

# Report(1994-95)

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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 purposes and were spent prudently and in accordance with law/rules. The Assembly oversees expenditure through its Public Accounts Committees, 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. The Committees examine with reference to the facts of each case, the circumstances leading to any excess expenditure, and makes 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 1994-95 were laid in the Provincial Assembly of the Punjab on 23 November 1998. The Assembly referred the Reports to Public Accounts Committee-II (PAC-II) for consideration.

4. These, along with the Reports of former and succeeding years remained under consideration of that Committee as well as the *ad hoc* PAC.

5. PAC-II, constituted on 13 October 1997, consisted of Ch Muhammad Safdar Shakir (*Chairman*), Mr Mansoor Ahmad Khan, Khawaja Saad Rafique, Mr Akhtar Mahmood, Ch Zafar Ullah Cheema, Sardar Naeemullah Khan Shahani, Sardar Amjad Hameed Khan Dasti, Haji Muhammad Nawaz, Mian Imran Masood, and Rana Sana Ullah Khan. The Committee considered the Reports in seventeen meetings from 16 December 1998 to 30 September 1999; however, it ceased to function with the suspension of the Assembly with effect from 12 October 1999 under the Proclamation of Emergency.

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 *ad hoc* PAC considered the reports for the year 1994-95 in its special meetings held on 4, 6, 12 and 18 April 2002.

**9.** This Report is based on the decisions taken by the former PAC-II, as well as the *ad hoc* PAC. The Committee, in its meeting on 1 August 2002, approved this Report.

**10.** This Report is arranged in 26 Chapters. Chapter 1 contains a summary of the deliberations of the PAC about the Appropriation Accounts. The remaining Chapters deal with the audit paras/ observations alphabetically arranged for each department. A synopsis for each department has been added for ready reference.

**11.** 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.

1 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 Settled subject to approval of Excess Budget Statement</b>	<b>Grants Pended</b>
<b>49</b>	<b>5</b>	<b>6</b>	<b>38</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>808</b>	<b>49</b>	<b>158</b>	<b>497</b>	<b>104</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-II considered the Appropriation Accounts and the Auditor General's Report on the Accounts (1994-95) 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 (1994-95) in its special meetings. Based on the minutes of the meetings of the previous PAC-II as well as those of the present *ad hoc* PAC, the Report on the Accounts (1994-95) has now been compiled.

4. In its meeting held on 1 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.

**1 August 2002**

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

# Appropriation Accounts

## 1994-95

### Overview

Total No. of Grants	Settled	Pended
49	11	38

### Abstract

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

### TABLE I

#### Grants Settled

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

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
<b>5. Forest</b>	429,563,630	423,830,837	(-) 5,732,793 (1.33%)	Minutes dated 21-7-1999, issued vide No. PAC/94-95/99/9838 dated 18-9-

				1999.
<b>10. General Admn. (c)</b>	75,846,710	77,547,374	(+) 1,700,664 (2.24%)	Minutes dated 30-9-1999, issued vide No.PAC/94-95/99/12013, dated 11-12-1999 and Minutes dated 8-1-2001, issued vide No.Ad hoc PAC (3)/2000/265, dated 20-1-2001.
	<b>*68,223,742</b>	<b>*67,883,640</b>	<b>(-) *340,102</b> (0.50%)	
<b>12. Jails and Convict Settlements</b>	393,264,680	393,226,165	(-) 38,515 (0.009%)	Minutes dated 24-2-1999, issued vide No. PAC/94-95/99/6261 dated 21-4-1999.
<b>35. Loans to Government Servants</b>				
50,000,000	212,760	(-) 49,787,240 (99.57%)	Minutes dated 18-3-1999, issued vide No. PAC/94-95/99/6727 dated 5-5-1999.	
<b>Nil. Interest on Debt &amp; other obligations (c)</b>	12,623,350,010	12,467,369,354	(-) 155,980,656 (1.24%)	Minutes dated 18-3-1999, issued vide No. PAC/94-95/99/6727 dated 5-5-1999.

\*After reconciliation

**TABLE II**

The following Grants were settled subject to the approval of Excess Budget Statement–

<b>Grant No &amp; Title</b>	<b>Final Grant</b>	<b>Expenditure</b>	<b>Excess</b>	<b>Remarks</b>
<b>4. Stamps</b>	17,403,090	23,123,311	(+) 9,720,221 (55.85%)	Minutes dated 28-9-1999, issued vide No. PAC/94-95/99/939 dated 4-12-1999
<b>18. Agriculture</b>	1,195,143,490	1,203,510,689	(+) 8,367,199 (0.70%)	Minutes dated 24-3-1999, issued vide No. PAC/94-95/99/6572 dated 1-5-1999.
<b>20. Veterinary</b>	593,727,440	593,748,397	(+) 20,957 (0.003%)	Minutes dated 24-2-1999, issued vide No. PAC/94-95/99/6261 dated 21-4-1999.
<b>28. Pensions</b>	3,508,883,000	3,993,761,328	(+) 484,878,328 (13.82%)	Minutes dated 18-3-1999, issued vide No. PAC/94-95/99/6727 dated 5-5-1999.



<b>Nil. Permanent Debt</b>	(c) 914,000	10,000,000	(+) 9,086,000 (994.09%)	Minutes dated 18-3-1999, issued vide No. PAC/94-95/99/6727 dated 5-5-1999.
<b>Nil Repayment of Loans from the Federal Govt.</b>	(c) 1,342,456,000	1,344,511,116	(+) 2,055,116 (0.15%)	Minutes dated 18-3-1999, issued vide No. PAC/94-95/99/6727 dated 5-5-1999.

**TABLE III**  
**Grants Pended**

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

<b>Grant No &amp; Title</b>	<b>Final Grant</b>	<b>Expenditure</b>	<b>Saving/Excess</b>	<b>Remarks</b>
<b>1. Opium</b>	894,410*	834,809	(-) 59,601 (6.66%)	Not discussed
<b>2. Land Revenue</b>	343,837,900	368,476,492	(+) 24,638,892 (7.16%)	Pended. Minutes dated 28-9-1999, issued vide No. PAC/94-95/99/939 dated 4-12-1999
<b>3. Provincial Excise</b>	46,972,870	48,005,193	(+) 1,032,323 (2.20%)	Not discussed.
<b>6. Registration</b>	8,930,490	6,737,027	(-) 2,193,463 (24.56%)	Partly settled. Minutes dated 28-9-1999, issued vide No. PAC/94-95/99/939 dated 4-12-1999
<b>7. Charges on account of Motor Vehicles Act</b>	28,837,600	27,734,456	(-) 1,103,144 (3.83%)	Not discussed.
<b>8. Other Taxes and Duties</b>	77,170,460	73,600,378	(-) 3,570,082 (4.63%)	Not discussed.
<b>9. Irrigation and Land Reclamation</b>	3,653,916,210	2,708,590,368	(-) 945,325,842 (25.87%)	Partly settled. Minutes dated 26-5-1999, issued vide No. PAC/94-95/99/8559 dated 14-7-1999 and Minutes dated 28-9-1999, issued vide No. PAC/94-95/99/939 dated 4-12-1999.
<b>10. General Admn.</b>	(v) 4,522,421,530	3,893,854,068	(-) 628,567,462 (13.90%)	Partly settled. Minutes dated 26-5-1999, issued vide No. PAC/94-95/99/8559 dated 14-7-1999 and Minutes dated 28-9-1999, issued vide No. PAC/94-95/99/939 dated 4-12-1999.
<b>11. Admn. of Justice</b>	(c) 153,281,370	148,509,826	(-) 4,771,544 (3.11%)	Not discussed.
	(v) 321,624,450	312,132,313	(-) 9,492,137	Not discussed.

			(2.95%)	
<b>13. Police</b>	4,689,245,890	4,655,534,737	(-) 33,711,153 (0.72%)	Partly settled. Minutes dated 24-2-1999, issued vide No. PAC/94-95/99/6261 dated 21-4-1999.
<b>14. Museums</b>	10,749,760	10,730,556	(-) 19,204 (0.18%)	Not discussed.
<b>15. Education</b>	16,709,115,140	16,234,553,080	(-) 474,562,060 (2.84%)	Not discussed.
<b>16. Health Services</b>	3,022,508,010	4,423,409,399	(+) 311,891,389 (10.32%)	Not discussed.
<b>17. Public Health</b>	381,259,010	342,167,136	(-) 39,091,874 (10.32%)	Partly settled. Minutes dated 16-2-1999, issued vide No. PAC/94-95/99/6252 dated 20-4-1999 and Minutes dated 30-9-1999, issued vide No. PAC/94-95/99/12013 dated 11-12-1999.
<b>19. Fisheries</b>	67,498,530	68,274,409	(+) 775,879 (0.11%)	Pended. Minutes dated 21-7-1999, issued vide No. PAC/94-95/99/9838 dated 18-9-1999.
<b>21. Co-operation</b>	134,288,610	136,489,767	(+) 2,201,157 (1.64%)	Not discussed.
<b>22. Industries</b>	121,139,410	131,103,474	(+) 9,964,064 (8.23%)	Not discussed.
<b>23. Miscellaneous</b>	438,983,410	436,431,626	2,551,784 (0.58%)	Partly settled. Minutes dated 21-7-1999, issued vide No. PAC/94-95/99/9838 dated 18-9-1999.
<b>24. Civil Works</b>	(c) 3,200,000	3,198,817	1,183 (0.036%)	Not discussed.
	(v) 949,723,310	718,055,935	231,667,375 (24.39%)	Partly settled. Minutes dated 16-2-1999, issued vide No. PAC/94-95/99/6252 dated 20-4-1999
<b>25. Communications</b>	1,311,177,010	1,473,196,358	(+) 162,019,348 (12.36%)	Not discussed.
<b>26. Housing &amp; PP</b>	180,219,710	118,092,256	62,127,454 (34.47%)	Not discussed.
<b>27. Relief</b>	19,293,620	18,899,338		394,287 (2.04%) Not discussed.
<b>29. Stationery &amp; Printing</b>	88,871,210	93,208,678	(+) 4,337,468 (4.88%)	Partly settled.
<b>30. Subsidies</b>	1,360,000,000	500,000,000	860,000,000 (63.23%)	Not discussed.
<b>31. Miscellaneous</b>	819,393,510	628,289,701	191,103,809 (23.32%)	Partly settled. Minutes dated 28-9-1999, issued vide No. PAC/94-95/99/939 dated 4-12-1999.
<b>32. Civil Defence</b>	28,715,660	27,682,537	1,033,123 (3.60%)	Partly settled. Minutes dated 24-2-1999, issued vide No. PAC/94-95/99/6261 dated 21-4-1999.

<b>33. State Trading in Food Grain &amp; Sugar</b>	(c)	670,000,000	668,044,700	1,955,300 (0.29%)	Not discussed.
	(v)	12,435,802,010	12,702,269,282	(+) 266,467,272 (2.14%)	Not discussed.
<b>34. Schemes of State Trading in Medical Stores &amp; Coal</b>		159,221,880	158,653,280	1,568,600 (0.98%)	Not discussed.
<b>36. Development</b>		5,642,059,060	5,570,224,086	71,834,974 (1.27%)	Partly settled. Minutes dated 16-2-1999, issued vide No. PAC/94-95/99/6252 dated 20-4-1999.
<b>Forest</b>		25,806,410	23,435,925	(-) 2,370,485 (9.19%)	Settled. Minutes dated 21-7-1999, issued vide No. PAC/94-95/99/9838 dated 18-9-1999.
<b>37. Irrigation Works</b>		1,093,063,370	1,237,201,862	(+) 144,138,492 (13.19%)	Partly settled. Minutes dated 26-5-1999, issued vide No. PAC/94-95/99/8559 dated 14-7-1999 and Minutes dated 21-7-1999, issued vide No. PAC/94-95/99/9838 dated 18-9-1999.
<b>38. Agriculture Improvement &amp; Research</b>		27,197,000	91,507,736	(+) 64,310,736 (236.46%)	Partly settled. Minutes dated 16-2-1999, issued vide No. PAC/94-95/99/6252 dated 20-4-1999.
<b>39. Industrial Development</b>			1,530,803	(+) 1,530,803 (100%)	Not discussed.
<b>40. Town Development</b>		102,100,010	102,321,917	(+) 221,907 (0.22%)	Partly settled. Minutes dated 16-2-1999, issued vide No. PAC/94-95/99/6252 dated 20-4-1999.
<b>41. Roads and Bridges</b>		3,000,000,010	2,927,963,452	(-) 72,036,558 (2.40%)	Not discussed.
<b>42. Government Buildings</b>		3,476,897,010	2,536,229,407	(-) 940,667,603 (27.05%)	Not discussed.
<b>43. Loans to Municipalities, Autonomous Bodies</b>		1,063,125,530	1,032,643,012	(-) 30,482,518 (2.87%)	Partly settled. Minutes dated 16-2-1999, issued vide No. PAC/94-95/99/6252 dated 20-4-1999.
<b>Nil. Floating Debt</b>	(c)	10,477,350,010	9,739,691,022	(-) 737,658,988 (7.04%)	Not discussed
<b>Nil. Privy Purses</b>	(c)	1,600,000		(-) 1,600,000 (100%)	Not discussed.



# Agriculture Department

## Overview

Total Paras	Civil	Commercial
79	15	64

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  20	The paras were noted as no further action was required either because they were of descriptive nature or contained Accounts and departmental financial reviews	<b>Commercial:</b> 1, 2, 3(i-x), 4, 5, 36, 40, 43, 54, 68, 71.	<b>20</b>
<b>Paras Finally Settled</b>  12	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 1.1, 1.4, 1.9.	<b>3</b>
		<b>Commercial:</b> 39, 42, 48, 53, 58, 59, 61, 64, 67.	<b>9</b>
<b>Paras Conditionally Settled</b>  42	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	<b>Civil:</b> 1.2, 1.6, 1.8, 1.11, 2.1, 2.2, 2.3, 2.4.	<b>8</b>
		<b>Commercial:</b> 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 37, 41, 44, 45, 46, 47, 49, 50, 51, 52, 55, 56, 57, 60, 62, 63, 65, 66, 69, 70, 72, 73, 74, 75.	<b>34</b>
<b>Paras Pended</b>  5	Paras pended either because the Department had not taken satisfactory action or the Department did not submit Working Papers.	<b>Civil:</b> 1.3, 1.5, 1.7, 1.10.	<b>4</b>
		<b>Commercial:</b> 38.	<b>1</b>

**Discussed on 24 March 1999, 4 and 18 April 2002.**

## Civil Audit

### 1. Para 1.1: Page 29 – Misappropriation of Rs.68,000

Audit had observed: “An examination of record showed that 265 & 300 No. of trees were cut and Rs.38,262 and Rs.22,408 respectively were paid as cutting and removing charges of

the trees but the wood collected from the site of trees was not accounted for. It is quite evident that either the trees were misappropriated or the operation was not carried out at all. This resulted into loss to Govt. amounting to Rs.68,000 during 1991-92 under the charge of Incharge of P.D. Water Lifting Devices, IInd Barani Rawalpindi.”

**24-3-99:** The Department explained that all the trees, cut down by the Department for the installation of water turbine Pumps, were the property of the private land owner and therefore, after cutting of these trees the same were collected by the land owner. As such there was no misappropriation involved.

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

## **2. Para 1.2: Page 29 – Embezzlement of Rs.79,172**

Audit had observed: “An examination of record showed that the store items i.e. paddy rice and wheat to the stated extent were issued for sale but the sale-proceeds of the same were not deposited into the Government Treasury. In this regard, an inquiry was conducted under the Chairmanship of an Entomologist who confirmed the loss of 217 maunds of paddy. The ex-Director and an Assistant Agronomist were held responsible but the Department failed to recover the loss. This resulted into loss to the Government amounting to Rs.79,172 during the year 1993-94 under the charge of Director Rice Research Institute Kala Shah Kaku, District Sheikhpura.”

**24-3-99:** The Department explained that a regular enquiry was conducted under E & D Rules and the Ex-Director Rice Research Institute Kala Shah Kaku and the Ex-Store Keeper/Jr. Clerk were held responsible. The Ex-Director (Mr M. Anwar Butt) was awarded with a minor penalty and Ex-Storekeeper (Mr Habib Sultan) was recommended for recovery of Rs.79,172 from him after conducting proper enquiry under E & D Rules. Accordingly the enquiry against the Ex-Storekeeper had been initiated for effecting recovery of Rs.79,172.

The PAC was not satisfied with the explanation and the findings of enquiry proceedings already conducted and directed the Department that copies of all the three enquiry reports may be provided to the DG Audit Punjab and the Additional Secretary Finance Department (Monitoring Wing) for examination. Both Audit and the Finance Department would submit their findings to the PAC for consideration and decision. The para was kept pending.

**4-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **3. Para 1.3: Page 30 – Non-recovery of Rs.592,555**

Audit had observed: “The Government provided pesticides/fertilizers to tenants/pattadars of the Government Farms on half price but the scrutiny of tenants ledger showed that no recovery was made thereof. Similarly, the Government sold green fodder and vegetable to pattadars/tenants but cost of the same was credited in their ledger accounts instead of collecting the sale proceeds in cash. This resulted into a total loss to the Government of Rs.592,555 during 1992-93.”

**24-3-99:** The Department explained that out of the total amount of Rs.592,555 a sum of Rs.221,702 had been recovered. The balance recovery was pending as the tenants had gone to the Court against the recovery. Anyhow, a departmental enquiry was underway to probe into the matter.

The PAC directed that enquiry may be completed and responsibility be fixed as to who made the payment to the tenants of their share of production but could not realize the Government dues at the time of payment. The recovery of the balance amount may be recovered from the defaulting person. The process must be completed within 90 days. The para was kept pending.

**4-4-02:** 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 Audit.

### **4. Para 1.4: Page 30 – Non-recovery of Hire Charges from Irrigation Department Rs.1,517,297**

**24-3-99:** The Department explained that the Chief Secretary Punjab had waived off all charges, hence no question of any recovery arose. The position had also been verified by Audit.

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

### **5. Para 1.5: Page 31 – Non-recovery of Rs.60,604,745**

Audit had observed: “An Audit scrutiny of record showed that the Department carried out spray on various crops but the cost thereof was still to be recovered from various agriculturists. This resulted into loss to Govt. amounting to Rs.60,604,745 during 1992-93 under the charge of Deputy Director Agriculture (Ext.) Gujranwala.”

**24-3-99:** The Department explained that aerial spray on rice crop was arranged by the Federal Government by providing pesticides etc. Provincial Agriculture Department did not incur any expenditure in this regard. As no expenditure had been incurred by the department therefore, Audit objection was not justified. However, the list of the Land owners had been provided to the District Collector Gujranwala for recovery as arrears of Land Revenue.

The PAC directed the Department to pursue the recovery for early realization of same and the para was kept pending.

**4-4-02:** 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 Audit. **The para was kept pending.**

## **6. Para 1.6: Page 31 – Wasteful Expenditure of Rs. 232,800**

**4-4-02:** Audit had observed: “From an examination of record it was observed that an amount was paid on account of rent of buildings used for the storage of expired and outdated pesticides from 1982 to 1991. The department could save the expenditure by disposing of expired material. Resultantly the Govt. sustained a loss amounting to Rs.232,800 during 1990-91 under the charge of EADA, Okara.”

**24-3-99:** The Department explained that sale of pesticides was discontinued in 1980 and pesticides had been expired due to long storage. These expired pesticides were kept in rented stores as neither the pesticides could be disposed off nor the stores could be vacated. Anyhow, 27 stores had been vacated by arranging the storage of these pesticides in a Departmental Store and no expenditure was being incurred now. A case for the write off sanction of the amount already incurred had been sent to the Finance Department.

The PAC kept the para pending for the write off sanction of wasteful expenditure.

**4-4-02:** The Committee noted that the amount had been written off in subsequent years. The Committee **settled the para with the direction** that if any amount pertaining to Audit Report for the year 1994-95 was still outstanding, it should be got written off as already decided by the PAC. Finance Department shall monitor the implementation of the directive of the PAC.

## **7. Para 1.7: Page 32 – Infertuous Expenditure of Rs.143,325**

Audit had observed: “An Audit scrutiny of record showed that the expenditure to the stated extent was incurred for the purchase of chemicals and other items during the period 1973 to 1991. The chemicals were not utilized since their purchase which clearly showed that the expenditure was incurred without any immediate requirement, which could have been saved in the public interest in accordance with Rule 2.10 of PFR Vol-I. This resulted into an infertuous expenditure to public exchequer amounting to Rs.143,325 during 1993-94 under the charge of Food Technologist Ayub Agricultural Research Institute Faisalabad.”

**24-3-99:** The Department explained that during 1991 HPLC apparatus had been purchased. The supplier firm requisitioned different types of chemicals for the installation of the said apparatus. So the chemicals to the tune of Rs.143,325 were purchased. These chemicals were purchased in dire necessity and these were still in useable condition and were being used in different laboratories. The Department also apprised that the said apparatus had still not been installed.

The PAC was quite dissatisfied with the explanation and observed that why the apparatus could not be installed as yet. If the machinery was not installed by the supplier firm then why its dues were paid without the completion of work. Therefore, the PAC directed the



Department that a fact finding enquiry may be conducted within one month to ascertain as to why the supplier firm was not proceeded against under rules for penalty. Why the payment was made to the firm without installation of apparatus and who was responsible for it. Why the proper action was not taken in the matter for eight long years. The said firm may be black listed forthwith. The defaulter officer who made the payment to the firm and who did not take action for eight years may be proceeded against for severe disciplinary action. The para was kept pending.

