resulted in Non-Recovery of Rs.842,722 of Government dues in 1989.”

**23-5-02:** The Committee decided that the facts of the case required further examination. For this purpose, the Department **shall submit the requisite working paper**, containing the comments of the Audit.

# Services and General Administration Department

## Overview

Total Paras	Civil
2	2

## Abstract

Status	Decision	Para Nos.	<u>Total</u>
<b>Para Finally Settled</b>  <b>1</b>	Para finally settled as the requisite action had been taken.	<b>Civil: 21.1</b>	<b>1</b>
<b>Para Conditionally Settled</b>  <b>1</b>	Para settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Civil: 21.2</b>	<b>1</b>

**Discussed on 3 April 1998, 8 March 1999 and 29 April 2002**

## Civil Audit

### **1. Para 21.1: Page 164 – Overpayment of Governor House Allowance – Rs.21,000**

Audit had observed: “The staff of Governor Fleet of Aircraft was entitled to Governor House Allowance up to their transfer, i.e. 15 December 1988, to SGA&ID. On transfer of the staff to SGA&ID, the employees were paid Chief Minister House allowance and they also continued to draw Governor House allowance which was admissible while working only in Governor House.”

**3-4-98:** The Department explained that the overpaid amount of Rs.21,000 had been recovered and deposited with the Government. **The explanation was accepted and the para was settled.**

## **2. Para 21.2: Page 164 – Non-Deduction of Income Tax – Rs.115,948**

Audit had observed: “Under section 50(4) of Income Tax Ordinance, 1979, a sum of Rs.115,948 was required to be deducted from the Firms/Suppliers @ Rs.2.5% at the time of payment. Government sustained a loss due to non deduction of income tax. The stated amount needs to be recovered from the Contractors/Suppliers and deposited into Government treasury with disciplinary action against the persons held responsible.”

**8-3-99:** The Department explained that a sum of Rs.84,359 had been recovered. An amount of Rs.19,643 was recoverable from another firm. The said firm had stated that they had paid the Income Tax inclusive of Rs.19,643. The balance recoverable amount was now, Rs.11,946.

The P.A.C. directed the Department to obtain a certificate from the Income Tax Department to the effect that tax of Rs.19,643 had been recovered from the firm. This certificate may be shown to Audit. Balance amount of Rs.11,946 may be made good without delay. The para was kept pending.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.



# Social Welfare and Punjab Baitul Maal Department

## Overview

Total Paras	Civil
2	2

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Conditionally Settled</b>  <b>2</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	Civil: 20.1, 20.2	<b>2</b>

Discussed on 3 August 1998 and 29 April 2002

## Civil Audit

### 1. Para 20.1: Page 162 – Misappropriation of Amount of T.B.A. Allowance – Rs.53,786

Audit had observed: “Out of Rs.97,208 drawn from December, 1991 to June, 1992 on account of payment of allowance to Traditional Birth Attendants (Daies) payment of Rs.43,786 was misappropriated. Amount needs to be recovered from the persons found at fault and deposited into Government treasury under intimation to Audit.”

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The matter shall be decided by the SDAC and further necessary action shall be taken by 30 September 2002 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### 2. Para 20.2: Page 162 – Overpayment of Conveyance Allowance and House Rent Allowance to the Tune of Rs.44,198

Audit had observed: “The staff of Institute was provided with Government

accommodation situated within the office premises. Consequently they were not entitled to conveyance and house rent allowance. They were also required to pay 5% of their basic pay as house rent. They have thus been overpaid amounts as shown against each:-

1. Mr Manzoor Hussain, Chowkidar	Rs. 11,545.85
2. Mr Muhammad Siddique, Cook	Rs. 15,793.10
3 Mr Abdul Majeed, Driver	<u>Rs. 16,859.00</u>
<b>Total</b>	<b><u>Rs. 44,198.95</u></b>

The overpaid amount needs to be recovered from them.”

**3-8-98:** The Department explained that an amount of Rs.16,042 had been recovered. The remaining amount was being recovered @ Rs.100 P.M. per head.