**4-4-02:** 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 Audit.

### **8. Para 1.8: Page 32 – Payment of Rent of Rs.115,050**

Audit had observed: “The sale of pesticides was discontinued from 1982-83, their handling transferred to the private sector from 1983-84. Despite this fact during Audit scrutiny it was noticed that unnecessary rent charges of stores were paid for expired pesticides neither used nor disposed off but only kept therein from 1988-1994.’ This resulted into a loss of revenues to government exchequer amounting to Rs.115,050 during 1988-94.”

**24-3-99:** The rent of buildings/stores were paid with the approval of the competent Authority. The expired pesticides were stored in the rented buildings and the said pesticides could not be destroyed/disposed of without the permission of the Government. The total rented stores were 23 which had now been decreased to 20 and rent for only three stores was being paid presently. These stores would be vacated as and when decision of Government regarding the disposal/burial of expired pesticides was received in the Department.

The PAC directed the Department to move a case for the write off sanction of the amount so far paid as rent and case for the disposal of expired pesticides may be got decided by the Government early through personal efforts. The para was kept pending.

**4-4-02:** 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 24 March 1999 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.

### **9. Para 1.9: Page 33 – Non-deduction of Income Tax Recovery of Rs. 148,810**

Audit had observed: “The Drawing & Disbursing Officer was responsible before making payments of Rs.25,000 or more to suppliers/contractors to deduct tax at source at the rate of 2.5% as required under Sub-Section (4) of section 50 of Income Tax Ordinance 1979 read with CBR Circular No.11 of 1991 dated 30-06-1991. An examination of record revealed that the tax was not deducted by a DDO of Agriculture Department as required under the law. Thus the Govt. sustained a loss of Rs.148,810 during 1992-93.”

**24-3-99:** The Department explained that the concerned firm (M/s Ittehad Chemicals Ltd.)

was a public concern and was paying Income Tax annually. The firm paid the Income Tax for the year 1993-94 inclusive of the amount paid by the Agriculture Department.

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

#### **10. Para 1.10: Page 34 – Non-protection of State Land -- Non recovery of Rs.1,512,000**

Audit had observed: “During Audit scrutiny of accounts record, it was observed that a land of 769,46 acres in Karor Mandi Town in District Layyah was transferred to West Pakistan Agricultural Development Corporation through Dy Director of Thal Development Authority, Kallor Kot vide order No.CD/BRA/TC-4/10502/dated 7 July 1969. The said Department took possession of all the land except 63 acres & 9 marlas. This area of land was in illegal occupation since 1969. In the year 1985, the department requested the District Administration vide letter No.SOA(Ext.) 1-3/Seed/76 to get the possession of the land but to no avail. The court gave its verdict in favour of the department in December, 1990 but the land could not be got vacated. The Department, as stated, was not in a position to take back possession of said land as the illegal occupant was politically influential person. The Department thus failed to protect Government interest both in terms of agricultural income amounting to Rs.1,512,000 (@ Rs.1,000 per acre per year) spread over last 24 years (from 1969 to 1992-93 and getting valuable state land vacated from the illegal occupants under the charge of EADA (Seed Farm Karor Layyah).”

**24-3-99:** The Department explained that area of 769 acres was transferred to the West Pakistan Agriculture Development Corporation for Establishment of Seed Farm. But the Department could not get the possession of that area as the same was occupied by a person named Mr. Bashir Ahmed S/O Mohammad Khan illegally. Presently the case regarding the said Government/Agriculture Department land was in court. Therefore till the decision of the court neither the Department could get the possession of the land nor any income could be claimed.

Audit apprised the PAC that in December 1990 the case was decided by the court in favour of the Department but the Department did not take the possession for unknown reasons. After seven days the illegal occupant again went to the court of law.

The PAC directed the Department to conduct an enquiry under E & D Rules to fix responsibility for not taking the possession after the court decision in December 1990. The defaulter may be proceeded against sternly. The case may also be pursued in the Court vigorously. The para was kept pending.

**4-4-02:** 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 Audit.

#### **11. Para 1.11: Page 35 – Loss on Account of Bogus Payment of Pay of Rs.121,923**

Audit had observed: “An examination of record showed that certain officials, on their transfer from various stations, received salaries upto the stated extent. On verification of their service record, all their service documents viz. appointment orders, service books, LPCs were found fictitious. This resulted into loss to public exchequer amounting to Rs.121,923 during

1992-93 under the charge of Extra AD Agriculture.”

**24-3-99:** The Department explained that the case had been registered with the Police/Anti Corruption which was under trial in the court of Anti Corruption Judge.

The PAC directed the Department that case may be pursued at higher level in Anti Corruption Department/Court and recovery of loss may be made from the defaulter. Report to this effect may be intimated to PAC within two months. The para was kept pending.

**4-4-02:** 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 24 March 1999 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.

## **12. Para 2.1: Page 39 – Misappropriation of Material for Rs. 249,361**

Audit had observed: “Material valuing Rs.249,361 was issued to a supervisor in 1987-88 for construction of Water Courses. The official concerned had been transferred and relieved without handing over completion reports duly verified by the NESPAK consultants.”

**24-3-99:** The Department explained that material valuing Rs.215,317 was consumed at four water courses and no consultant was engaged on this project. A sum of Rs.8,268 had been recovered and deposited with the Government. An amount of Rs.25,776 was recoverable from Mr. M. Arshad Chatha, Ex-Supervisor on account of shortage of 30000 bricks and two Nakkas. He had since been removed from service. A case for effecting recovery as arrears of land revenue had been referred to the D. C. Gujranwala.

The PAC directed that recovery effected may be got verified by Audit and the balance recovery be pursued as arrears of land revenue for early realization. The para was kept pending.

**4-4-02:** 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 24 March 1999 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.

## **13. Para 2.2: Page 40 – Non-accountal of Surplus Material Rs.111,919**

Audit had observed: “During Audit scrutiny, it was observed that water Courses material amounting to Rs.82,420 became surplus after the completion of the Water Courses during 1986-87 but whereabouts of the same were not found on record. Water Course material

valuing Rs.7,078 was neither acknowledged by the field staff nor accounted for in the water course-wise register. Water Course material amounting to Rs.22,421 was duly acknowledged by the field staff but not accounted for in the water course-wise register. Resultantly, Government sustained a total loss amounting to Rs.111,919 during 1986-87 under the charge of Water Management Coordinator, Mianwali.”

**24-3-99:** The Department explained that actual recovery was Rs.58,929 instead of Rs.111,919. Material valuing Rs.21,612 had been received back and accounted for Material worth Rs.10,149 had been consumed at site. The cost of remaining material amounting to Rs.50,791 had been recovered and deposited with the Government. An amount of Rs.3,444 was not recoverable as the same was not paid to the contractor/supplier being cost of 8300 bricks.

The PAC directed the Department that the record showing the recovery made and account of material received back may be got verified by Audit. The para was kept pending.

**4-4-02:** 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 24 March 1999 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.

#### **14. Para 2.3: Page 40 – Non-accountal of Material Issued Amounting to Rs.72,006**

Audit had observed: “An examination of record showed that a supervisor received material valuing Rs.13,440 but on his transfer he did not give the consumption of material report. In another case, construction surplus material for water course No.28,904 valuing Rs.58,556 was outstanding and the cost of the same was not recovered. This resulted into total loss to Government amounting to Rs.72,006 during 1992-93 under the charge of Project Director 2nd Scarp Transition Pilot Project Sheikhpura.”

**24-3-99:** The Department explained that cement was purchased @ Rs.116 per bag instead of Rs.160. Hence the recovery was Rs.4,060 and not Rs.5,600. The bricks were purchased @ Rs. 850 per thousand instead of Rs.960 and thus recovery was Rs. 6,800. The total amount of Rs.10,860 (6800 + 4060) had been recovered. The bricks for the Water Courses were purchased for Rs.43,783 and the same amount had been recovered. Cost of 17 No. Nakkas being Rs.3,020 had been recovered.

The PAC directed the Department to recover the balance amount and get it verified by Audit. The amount already recovered and material accounted for may also be got verified by Audit. The para was kept pending.

**4-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation

of the directive of the PAC.

### **15. Para 2.4: Page 41 – Non-accountal of Government Receipts Rs.188,533**

Audit had observed: “An examination of record showed that as per completion report of water courses construction material worth Rs.244,581 was issued. Out of it the completion account of material for Rs.56,048 was shown to Audit leaving a balance of Rs.188,533. The material of Rs.165,966 was stated to have been consumed on additional work, which too was not substantiated with documentary evidence. The rest of the material worth Rs.22,567 was neither taken back in stock nor cost therefore recovered. This resulted into loss to Govt. amounting to Rs.188,533 during 1991-92 under the charge of Water Management Coordinator Layyah.”

**24-3-99:** The Department explained that amount of Rs.35,679 had been recovered either in the shape of material or in cash. Amount of Rs.39,700 had been deposited with the Government. Material worth Rs.153,651 had been utilized on work. Remaining recovery of Rs.15,550 was yet outstanding which had been referred to the D.C. concerned for recovery as arrears of land revenue from the person concerned.

The PAC kept the para pending for balance recovery and its verification by Audit.

**4-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **Commercial Audit**

### **16. Para Nos. 1 and 2:**

**18-4-02:** The PAC noted the contents of the paras.

### **17. Para 3: Page 5:**

Audit had observed: “The following organizations have not compiled their accounts:-

- |   |         |
|---|---------|
| (i) Agricultural Engineering, Bahawalpur Division, Bahawalpur   | 1994-95 |
| (ii) Agricultural Engineering, D.G.Khan Division, D.G.Khan.     | 1994-95 |
| (iii) Agricultural Engineering, Faisalabad Division, Faisalabad | 1994-95 |
| (iv) Agricultural Engineering, Gujranwala Division, Gujranwala  | 1994-95 |
| (v) Agricultural Engineering, Jhelum Division, Jhelum           | 1992-93 |
|   | 1993-94 |
|   | 1994-95 |
| (vi) Agricultural Engineering, Lahore Division, Lahore          | 1993-94 |

	1994-95
(vii) Agricultural Engineering, Multan Division, Multan	1994-95
(viii) Agricultural Engineering, Rawalpindi Division, Rawalpindi	1994-95
(ix) Agricultural Engineering, Sargodha Division, Sargodha	1994-95
(x) Agricultural Engineering, Talagang Division, Talagang	1994-95

**18-4-02: The PAC noted** the contents of Audit para and directed that the Department should promptly compile the accounts and submit the same to the Audit for necessary action. In future, the Department must ensure that the accounts are compiled and submitted to Audit on time.

**18. Para Nos. 4 and 5:**

**18-4-02: The PAC noted the contents of the paras.**

**19. Para 6: Page 15 – Loss of Rs.2.383 Million for Obsolete Spare Parts**

Audit had observed: “In the Agricultural Engineering Division, Lahore spare parts valuing Rs.4.251 million were lying un-consumed and the machines to which these spare parts pertained have either been auctioned or recommended for auction on being declared un-economical for field operation. The irregularity was pointed out to the management, through Audit Inspection Report in October, 1992. The management in its reply dated March 15, 1993 contended that the spare parts pertaining to Fiat AD-7 Bulldozers and Zadrogar Tractors valuing Rs.1,037,660 and Rs.830,726 have been disposed of through public auction against a sum of Rs.294,147 and Rs.305,786 respectively. Obsolete parts/stores of Fiat AD-7C valuing Rs.1,191,973 and Komatsu D-40 valuing Rs.1,190,532 have not yet been auctioned on the plea that the Bulldozers of these makes are still in operation with the Division.... Audit would suggest to streamline the inventory system to avoid such lapses in future and the obsolete/surplus spare parts be disposed of at the earliest.”

**18-4-02: On consideration of the facts of the case, the Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**20. Para 7: Page 15 – Shortage of Spare Parts Rs.265,665**

Audit had observed: “In Gujar Khan unit of Agricultural Engineering Division, Rawalpindi, shortage of spare parts of bulldozers of Rs.265,665 were detected while conducting physical verification of stores in July/August 1992. The shortages were got investigated under the orders of Director, Agricultural Engineering, Faisalabad. On 8 August 1992 the enquiry officer reported that the supervisor of the unit who was performing the duties of the storekeeper was responsible for the pilferage/mis-appropriation of the spare parts but no progress thereafter was reported to Audit. Audit would suggest the following:”

- (i) The recovery of Rs.265,665 may be effected from the official and

disciplinary action also taken;

(ii) The circumstances under which internal control remained ineffective may be stated; and

(iii) Suitable measures may be adopted to prevent such shortages in future.'

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**21. Para 8: Page 16 – Loss of Rs.81,135 Due to Non-realizing the Claim on Account of Idleness of Machines within the Warranty Period**

Audit had observed: "Seven machines out of 150 bulldozers imported from Japan in July, 1987 were allocated to Agricultural Engineering Division, Gujranwala. Under the directions issued by the Director, Agricultural Engineering, Faisalabad on September 24, 1990, the Assistant Engineer Gujranwala reported on November 4, 1990 to the Director about the details of claim to be lodged against the firm regarding loss of Rs.81,135 sustained by the Department on account of idleness of machines due to non servicing of the machines by supplying firm within warranty period."

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that the Department should take remedial measures to avoid recurrence of such cases in future and report the matter 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.

**22. Para 9: Pages 16-17 – Non-recovery of Credit Sale Rs.142,898**

Audit had observed: 'In PAD&SC Chiniot a Sub office of Punjab Agricultural Development and Supply Corporation pesticides worth Rs.30,160 were sold on credit to M/s Manzoor Ahmed and Malik Ijaz Ahmed on August 11, 1985. The amount in question was to be recovered upto November 30, 1985 but the same could not be recovered. Resultantly an amount of Rs.142,898 (Rs.30,160 + Rs.46,989 interest charges + 65,146 liquidated charges + Rs.603 recovery charges) stood recoverable as on November 30, 1994. The legal notice was issued to defaulter on February 19, 1991 but no response was received. The main reason for non recovery of credit was due to sale of pesticides against surety instead of security....Audit would suggest the following:

(i) Fix responsibility on the person found responsible for credit sale;

(ii) recover the amount in default; and

(iii) take steps to avoid recurrence of such instances in future.’

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**23. Para 10: Page 17 – Embezzlement of Rs.1,704,395 Due to Shortage of Wheat Seed and Fertilizer**

Audit had observed: “In a certain sale depot of Punjab Agricultural Development and Supplies Corporation (PAD&SC). Chakwal, 3910 bags of wheat seed valuing Rs.1,564,000 and 557 bags of various varieties of fertilizer valuing Rs.140,395 were found short on physical verification conducted by the Board, headed by the Naib Tehsildar on August 4, 1993. The above stock was misappropriated by the store Supervisor and other concerned staff of the Department. The annual stock taking due in April 1993 could not be conducted on the plea that the stock was not kept in countable condition. The delay of four months in conducting the physical verification facilitated the chances of misappropriation. Further the Supervisor absconded from duty with effect from July 26, 1993 whereas physical verification was conducted on August 4, 1993 and F.I.R was got registered with the Police on August 30, 1993. The delay which occurred in the above three events resulted in non detection of shortage and not taking timely action. The PAD&SC(H.O.) also did not take any concrete step to pursue the case and get the accused arrested.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**24. Para 11: Pages 17-18 – Loss of Rs.1.003 Million Due to Disposal of Left Over Cotton Seed at Lower Rates**

Audit had observed: “Punjab Agricultural Development and Supplies Corporation procured cotton seed from Punjab Seed Corporation during 1986-87 and 1987-88 for the sale to farmers through its field offices. Under the agreed arrangements, the left-over seed stock was not to be lifted back by Punjab Seed Corporation. Audit would suggest the following:”

(i) individual responsibility may be fixed to recover the loss;



- (ii) loss may be written off under the orders of the Competent Authority; and
- (iii) remedial measures may be adopted to avoid the recurrence of such cases in future.

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**25. Para 12: Pages 18-19 – Loss of Rs.322,641 on Account of Unfit Pesticide.**

Audit had observed: “In Punjab Agricultural Development and Supplies Corporation (HO), Lahore a quantity of 5542.75 litres Mavrik was sent to M/s Sandoz Pakistan Limited for revalidation and out of which a quantity of 5076 litres Mavrik was revalidated by the firm concerned leaving a balance of 466.75 liters Mavrik which was declared unfit for revalidation and lying with the firm concerned. The firm was asked to dispatch this unfit quantity of Mavrik to their District Manager Office, Multan but M/s Sandoz informed that material will not be of any use and will cause unnecessary transportation cost and storage problem and demanded written authorization to destroy the unfit material. In Directors meeting held on December, 31, 1991 it was decided to ask the firm concerned to intimate the station, packing material quantity and batch No. of the rejected material but the firm concerned intimated that they are unable to supply the required information because of the reasons that after initial analysis, the rejected material was poured into drums and each drum contains material from various stations as such batches and identification is not possible. Thus due to this reasons the management had to bear a loss of Rs.322,641(i.e. 466.75 litres Mavrik at Rs.691/25 per liter being purchase price).”

**14-4-02:** 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.

**26. Para 13: Page 19 – Non-recovery of Rs.538,362 from Mr. Nusrat Khan on Account of Credit Sale**

Audit had observed: “In PAD&SC, Jhang a Sub Office of Punjab Agricultural Development and Supplies Corporation pesticides worth Rs.247,000 were sold on credit to Mr. Nusrat Khan in October 18,1989 which was to be repaid upto December 25, 1989 as per

sale agreement but the loanee failed to repay the said amount upto November, 1993. The legal notices were issued to the individual but all in vain. The last notice was issued on January 14, 1992, but no response was received. On November 30, 1993 accumulated amount of Rs.538,362 was recoverable from the defaulter. The said amount could not be recovered due to defective loaning procedure as credit sale was made on surety instead of security.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction—**

The Department shall investigate the matter; 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.

**27. Para 14: Pages 19-20 – Avoidable Extra Expenditure of Rs.165,601 Incurred on Unnecessary Shifting of Seed Stock**

Audit had observed: “At various centres of Punjab Seed Corporation unplanned and unnecessary shifting of wheat seed was made during 1985-86 which caused a loss of Rs.165,601 to the Corporation. Sahiwal Office of Punjab Seed Corporation transferred 2130 bags of wheat of different varieties to Khanewal Seed Processing Plant for processing. The wheat was rejected by Khanewal Plant and returned to Sahiwal on the grounds that it has become infested and was unfit for processing. Thus, the expenditure of Rs.23,770 was incurred on transportation handling, loading and unloading of wheat.”

**18-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**28. Para 15: Page 20 – Non-deduction of Income Tax Amounting to Rs.1.344 Million on Payment of Brokerage/Commission**

Audit had observed: “According to section 50(4-A) of Income Tax Ordinance, 1979, 10% tax was required to be collected on the commission paid to the brokers. The management of Punjab Seed Corporation, Khanewal paid commission to their dealers worth Rs.13,442,680 during 1990-93 on sale of wheat seed but income tax amounting to Rs.1,344,268 was not collected from the parties concerned. A loss of Rs.1,344,268 has thus inflicted upon public exchequer.”

**18-4-02:** 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, Audit and the Finance Department by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**29. Para 36: Page 39 – Working Results of Agricultural Engineering, Bahawalpur Division, Bahawalpur**

**18-4-02:** The Committee **noted the working results.**

**30. Para 37: Page 40 – Working Results of Agricultural Engineering, Bahawalpur Division, Bahawalpur**

Audit had observed: “There is practically no movement under the given head... Early recovery of outstanding dues from the given parties is stressed upon the management.”

**18-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**31. Para 38: Page 40 – Working Results of Agricultural Engineering, Bahawalpur Division, Bahawalpur**

Audit had observed: “An amount of Rs.145,940 is being shown as cash embezzlement for the last several years. The nature of embezzlement and the action taken to recover the same from the individual concerned may be stated.”

**18-4-02:** 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 Audit.

**32. Para 39: Page 40 – Working Results of Agricultural Engineering, Bahawalpur Division, Bahawalpur**

Audit had observed: “The books of accounts have not been maintained on commercial pattern. The accounts have been prepared from different statements and returns and therefore their authenticity is doubtful. Maintenance of accounts on commercial pattern is stressed upon the Management.”

**18-4-02:** The Committee in respect of its Report for the year 1996-97 had directed that the matter be referred to the Finance Department for appropriate decision. In the circumstances, the **para was settled.**

**33. Para 40: Page 41-42 – Working Results of Agricultural Engineering, Multan Division, Multan**

**18-4-02:** The Committee **noted the working results.**

**34. Para 41: Page 42 – Working Results of Agricultural Engineering, Multan Division, Multan**

Audit had observed: “There is no movement during the year under review under the head ‘Sundry debtors’ and ‘Recoverable from Irrigation Department for desalting work’ which stood at Rs.133,781 and Rs.851,446 respectively as on June 30,1994. Early realization of these outstanding balances is stressed upon the Management.”

**18-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**35. Para 42: Page 42 – Working Results of Agricultural Engineering, Multan Division, Multan**

Audit had observed: “As repeatedly pointed out during the last years no books of accounts have been maintained on commercial pattern. The accounts have been prepared from various statements and returns and therefore, the authenticity of accounts is doubtful. Necessity of maintenance of books of accounts on commercial pattern is again stressed.”

**18-4-02:** The Committee in respect of its Report for the year 1996-97 had directed that the matter be referred to the Finance Department for appropriate decision. In the circumstances, the **para was settled.**

**36. Para 43: Pages 43-44 – Working Results of Agricultural Engineering, D.G.Khan Division, D.G.Khan**

**18-4-02:** The Committee **noted the working results.**

**37. Para 44: Page 44 – Working Results of Agricultural Engineering, D.G.Khan Division, D.G.Khan**

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 up to the Management.”

**18-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September, 2002. Finance Department shall monitor the implementation of the directive

of the PAC.

**38. Para 45: Page 44 – Working Results of Agricultural Engineering, D.G.Khan Division, D.G.Khan**

Audit had observed: “The withdrawals from treasury and book adjustments of Rs. 69.297 million and remittances into treasuries of Rs. 25.978 million were stated to have been reconciled but reconciliation statements were not shown. The need for making reconciliation with the concerned treasuries and its verification by Audit is stressed.”

**18-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**39. Para 46: Page 44 – Working Results of Agricultural Engineering, D.G.Khan Division, D.G.Khan**

Audit had observed: “The consolidated fixed assets register maintained at divisional level did not indicate the source of receipt, date of receipt, historical cost of the assets and their rates of depreciation. The fixed assets register needs to be prepared in proper form in the coming years.”

**18-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**40. Para 47: Page 44 – Working Results of Agricultural Engineering, D.G.Khan Division, D.G.Khan**

Audit had observed: “Stores worth Rs.478,379 were issued to other division during the year under review but the details of stores issued along with acknowledgements of recipients were not shown. Needful may be done now.”

**18-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **41. Para 48: Page 44 – Working Results of Agricultural Engineering, D.G.Khan Division, D.G.Khan**

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.”

**18-4-02:** The Committee in respect of its Report for the year 1996-97 had directed that the matter be referred to the Finance Department for appropriate decision. In the circumstances, the **para was settled.**

#### **42. Para 49: Page 45-46 – Working Results of Agricultural Engineering, Faisalabad Division, Faisalabad**

With reference to the working results Audit had suggested: ‘Therefore, it is suggested that either the idle expenses may be curtailed or the Division may be equipped with more bulldozers.

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

#### **43. Para 50: Page 46 – Working Results of Agricultural Engineering, Faisalabad Division, Faisalabad**

Audit had observed: “There were 58 bulldozers at the strength of the Division as on July 1, 1993. The ‘Financial Review’ prepared by the management shows that 29 bulldozers were auctioned and 11 new caterpillar bulldozers were added to the fleet during the year 1993-94. Earning of profit of Rs. 2.011 million is reported to have been made on auction of bulldozers, remained unverified in the absence of sale summary indicting the bulldozers wise useful life, written down value representing the unexpired life, and profit/ (loss) on each dozer. In the schedule of fixed asset, capital cost of 11 new bulldozers added during the year has been shown as Rs.1,650,000. The average value for dozer comes to Rs. 150,000 which did not appear to be the factual value. The position of reflecting capital cost of 11 new bulldozers in the accounts needs to be explained.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**44. Para 51: Page 46 – Working Results of Agricultural Engineering, Faisalabad Division, Faisalabad**

Audit had observed: “The inventory of spare parts valued Rs.5.418 million as on June 30, 1993 which increased to Rs.13.060 million as on June 30, 1994. The increase in the inventory of spare parts needs to be justified.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**45. Para 52: Page 46 – Working Results of Agricultural Engineering, Faisalabad Division, Faisalabad**

Audit had observed: “Advance from zamindars increased from Rs.13.839 million as on June 30,1993 to Rs.22.785 million as on June 30, 1994. This heavy amount represented advances received from various zamindars for getting their lands levelled/developed. Early liquidation of these huge liabilities is stressed upon the Management.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**46. Para 53: Page 46 – Working Results of Agricultural Engineering, Faisalabad Division, Faisalabad**

Audit had observed: “The accounts for the year under review have been prepared on the basis of figures shown in certain statements and schedules. Therefore, the authenticity of the figures appearing in the proforma accounts remains doubtful. Maintenance of books of account on commercial pattern and preparation of accounts therefrom is stressed upon the Management.”

**18-4-02:** The Committee in respect of its Report for the year 1996-97 had directed that the matter be referred to the Finance Department for appropriate decision. In the circumstances, the **para was settled.**

**47. Para 54: Pages 47-48 – Working Results of Agricultural Engineering, Gujranwala Division, Gujranwala**

**18-4-02:** The Committee **noted the working results.**

#### **48. Para 55: Page 48 – Working Results of Agricultural Engineering, Gujranwala Division, Gujranwala**

Audit had observed: “Withdrawal from treasury/book adjustments of Rs. 21.022 million were stated to have been reconciled with the treasury/quarter concerned but reconciled statements were not shown. Needful may be done.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

#### **49. Para 56: Page 48 – Working Results of Agricultural Engineering, Gujranwala Division, Gujranwala**

Audit had observed: “Stores of Rs. 3.317 million and Rs. 0.049 million were received from and issued to other Divisions but their proper receipts were not shown to Audit. The receipts need to be got verified.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

#### **50. Para 57: Page 48 – Working Results of Agricultural Engineering, Gujranwala Division, Gujranwala**

Audit had observed: “Stocks of spare parts increased from Rs. 3.209 million as on June 30, 1993 to Rs. 5.231 million as on June 30, 1994 which may become obsolete due to declaring of certain machines as uneconomical in near future. The accumulation of heavy stock of spare parts needs to be avoided in future.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

#### **51. Para 58: Page 48 – Working Results of Agricultural Engineering, Gujranwala Division, Gujranwala**

Audit had observed: “The books of accounts have not been maintained on commercial pattern even this year. The accounts of Division were prepared from various statements. The



authenticity of these accounts is open to doubt. The maintenance of books on commercial pattern is again stressed upon the Management.”

**18-4-02:** The Committee in respect of its Report for the year 1996-97 had directed that the matter be referred to the Finance Department for appropriate decision. In the circumstances, the **para was settled.**

**52. Para 59: Pages 49-50 – Working Results of Agricultural Engineering, Rawalpindi Division, Rawalpindi**

**18-4-02:** The Committee settled the para as it had already given its observation with reference to Para No.32, Page 34 of the Commercial Audit Report for the year 1996-97 (Page 67 of the Report of the Ad hoc Public Accounts Committee 1996-97).

**53. Para 60: Page 50 – Working Results of Agricultural Engineering, Rawalpindi Division, Rawalpindi**

Audit had observed: “The consolidated Assets Register at Divisional level showing the historical cost of each asset, the depreciation charged during the year, accumulated depreciation and their written down value has not been maintained. The needful may be done now.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**54. Para 61: Page 50 – Working Results of Agricultural Engineering, Rawalpindi Division, Rawalpindi**

Audit had observed: “The books of accounts have not been maintained on Commercial pattern. The accounts have been prepared from various statements and returns and therefore, the authenticity of these accounts is open to doubt. Maintenance of books of accounts on commercial pattern is again stressed.”

**18-4-02:** The Committee in respect of its Report for the year 1996-97 had directed that the matter be referred to the Finance Department for appropriate decision. In the circumstances, the **para was settled.**

**55. Para 62: Pages 51-52 – Working Results of Agricultural Engineering, Sargodha Division, Sargodha**

With reference to the working results Audit had suggested: “Steps need to be taken to control the excess consumption of stores, repair the machines without delay by pulling up the workshop staff, adjust the excess staff against further vacancies and account for the subsidy on

the basis of full hire rates.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**56. Para 63: Page 52 – Working Results of Agricultural Engineering, Sargodha Division, Sargodha**

Audit had observed: “As already pointed out, the consolidated Assets Register has not been maintained on divisional basis showing the historical cost of each assets, depreciation charged during the year, accumulated depreciation and their written down value. Necessity of maintaining the consolidated register on division level is therefore again stressed.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**57. Para 64: Page 52 – Working Results of Agricultural Engineering, Sargodha Division, Sargodha**

Audit had observed: “The books of accounts have not been maintained on commercial basis. The accounts have been prepared from different statements and returns and therefore, the authenticity of these accounts is open to doubt. Steps may be taken to maintain the books on commercial pattern so that the accuracy of the accounts may not be questionable.”

**18-4-02:** The Committee in respect of its Report for the year 1996-97 had directed that the matter be referred to the Finance Department for appropriate decision. In the circumstances, the **para was settled**.

**58. Para 65: Pages 53-54 – Working Results of Agricultural Engineering, Talagang Division, Talagang**

With reference to the working results Audit had suggested: “Steps need to be taken to increase the efficiency of the workshop and control the expenditure under all heads of accounts. Accountal of subsidy on the basis of hire charges on full rates instead of on basis of commercial rates is stressed upon the management.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**59. Para 66: Page 54 – Working Results of Agricultural Engineering, Talagang Division, Talagang for the year (1992-93 and 1993-94)**

Audit had observed: “The consolidated Asset Register at Divisional level showing the historical cost of each asset, depreciation charged during the year, accumulated depreciation and its written down value has not been maintained. Necessity of maintaining the Assets Register at Divisional level is stressed upon the Management.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**60. Para 67: Page 54 – Working Results of Agricultural Engineering, Talagang Division, Talagang for the year (1992-93 and 1993-94)**

Audit had observed: “The accounts have been prepared from different statements and returns, and no books of accounts on commercial pattern have been maintained. The authenticity of accounts is, therefore, doubtful. The books of account may therefore, be maintained on commercial pattern.”

**18-4-02:** The Committee in respect of its Report for the year 1996-97 had directed that the matter be referred to the Finance Department for appropriate decision. In the circumstances, the **para was settled**.

**61. Para 68: Page 55 – Working Results of Punjab Agricultural Development and Supplies Corporation**

**18-4-02:** The Committee **noted the working results**.

**62. Para 69: Pages 55-56 – Working Results of Punjab Agricultural Development and Supplies Corporation**

Audit had observed: “Interest receivable from banks amounting to Rs.11.390 million due to late transfer of cash under collection account was not shown distinctly in the accounts. The receivable balance has been adjusted in the overdraft account maintained with the banks. Thus the credit balances of banks were not confirmed by them. Necessity of showing the interest receivable from banks as distinct item on the assets side of the balance sheet and its early recovery from the banks is enjoined upon the Management.”

**18-4-02:** The Committee **noted** the contents of the para as the Corporation had since been

wound up.

### **63. Para 70: Page 56 – Working Results of Punjab Agricultural Development and Supplies Corporation**

Audit had observed: “Pesticides of Rs.21.617 million were shown in stock on June 30, 1995. However, as per certificate furnished by the Director (Finance and Accounts) PAD&SC (HQ) Lahore, the stocks of pesticides have been declared unfit by the field offices for which separate working papers were stated being placed before Board of Members for decision. Reasons as to why the full provision of expected loss of pesticides was not made in the accounts may be stated.”

**18-4-02:** The Committee **noted** the contents of the para as the Corporation had since been wound up.

### **64. Para 71: Page 56 – Working Results of Punjab Agricultural Development and Supplies Corporation**

Audit had observed: “The balance of closing stocks of fertilizer and seed shown in the Balance Sheet do not tally with those shown in the Trading, Profit and Loss Account.

**18-4-02:** The Committee **noted** the contents of the para as the Corporation had since been wound up.

### **65. Para 72: Page 56 – Working Results of Punjab Agricultural Development and Supplies Corporation**

Audit had observed: “Sundry creditors on June 30, 1995 included Rs.1.594 million payable to PASSCO as cost of wheat seed received from the said Corporation. The payable balance actually pertains to the cost of wheat pilfered away.”

**18-4-02:** 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.

### **66. Para 73: Page 57 – Working Results of Punjab Seed Corporation, Lahore**

With reference to the working results Audit had suggested: “Steps need to be taken to boost up the sales, reduce the cost of inputs and control the admn. general, and financial charges so that the Corporation may become more profit earning concern.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by

Audit and 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.

**67. Para 74: Page 58 – Working Results of Punjab Seed Corporation, Lahore**

Audit had observed: “Capital work in process was of Rs.23.582 million on June 30, 1995 as compared to Rs.26.285 million on June 30, 1994. The reasons of non capitalization were stated due to non availability of assets for use. The nature of capital work in process and reasons of their non capitalization may be elaborated.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

**68. Para 75: Page 58 – Working Results of Punjab Seed Corporation, Lahore**

Audit had observed: “Trade debts stood at Rs.7.250 million on June 30, 1995. No year wise analysis of these outstanding debts was provided, in the absence of which the chances of recovery could not be ascertained. Necessity of preparation of year wise/party wise analysis and efforts to accelerate the pace of recovery is stressed upon the Management.”

**18-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the direction** that action may be taken in accordance with the suggestion made by Audit and 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.

# Auqaf Department

## Overview

<b>Total Paras</b>
<b>1</b>

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled</b>  <b>1</b>	Paras finally settled as the requisite action had been taken.	<b>Civil: 3.1.</b>	<b>1</b>

**Discussed on 18 March 1999 and 30 September 1999.**

## (Civil Audit)

### 1. Para 3.1: Page 45 – Non-accountal of Rs.220,000

Audit had observed: “An examination of record of the formation showed that an amount of Rs.220,000 was drawn from the Government treasury for onward disbursement to affected families but the acknowledgements were not shown to Audit. This resulted into loss to Government amounting to Rs.220,000 during 1986-94 under the charge of Secretary Auqaf Lahore.”

**18-3-99:** The Department explained that a sum of Rs.100,000 had been released to the Deputy Commissioner, Gujranwala for making payment to the legal heirs of (i) late Maulana Habib-ur-Rehman and (2) Hafiz Nazir Ahmad victims of Qila Lacchman Singh Bomb blast @ Rs.50,000 each. The Deputy Commissioner made the said payment to the widows of both the deceased persons in the presence of prominent persons as shown in the respective receipts. A sum of Rs.10,000 was paid to Mr. Ghulam Hussain injured, through the DC Khanewal. Also Rs.10,000 were paid to the injured person of Tajpura blast by the DC after necessary confirmation/verification. Similarly the remaining amount of Rs.100,000 was disbursed through the concerned Government Authorities after necessary confirmation/verification.

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

**30-9-99:** The Department explained that receipts duly attested by the DCs concerned had been shown to Audit.

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

**15-12-2000:** The Secretary to Government of the Punjab Auqaf Department was not present in the meeting. However, the Deputy Secretary Auqaf Department informed the Committee that the Secretary was busy in another official meeting. The Working Paper of the Department was also not in order. The Committee therefore deferred consideration of the Draft Para of the Auqaf Department to its next meeting and directed that the Secretary Auqaf should personally attend the next meeting. The Committee further directed the Department to prepare its working paper properly.

# Board of Revenue

## Overview

<b>Total Paras</b>	<b>Civil</b>	<b>Revenue Receipts</b>
<b>25</b>	<b>23</b>	<b>2</b>

## Abstract

<b>Status</b>	<b>Decision</b>	<b>Para Nos.</b>	<b>Total</b>
<b>Paras Finally Settled</b>  <b>3</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 4.3(ii), 4.10, 4.20.	<b>3</b>
<b>Paras Conditionally Settled</b>  <b>21</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	<b>Civil:</b> 4.1, 4.2, 4.3(1), 4.3(iii), 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16, 4.17, 4.18, 4.19.  <b>Revenue Receipts:</b> 6.1, 6.2.	<b>19</b>  <b>2</b>
<b>Paras Pended</b>  <b>1</b>	Paras pended either because the Department had not taken satisfactory action or the Department did not submit Working Papers.	<b>Civil:</b> 4.21.	<b>1</b>

**Discussed on 28 September 1999, 4 and 18 April 2002.**

## (Civil Audit)

### 1. Para 4.1: Page 49 – Excess Expenditure on Residential Telephone Rs.97,518

Audit had observed: “According to instructions contained in FD’s letter No.FD/PW-II/2-1/Tele/82/Provl. dated. 10 July 1988, the Deputy Commissioner was entitled to 1000 calls per month. But an Audit scrutiny of record showed that the officer exceeded his limits by making 65010 excess calls in connection with use of residential telephone. This resulted into loss to Government amounting to Rs.97,518 during 1993-94 under the charge of DC, Gujrat.”

**28-9-99:** The Department explained that the Deputy Commissioner being head of the District Administration was responsible to maintain the law and order to tackle every



emergency. During the period under report the district administration was busy in conducting the general elections. Apart from this the Gujrat city was on the bank of GT Road and District Administration had to be watchful about the security arrangements of VVIPs/VIPs during their visits to Gujrat District as well as crossing through the Gujrat. Therefore, these telephone calls were made in public interest. Despite all the facts, the cases had also been referred to the Finance Department for regularization of expenditure.

The PAC directed that cases in the Finance Department may be pursued at personal level for early regularization. If regularization was not allowed then the recovery may be made from the officers concerned. The para was kept pending.

**4-4-02:** 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 28 September 1999 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.

## **2. Para 4.2: Page 49 – Misappropriation of Rs.75,289**

Audit had observed: “Scrutiny of Cash Book revealed that the stated amount was recorded on its receipt side dated 10 October 1991, but neither it was carried over nor its disbursement shown in cash book, as was required under Rule 15.2 PFR Vol-I. Resultantly the Government sustained the loss upto Rs.75,289 during 1992-93 by the Commissioner Lahore Division.”

**28-9-99:** The Department explained that an amount of Rs.70,783 had been recovered and deposited in the Treasury and efforts were being made for the balance recovery of Rs.4,505.

The PAC directed the Department to recover the balance amount at the earliest and the recovery so far made may be got verified by Audit. The para was kept pending.

**4-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **3. Para 4.3: Page 50 – Non- recovery of Outstanding Dues Rs. (50370+65600+96390= 212,360)**

Audit had observed: “An examination of record showed that Administration gave Kutchery Compound on lease rent to various contractors. The same was not recovered in contravention of Rule 4.1 of PFR Vol-I. Resultantly the government sustained loss amounting to Rs.212,360 during the years 1992-93 and 1993-94 by AC Mailsi, DC Lodhran and DC Vehari.”

**28-9-99:** It was a composite para and the Department explained the position as under:-

### **i) AC Mailsi - Rs.50,370**

The Department explained that a sum of Rs.2,890 had been recovered and efforts were being

made for the balance recovery of Rs.47,480.

The PAC directed that the balance amount of Rs.47,480 may be made good at the earliest under verification by Audit. An enquiry may also be conducted to ascertain as to who was responsible for non-recovery of rent and allowed to accumulate the same to a huge sum. The officer/official responsible may be proceeded against for negligence. The item was kept pending.

**4-4-202:** 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 28 September 1999 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.

**ii) DC Lodhran-Rs.65,600**

**28-9-99:** The Department explained that total amount had been recovered and got verified by Audit.

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

**iii) DC Vehari-Rs.96,390**

**28-9-99:** The Department explained that an amount of Rs.78,500 had been recovered and efforts were being made to recover the balance amount of Rs.17,890.

The PAC kept the item pending for balance recovery and verification of the recovered amount by Audit.

**4-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**4. Para 4.4: Page 50 – Excess Expenditure on Residential Telephones Rs.57,393**

Audit had observed: “An examination of record showed that Deputy Commissioner and ADC(G) Chakwal incurred extra expenditure on account of 45904 excess calls on residential telephone beyond the limit of 1000 and 900 calls PM respectively as fixed by the Finance Department vide letter No.FD/PW-IV/2-I/Tele/82 dated 10 July 1988. This resulted into loss to public exchequer amounting to Rs.57,393 during 1993-94 under the charge of the DC Chakwal.”

**28-9-99:** The Department explained that the Deputy Commissioner being the Head of the District Administration had to discharge multifarious functions to keep the Law & Order situation under control and to tackle every urgency/emergency. Therefore, the telephone was used beyond the prescribed limit. Anyhow, a case for the regularization of the excess

expenditure had been referred to the Finance Department and its decision was awaited.

The PAC directed that the case in the Finance Department may be pursued at personal level for early finalization. If the regularization was not granted by the Finance Department then the recovery may be made from the Officer concerned. The para was kept pending.

**4-4-02:** 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 28 September 1999 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.

#### **5. Para 4.5: Page 51 – Non-recovery of Rent Rs.317,047**

Audit had observed: “An examination of record showed that Kutchery Compound was leased out by the Administration to different contractors who paid rent of Rs.746,153 out of Rs.1,063,200 which was duly deposited into govt. Treasury. It was however observed during Audit that balance amount of Rs.317,047 was not recovered from the contractors. This resulted into a loss to public exchequer amounting to Rs.317,047 during 1993-94 under the charge of DC Multan.”

**28-9-99:** The Department explained that a sum of Rs.196,747 had been recovered and deposited into the treasury. The remaining amount could not be recovered as the contractor concerned had filed a writ petition in the Lahore High Court against the recovery order.

The PAC directed that the amount so far recovered may be got verified by Audit. The case in the High Court may be pursued vigorously for early decision. The para was kept pending.