The P.A.C. kept the para pending for balance recovery and directed the Department to complete the same in shortest possible time. The P.A.C. also directed to proceed against the D. D.O. responsible for making the overpayment.

**29-4-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall implement the directive of the PAC dated 3 August 1998 by 30 September 2002, and report compliance to the Finance Department, the Assembly Secretariat and the Audit. In case, the recovery has not so far been effected, disciplinary action shall be taken against the persons responsible for delay. Finance Department shall monitor the implementation of the directive of the PAC.

# Transport Department

## Overview

Total Paras	Commercial	Revenue Receipts
4	3	1

## Abstract

Status	Decision	Para Nos.	Total
<b>Para Noted</b>  <b>1</b>	The para was noted as no further action was required because it contained Accounts.	<b>Commercial:</b> 3(xxii)	<b>1</b>
<b>Paras Conditionally Settled</b>  <b>3</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six month.	<b>Commercial:</b> 23, 24	<b>2</b>
		<b>Revenue Receipts:</b> 5.1	<b>1</b>

Discussed on 30 May 2002

## Commercial Audit

### 1. Para 3(xxii): Page 7 – Non-Compilation of Accounts

**30-5-02:** The PAC noted the contents of the Audit para and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Departments must ensure that the accounts are compiled and submitted to Audit on time.

### 2. Para 23: Page 25 – Misappropriation of Cash Rs.172,364 by the Conductors

Audit had observed: “In Punjab Road Transport Corporation, Saddar Depot, Lahore conductors did not deposit the full cash collected by them for the period from July 9, 1989 to September 11, 1989, and March 15, 1992 to April 20, 1992 and misappropriated an amount of Rs.172,364 but no action was taken to recover the misappropriated amount. The case was also not got registered with the police. The Inquiry Officer held responsible, Mr M. Aslam Shah, conductor C-64, for the misappropriation of Rs.30,299 but no action was taken against him.”

**30-5-02:** Since the Corporation had been wound up, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **3. Para 24: Page 25 – Misappropriation of Rs.137,748 by the Cashier**

Audit had observed: “In PRTC Sialkot Depot the cashier misappropriated an amount of Rs.137,748 by depositing less income amounting to Rs.133748 and Rs.4,000. The misappropriation of cash was made on the basis of overwritten deposit slips and also bogus deposit slips were used. The misappropriation of funds occurred due to lack of internal controls inasmuch as no timely bank reconciliation was made.”

**30-5-02:** Since the Corporation had been wound up, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **Revenue Receipts Audit**

### **1. Para 5.1: Page 39 – Non-Realization of Government Revenue Due to Non-Renewal of Route Permits – Rs.1,369,530**

Audit had observed: “According to Sections 34(1) and 60 of Motor Vehicles Ordinance, 1965 read with rules 64(2), 71, 85 and 91 of Motor Vehicles Rules 1969 the route permit of a vehicle is issued for a period specified therein. The same is required to be either got renewed on an application made in that behalf one month before expiry of its validity and on payment of the prescribed fee or surrendered to the issuing authority. In case of default exceeding three months, the registration certificate of the vehicle is liable to suspension. Certain route permit holders had neither surrendered their expire route permits nor got them renewed but no action to renew the permits and recover the leviabale dues was taken by the departmental authorities. This resulted in non-realisation of government revenue of Rs.1,369,530 in the given cases.”

**30-5-02:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction—**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.



# Annexure

## GOVERNMENT OF THE PUNJAB FINANCE DEPARTMENT

### NOTIFICATION

**Dated: Lahore the 20 October 2000**

**No.FD/Acctts:/(A&A)/V-7/69.** In exercise of the powers conferred upon him under the order of the Chief Executive of Pakistan contained in letter No.1(74)SO(C-2)/2000 dated 31st July 2000 read with Article 2 of the Powers and Functions of the Governors Order 19 (No.5 of 1999), the Governor of the Punjab is pleased to constitute, until further orders, an ad hoc Public Accounts Committee for examining the appropriation and other accounts of the Government of the Punjab and the reports of the Auditor General thereon and for dealing with the unfinished business of the Standing Committees on Public Accounts of the Provincial Assembly of the Punjab suspended on the twelfth day of October 1999, consisting of the following namely:

- |  |        |
|--|--------|
| 1. Mr Aftab Ahmad<br>(Retd. Secretary C&W)   | Member |
| 2. Mr Ahmad Raza Khan<br>(Retd. Addl. Secretary)                                   | Member |
| 3. Mr Ali Kazim, Advocate<br>(Retd. Civil Servant)                                 | Member |
| 4. Ch Muhammad Aslam<br>(Retd. Provincial Secretary)                               | Member |
| 5. Prof. (R) Dr Ejaz Ahsan<br>(Retd. Principal KEMC)                               | Member |
| 6. Prof. (R) Dr Khalid Hameed Sheikh<br>(Retd. Vice Chancellor, Punjab University) | Member |
| 7. Mian Abdul Qayyum<br>(Retd. Federal Secretary)                                  | Member |
| 8. Mr Muhammad Ahmad Bhatti<br>(Retd. Provincial Secretary)                        | Member |
| 9. Major General (Retd) Muhammad Akram<br>461-CC, Phase IV, DHA, Lahore            | Member |
| 10. Mr Muzaffar Mahmood Qureshi<br>(Retd. Federal Secretary)                       | Member |
| 11. Mr Riaz Hussain Bokhari,<br>(Retd. Auditor General of Pakistan)                | Member |

2. Mr Riaz Hussain Bokhari, will act as Chairman of the ad hoc Public Accounts Committee, until further orders.

3. (1) In scrutinizing the appropriation and other accounts of the government and the reports, including special audit reports and performance audit reports of the Auditor General of Pakistan thereon, it shall be the duty of the ad hoc Public Accounts Committee, hereinafter referred to as Committee, to satisfy itself:

- (a) that the moneys shown in the accounts as having been disbursed were legally available for and applicable to, the service or purpose to which they have been applied or charged.
- (b) that the expenditure conforms to the authority which governs it.
- (c) that every re-appropriation has been made in accordance with the provisions made in this behalf under the rules framed by the Finance Department.
- (d) that the money shown in the accounts was spent with due regard to regularity, propriety, economy, efficiency and effectiveness.

(2) It shall also be the duty of the Committee:-

- (a) to examine the statement of accounts showing the income and expenditure of state corporations, trading and manufacturing schemes, concerns and projects together with the balance sheets and statements of profit and loss accounts which the Governor may have required to be prepared or are prepared under the provisions of the statutory rules regulating the financing of a particular corporation, trading of manufacturing scheme or concern or project and the report of the Auditor General of Pakistan thereon;
- (b) to examine the statement of accounts showing the income and expenditure of autonomous and semi-autonomous bodies, the audit of which may be conducted by the Auditor General of Pakistan either under the directions of the Governor or under an Act of Assembly; and
- (c) to consider the report of the Auditor General of Pakistan in case where the Governor may have required him to conduct the audit of any receipts or to examine the accounts of stores and stocks.

(3) If any money has been spent on any service during a financial year in excess of the authorized grant or appropriation for that purpose, the Committee shall examine with reference to the facts of each case the circumstance leading to such an excess and make such recommendations as it may deem fit.

4. The Committee will make arrangements for clearance of backlog of audit reports passed on to it as unfinished business of the aforesaid Standing Committees of the Provincial Assembly. Recommendations of the Committee shall be submitted for final approval to the Minister for Finance Punjab within one year positively.

5. The recommendations made by the aforesaid Standing Committees of Provincial Assembly of the Punjab in the finalized reports for the previous years shall be submitted by the Committee to the Finance Minister for approval. The Committee shall also oversee implementation of its approved recommendations.

6. The Provincial Assembly Secretariat will function as the Secretariat of the Ad hoc Public Accounts Committee.

*Sd/-*  
**(M. AKRAM MALIK)**  
**Secretary to Government of the Punjab**  
**Finance Department**

**No. FD/Acctts:/(A&A)/V-7/69**

**Dated Lahore the, 20th October 2000**

Copy forwarded for information to:-

- 1) All Administrative Secretaries to Government of the Punjab.
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**Under Secretary (M-1)**  
**Government of the Punjab**  
**Finance Department**

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