**4-4-02:** 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 28 September 1999 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 4.6: Page 51 – Excess Telephone Expenditure Rs.96,936**

Audit had observed: “An examination of record showed that DC and ADC(G) Gujranwala incurred excess 35448 telephone calls beyond their entitlement. This was fixed @ 1000 and 900 calls PM by Finance Department vide letter No.FD(PW-II)2-1/tele/82 dated 10 July 1988. This resulted into excess expenditure amounting to Rs.96,936 during 1993-94 under the charge of DC, Gujranwala.”

**28-9-99:** The Department explained that a case for the regularization of excess expenditure had been referred to the Finance Department and its decision was awaited.

The PAC directed that case in the Finance Department may be pursued at personal level for early decision. If regularization was not granted then, recovery may be made from the officer concerned. The para was kept pending.

**4-4-02:** 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 28 September 1999 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.

**7. Para 4.7: Page 52 – Non-recovery of Rs.57,500**

Audit had observed: “An examination of record showed that Binding Shop of Katchery Compound was leased out for Rs.127,500 out of which only a sum of Rs.70,000 was deposited into Government Treasury while the remaining amount upto the stated extent was not recovered. This resulted into loss to public exchequer amounting to Rs.57,500 during 1994-95 under the charge of DC Faisalabad.”

**28-9-99:** The Department informed the PAC that the matter was sub judice in the Court of Civil Judge Faisalabad.

The PAC directed that the case may be pursued in the civil court vigorously for early decision and kept the para pending.

**4-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**8. Para 4.8: Page 52 – Non-recovery of Rent/Auction Money (Rs.2,02,800+1,23,086=325,886)**

Audit had observed: “An Audit scrutiny of record showed that rent of Kutchery Compound fixed by the District Rent Committee @ Rs.50 per advocate was not recovered from the Advocate concerned. Similarly a part of the auction money of the forms shop and the canteen was not recovered from the contractors. This resulted into a loss of Rs.325,886 to the Public Exchequer during the year 1992-93 under the charge of Deputy Commissioner Rawalpindi.”

**28-9-99:** The Department explained that a sum of Rs.202,800 was recoverable from the Advocates as chambers rent. All out efforts were being made for the recovery of rent. The other amount of Rs.123,086 was recoverable from the contractor out of which a sum of Rs.105,000 had been recovered and deposited with the Government. The efforts for the

balance recovery were underway. The PAC kept the para pending for balance recovery.

**4-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**9. Para 4.9: Page 53 – Excess Expenditure on Residential Telephone Rs.82,874**

Audit had observed: “An examination of record showed that free local calls @ 900 p.m. were permissible to the Assistant Commissioner vide Govt. of the Punjab Finance Department letter No.FD(PW-II)2-1/tele-82 dated 10 July 1988 but the telephone was used beyond the said limits and the expenditure was incurred out of Govt. funds which was irregular. The Govt. thus sustained a loss amounting to Rs.82,874 during 1993-94 & 1994-95 under the charge of AC Rajanpur, T.T.Singh and Bhakkar.”

**28-9-99:** The Department explained that a case for the regularization of expenditure had been referred to the Finance Department and decision was awaited.

The PAC directed that the regularization of excess expenditure may be pursued vigorously in the Finance Department for early decision. If the regularization was not granted then, recovery may be made from the officer concerned. The para was kept pending.

**4-4-02:** 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 28 September 1999 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 4.10: Page 53 – Non-recovery of Lease Money Rs.257,756**

Audit had observed: “An audit scrutiny of record showed that the Administration gave Kutchery compound on lease for Rs.422,500 to various contractors but only an amount of Rs.164,723 on account of lease rent of Kutchery compound was recovered leaving balance of Rs.257,756. This resulted into loss to Govt. amounting to Rs.257,756 during 1993-94 under the charge of D.C. Jhelum.”

**28-9-99:** The Department apprised the PAC that the amount of Rs.257,756 had since been recovered and got verified by Audit.

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

**11. Para 4.11: Page 54 – Non-recovery of Rs.460,000**

Audit had observed: “During scrutiny of Kutchery Compound register it was noticed that

canteen No.2 was leased out for Rs.690,000 for July 1994 to June 1995 through open auction. Out of it an amount of Rs.230,000 only was deposited leaving a balance of Rs.460,000 which resulted into loss to Public Exchequer to the stated extent.”

**28-9-99:** The Department explained that a sum of Rs.115,000 had been recovered. The balance amount of Rs.345,000 was under recovery process as arrears of land revenue.

The PAC directed that recovery so far made may be got verified by Audit. The balance amount of Rs.345,000 may be recovered at the earliest. The para was kept pending.

**4-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **12. Para 4.12: Page 54 – Irregular Expenditure of Rs. 66,566**

Audit had observed: “In accordance with Govt. of the Punjab, Finance Department Circular letter No.SO(PW-II)-2-1/Tele-82 dated 10 July 1988 the charges on account of residential telephone calls beyond 1000 calls a month, were required to be paid by the officers concerned. The scrutiny of the Telephone bills provided at the residence of Deputy Commissioner and Additional Deputy Commissioner (General) Faisalabad respectively showed that the officers concerned had not paid the charges in excess of the admissibility in contravention of Finance Department directive noted above. This resulted into loss of Rs.66,566 during the period 1993-94 by DC and ADC(G) Faisalabad.”

**28-9-99:** The Department explained that a case for the regularization of expenditure had been referred to the Finance Department and its decision was awaited.

The PAC directed that the regularization of excess expenditure may be pursued vigorously in the Finance Department for early decision. If the regularization was not granted, then the recovery may be made from the officer concerned. The para was kept pending.

**4-4-02:** 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 28 September 1999 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.

## **13. Para 4.13: Page 55 – Non-recovery of Rs.56,300**

Audit had observed: “An Audit scrutiny of record showed that cycle stand of Katchery Compound was leased out for Rs.128,000 to a contractor. Out of the total lease amount only a sum of Rs.71,700 was recovered while the balance amount was recoverable from the lessee. The administration failed to recover the due sum. This resulted into a loss to Government amounting to Rs.56,300 during 1994-95 under the Charge of DC Faisalabad.”

**28-9-99:** The Department explained that a sum of Rs.25,300 had been recovered and deposited into the Treasury. The balance amount of Rs.31,000 was under recovery process as arrears of land revenue.

The PAC directed that the balance recovery may be made good at the earliest under verification by Audit. The recovery of Rs.25,300 may be got verified by Audit. The para was kept pending.

**4-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **14. Para 4.14: Page 55 – Excess Expenditure on Residential Telephone Rs.103,465**

Audit had observed: “During Audit scrutiny of accounts record, it was noticed that Additional Commissioner (Cons) made payments upto stated extent over and above the prescribed limit for residential telephone which was 600 calls PM in violation of instructions contained in Government letter No.FD(PW-II) 2-1/Tele/82 dated 10.7.1982 without any justification. This resulted into loss to public exchequer amounting to Rs.103,465 during 1983-94 to 1995 under the charge of Additional Commissioner (Cons) Sargodha.”

**28-9-99:** The Department explained that a case for the regularization of expenditure had been referred to the Finance Department and its decision was awaited.

The PAC directed that the regularization of excess expenditure may be pursued vigorously in the Finance Department for early decision. If the regularization was not granted, then the recovery may be made from the officer concerned. The para was kept pending.

**4-4-02:** 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 28 September 1999 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 4.15: Page 56 – Excess Expenditure on Residential Telephone Rs.105,053**

Audit had observed: “An Audit scrutiny of accounts record showed that the D.C.ADC(G) and other officers made local calls over and above the prescribed limit for the residential telephones, which was 1000,900 and 400 calls P.M. respectively. The payment of excess calls upto the stated extent had been made from the public exchequer. The Finance Deptt No.FD (PW-II)2-1/Tele/(Provincial) dated 10 July 1988. This resulted into loss to public exchequer amounting to Rs.105,053 during 1994-95 under the charge of DC Faisalabad.”

**28-9-99:** The Department explained that a case for the regularization of expenditure had

been referred to the Finance Department and its decision was awaited.

The PAC directed that the regularization of excess expenditure may be pursued vigorously in the Finance Department for early decision. If the said regularization was not granted, then the recovery may be made from the officer concerned. The para was kept pending.

**4-4-02:** 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 28 September 1999 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.

#### **16. Para 4.16: Page 56 – Excess Expenditure on Residential Telephones Rs.113,007**

Audit had observed: “According to Finance Department letter No.FD/PW-II/2-1/Tele/82 dated 10 July 1988 DC was entitled for 1000 calls PM on residential telephone but during Audit scrutiny of record, it was observed that 56500 local calls on residential telephones were made over and above the prescribed monthly limit in a six month period under observation, which resulted into excess payment upto stated extent in violation of Finance Department’s above mentioned instruction. This resulted into loss to the Government amounting to Rs.113,007 during 1994-95 under the charge of DC Bhakkar.”

**28-9-99:** The Department explained that a case for the regularization of expenditure had been referred to the Finance Department and its decision was awaited.

The PAC directed that the regularization of excess expenditure may be pursued vigorously in the Finance Department for early decision. If the said regularization was not granted, then the recovery may be made from the officer concerned. The para was kept pending.

**4-4-02:** 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 28 September 1999 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 4.17: Page 57 – Non-deposit of Government Receipts Rs.194,527**

Audit had observed: “An Audit scrutiny of Fine Register revealed that fine to the stated extent was recovered from the different accused. But the Government receipts were not deposited into Treasury as no Treasury Challans were produced in support of deposits. This resulted in loss to the Government amounting to Rs.194,527 during 1992-93 under the charge of Assistant Commissioner Mandi Bahauddin.”



**28-9-99:** The Department explained that total amount had been recovered.

The PAC directed that the recovery of Rs.194,527 may be got verified by Audit and the para was kept pending.

**4-4-02:** The para was **settled subject to verification** by Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**18. Para 4.18: Page 57 – Non-recovery and Non-accountal of Government Receipts Rs.300,100**

Audit had observed: “An examination of Kutchery Compound register showed that the Administration gave Kutchery Compound on lease to some canteen contractor and other vendors for their business during 1993-94 but the former failed to recover the rent from them for as long as five years. Auction money of Kutchery Compound for the year 1992-93 and 1993-94 was also not accounted for in the cash book. Resultantly the Government sustained a total loss amounting to Rs.300,100 during 1993-94 under the charge of DC Muzaffargarh.”

**28-9-99:** The Department explained that a sum of Rs.75,000 had been recovered and the balance recovery was under process which would be completed within a month.

The PAC kept the para pending for total recovery and its verification by Audit.

**4-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**19. Para 4.19: Page 58 – Loss Amounting to Rs.80,116**

Audit had observed: “During Audit scrutiny of record it was noticed that an expenditure was incurred on POL upto the stated extent but no Log Book was found maintained and produced to Audit. It was interesting to note that two vehicles for which POL was purchased were never on the strength of the DC. One vehicle was used at ADC(G) residence for domestic purposes. This resulted into loss to the Government amounting Rs.80,116 during 1994-95 under the charge of DC Faisalabad.”

**28-9-99:** The Department explained that the officer concerned had been directed either to produce the relevant Log Book or to deposit the amount involved.

The PAC directed to finalize the recovery without further loss of time and the para was kept pending.

**4-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the

PAC.

**20. Para 4.20: Page 58 – Non-recovery of Government Receipts Rs.94,787**

Audit had observed: “An examination of record showed that the Administration was required to collect the Govt. receipts under the head of contract money of judicial forms and Canteen for the year 1993 amounting to Rs.121,000 where as only Rs.33,462 were recovered and deposited into Govt. Treasury. The balance being not recovered from the contractors, resulted into a loss to Govt. amounting to Rs.94,787 during 1993-94 under the charge of Dy. Commissioner, Chakwal.”

**28-9-99:** The Department explained that total recovery had been made and got verified by Audit.

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

**21. Para 4.21: Page 59 – Recovery of Rs.59,481**

Audit had observed: “During Audit scrutiny of record, it was observed that certain officials were drawing Personal Pay at the rates higher than that to which they were entitled. The overpayment was made under the Head Special Pay in their Pay Rolls. This resulted into loss to the Government amounting to Rs.59,481 during 1994-95 under the charge of DC Faisalabad.”

**28-9-99:** The Department explained that a sum of Rs.12,127 had been recovered and the balance amount of Rs.47,354 was being recovered in monthly installments from the pay of officials concerned.

The PAC directed that District Accounts Officer who accepted the overpayment at pre-Audit window, may be proceeded against by the Finance Department/Accountant General. The balance recovery may be finalized at the earliest. The para was kept pending.

**4-4-02:** 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 Audit.

## (Revenue Receipts Audit)

**22. Para 6.1:(Stamp Duty and Registration Fee)**

**A. Non-realization of Government Dues Rs.59,591,269**

**a) (Page 35) Due to Irregular Exemption of Stamp Duty and Registration Fee Rs.255,136**

**(b), (c) & (d)**

**18-4-02:** 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 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-realization of Stamp Duty and Registration Fee Rs.39,851,587**

**1. (Page 38) Due to Under-valuation Rs.10,508,307**

**18-4-02:** 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 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. (Page 42) Due to Application of Incorrect Rates–Rs.29,343,280**

**18-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**C. Un-necessary Retention of Stamps of Rs. 13 millions**

**18-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**D. Loss of Revenue of Rs.378,000 Due to Entertainment of Time-barred Refund Claims of Stamp Duty**

**18-4-02:** 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 effect recovery. The same shall be reported to Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the Committee.

**E. Loss of Government Revenue Rs.4,629,726 Due to Non-implementation of Valuation Table in Time**

**18-4-02:** The para was **settled with the direction** that the decision of DAC dated 20 December 1995 may be implemented.

**23. Para 6.2: Page 50 – (Collection of Abiana)**

**A. Non-realization of Occupier’s Rate (Abiana) Rs.372,064,066**

**(i) (Page 50) Due to Non-recovery as Arrears of Land Revenue Rs.357,290,423**

**(ii) (Page 50) Due to Omission in Carrying Forward of Arrears of Water Rate (Abiana) Rs.7,868,751**

**(iii) Loss of Government Revenue of Rs.6,904,892 Due to Non-charging of 10% Surcharge on Failure of Payment of Abiana on Due Dates (Page 54)**

**18-4-02: 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the PAC directive.

# Communications and Works Department

## Overview

Total Paras	Works	Annexure Paras
159	113	46

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Finally Settled</b>  36	Paras finally settled as the requisite action had been taken.	<b>Works (Highways Department):</b> I-A.2, I-A.4, I-C.4, I-E.1, II-D.1, I-H.1, I-H.2, II-A.11, III-A.1, III-D.1, V-F.1.	<b>11</b>
		<b>Annexure Paras:</b> 41(I), 32(6), 36(9), 36(11), 36(14), 40(5), 40(6), 64(15), 64(19), 64(19), 65(3), 68(5), 70(2), 73(1), 42(6), 42(16), 44(4), 60, III-IV.3, I(18), I(25).	<b>21</b>
		<b>Annexure Paras:</b> 10(i), 11-2, 1(7), 11(13).	<b>4</b>
<b>Paras Conditionally Settled</b>  93	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	<b>Works:</b> <b>Highways:</b> I-A.1, I-A.3, I-A.5, I-A.6, 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-C.1, I-C.2, I-C.3, I-C.5, I-C.6, I-C.7, I-C.8, I-D.1, I-D.2, I-D.3, I-D.4, I-F.1, I-F.2, I-G.1, I-G.2, I-G.3 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-A.10, II-A.12, II-A.13, II-A.15, II-A.16, II-A.17, II-A.18, II-B.1, II-B.2, II-B.3, II-B.4, II-B.5, II-C.1, II-C.2, II-C.3, II-E.1, II-F.1, III-A.2, III-A.3, III-A.6, III-A.7, III-A.8, III-A.9, III-B.1, III-B.2, III-B.3, III-B.4, III-B.5, III-B.6, III-C.1, III-C.2, III-C.3, III-E.1, III-E.2, III-E.3 III-F.1, III-G.1, IV-A.1, IV-B.1, IV-B.2, IV-B.3, IV-C.1, IV-D.1 V-A.1, V-B.1, V-B.2, V-C.1, V-D.1, V-E.1, VII.I, VII.I, VII.2.	<b>90</b>
		<b>Buildings:</b> I-1, 1-2, II-1.	<b>3</b>
<b>Paras Pended</b>  30	Paras pended either because the Department has not taken satisfactory action or did not submit Working Paper.	<b>Works (Buildings Department):</b> III-1	<b>1</b>
		<b>Annexure Paras:</b> 6(i).	<b>1</b>
		<b>Highways:</b> I-E.2, I-E.3, I-E.4, I-E.5, I-E.6, II-A.14, III-A.4, III-A.5.	<b>8</b>
		<b>Annexure Paras:</b> 17(a)19, 17(a)21, 17(a)22, 17(a)23, 17(a)24, 17(a)25, 17(a)28, 17(a)29, 17(a)30, 17(a)32, 17(a)33, 17(a)34, 17(a)37, 17(a)38, 17(a)39, 17(a)40, 17(a)41, 16(v), 38(5), II(4),	<b>20</b>

**Discussed on 19, 20 May 1999, 4 and 12 April 2002.**

## **Highways Department (Works Audit)**

### **1. Para I-A.1: Page 56 – Excessive Measurements Rs.137,644**

#### **Highways Division Rawalpindi**

Audit had observed: “A division got executed the quantities of work having higher rates in abnormal excess of those exhibited in the agreement. This resulted in an excess payment of Rs.137,644 in January, 1985.”

**20-5-99:** The Department explained that all the work was executed as provided in the agreement and payment had been made accordingly. The total cost of the work was approved as Rs.2,523,978 while the entire work was got completed at a cost of Rs.2,228,024. Therefore, no excess payment was involved.

The PAC directed the Department to produce the relevant record to Audit for verification and the para was kept pending.

**12-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to 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 57 – Excessive Measurements Rs.106,592**

#### **Road Construction Division Rawalpindi**

Audit had observed: “A division measured and paid the item of carpeting in a width of 10.5 feet instead of the admissible width of 10 feet provided in the technically sanctioned estimate. This resulted in an overpayment of Rs.106,592.”

**20-5-99:** The Department explained that the carpeted road was running through the hilly area having sharp curves. The width was varying from 10 feet to 16 feet. Therefore, on completion the width was measured at the average of 10.5 feet. Therefore, no excess was paid.

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

### **3. Para I-A.3: Page 57-58 – Excessive Measurements Rs.154,356**

#### **Highways Division Sargodha**

Audit had observed: “In a division, an item dismantling and removing road pavement was to be executed and the dismantled material so obtained, was required to be re-used as sub-base course. The Department instead of using the dismantled material allowed the contractor to use new material for sub-base course. This resulted in an excess payment of Rs.154,356 to the contractor in 1990-1991.”

**19-5-99:** The Department explained that complete dismantling would have created the traffic problem and therefore dismantling operation was squeezed only to the widening portion and median. The traffic was initially diverted to widening portion and then was allowed to pass over the road after laying the base course/overlay. The provisions were accordingly made in the detailed estimate which was under approval. As such there was no irregularity involved.

After consideration of the reply of the Department, the Committee observed that the case was pending for the last eight years and the Department could not get sanctioned the revised Technical Sanction by the Competent Authority. Therefore, the negligence of the Department had been proved. Therefore, the PAC directed that inquiry may be conducted and responsibility be fixed on the defaulting officers who did not take timely action, and disciplinary action be taken against them under the rules. The revised Technical Sanction may also be got approved by the Competent Authority. The para was kept pending.

**12-4-02:** 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 19 May, 1999 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.

### **4. Para I-A.4: Pages 58-59 – Excessive Measurements Rs.167,152**

#### **Highways Division Narowal**

Audit had observed: “ A division unjustifiably prepared an estimate for resurfacing of a road with rich specification of 3.5 cft bajri for % sft instead of 2.5 sft as specified in the Specifications before expiry of 4 years of completion of widening and improvement work. The work was allotted with 3.5 cft specifications in three groups. The work was, however, executed with specification of 2.5 cft and paid accordingly for 2 groups but in third group rate for 3.5 cft bajri was paid which resulted in an excess of Rs.167,152 in December 1994.”

**20-5-99:** The Department explained that the Chief Engineer was fully competent to change the specification. The specification was changed as per the requirement of the site conditions. Therefore, no excess payment was involved. Audit also endorsed the viewpoint of the Department.

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

### **5. Para I-A.5: Pages 59-60 –Excessive Measurements Rs.99,130**

#### **Highways Division Jhang**

Audit had observed: “A division measured and paid from 0.75 foot to 2.75 feet thickness of base course in excess of the designed thickness of 10” in contravention of specification and contract agreement. This resulted in an overpayment of Rs.99, 130 the contractor in October 1991.”

**12-4-02:** 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.

## **6. Para I-A.6: Page 60 – Excessive Measurements Rs.54,375**

### **Highways Division Khanewal**

Audit had observed: “In a division the road was to be widened after dismantling existing soling but dismantling of the soling for certain reaches (RDS) was not measured although the layers of the sub-base, base course and triple surface treatment in those reaches was measured and paid accordingly in a length of 4000 rft. Thus the contractor was paid for laying of sub-base with new material relaying dismantled material. This resulted in an overpayment of Rs. 54,375 to the contractor in June 1994.”

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction.**

The Department shall investigate the matter; recover overpayment, if any, and get it verified by Audit. The 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.

## **7. Para I-B.1: Pages 60-61 – Payment of Excessive Quantities Rs.155,743**

### **Highways Division Murree**

Audit had observed: “A division measured and paid a quantity of 34969 cft for an item CR masonry hammer dressed instead of the admissible quantity of 19269 cft due to incorrect measurement. This resulted in an overpayment of Rs 155,743 in January 1994.”

**20-5-99:** The Department explained that payment was made on the basis of overall measurement and according to the said overall measurement the excess payment was worked out as Rs.1,157 and Rs.2,059 which had been deposited by the contractors concerned with the Department.

The PAC directed the Department to produce all the relevant record to Audit for verification of factual position as to whether the recovery was Rs.1,157 and Rs.2,059 or Rs.155,743 as pointed out by Audit. If the excess payment of Rs.155,743 was proved then along with the recovery, disciplinary action may also be taken against the officer who made the excess payment. The para was kept pending.



**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

## **8. Para I-B.2: Page 61 – Payment of Excessive Quantities Rs.222,108**

### **Highways Division Jhelum**

Audit had observed: “A division made payment for a quantity of 6400800 cft instead of the admissible quantity of 4639912 cft for earth work in embankment of excess of the provision in the approved estimate worked out on the basis of cross sections. This resulted in an excess payment of Rs.222, 108 in April, 1986.”

**20-5-99:** The Department explained that work was allotted in two groups to one and the same contractor. The earth work with the quantity of 2351408 Cft and 4969196 Cft had finally been paid against the accepted quantity of 3155000 Cft and 5678000 Cft with net saving of 803592 Cft and 708804 Cft. The earth work was measured as per actual length, breadth and height of the embankment. Therefore, there was no excess payment involved.

Audit apprised the PAC that the Department did not provide the TS estimate and other relevant documents for verification of Departmental contention.

The PAC directed the Department that the TS estimate and other related record may be shown to Audit for verification. The para was kept pending.

**12-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **9. Para I-B.3: Page 62 – Payment of Excessive Quantities Rs.315,918**

### **Highways Division Sargodha**

Audit had observed: “A division measured and paid a quantity of 5301775 cft of earth work against 3797000 cft provided in the agreement. This resulted in an excess payment of Rs.315,918 to the contractor in 1984.”

**20-5-99:** The quantity of earth work paid was in excess of quantity provided in the agreement. The Department explained that estimate will be prepared on levels/cross sections basis and also the

measurement will be made according to the levels/cross sections.

The PAC kept the para pending for finalization of the matter as promised by the Department within one month.

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction.**

The Department shall investigate the matter; recover overpayment, 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.

#### **10. Para I-B.4: Page 62 – Payment of Excessive Quantities Rs.99,000**

##### **Highways Division Gujranwala**

Audit had observed: “A division recorded excessive measurements of work done to the extent of 14700 rft without indicating the locations instead of the admissible length of 14400 rft as provided in the estimate technically sanctioned by the Competent Authority. This resulted in an excess payment of Rs.99,000 to the contractor in 1994.”

**19-5-99:** The Department explained that out of the amount of Rs.99,000 only a sum of Rs.24,000 had been paid to the contractor and bill for the remaining amount of Rs.75,000 had been cancelled. The work of the remaining reaches had been paid as per actual work done and no loss had been sustained by the Government. However, the Sub-Engineer concerned was being proceeded against under E & D Rules.

The PAC directed the Department to produce the relevant record in support of departmental explanation to Audit for verification of the factual position. The para was kept pending.

**12-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **11. Para I-B.5: Page 63 – Payment of Excessive Quantities Rs.80,000**

##### **Highways Division Lahore**

Audit had observed: “A division measured and paid the quantity of 26250 cft instead of the admissible quantity of 21250 for the item of sub-base course due to working of incorrect contents. This resulted in an overpayment of Rs.80,000 to a contractor in 1993.”

**19-5-99:** The Department explained that overpaid amount had been recovered from the final bill of the contractor.

The PAC settled the para subject to verification of record pertaining to the recovery of Rs.80,000.

## **12. Para I-B.6: Pages 63-64 – Payment of Excessive Quantities Rs.522,528**

### **Highways Division Toba Tek Singh**

Audit had observed: “A division measured and paid the quantity of 133465 M3 instead of actual quantity of 118535 M3 for work done at site. This resulted in an overpayment of Rs 522,528 to a contractor in September, 1994.”

**12-4-02:** 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 I-B.7: Page 64 – Payment of Excessive Quantities Rs.128,250**

### **Highways Division Khanewal**

Audit had observed: “A division included fictitious quantity of 7125 cft of sub-base material in the abstract of quantities without any supporting detailed record measurements and paid @ Rs 1800 per % cft. This resulted in an overpayment of Rs.128,250 to the contractor in September, 1994.”

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction.**

The Department shall investigate the matter; recover overpayment, if any, and get it verified by Audit. The 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.

## **14. Para I-B.8: Pages 64-65 – Payment of Excessive Quantities Rs.153,290**

### **Highways Division Vehari**

Audit had observed: “A division measured and paid excessive quantities of work done to a contractor in final bill by recording overall measurements without any authority. This resulted in an excess payment of Rs.153,290 to the contractor in 1991.”

**12-4-02:** 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 Audit and take further

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

#### **15. Para I-B.9: Page 65 – Payment of Excessive Quantities Rs.118,699**

##### **Highways Division Bahawal Nagar**

Audit had observed: “A division made deduction for a quantity of 19469 cft instead of 810795 cft on account of pitching from earth work for embankment of guide banks as per provisions of the technically sanctioned estimate. This resulted in an excess payment of Rs.118,699 to the contractor in 1990.”

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

#### **16. Para I-C.1: Page 66 – Incorrect Rates Rs.298,481**

##### **Road Construction Division Rawalpindi**

Audit had observed: “A division made payment @ Rs 3.57 per rft instead of the admissible rate of Rs. 1.62 per rft for painting road marking as per item No 30-A, page 123 of the Composite Schedule of Rates 1979. The application of incorrect rate resulted in an overpayment of Rs. 298,481 in June 1993.”

**20-5-99:** The Department explained that the work of painting traffic lanes was executed on the Rawalpindi, Murree Kashmir Road. This work was to be executed twice as per requisite standard. The detailed estimate was sanctioned by the Competent Authority. The work was executed as per TS estimate and accordingly the payment was made without the involvement of double payment.

The PAC was not satisfied with the explanation and directed that fact finding inquiry may be conducted to ascertain whether the payment was made to the contractor correctly or not. If there was financial loss to the Government, then recovery may be made either from the contractor or the officer who made the excess payment. The para was kept pending.

**12-4-02:** 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 20 May 1999 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 I-C.2: Pages 66-67 – Incorrect Rates Rs.93,480**

##### **Highways Division Gujrat**

Audit had observed: “A division got executed an item of work providing and laying crushed stone, sub-base course @ Rs 800 per % cft instead of the admissible item of work providing and laying sub-base of brick aggregate etc @ Rs 40 per % cft. as per acceptance letter. (Rate reduced from Rs. 500 to Rs. 40 in the undertaking). This deviation resulted in an excess payment of Rs 93, 480 in February, 1990.”

**19-5-99:** The Department explained that providing and laying of crushed stone agg. in sub-base course was provided in the TS estimate sanctioned by the concerned Authority with quantity as 182041 Cft against which actual quantity of 185708 Cft was executed which was almost nearing the TS estimate. As regard the non-execution of sub base course consisting of dismantled brick agg: the detailed estimate contained the provision of recovery of dismantled material for 13950 Cft and recovery to this effect had also been made in the CC Ist and running bill for the amount of Rs.121,204 for the quantity provided in the TS Estimate. As the necessary recovery had been effected therefore, there was no excess payment.

The PAC directed the Department to produce all the relevant record supporting the Departmental contention to Audit for verification. The para was kept pending.

**12-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **18. Para I-C.3: Pages 67-68 – Incorrect Rates Rs.197,379**

#### **Highways Division Gujranwala**

Audit had observed: “In a division a contractor quoted item rate of Rs.50 per thousand cubic feet against the estimated rate of Rs. 389/08 for the item of earth work for making embankment as per Departmental specification. The division, however, unjustifiably substituted the item as better fill material and made payment at the rate of Rs. 1150 cft. This resulted in an excess payment of Rs.197,379 without enhancement of agreement and indicating the source from which additional expenditure was met out in 1994.”

**20-5-99:** The Department explained that JRO Regional Laboratory, Highways Circle Gujranwala had tested the soil after the start of work and suggested to provide better fill material in place of local earth which was not suitable for the work. Therefore, the provision of earth work was reduced as per site requirement and better fill material was provided for safety of the road.

The PAC directed that a fact finding inquiry may be conducted to ascertain whether the excess payment was made or not. If excess payment was proved then loss may be made good either from the contractor or from the officer responsible for the excess payment. The para was kept pending.

**12-4-02:** 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 20 May 1999 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.

**19. Para I-C.4: Pages 68-69 – Incorrect Rates Rs.68,372**

**Road Construction Division Lahore**

Audit had observed: “A division measured and paid the item of “providing and laying sand with compaction” as non-schedule item @ Rs.330 per % cft instead of the admissible rate of Rs.219 per % cft worked out on the basis of Composite Schedule of Rates 1979. This resulted in an overpayment of Rs.68,372 to a contractor in April 1993.”

**20-5-99:** The Department explained that according to the Engineering approach the sand to be used in road embankment always required to be compacted rather more compaction by special type of equipment was required upto relative density of 95%. The same was done in this case and compaction was done through pneumatic tyre vibratory road roller upto 95% relative density which was paid as non-schedule item. Therefore, no irregularity was involved.

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

**20. Para I-C.5: Page 69 – Incorrect Rates Rs.141,099**

**Highways Division Shekhupura**

Audit had observed: “A division executed and paid the item of surface dressing Departmentally by allowing excessive rate. This resulted in an excess payment of Rs. 141,099 in 1992.”

**19-5-99:** The Department explained that the work was executed with the departmental labour but the requisite material i.e. Bajri, Fuel, Wood etc. was supplied by the contractor. Therefore, 10 % profit of the contractor could not be ignored.

The PAC directed the Department that relevant record may be produced to Audit for verification and to ascertain whether payment was within the sanctioned estimate. The said verification of record should be got done within a month. The para was kept pending.

**12-4-02:** 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 19 May 1999 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.

**21. Para I-C.6: Page 69-70 – Incorrect Rates Rs.560,334**

**Highways Division Sahiwal**

Audit had observed: “A division made payment @ Rs.2,218 and Rs.2,268 per % cft instead of the admissible rate of Rs.818 and Rs. 868 per % cft respectively for earth work (Ordinary in ramp) lead up to 5 miles. This resulted in an overpayment of Rs. 560,334 in 1995.”

**12-4-02:** 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.

**22. Para I-C.7: Page 70-71 – Incorrect Rates Rs.156,164**

**Highways Division Sahiwal**

Audit had observed: “A division allowed 5 miles lead for the earth work in contravention of the provision of one mile lead made in the detailed technically sanctioned estimate. Furthermore, incorrect rates of Rs.2,368 per % cft instead of Rs.915 per % cft was applied for making payments to the contractor. This resulted in an overpayment of Rs.156,164 to the contractor in February 1995.”

**12-4-02:** 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.

**23. Para I-C.8: Page 71 – Incorrect Rates Rs.62,496**

**Highways Division Vehari**

Audit had observed: “A division failed to reuse dismantled material and made payment of Rs.2000 per % cft for new stone aggregate sub-base course instead of the admissible rate of Rs.140 per % cft for laying sub-base of dismantled material of 3360 cft. This resulted an excess payment of Rs.62,496 to the contractor in June 1993.”

**12-4-02:** 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 Audit for verification by 30 September 2002. Disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**24. Para I-D.1: Pages 71-72 – Non-deduction of Quantities Rs.63,227**

**Highways Division Gujrat**

Audit had observed: “A division did not make deduction for a quantity of 203959 cft on account of camber for berms, road and brick edging from the total earth work for embankment. The resulted in an excess payment of Rs.63,227 in February 1986.”

**19-5-99:** The Department explained that in the TS estimate earth work was provided as 6500000 Cft against which 5730089 Cft earth work had been executed. As such no excess payment was made.

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

## **25. Para I-D.2: Pages 72-73 – Non-deduction of Quantities Rs.81,500**

### **Highways Division Gujranwala**

Audit had observed: “A division did not deduct the quantity of 331300 on account of road crust from the earth work for making embankment of a road. This resulted in an excess payment of fRs.81,500 to a contractor in June 1996.”

**19-5-99:** The Department explained that recovery of Rs.81,500 had been made from the final bill of the contractor.

The PAC settled the para subject to the verification of recovery of Rs. 81,500 by Audit.

## **26. Para I-D.3: Pages 73-74 – Non-deduction of Quantities Rs.132,119**

### **Highways Division Khanewal**

Audit had observed: “The contractual provisions/ specifications for laying of road edging on end provided that the unit rate of the said item would include the cost of 4 feet wide earthen shoulder. As such the portion of earthen shoulder was to be deducted from the earth work for embankment but the division failed to deduct a quantity of 389463 cft while recording overall measurements of earth work for embankment. This resulted in an overpayment of Rs.132,119 to various contractors between December 1993 to May 1995.”

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction.**

The Department shall investigate the matter; recover the loss, if any, and get it verified by Audit. The 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.

## **27. Para I-D.4: Page 74 – Non-deduction of Quantities Rs.228,171**

### **Highways Division Multan**

Audit had observed: “The specifications for laying of bricks on end edging provided that its unit rate includes the cost of 4 feet wide earth shoulders laid to hold the edging. As such the area of earthen shoulder was required to be deducted from the earth work executed for embankment. But a division failed to deduct a quantity of 1576110 cft from total earth work. This resulted in an



overpayment of Rs.228,171 to the contractors from January 1994 to June 1995.”

**12-4-02:** 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.

## **28. Para I-E.1: Page 74-75 – Un-authorized Payment of Rs.1,148,401**

### **Highways Division Sheikhpura**

Audit had observed: “Additional condition No.27 of Special Conditions of the General Rules & Directors for the guidance of contractors (Punjab) Volume-I provided that payment to the contractor will be made on the basis of cross-section taken before the execution of work duly recorded by the sub-divisional officer and accepted by the contractor. The division made payment for a quantity of 28010 M3 @ Rs.41 per M3 for earth work on the basis of national surface level/cross-section taken after the execution of clearing and grubbing of site of work which was in contravention of the contractual provision quoted above. This resulted in an overpayment of Rs.1,148,401 to the contractor in September 1994.”

**19-5-99:** The Department explained that no payment for clearing/grubbing had been made as it was included in the item of earth but stripping was done after doing clearing & grubbing after consulting the ADB representative which was in accordance with the demand of the soil.

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

## **29. Para I-E.2: Pages 75-76 – Un-authorized Payment Rs.1,733,831**

### **Highways Division Toba Tek Singh**

Audit had observed: “Additional Condition No.27 of Special Conditions of General Rules and Directives for the guidance of contractors (Punjab) Volume-I provided that payment to the contractor will be made on the basis of cross-section, taken before the execution of work duly recorded by the Sub-Divisional Officer made payment for a quantity of 38190 M3 @ Rs.45.40 per M3 of earth work on the basis of national surface level/cross-section taken after the execution of clearing/grubbing of site of work which was in contravention of the contractual provision quoted above. This resulted in an overpayment of Rs.1,733,831 to the contractors in October 1993.”

**12-4-02:** 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 Audit.

## **30. Para I-E.3: Page 76-77 – Un-authorized Payment Rs.688,728**

**Highways Division Toba Tek Singh**

Audit had observed: “Additional Condition No.27 of Special Conditions of General Rules and Directions for the payment to the contractors (Punjab) Volume-I provided that payment to the contractor will be made on the basis of cross-section, taken before the execution of works duly recorded by the Sub-Divisional Officer and accepted by the contractor. A division made payment for a quantity of 22958 M3 earth work on the basis of natural surface level/cross-sections taken after the execution of clearing/grubbing of site of work which was in contravention of the contractual provision quoted above. This resulted in an overpayment of Rs.688,728 to the contractor in September 1994.”

**12-4-02:** 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 Audit.

**31. Para I-E.4: Pages 77-78 – Un-authorized Payment Rs.319,927****Highways Division Toba Tek Singh**

Audit had observed: “Additional Condition No.27 of Special Conditions of General Rules and Directives for the guidance of contractors (Punjab) Volume-I provided that payment to the contractor will be made on the basis of cross-section, taken before the execution of work duly recorded by the Sub-Divisional Officer and accepted by the contractor. A division made payment for a quantity of 9141 M3 @ Rs.35 per M3 of earth work on the basis of natural surface level/cross-section taken after the execution of clearing/grubbing of site of work which was in contravention of the contractual provision quoted above. This resulted in an overpayment of Rs.319,927 to the contractor in September 1994.”

**12-4-02:** 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 Audit.

**32. Para I-E.5: Pages 78-79 – Un-authorized Payment Rs.113,548****Highways Division Jhang**

Audit had observed: “Additional Condition No.27 of Special Conditions of General Rules and Directives for the guidance of contractors (Punjab) Volume-I provided that payment to the contractor will be made on the basis of cross-section, taken before the execution of work duly recorded by the Sub-Divisional Officer and accepted by the contractor. A division made payment for a quantity of 3301 M3 @ Rs.35 per M3 for earth work on the basis of natural surface level/cross-section taken after the execution of clearing/grubbing of site of work which was in contravention of the contractual provision quoted above. This resulted in an overpayment of Rs.113,548 to the contractor in October 1994.”

**12-4-02:** 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 Audit.

**33. Para I-E.6: Page 79 – Un-authorized Payment Rs.274,097**

**Highways Division Faisalabad**

Audit had observed: “Additional Condition No.27 of Special Conditions of General Rules and Directives for the guidance of contractors (Punjab) Volume-I provided that payment to the contractor will be made on the basis of cross-section, taken before the execution of work duly recorded by the Sub-Divisional Officer and accepted by the contractor. A division made overpayment for a quantity of 3301 M3 @ Rs.35 per M3 for earth work on the basis of natural surface level/cross-section taken after the execution of clearing/grubbing of site of work which was in contravention of the contractual provision quoted above. This resulted in an overpayment of Rs.274,097 to the contractor in November 1994.”

**12-4-02:** 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 Audit.

**34. Para I-F.1: Page 80 – Price Variation Rs.185,180**

**Highways Division Sahiwal**

Audit had observed: “A division made a payment of price variation on steel against which secured advance was paid to the contractor. This resulted in a loss of Rs.185,180 to government in August 1993.”

**12-4-02:** 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 Audit for verification by 30 September 2002. Disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**35. Para I-F.2: Pages 80-81 – Price Variation Rs.184,400**

**Highways Division Sahiwal**

Audit had observed: “A division made a payment of price variation of cement to a contractor. This resulted in an excess payment of Rs.184,400 to the contractor in August, 1993.”

**12-4-02:** 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.

### **36. Para I-G.1: Page 81 – Incorrect Measurements Rs.434,194**

#### **Highways Division Sargodha**

Audit had observed: “A division recorded incorrect measurement of earth for shoulders of road. This resulted in an over payment of Rs.434,194 to the contractor in October, 1994.”

**19-5-99:** The Department explained that the measurement had been made according to the cross section supplied by the consultants hence no irregularity had been committed.

The PAC directed the Secretary Communications & Works Department to check personally the record of measurement and report thereof should be submitted in the next meeting. The para was kept pending.

**12-4-02:** 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 19 May 1999 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.

### **37. Para I-G.2: Pages 81-82 – Incorrect Measurements Rs.117,358**

#### **Highways Division Jhang**

Audit had observed: “A division recorded incorrect measurements for sand cushion in a length of 2640 rft where the item of dismantling was not done. This resulted an excess payment of Rs.117,358 to contractor in September, 1994.”

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction.**

The Department shall investigate the matter; 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.

### **38. Para I-G.3: Page 82 – Incorrect Measurements Rs.81,060**

#### **Highways Division Multan**

Audit had observed: “A division recorded incorrect measurements of base course, sub base course and triple surface treatment in a length of 1800 rft and width from 10 to 20 feet. This resulted in an overpayment of Rs.81,060 to contractor in February 1995.”

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction.**

The Department shall investigate the matter; 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.

**39. Para I-H.1: Pages 82-83 – Double Measurements Rs.126,300**

**Highways Division Narowal**

Audit had observed: “A division measured and paid twice the item of brick edging and base course in a length of 500 feet. This resulted in an excess payment of Rs.126,300 in November 1992.”

**19-5-99:** The Department explained that this para was the duplication of para I-E-3 for the year 1992-93. This position had also been confirmed by Audit.

The PAC directed to **delete this para** from Audit Report for the year 1994-95 and Audit objection would be considered in the report of 1992-93.

**40. Para I-H.2: Page 83 – Double Measurements Rs.102,480**

**Highways Division Narowal**

Audit had observed: “A division measured and paid the item of triple surface treatment in length of 2000 feet twice. This resulted in an excess payment of Rs.102,480 in February 1993.”

**19-5-99:** The Department apprised the PAC that this para was the duplication and duplicacy had been verified by Audit.

**12-4-02:** The **PAC deleted this para** from Audit Report for the year 1994-95.

**41. Para II-A.1: Pages 84-85 – Cost of Material and Hire Charges Rs.90,640**

**Highways Division Murree**

Audit had observed: “A division failed to make recovery on account of cost of 10 metric ton bitumen issued to a contractor in November 1992. This resulted in non recovery of Rs.90,640 in May 1993.”

**20-5-99:** The Department explained that full recovery had been made.

The PAC directed the Department to produce all the relevant record to Audit for verification. The para was kept pending.

**12-4-02:** 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 20 May 1999 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.

#### **42. Para II-A.2: Page 85 – Cost of Material and Hire Charges Rs.714,200**

##### **Highways Division Rawalpindi**

Audit had observed: “A division failed to recover the cost of 7142 empty bitumen drums which were not returned by the contactors as per provisions of agreementsw. This resulted in non-recovery of Rs.714,200 in May 1986.”

**20-5-99:** The Department explained that full recovery had been made.

The PAC accepted the explanation and the **para was settled subject to verification by Audit.**

#### **43. Para II-A.3: Page 85-86 – Cost of Material and Hire Charges Rs.89,918**

##### **Road Construction Division Rawalpindi**

Audit had observed: “A division made recovery on account of 11.25 metric ton bitumen against the issue of 20 metric ton from a contractor who could not complete the work. This resulted in non recovery of Rs.89,918 in May 1992.”

**20-5-99:** The Department explained that out of the total outstanding bitumen of 8.75 M. Tons the cost of 4.00 M.Tons had been recovered from the contractor and remaining 4.75 M. Tons bitumen was returned by the contractor. Hence no bitumen was outstanding.

The PAC directed the Department to produce all the relevant record to Audit for verification and the para was kept pending.

**12-4-02:** 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 20 May 1999 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.

#### **44. Para II-A.4: Page 86 – Cost of Material and Hire Charges Rs.76,100**

##### **Highways Division Jhelum**

Audit had observed: “A division failed to recover the cost of 761 empty bitumen drums from the contractors who did not return the same to store as per additional condition No.22 of the agreement. This resulted in non recovery of Rs.76,100 in 1990.”

**20-5-99:** The Department explained that cost of 500 empty drums being Rs.50,000 had been

recovered and credited to revenue. The efforts were being made for the balance recovery of Rs.26,600.

The PAC directed that balance recovery may be made good within one month and all the relevant record showing the total recovery may be got verified by Audit. The para was kept pending.

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**45. Para II-A.5: Pages 86-87 – Cost of Material and Hire Charges Rs.1,104,963 Reduced to Rs.56,853**

**Highways Division Jhelum**

Audit had observed: “A division failed to recover the cost of material and hire charges of machinery from the contractors. This resulted in non recovery of Rs.1,104,963 of Government dues from February 1984 to May 1986.”

**20-5-99:** The Department explained that out of the balance amount of Rs.56,853 a sum of Rs.36,108 was included in the amount of the D.P. No.II-C-2 for the year 1993-94. Thus there was a balance of Rs.20,745 only out of which an amount of Rs.16,133 had been recovered. Therefore, a meagre amount of Rs.4,612 had been left as recoverable for which every effort was under way.

The PAC directed the Department to produce all the relevant record showing inclusion of Rs.36,108 in the amount of Draft Para No.II-C-2 for the year 1993-94 and recovery of Rs.16,133 may be produced to Audit for verification. Balance recovery may also be made good. The para was kept pending.

**12-4-02:** 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 20 May 1999 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.

**46. Para II-A.6: Pages 87-88 – Cost of Material and Hire Charges Rs.249,775**

**Highways Division Gujrat**

Audit had observed: “A division issued 48.5 metric ton bitumen to a contractor in August and September 1990 whereas the contractor received his last payment in September, 1989. Since then the contractor executed no work and did not receive any payment. This resulted in non recovery of Rs.249,775 from the contractor.”

**19-5-99:** The Department explained that funds for the scheme had not been provided and therefore the work was not completed. The work would therefore be completed on receipt of funds and necessary recovery would be made from the final bill of the contractor.

The PAC directed that an enquiry may be conducted to ascertain as to whether the bitumen issued to the contractor was used or laying un-used. Report of the enquiry may be submitted to the Secretary C & W under intimation to the PAC. The para was kept pending.

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction.**

The Department shall investigate the matter; recover the loss, if any, and get it verified by Audit. The 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.

#### **47. Para II-A.7: Page 88 – Cost of Material and Hire Charges Rs.213,435**

##### **Highways Division Gujrat**

Audit had observed: “A division did not make recovery for the balance quantity of 17 (37-20) metric ton bitumen issued from August to October 1990 and secured advance granted in December, 1990. This resulted in non recovery of Rs.213,435 of Govt dues since December 1990.”

**20-5-99:** The Department explained that the material issued to the contractor had been utilized on work. The final bill of the contractor could not be paid as the funds for the scheme had not been provided by the Government since 1991-92. Final payment would be made to the contractor as and when the funds would be provided by the Government and recovery would be made therefrom by way of adjustment.

The PAC directed the Department to take the matter with the P&D for the provision of funds so that the outstanding Government dues could be recovered. The para was kept pending for recovery of Rs. 213,435 .

**12-4-02:** 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 20 May 1999 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.

#### **48. Para II-A.8: Pages 88-89 – Cost of Material and Hire Charges Rs.194,855**

##### **Highways Division Gujrat**

Audit had observed: “A division failed to recover the hire charges of machinery from contractors bills in which the work done by the machinery was paid. This resulted in non-recovery of Rs.194,855 and undue financial aid to the contractor from April 1993 to December 1994.”



**20-5-99:** The Department apprised the PAC that full recovery had been made.  
The PAC **settled the para subject to verification of recovery by Audit.**

**49. Para II-A.9: Page 89 – Cost of Material and Hire Charges Rs.95,419**

**Highways Division Mandi Bahauddin**

Audit had observed: “A division failed to recover secured advance and cost of bitumen from the contractors pertaining to the period as back as September 1992 and June 1993. This resulted in non-recovery of government dues amounting to Rs.95,419 on June 1994.”

**19-5-99:** The Department explained that full recovery had since been made.

The PAC **settled the para subject to verification of full recovery by Audit.** The PAC also directed to issue warning to the concerned officers/officials who did not take timely action for recovery.

**50. Para II-A.10: Pages 89-90 – Cost of Material and Hire Charges Rs.86,400**

**Highways Division Gujranwala**

Audit had observed: “A division failed to prepare the log book of a Grader No.50316 and could not recover higher charges of that Grader from various contractors. This resulted in non recovery of hire charges of Rs.86,400 in September, 1994.”

**19-5-99:** The Department explained that actual recoverable amount was Rs.83,200 instead of Rs.86,400 as calculated by Audit, out of which a sum of Rs.38,335 had been recovered. The remaining recovery was in process.

The PAC directed the Department to get the recovery of Rs.38,355 verified by Audit and remaining recovery may also be effected under verification by Audit. The para was kept pending.

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**51. Para II-A.11: Page 90 – Cost of Material and Hire Charges Rs.235,600**

**Highways Division Sargodha**

Audit had observed: “A division issued bitumen to a contractor from government store with out any provision in his agreement. Hence the recovery was required to be made @ Rs.9,771 per metric ton being the prevailing issue rate but instead recovery was effected @ Rs.8,601 per metric ton. This resulted in a less recovery of Rs.70,200 in January 1994.”

**19-5-99:** The Department explained that the said amount of Rs.235,600 had been effected and got verified by Audit. **The para was settled.**

**52. Para II-A.12: Pages 90-91 – Cost of Material and Hire Charges Rs.70,200****Highways Division Faisalabad**

Audit had observed: “A division issued bitumen to a contractor from government store with out any provision in his agreement. Hence the recovery was required to be made @ Rs.9771 per metric ton being the prevailing issue rate but instead recovery was effected @ Rs 8601 per metric ton. This resulted in a less recovery of Rs.70,200 in January 1994.”

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**53. Para II-A.13: Pages 91-92 – Cost of Material and Hire Charges Rs.823,078****Highways Division Jhang**

Audit had observed: “A division issued 142.50 metric ton bitumen from June 1989 to April 1991 to several contractors but failed to recover the cost thereof though accounts of certain contractors had been finalized. This resulted in a non-recovery of Rs.823,078.”

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**54. Para II-A.14: Page 92 – Cost of Material and Hire Charges Rs.736,366****Highways Division Sahiwal**

Audit had observed: “In a division 88.13 metric ton bitumen was declared below specification but the cost thereof was not recovered from National Refinery Karachi as per terms and conditions of the contract agreement. This resulted in non-recovery of Government dues amounting to Rs.736,366 in August 1992.”

**12-4-02:** 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 Audit.

**55. Para II-A.15: Pages 92-93 – Cost of Material and Hire Charges Rs.98,994**

**Highways Division Pak Pattan**

Audit had observed: “A division issued 10.86 bitumen to a contractor but the cost thereof could not be got recovered from him and placed the same in suspense head Misc.PW Advances in July 1991. This resulted non recovery of Rs.98,994 since July, 1991.”

**12-4-02:** 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.

**56. Para II-A.16: Page 93 – Cost of Material and Hire Charges Rs.132,852****Highways Division Khanewal**

Audit had observed: “A division failed to recover the cost of 20.15 metric ton bitumen & hire charges of machinery from a contractor. This resulted in non recovery of Rs.132,852 since May 1992.”

**12-4-02:** 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.

**57. Para II-A.17: Pages 93-94 – Cost of Material and Hire Charges Rs.517,342****Highways Division Multan**

Audit had observed: “A division failed to recover electricity, telephone and gas charges/cost of bitumen from various officers/contractors from May 1983 to October 1993. This resulted in non-recovery of Rs.517,342 of government dues.”

**12-4-02:** 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.

**58. Para II-A.18: Page 94 – Cost of Material and Hire Charges Rs.394,387**

**Highways Division D.G.Khan**

Audit had observed: “A division issued 70 metric tons bitumen to the contractor in December 1989 and July 1991 but the cost thereof could not be made good from the contractor. This resulted in non recovery of government dues amounting to Rs.394,387.”

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**59. Para II-B.1: Page 95 – Risk and Cost Rs.140,201****Highways Division Gujrat**

Audit had observed: “A division allotted the abandoned balance work to another contractor under Clause 3© of the agreement in May 1984 on the risk and cost of the original contractor but did not recover the differential cost. This resulted in non-recovery of Rs.140,201 of government dues.”

**20-5-99:** The Department apprised the PAC that full recovery had been made.

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

**60. Para II-B.2: Pages 95-96 – Risk and Cost Rs. 1,080,107****Highways Division Gujranwala**

Audit had observed: “ A division failed to recover extra expenditure incurred in November 1991 on the risk and cost of the original contractor. This resulted in non-recovery of Rs.1,080,107 of Government dues.”

**19-5-99:** The Department explained that the case had been referred to the Deputy Commissioner, Lahore to effect recovery as arrears of land revenue from the defaulting contractor.

The PAC directed the Department to pursue the case of recovery through arrears of land revenue vigorously and the para was kept pending.

**12-4-02:** 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 19 May 1999 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.

**61. Para II-B.3: Page 96 – Risk and Cost Rs.473,894****Highways Division Vehari**

Audit had observed: “In a division the contractors failed to complete the work within stipulated

and extended period. Instead of imposing penalty for late completion under clause 2 of agreement, the Department re-allotted the work to another contractor at the risk and cost of the original contractor. The Department neither recovered penalty nor worked out differential cost recoverable from the defaulting contractor. This resulted in non-recovery of Rs.473,894 of Government dues in November, 1988.”

**12-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **62. Para II-B.4: Pages 96-97 – Risk and Cost Rs.126,775**

##### **Highways Division Vehari**

Audit had observed: “A division re-allotted the balance work to another contractor in November 1988 at the risk and cost of the original contractor but did not recover additional expenditure incurred on behalf of the defaulting contractor. This resulted in non-recovery of Rs.126,775.”

**12-4-02:** 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.

#### **63. Para II-B.5: Pages 97-98 – Risk and Cost Rs.129,902**

##### **Highways Division Vehari**

Audit had observed: “ A division awarded left over work to another contractor at the risk and cost of the defaulting contractor under clause 3(c) of the contract agreement, but failed to recover the cost from original contractor. This resulted in a loss of Rs.129,902 to the Government in October, 1986.”

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

#### **64. Para II-C.I: Pages 98-99 – Secured Advance Rs.210,000**

**Highways Division Hafizabad**

Audit had observed: “ A division made payment on account of secured advance in the first running bill to a contractor in February 1993. Thereafter the contractor did not execute any work. Moreover, the whereabouts of the material on which secured advance was paid was also not known. This resulted in non-recovery of Rs.210,000 and loss to the Government.”

**19-5-99:** The Department explained that work could not be completed as the requisite funds were not provided by the Government. The material laid by the contractor in the sub base course could not be paid as work done, as the secured advance was not cleared. As and when the funds would be provided the payment would be made to the contractor after adjusting the secured advance.

The PAC directed the Department that necessary recovery when effected may be got verified by Audit. Position with regard to the material of the contractor laying at site may also be got verified as to whether the same was equal to the secured advance of Rs.210,000 or not. The para was kept pending.

**12-4-02:** 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 19 May 1999 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.

**65. Para II-C.2: Page 99 – Secured Advance Rs.131,015****Highways Division Gujranwala**

Audit had observed: “A division failed to recover secured advance from the original contractor granted in September 1989 whose contract agreement was rescinded under clause 3(c) of the agreement in November 1990. This resulted in non-recovery of Rs.131,015 of Government dues since January, 1990.”

**19-5-99:** The Department explained that material for which secured advance had been given was issued to the 2nd contractor M/S Tariq & Co. The same had been consumed in the work allotted on labour rate and no financial loss had sustained to the Government.

The PAC directed the Department to produce the relevant record in support of Departmental contention to Audit for verification. The para was kept pending.

**12-4-02:** 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 19 May 1999 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.

**66. Para II-C.3: Page 100 – Secured Advance Rs.156,464**

**Highways Division Pak Pattan**

Audit had observed: “ A division failed to recover secured advance from a contractor who failed to complete his work and his contract was rescinded under clause 61 of the agreement in October 1994. This resulted in non-recovery of Rs.834,852 (Rs 719,700 secured advance + Rs 115,152 being 12% interest thereon) of Government dues.”

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**67. Para II-D.1: Pages 100-101 – Professional Tax Rs.88,500****Highways Division Jhelum**

Audit had observed: “A division did not recover the amount of professional tax from the contractor as required under the orders of the Government. This resulted in non-recovery of Rs.88,500 in 1986-87.”

**20-5-99:** The Department explained that actual recoverable amount was Rs.38,000 instead of Rs.88,500 as worked out by Audit. The said amount of Rs.38,000 had been recovered.

The PAC directed the Department that all the relevant record supporting the Departmental contention may be produced to Audit for verification. The para was kept pending.

**12-4-02:** The Committee observed that payment of Professional Tax was the liability of the assessee and there was no legal obligation on the Department to deduct the Professional Tax at source. **The para was settled.**

**68. Para II-E.I: Page 101 – Non-imposition of Penalty Rs.366,740****Highways Division Pakpattan**

Audit had observed: “ In a division a contractor abandoned the work in June 1989 but Department failed to impose a penalty/compensation for delay in completion of the said work as required under clause 2 of the agreement. This resulted in non-recovery of Rs.366,740 from the contractor.”

**12-4-02:** 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.

**69. Para II-F.1: Page 102 – Less Recovery Rs.92,421****Highways Division Murree**

Audit had observed: “A division made less recovery on account of stone blasting from the contractor against the provision of acceptance letter. This resulted in less recovery of Rs.92,421 in January, 1994.”

**20-5-99:** The Department explained that actual recovery was Rs.19,638 instead of Rs.92,421 as worked out by Audit. The said recovery of Rs.19,638 would be made very shortly.

The PAC directed the Department to produce the relevant record to Audit in support of the recovery as Rs.19,638 for verification by Audit. Recovery may also be made under verification by Audit. The para was kept pending.

**12-4-02:** 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 20 May 1999 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.

**70. Para III-A.1: Page 103 – Acceptance of Tenders at Higher Rates Rs.1,197,707****Highways Division Gujrat**

Audit had observed: “A division accepted the tenders at 7.29% above the amount of the of the technically sanctioned estimate against the permissible ceiling of 4.5% fixed by the government in the Delegation of Financial Powers and Rules 1990. This resulted in a loss of Rs.1,197,707 to government in March 1993.”

**20-5-99:** The Department explained that the PWD officers were fully competent to divert the contingency. The tender of the lowest bidder was accepted by the Competent Authority. If the tender had not been accepted then the scheme would have to be got revised. In such a case, there would have been an enormous increase in the total cost of the scheme and considerable delay would have caused in completion of the scheme. The action of the Department was, therefore, taken according to the situation.

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

**71. Para III-A.2: Page 104 – Acceptance of Tenders at Higher Rates Rs. 291,873****Highways Division Sheikhupura**

Audit had observed: “In a division the work, surface dressing was done Departmentally and the cost of surface dressing was required to be reduced at least 10% (contractor profit of the cost) had the work been got done through contractor at scheduled rates plus minimum allowable premium. But the expenditure incurred on roads was on higher side which means excessive rates were paid for supply of material to the contractors. This resulted in a loss of Rs.291,873 to Government in 1993-94.”

**19-5-99:** The Department explained that the work was executed with the departmental labour but



the requisite material i.e. Bajri, Fuel, Wood etc. was supplied by the contractor. Therefore, 10 % profit of the contractor could not be ignored.

The PAC directed the Department that relevant record may be produced to Audit for verification and to ascertain whether payment was within the sanctioned estimate. The said verification of record should be got done within a month. The para was kept pending.

**12-4-02:** 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 15 May 1999 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.

## **72. Para III-A.3: Pages 104-105 – Acceptance of Tenders at Higher Rates Rs.236,968**

### **Highways Division Sheikhpura**

Audit had observed: “ A division allotted a work to a contractor at higher rates by including 10% built-in escalation over the administrative approval at the time of sanctioning the detailed estimate in contravention of the provisions of Delegation of Financial Powers and Rules 1990. This resulted in a loss of Rs.236,968 to the Government in November, 1990.”

**19-5-99:** The Department explained that work was allotted in December 1990 prior to issuance of clarification regarding splitting up of permissible excess of 15 % over the Administratively approved cost as on 7 January 1992. Thus the said clarification was not applicable to work of December 1990. The allotment of work within 15 % of Administrative Approval was in accordance with the orders contained in Finance Department’s letter of 10 June 1987 and as such there was no violation of orders.

The PAC did not agree with the viewpoint of the Department and directed that the case may be referred to the Finance Department to seek regularization of the expenditure. This should be done within three months. The para was kept pending.

**12-4-02:** 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 Audit by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **73. Para III-A.4: Pages 105-106 – Acceptance of Tenders at Higher Rates Rs.2,520,505**

### **Highways Division Jhang**

Audit had observed: “A division accepted tenders of a work at 19.34% above technically sanctioned estimate against the permissible limit of 4.5% fixed by the government in Delegation of Financial Powers and Rules 1990. This resulted in a loss of Rs.2,520,505 to Government in October,

1990.”

**12-4-02:** 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 Audit.

**74. Para III-A.5: Pages 106-107 – Acceptance of Tenders at Higher Rates Rs.6,689,808**

**Highways Division Toba Tek Singh**

Audit had observed: “A division put a work to tender in March 1990 but failed to award the work to the lowest bidder within the validity period of his bid cost of Rs.20,029,300. Later on the same work was allotted at a higher cost of Rs.26,719,108 in May 1991. This resulted in an extra expenditure/loss of Rs.6,689,808 to Government.”

**12-4-02:** 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 Audit.

**75. Para III-A.6: Pages 107-108 – Acceptance of Tenders at Higher Rates Rs.2,445,511**

**Highways Division Khanewal**

Audit had observed: “Delegation of Financial Powers Rules 1990 authorize the engineering Department to accept tenders upto 4.5% above the technical sanctioned estimate which may not exceed the 10% of the amount for which the work had been administratively approved. A division accepted tenders in the absence of detailed technically sanctioned estimate for 3 groups of a work at 14.26%, 10.01% and 11.34% above the corresponding amount of each group respectively for which they were administratively approved. As the Delegation of Financial Powers Rules 1990 linked the acceptance of tenders with the technical sanction, therefore, the said acceptance was irregular. Moreover, 10% cushion allowed over administrative approval to accord technical sanction was utilized for acceptance of tenders at higher rates. This resulted in an irregular acceptance of tenders amounting to Rs.37,094,246 and a loss of Rs.2,445,511 in December, 1991.”

**12-4-02:** 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 Audit by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**76. Para III-A.7: Page 108 – Acceptance of Tenders at Higher Rates Rs.566,685****Highways Division Multan**

Audit had observed: “A division accepted tenders at 20.18% above administratively approved cost instead of 15% in violation of ceiling fixed by the government in Delegation of Financial Powers., 1962 by including the cost of contingency irregularly. This resulted in a loss of Rs.566,685 to Government due to extra expenditure in June 1989.”

**12-4-02:** 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 Audit by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**77. Para III-A.8: Page 109 – Acceptance of Tenders at Higher Rates Rs.448,498****Highways Division Vehari**

Audit had observed: “A division accepted tenders at 14.92% above then technically sanctioned estimate instead of the admissible ceiling of 4.5% fixed by the government in Delegation of Financial Powers Rules 1990. This resulted in an extra expenditure/loss of Rs.448,498 in December 1991.”

**12-4-02:** 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 Audit by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**78. Para III-A.9: Pages 109-110 – Acceptance of Tenders at Higher Rates Rs.728,285****Highways Division Bahawalpur**

Audit had observed: “A division accepted tender for a work at 16.02% above technically sanctioned estimate instead of the admissible ceiling of 4.5% in contravention of Delegation of Financial Powers Rules 1990. This resulted in a loss of Rs.728,285 in June 1991.”

**12-4-02:** 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 Audit by 30 September, 2002. Finance Department shall monitor

the implementation of the directive of the PAC.

### **79. Para III-B.1: Pages 110-111 – Non-execution of Work having Lesser Rates Rs.966,524**

#### **Highways Division Hafizabad**

Audit had observed: “ In a division a contractor quoted rate of Rs.78 per cft against estimated rate of Rs.473.63 per cft for the item of earth work for making embankment and became the lowest bidder. The contractor was, however, finally paid without approval of Chief Engineer after executing 2038343 cft earth work only instead of 4482000 cft provided in the agreement and estimate of the work. The finalization of work without executing the item of earth work having lesser rate in full resulted in a loss of Rs.966,524 to the government in September 1994.”

**19-5-99:** The Department explained that para had already been reduced from Rs.966,524 to Rs.190,605 by Audit. The work was Administratively approved for Rs.10,254,000 while it was completed with the cost of Rs.9,069,000. No financial loss had been sustained to the Government.

Audit apprised the PAC that final payment was made to the contractor after executing 2038343 Cft earth work instead of 4482000 Cft as provided in the agreement and estimate of work. This final payment was made without the approval of Chief Engineer.

The PAC directed the Department to conduct a fact finding inquiry within two months under intimation to PAC. The para was kept pending.

**12-4-02:** Reiterating the above decision, 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.

### **80. Para III-B.2: Pages 111-112 – Non-execution of Work having Lesser Rates Rs.665,851**

#### **Highways Division Narowal**

Audit had observed: “A contractor quoted rates of 21.67% above and 67.70 below on estimated rates for road work and road structure work respectively and became the lowest bidder. The division finally paid the contractor in March 1994 without executing the structure work carrying low rates despite clear stipulation in the agreement that items carrying low rates must be executed first in full as per condition No.8 of acceptance letter. This not only resulted in loss of Rs.665,851 to government and corresponding benefit to the contractor but also the work costing Rs.12,578,207 executed was against the provisions of specifications and estimate sanctioned by the Chief Engineer.”

**20-5-99:** The Department explained that the scheme was unfunded since 1996-97 and therefore, the work had been stopped by the Contractor. As soon as the funds would be provided the work would be completed.

Audit apprised the PAC that the contractor quoted rate for road work and road structure work

as 21.67% above and 67.70 below respectively. The contractor executed the work carrying the rate above and left the structure work with low rate which was to be executed at first according to the agreement.

The PAC directed the Department that loss of Government amounting to Rs.665,851 may be made good either from the contractor or from the officer responsible for the said loss. The XEN concerned may be proceeded against under E & D rules. The para was kept pending.

**12-4-02:** 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 20 May, 1999 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.

### **81. Para III-B.3: Pages 112-113 – Non-execution of Work having Lesser Rates Rs.610,315**

#### **Highways Division Narowal**

Audit had observed: “A contractor quoted rates of 19.91% above and 72.13% below on estimated rates for road work and road structure work respectively and became the lowest bidder. The division finally paid the contractor in December 1993 without executing the structure work carrying low rates despite clear stipulation in the agreement that items carrying low rates must be executed first in full as per condition No.8 of acceptance letter. This not only resulted in loss of Rs.610,315 to government and corresponding benefit to the contractor, but also the work costing Rs.14,719, 917 executed was against the provisions of specifications and estimate technically sanctioned by the Chief Engineer.”

**20-5-99:** The Department explained that the scheme was unfunded since 1996-97 and therefore, the work had been stopped by the Contractor. As soon as the funds would be provided the work would be completed.

Audit apprised the PAC that the contractor quoted rate for road work and road structure work as 19.91% above and 72.13 below respectively. The contractor executed the work carrying the rate above and left the structure work with low rate which was required to be executed first according to the agreement.

The PAC directed the Department that loss of Government amounting to Rs.610,315 may be made good either from the contractor or from the officer responsible for the said loss. The XEN concerned may be proceeded against under E & D rules. The para was kept pending.

**12-4-02:** 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 20 May 1999 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.

### **82. Para III-B.4: Pages 113-114 – Non-execution of Work Having Lesser Rates Rs.593,200**

**Highways Division Sahiwal**

Audit had observed: “A division measured and paid such item of road work which carried higher/beneficial rates without executing the items of road structure work having lesser rates. This resulted in loss of Rs.593,200 to government in March 1991.”

**12-4-02:** 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.

**83. Para III-B.5: Page 114 – Non-execution of Work having Lesser Rates Rs.563,400****Highways Division Pakpattan**

Audit had observed: “In a division a contractor did not execute the work of road structure having lesser rates due to which he became the lowest tenderer. This resulted in a loss of Rs.563,400 to government in April, 1991.”

**12-4-02:** 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 may be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**84. Para III-B.6: Pages 114-115 – Non-execution of Work having Lesser Rates Rs.102,040****Highways Division Pakpattan**

Audit had observed: “The division put to tenders a work of road construction as per provisions/quantities of rough cost estimate/administrative approval. But while sanctioning the detailed technically sanctioned estimate the items of work pertaining to road structure for which contractors quoted lesser rates/premium were deleted. Unjustified deletion of lesser rate items not only caused a loss of Rs. 102,040 to government in January, 1991 but also benefited the contractor.”

**12-4-02:** 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 may be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**85. Para III-C.1: Page 115 – Non-disposal of Government Material Rs.216,920****Highways Division Rawalpindi**

Audit had observed: “A division failed to dispose off 5423 number empty tar drums after consumption of bitumen. This resulted in a loss of Rs.216,920 to government in 1980.”

**20-5-99:** The Department explained that out of the total amount of Rs.216,920 a sum of Rs.58,000 had been recovered and the balance recovery was in process.

The Department was directed to recover the balance amount under verification by Audit and recovery of Rs.58,000 may be got verified by Audit. The para was kept pending.

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**86. Para III-C.2: Page 116 – Non-disposal of Government Material Rs.115,257****Highways Division Rawalpindi**

Audit had observed: “A division failed to arrange survey reports and dispose off tools and plants articles declared unserviceable in June 1980. This resulted in a loss of Rs.115,257 to Government.”

**20-5-99:** The Department explained that survey report of the un-serviceable T & P articles had been prepared and got approved by the SE concerned. The said un-serviceable T&P articles would be put to auction within one month.

The PAC kept the para pending for the finalization of the auction of un-serviceable T & P articles within one month.

**12-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**87. Para III-C.3: Pages 116-117 – Non-disposal of Government Material Rs.100,700****Highways Division No.1 Sahiwal**

Audit had observed: “A division neither took back 1007 No. empty tar drums from the contractor nor cost thereof was recovered from him. This resulted in a loss of Rs.100,700 to government in January 1987.”

**12-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**88. Para III-D.1: Page 117 – Higher Rates Rs.750,166**

**Road Construction Division Rawalpindi**

Audit had observed: “A division made payment for the item of “ carpeting” @ Rs.1159.26 and Rs.1300 per @ sft to a sister division instead of the admissible rate of Rs.965.13 per % sft computed on the basis of rates provided in the Composite Schedule of Rates 1979 for the item of works involved. This resulted in a loss of Rs.750,166 in June 1993.”

**20-5-99:** The Department explained that payment was made in June 1993 as per TS estimate based on the premium enforced during January, 1993. If the work had not been executed then extra expenditure would have to be incurred as the premium was enhanced from 223% to 270% during September, 1993.

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

**89. Para III-E.1: Pages 117-118 – Secured Advance and Risk and Cost Rs.321,962**

**Highways Division Vehari**

Audit had observed: “A division failed to recover/adjust the secured advance from the contractor who became defaulter after receiving the payment. The material on the basis of which secured advance was paid to the contractor was also taken away by him from the site of work. This resulted in a loss of Rs.321,962 to government in October, 1992.”

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**90 Para III-E.2: Page 118 – Secured Advance and Risk and Cost Rs.284,635**

**Highways Division Khanewal**

Audit had observed: “A division failed to recover the differential cost from a defaulting contractor in respect of a work executed at his risk and cost. This resulted in a loss of Rs.284,635 to government in March, 1991.”



**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**91. Para III-E.3: Page 119 – Secured Advance and Risk and Cost Rs.827,635**

**Highways Division Multan**

Audit had observed: “A division awarded the left over work to another contractor at the risk and cost of defaulting contractor under clause 3(c) of his contract agreement in June 1990. But the Department failed to recover the differential cost from the defaulting contractor. This resulted in a loss of Rs.827,635 to government in June 1990.”

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**92. Para III-F.1: Pages 119-120 – Non-imposition of Penalty Rs.706,648**

**Highways Division Multan**

Audit had observed: “In a division, contractor failed to complete the work within stipulated period i.e. upto 12th June, 1989. Furthermore he failed to apply for extension in time limit within the period prescribed in the contractor agreement for applying such extension. But the Competent Authority granted extension without imposing penalty/compensation for delay in the work as per provision of the said agreement. This resulted in a loss of Rs.706,648 to the government in June 1988.”

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following directions.**

The Department shall recover the penalty, and produce the relevant record for verification by Audit. Finance Department shall monitor the implementation of the directive of the PAC.

**93. Para III-G.1: Pages 120-121 – Non-recovery of Hire Charges Rs.523,699**

**Machinery Maintenance Division Bahawalpur**

Audit had observed: “A division worked out less outruns on the working of government machinery let out on hire during the year 1984-85 and 1985-86 and debited difference to Miscellaneous P.W Advances in February 1988 recoverable from incharge of the machines. This resulted in a loss to government worth Rs.523,699.”

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**94. Para IV-A.1: Page 122 – Substandard Work Rs. 119,000**

**Highways Division Bahawalpur**

Audit had observed: “A division measured and paid 5” thickness of base course against the designed thickness of 6” provided in the technically sanctioned estimate. This resulted in an unjustified payment of Rs.119,000 in October, 1986 as the work executed was defective and below specification.”

**12-4-02:** 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.

**95. Para IV-B.1: Page 123 – Fictitious/Doubtful Payments Rs.120,840**

**Highways Division Jhelum**

Audit had observed: “A division made payment for hiring of tractors to various contractors from December 1985 to August 1986 and charged the expenditure to annual repair of roads despite the fact that tractor was available in working condition in the division. Moreover, no progress of work done was recorded in the measurement book. This resulted in doubtful payment of Rs.120,840.”

**20-5-99:** The Department explained that tractor available with the Department became unserviceable and a case for its disposal was submitted to the concerned competent authorities. In such a position hiring charges of tractor were paid to the contractors.

The PAC directed the Department to produce all the relevant record showing the un-serviceable condition of the tractor and further progress of its disposal may be shown to Audit for verification of facts. The para was kept pending.

**12-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September, 2002. Finance

Department shall monitor the implementation of the directive of the PAC.

**96. Para IV-B.2: Pages 123-124 – Fictitious/Doubtful Payments Rs.133,721**

**Highways Division Multan**

Audit had observed: “A division measured and paid the item of triple surface treatment in a length of 500 rft where no base course and road edging was laid. Similarly, in another case road edging and base course was measured in a length of 430 rft where regular excavation, compaction and sub-base was not laid. This resulted in fictitious payment of Rs.133,721 to the contractor in December, 1993.”

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction.**

The Department shall investigate the matter; recover the loss, if any, and get it verified by Audit. The 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.

**97. Para IV-B.3: Pages 124-125 – Fictitious/Doubtful Payments Rs.169,361**

**Highways Division Lodhran**

Audit had observed: “A division measured and paid for laying of sub-base, base-course, road edging and triple surface treatment in certain reaches of a road where earth work for making embankment was not got done. This resulted in a fictitious/doubtful payment of Rs.169,361 to a contractor in June, 1992.”

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction.**

The Department shall investigate the matter; 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.

**98. Para IV-C.1: Pages 125-126 – Payment at Higher Rates Rs.185,438**

**Highways Division Hafizabad**

Audit had observed: “A division unauthorizedly measured and paid item of providing and laying sand cushion at the rate of Rs.208 per % cft without approval of the Chief Engineer as required under the rule. This resulted in an unauthorized payment of Rs.185,438 in June 1994.”

**19-5-99:** The Department explained that item “providing and laying sand cushion with 9 inches thickness duly compacted including dressing to designed section with camber and grade etc.” was provided in the TS estimate sanctioned by the Chief Engineer and payment was made accordingly.

The provision of sand cushion was existing in the T.S. Estimate. Therefore, there was no irregularity.

The PAC **settled the para subject to verification** of relevant record supporting the Departmental contention by Audit.

#### **99. Para IV-D.1: Pages 126-127 – Payment Against The Provision Rs.131,715**

##### **Highways Division Layyah**

Audit had observed: “ A division constructed 15 Nos 2 feet span reinforced cement concrete culverts against 4 No. culverts as provided in the detailed technically sanctioned estimate. This resulted in an unauthorized payment of Rs.131,715 to the contractors in September, 1990.”

**12-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **100. Para V-A.1: Pages 127-128 – Enhancement of Agreemental Amount Rs.201,258**

##### **Highways Division D.G.Khan**

Audit had observed: “The division enhanced the agreemental amount of Rs.46175 and Rs.50,000 to Rs.99,500 and Rs.101,750 respectively in violation of provision of para 6.24 (g) of Buildings and Roads Manual. This resulted in an irregular expenditure of Rs. 201,258 in June 1993.”

**12-4-02:** 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 Audit by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **101. Para V-B.1: Pages 128-129 – Expenditure Without Technically Sanctioned Estimates Rs.2,425,879**

##### **Highways Division Sargodha**

Audit had observed: “According to fundamental rules no work can be started unless a properly detailed estimate is sanctioned by the Competent Authority. In disregard of the rules a division started the work in the absence of sanctioned estimate against the provision of para 2.82 (2) of B & R Department Code. This resulted in irregular expenditure of Rs.2,425,879 in August 1983.”

**19-5-99:** The Department explained that original detailed estimate was deficient in

connection with the supporting cross-sections of earth work. The revised T.S. was being submitted for approval.

The PAC directed that revised Technical Sanction may be got approved by the Competent Authority upto first week of July 1999 positively. The para was kept pending.

**12-4-02:** 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 19 May, 1999 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.

**102. Para V-B.2: Pages 129-130 – Expenditure Without Technically Sanctioned Estimates Rs. 73,974,170**

**Highways Division Faisalabad**

Audit had observed: “According to Delegation of Financial Powers Rules 1990, no work should be executed without prior approval of the sanctioned estimate by the Competent Authority. The Division incurred expenditure of Rs.73,974,170 on various projects without sanction of the estimates. This resulted in an irregular expenditure of Rs.73,974,170.”

**12-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**103 Para V-C.1: Page 130 – Unjustified Expenditure Rs.1,988,899**

**Highways Division Toba Tek Singh**

Audit had observed: “A division issued 230.41 metric ton bitumen and expenditure charged direct to resurfacing works. No receipt and bonafide consumption account with reference to technically sanctioned estimate was produced. This resulted in an unjustified expenditure of Rs.1,988,899 in June, 1992.”

**12-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**104. Para V-D.1: Page 131 – Expenditure Without Provisions Rs.279,311**

### **Highways Division Sargodha**

Audit had observed: “The division incurred a heavy expenditure as compared to the total cost of work for bailing out water of 1055554 cft @ Rs. 19.35 per cft plus premium of 36.75% by pumping sets without its provision in the technically sanctioned estimate, bid schedule and PC-I proforma. This resulted in an irregular expenditure of Rs.279,311 in September 1982.”

**20-5-99:** The Department explained that there was no provision of “Dewatering” in the acceptance letter but during execution of work at site it was observed the sub soil water level was high and therefore, the work of ‘Raft’ below sub soil water level could not be executed till the level of sub soil water had not been lowered. Accordingly, the contractor was directed for execution of vented causeway by lowering the sub soil water level and Competent Authority allowed the payment of Rs.279,311 for said dewatering item.

The PAC directed the Department to produce all the relevant record to Audit for verification of facts. The para was kept pending.

**12-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **105. Para V-E.1: Page 132 – Irregular Expenditure Rs.708,000**

#### **Highways Division Gujranwala**

Audit had observed: “A division made a payment of Rs.708,000 against a nominal provision of Rs.49,000 in the detailed estimate to the Executive Engineer Highways Mechanical Division Muridke for the item of Jungle clearance with Bulldozers cutting and excavating of canal bank etc, without any detailed measurements. This resulted in an irregular expenditure of Rs.708,000 in June, 1982.”

**19-5-99:** The Department explained that XEN concerned was preparing the vouched account and detail of work done which would be shown to Audit within a month.

The PAC directed the Department that vouched account and detail of work done may be shown to Audit for verification. The para was kept pending.

**12-4-02:** 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 19 May, 1999 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.

#### **106. Para V-F.1: Page 133 – In Excess of Deposit Rs.107,696**

##### **Highways Division Rawalpindi**

Audit had observed: “The division incurred expenditure on original as well as special repair work in excess of the deposits received but failed to recover the amount. This resulted in an unauthorized expenditure of Rs.107,696 from February 1951 to August 1962.”

**20-5-99:** The Department explained that expenditure pertained to the period from February 1951 to September 1961 and Buildings & Roads Department was the executing agency as a single unit. The Department was subsequently bifurcated into Buildings Department and Highways Department. The liability pertained to Buildings work and therefore, should have been transferred to Buildings Department but contrary to this the liability was transferred to the Highways Department. The issue was about 45 years old. Later on the Secretary Communications & Works directed in April 1996 to recover the amount from the Client Department. The issue pertained to financial discipline and at this stage any loss was not the point at issue. From the efforts so far made it had been learnt that no one was going to arrange the deposit of Rs.107,696 at such a belated stage. The PAC accepted the explanation and the **para was settled.**

#### **107. Para VI-1: Pages 133-134 – Misappropriation of Material Rs.233,570**

##### **Highways Division Sargodha**

Audit had observed: “A division purchased and charged the material to the work which was neither accounted for in the material at site account register nor its bona fide consumption in the work was forthcoming from the record with reference to technically sanctioned estimate. This led to likely misappropriation of material costing Rs.233,570 from June 1989 to August 1990.”

**19-5-99:** The Department explained that all the material involved in the para had been taken on the Road Material Register.

The PAC directed the Department to produce all the relevant record to Audit for verification and the para was kept pending.

**12-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **108. Para VII-I: Pages 134-135 – Undue Financial Aid of Rs.149,793**

##### **Highways Division Sheikhupura**

Audit had observed: “A division measured and paid excessive quantities of work done for Rs.632,606 in final bill prepared but not yet paid to a contractor on running accounts instead of actual quantities of work done for Rs.482,813. This resulted in an undue financial aid and overpayment of Rs.149,793 in April 1991.”

**19-5-99:** The Department explained that a sum of Rs.121,403 had been recovered and balance amount of Rs.28,390 had been placed in PW Miscellaneous Advances for recovery from the contractor.

The PAC directed that amount already recovered may be got verified by Audit and balance recovery may also be made under verification by Audit. The para was kept pending.

**12-4-02:** 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 19 May, 1999 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.

### **109. Para VII-2: Page 135 – Undue Financial Aid Rs.159,368**

#### **Highways Division Jhang**

Audit had observed: “A division made excess payments to the contractors on running accounts and final bills turned into minus. This resulted in an undue financial aid to the contractors of Rs.159,368 in October, 1994.”

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction.**

The Department shall investigate the matter; 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.

## **Annexure Paras**

**110. Para 17 (a) 19 (1961-62): Page 227 - Sr. No.1, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.553,137**

**111. Para 17 (a) 21 (1961-62): Page 227 - Sr. No.2, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.243,885**

**112. Para 17 (a) 22 (1961-62): Page 227 - Sr. No.3, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.195,712**



- 113. Para 17 (a) 23 (1961-62): Page 227 - Sr. No.4, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.176,771**
- 114. Para 17 (a) 24 (1961-62): Page 227 - Sr. No.5, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.171,613**
- 115. Para 17 (a) 25 (1961-62): Page 227 - Sr. No.6, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.711,278**
- 116. Para 17 (a) 28 (1961-62): Page 228 - Sr. No.7, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.52,617**
- 117. Para 17 (a) 29 (1961-62): Page 228 - Sr. No.8, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.45,217**
- 118. Para 17 (a) 30 (1961-62): Page 228 - Sr. No.9, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.36,555**
- 119. Para 17 (a) 32 (1961-62): Page 229 - Sr. No.10, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.25,968**
- 120. Para 17 (a) 33 (1961-62): Page 229 - Sr. No.11, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.24,695**
- 121. Para 17 (a) 34 (1961-62): Page 229 - Sr. No.12, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.19,719**
- 122. Para 17 (a) 37 (1961-62): Page 229 - Sr. No.13, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.15,464**
- 123. Para 17 (a) 38 (1961-62): Page 229 - Sr. No.14, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.14,438**
- 124. Para 17 (a) 39 (1961-62): Page 230 - Sr. No.15, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.14,203**
- 125. Para 17 (a) 40 (1961-62): Page 230 - Sr. No.16, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.13,786**
- 126. Para 17 (a) 41 (1961-62): Page 230 - Sr. No.17, Non-adjustment of outstanding dues recoverable from other Public Works Divisions - Rs.12,136**

**127. Para 16 (v) (1966-67): Page 230 - Sr. No.18, Excess Payment - Rs.12,845**

**128. Para 38(5) (1981-82): Page 231 - Sr. No.24, Shortage of Stores - Rs.22,497**

**129. Para II (4) (1982-83): Page 228 - Sr. No.27, Loss to Government - Rs.35,533**

**12-4-02:** The Committee directed that the Department should comply with the directives of the PAC by 30 September, 2002 in respect of the abovementioned 20 paras and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The paras were kept pending.**

**130. Para 41(I) (1972-73): Page 230 - Sr. No.19, Shortage of Stores - Rs.136,371**

**131. Para 32(6) (1980-81): Page 231 - Sr. No.20, Shortage of Stores - Rs.81,334**

**132. Para 36(9) (1981-82): Page 231 - Sr. No.21, Non-recovery from the Contractor - Rs.95,558**

**133. Para 36(11) (1981-82): Page 231 - Sr. No. 22, Non-recovery from the Contractor - Rs.44,112**

**134. Para 36(14) (1981-82): Page 231 - Sr. No.23, Non-recovery of Rs.11,319**

**135. Para 40(5) (1981-82): Page 232 - Sr. No.25, Misappropriation of Stores - Rs.15,337**

**136. Para 40(6) (1981-82): Page 232 - Sr. No.26, Misappropriation of Road Metal - Rs.13,971**

**137. Para 64(15) (1982-83): Page 232 - Sr. No.28, Overpayment to Contractor -Rs.39,831**

**138. Para 64(19) (1982-83) : Page 232 - Sr. No.29, Excess Payment to Contractors -Rs.39,350**

**139. Para 64(19) (1982-83): Page 233 - Sr. No.30, Excess Payment - Rs.11,597**

**140. Para 65(3) (1982-83): Page 233 - Sr. No.31, Loss to Government - Rs.213,626**

**141. Para 68(5) (1982-83): Page 233 - Sr. No.32, Non-recovery - Rs.36,348**

**142. Para 70(2) (1982-83): Page 233 - Sr. No.33, Non-recovery - Rs.46,213**

**143. Para 73(1) (1982-83): Page 233 - Sr. No.34, Shortage of Store - Rs.45,218**

**144. Para 42(6) (1983-84): Page 233 - Sr. No.35, Excess Payment - Rs.124,251**

**145. Para 42(16) (1983-84): Page 234 - Sr. No.36, Excess Payment - Rs.36,430**

**146. Para 44(4) (1983-84): Page 234 - Sr. No.37, Non-recovery - Rs.88,740**

**147. Para 60 (1983-84): Page 234 - Sr. No.38, Non-recovery - Rs.10,320**

**148. Para III-IV-3 (1984-85): Page 234 - Sr. No.39, Wastage of Expenditure - Rs.288,130**

**149. Para 1(18) (1985-86): Page 234 - Sr. No. 40, Overpayment - Rs.158,466**

**150. Para 1(25) (1985-86): Page 234 - Sr. No.41, Overpayment - Rs.454,209**

**12-4-02:** On verification of recovery/record, Audit had recommended that the above mentioned 21 paras (21 to 41) be settled. The Committee **settled these paras.**

## **Buildings Department (Civil Audit)**

**151 Para I-1: Page 48 – Excess Payment to Contractors Rs.50,756**

### **Ist Provincial Buildings Division Lahore**

Audit had observed: “The Division made an overpayment to the contractors on account of wrong calculation of quantities and application of excess rate of Rs.21.05 per cft instead of the admissible rate of Rs 15.70 per cft for reinforced cement concrete. This resulted in an overpayment of Rs.50,756 in March 1995.”

**12-4-02:** 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.

**152. Para I-2: Pages 48-49 – Excess Payment to Contractor Rs.51,781**

### **Provincial Buildings Division Layyah**

Audit had observed: “A division made an overpayment for an item of weather shield paint @ Rs.3 per sft instead of admissible rate of Rs.0.28, Rs.1.01 and Rs.1.20 per Sft for 1st, 2nd and 3rd coat respectively vide item No.29-a page 123 of the composite schedule of rates 1979. This resulted in an overpayment of Rs.51,781 in January, March and May 1989.”

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction.**

The Department shall investigate the matter; recover overpayment, if any, and get it verified by Audit. The 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.

**153. Para II-1: Pages 49-50 – Non-recovery of Government Dues Rs.559,127**

**Provincial Buildings Division Sialkot**

Audit had observed: “A division made an overpayment on account of secured advance for bricks and steel but failed to make recovery from the contractor. This resulted in non-recovery of Government dues amounting to Rs 559,127 in March and April 1990.”

**12-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**154. Para III-1: Pages 50-51 – Irregular Payment Rs.3,229,773**

**Ist Medical Provincial Buildings Division Lahore**

Audit had observed: “A division made an overpayment for certain non-schedule items to a contractor without getting the same sanctioned from the Competent Authority as per requirements of the schedule of rates 1979. The infringement of codal requirements resulted in irregular payment of Rs.3,229,773 in May 1991.”

**12-4-02:** 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 Audit.

## **Annexure Paras**

**155. Para 6(i) (1979-80): Page 225 – Sr. No.1, Loss of T&P Articles**

**12-4-02:** The Committee directed that the Department should comply with the directives of the Ad hoc PAC by 30 September, 2002 and report compliance to the Assembly Secretariat, Audit and the Finance Department. **The para was kept pending.**

**156. Para 10(i) (1981-82): Page 225 – Sr. No.2, Shortage of Stores Rs.155,616**

**157. Para II-2 (1984-85): Page 225 - Sr. No.3, Non-recovery of Government Dues Rs.13,592**

**158. Para I(7) (1985-86): Page 225 - Sr. No.4, Excess Payment of Rs.112,329**

**159. Para II(13) (1985-86): Page 225 - Sr. No.5, Non-recovery of Rs.28,838**

**12-4-02:** On verification of recovery/record, Audit had recommended that the above mentioned four paras (2 to 5) be settled. The Committee **settled these paras.**

# Education Department

## Overview

Total Paras	Civil	Commercial
56	55	1

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  <b>1</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	<b>Commercial:</b> 3(xi)	<b>1</b>
<b>Paras Finally Settled</b>  <b>14</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 6.6(1), 6.7(3), 6.8(1), 6.8(3), 6.9, 7.11, 7.19(2), 7.22, 7.23, 7.25(1), 7.32, 7.34, 7.35, 7.36.	<b>14</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 Audit should verify the same.	<b>Civil:</b> 6.2, 6.4, 6.5, 6.6(4), 6.7(1), 6.7(2), 6.8 (2), 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10 (1), 7.13, 7.14, 7.15, 7.16, 7.17,7.18, 7.19 (1), 7.20, 7.21, 7.24, 7.25(2), 7.26, 7.27, 7.28, 7.29, 7.30, 7.31, 7.33.	<b>34</b>
<b>Paras Pended</b>  <b>7</b>	Paras pended either because the Department had not taken satisfactory action or the Department did not submit Working Papers.	<b>Civil:</b> 6.1, 6.3, 6.6(2),6.6(3), 7.1(1), 7.1(2), 7.12.	<b>7</b>

**Discussed on 17 March 1999, 4 and 18 April 2002.**

## Education Department (Schools) Civil Audit

### 1. Para 6.1: Page 67 – Misappropriation of Rs.118,790

Audit had observed: “Examination of records showed that an amount of Rs.118,790 was drawn on account of various contingent charges during period July 1985 to June 1990. But the vouchers, quotations, bills, actual payee receipts, sanction, stock entries and its consumption were not shown to Audit. In the absence of above stated record it was apprehended that the Govt. suffered a loss of Rs.118,790.”

**17-3-99:** The Department explained that Audit of the school had been conducted after 21 years, therefore, the record pertaining to the said period was partly not available. Anyhow, DEO (SE) Sargodha had been deputed to probe into the matter and submit his findings within 10 days. The said inquiry was in process

The PAC directed the Department to complete enquiry within the shortest possible time and the para was kept pending

**4-4-02:** 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 Audit.

## **2. Para 6.2: Page 67 – Embezzlement of Rs.55,800**

Audit had observed: “An examination of record revealed that the amount to the stated extent was realized from the students on account of Tuition Fee, but was not deposited into the Govt. accounts. This resulted into loss to Govt. The requisite accounts records, statedly was either not handed over by the Head-master to his successor or was with the anti-Corruption Department.”

**17-3-99:** The Department explained that the then Headmaster of the school had been held responsible for the said embezzlement of Rs.55,800 on account of tuition fee. The case had been got registered by the Department in the Anti-Corruption Department. The Anti-Corruption Judge convicted the said defaulter. The accused filed an appeal against the decision of Anti-corruption Judge in the High Court from where he was acquitted. As such the recovery and disciplinary action was not possible.

The PAC directed the Department that legal opinion may be obtained from the Law Department as to whether the disciplinary action could be taken in the presence of said decision of the High Court or not. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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 6.3: Page 68 – Non-accountal of Government Receipts Rs.52,992**

Audit had observed: “An examination of record showed that an amount of Rs.34,809 was

drawn from the Government Treasury on account of contingent expenditure during the month of June, 1994 but the amount was neither taken on cash book even after nine months in contravention of Rule 2.2 of PFF Vol.I nor the relevant record i.e. contingent bills, sub-vouchers, actual payee receipts and stock registers shown to Audit.”

**17-3-99:** The Department explained that the then Senior Headmaster of the school was held responsible for the non-accountal of the expenditure. The inquiry against him for the said non-accountal of funds was under process.

The PAC kept the para pending for the completion of inquiry which was directed to be completed within two months.

**4-4-02:** 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 Audit.

#### **4. Para 6.4: Page 69 – Non-recovery of Loan Rs.179,994**

Audit had observed: “An examination of record showed that the amount to the stated extent was given to officers/officials of DEO (M) and Director of Education (Schools) out of student fund as loan. Stated loan was granted in different periods during 1986-1991 but was not recovered till the time of Audit despite the lapse of a long period. Non recovery from stated persons amounted to embezzlement out of the funds. This resulted into an irregularity amounting to Rs.179,994 during 1987-92 under the charge of H.M. Government Ata Muhammad Islamia High School No.1 Gujranwala.”

**17-3-99:** The Department explained that out of the Rs.179,994 a sum of Rs.67,200 had been recovered from the person concerned and got verified by Audit. An amount of Rs.49,775 had been deposited in the R.C. as trust and disbursed to concerned. An amount of Rs.14,200 had been expended on the welfare of students. The relevant record was available. The balance of Rs.48,819 was still recoverable and efforts were being made to recover the amount.

Audit apprised the PAC that the amount of the para was enhanced to Rs.195,994 and therefore, the balance recoverable was Rs.64,819.

The PAC directed the Department that balance amount as pointed out by Audit be recovered without loss of time under verification by Audit along with the verification of adjustments/expenditure of other amounts. The para was kept pending.

**4-4-02:** 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 17 March,1999 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.

#### **5. Para 6.5: Page 69 – Non-deduction of House Rent Allowance Rs. 187,977**



Audit had observed: “During Audit scrutiny of record, it was observed that residential accommodation was provided in the working premises to the Headmistress and another official. The residences were exclusively made for their accommodation. The Headmistress cannot draw house rent allowance in this case as it was contrary to the provision of Govt. of Punjab, Finance Department letter No.FD SR-I-9-6/84 dated 07 June 1988. Moreover, conveyance allowance was also not admissible to them. Despite these rules, she drew HRA & CA during her tenure. This resulted into loss to Govt. amounting Rs.187,977 during 1992-93 under the charge of Headmistress Govt. Girls High School No.2 Gujranwala.”

**17-3-99:** The Department explained that Headmistress concerned has since been expired and therefore, the recovery was not possible. The quarter stated to have been allotted to an other official (chowkidar) was in a dilapidated condition not worth living. The said official (chowkidar) never occupied that quarter. Therefore, no recovery was due from him.

The PAC directed the Department that write off sanction of the recoverable amount from the Headmistress may be obtained from the Competent Authority. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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 6.6 (1): Page 70 – Irregular Drawal of Special Pay Rs.82,824 (Headmistress Deaf & Defective Hearing School (B) Gulberg II, Lahore)**

Audit had observed: “An Audit scrutiny of pay record showed that over payment on account of pay and special pay was made to various teachers. Such pay was not admissible to them under the rules. The Government sustained loss amounting to Rs.82,824 during 1992-94 under the charge of different Heads.”

**17-3-99:** The Department explained that the Headmaster/Headmistress/Principal of special school on their posting in the Directorate of Special Education and ex-cadre posts were entitled to special pay in terms of Finance Department’s letter No.F.D-28-1/78 dated 22 May 1988.

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

**7. Para 6.6(2): Page 70 – Over-drawal of Pay Rs.82,824**

For Audit Observation, *see* Sr. No.6 above.

**4-4-02:** 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 Audit.

**8. Para 6.6(3): Page No.70 – Over-drawal of Pay Rs.82,824**

For Audit Observation, *see* Sr. No.6 above.

**4-4-02:** 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 Audit.

**9. Para 6.6 (4): Page 70 – Over-drawal of Pay Rs. 82,824 (Rs. 23,144 – Principal Government College (W) Bilal Ganj, Lahore)**

For Audit Observation, *see* Sr. No.6 above.

**17-3-99:** The Department explained that concerned Lady lecturer was posted in Government College (Women) Band Road, Lahore and she was never posted in Government College (Women) Bilal Ganj, Lahore, as contended by Audit. The irregular drawal of salary from Government College (Women Bilal Ganj, Lahore was a mistake of the computer cell in the A.G. Office. According to the Pay Bill of Government College Bilal Ganj and Bank statement of the Lady officer, she drew a sum of Rs.17,314 only for the month of July 1994 to September 1994. She never drew pay for June 1994. The amount of Rs.17,314 had been recovered from her and deposited into Government Treasury.

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

**10. Para 6.7(1): Page 71 – Irregular Drawal of Conveyance Allowance During Vacation Rs.84,123 this Item (Rs.37,177 – Government High School Khiali Gujranwala)**

Audit had observed: “An Audit scrutiny of record of various schools showed that Conveyance Allowance was paid to the Teaching Staff during summer and winter vacation, to which they were not entitled. This resulted into loss to Government amounting to Rs.84,123 during 1987-93 under the charge of Headmasters of schools.”

**17-3-99:** The Department explained that full recovery had been effected and deposited into the Government Treasury.

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

**11. Para 6.7(2): Page 71 – Irregular Drawal of Conveyance Allowance During Vacation Rs.84,123**

For Audit Observation, *see* Sr. No.10 above.

**4-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**12. Para 6.7(3): page 71 – Irregular Drawal of Conveyance Allowance During Vacation Rs.84,123 this Item (Rs.19,843 – Government M.A. Islamia High School Gujranwala)**

For Audit Observation, *see* Sr. No.10 above.

**17-3-99:** The Department explained that total amount of Rs. 19,843 had been recovered and got verified by Audit.

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

**13. Para 6.8: Page 72 – Irregular Drawal of Conveyance Allowance Rs.80,157**

Audit had observed: “The government servants of teaching institutions are not entitled to conveyance allowance during summer vacation. An examination of the record however revealed that the amount in question was drawn on account of conveyance allowance during vacation of 6/92 to 8/92, 12/92 and 6/93 to 8/93 in contravention of government instructions. Resultantly the government sustained a loss amounting to Rs.80,157 during 1993-94 by HM Government Girls School, Model Town Lahore.”

**17-3-99:** The Department explained that actual recoverable amount was Rs.10,139 which had been recovered and got verified by Audit.

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

**14. Para 6.8 (2): Page 72 – Irregular Drawal of Conveyance Allowance Rs. 80,157 (This item Rs. 25,327 – Principal Government Degree College Bilal Gang, Lahore)**

For Audit Observation, *see* Sr. No.13 above.

**17-3-99:** The Department explained that actual recoverable amount was Rs.22,627 instead of Rs.25,327 as worked out by Audit. The said amount of Rs.22,627 had since been recovered and deposited with the Government.

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

**15. Para 6.8 (3): Page 72 – Irregular Drawal of Conveyance Allowance Rs.80,157 this Item (Rs.31,511 – Principal Government FC College, Lahore)**

For Audit Observation, *see* Sr. No.13 above.

**17-3-99:** The Department explained that overpaid amount of Rs. 31,511 had since been recovered and got verified by Audit.

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

**16. Para 6.9: Page 73 – Overpayment of Conveyance Allowance Rs.40,277**

Audit had observed: “Government servants belonging to teaching institutions were not entitled to the conveyance allowance during summer vacation. In this connection, an overpayment of Rs.40,277 worked out for the period 1988 to 1992 on account of that has been wrongly made to the staff of the school. It may be recovered and deposited into Government Account under intimation to Audit.... The matter was reported to the Department in August, 1993 but no reply was receive.”

**17-3-99:** The Department explained that actual recoverable amount was Rs.39,976 which had been recovered and got verified by Audit.

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

## **Education (other than Schools)**

**17. Para 7.1 (1): Page 77 – Fraudulent Drawal of Pay and Allowances Rs. 252,966 + 282,293 = Rs.535,259**

Audit had observed: “During scrutiny of the record Audit detected fraudulent drawal of pay and allowances in 4 middle schools, of the teachers whose appointments were found either bogus or without orders of the Competent Authority. Resultantly the Government sustained a loss of Rs.(252,966 + Rs.282,293) = Rs.535,259 during the period 1992-94 under the charge of Deputy DEO (M) Lahore Cantt and Deputy DEO (M) Elementary, Lahore Cantt.”

**17-3-99:** The Department explained that a case had been got registered in the Anti-corruption against the culprit. The case was under trial in the Court of special judge Anti-corruption.

The PAC directed the Department that progress of the case in the Anti-corruption may be obtained and submitted to the PAC in the next meeting. Disciplinary action may be completed within ninety days. The para was kept pending.

**4-4-02:** 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 Audit.

**18. Para 7.1 (2): Page 77 – Fraudulent Drawal of Pay and Allowances Rs.282,293**

For Audit Observation, *see* Sr. No.17 above.

**17-3-99:** The Department explained that a case had been got registered in the Anti-corruption against the culprit. The case was under trial in the Court of special judge Anti-corruption.

The PAC directed the Department that progress of the case in the Anti-corruption may be obtained and submitted to the PAC in the next meeting. The disciplinary action may be completed within ninety days. The para was kept pending.

**4-4-02:** 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 Audit.

**19. Para 7.2: Page 77 – Misappropriation of Store Articles Rs.89,344**

Audit had observed: “An examination of record showed that different items pertaining to official use were purchased up to the stated value and the same were entered in the stock register but the same had not been issued to the concerned Headmistress. The concerned Dy. District Education Officer stated that the articles were handed over to Assistant Education Officer but no documentary evidence was produced. Resultantly Govt. sustained a loss amounting to Rs.89,344 during 1992-93 under the charge of Dy. D.E.O (W) Sheikhpura”

**17-3-99:** The Department explained that the stock had been distributed amongst the concerned schools and AEO(W) in the Tehsil. The stock entries were available in the relevant stock registers. Hence there was no misappropriation involved.

Audit apprised the PAC that Audit was conducted on 22 September, 1993 but the entries showing the issuance of store were made after the date of Audit i.e. in September 1995.

The PAC directed the Department that inquiry may be conducted about the misappropriation of store and fix responsibility before the next meeting of the PAC. The action against the defaulter in accordance with the inquiry may be taken. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

**20. Para 7.3: Page 78 – Misappropriation of Stock/Stores Articles Rs.45,327**

Audit had observed: “An Audit scrutiny of stock register showed that the stock articles amounting to Rs.45,327 shown issued to Deputy Distt. Education Officer (F), Kot Addu. Neither these items were accounted for in the stock register nor their distribution was produced to Audit. They have given in writing that no stock articles were received by them

from July, 1991 onwards. This resulted into a loss to the stated extent.”

**17-3-99:** The Department explained that the sports articles had been distributed to AEO (W) Markaz Chowk Sarwar Shaheed and stock entries were available in the relevant stock registers. Hence there was no misappropriation involved.

Audit apprised the PAC that stock entries were not found in the Stock Registers.

The PAC was not satisfied with the explanation and directed the Department that inquiry may be conducted about the misappropriation of store and fix responsibility on the defaulter. The case may also be got registered with the Anti Corruption Department for investigation. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

## **21. Para 7.4: Page 78 – Misappropriation of Rs.296,514**

Audit had observed: “An examination of acquittance rolls showed that the DDO drew pay and allowances of the staff out of Government accounts. The same was either less paid or not paid. This resulted into a loss of Rs.296,514 during 1988-94 under the charge of AEO (M) Satrah and Sambrial under Deputy DEO(M) Daska.”

**17-3-99:** The Department explained that a case had been registered with the Anti-corruption and now it was under trial in the court of special judge Anti-Corruption.

The PAC directed the Department to pursue the case in the court vigorously and progress of the case may be obtained from the Anti-Corruption and reported to the PAC. The para was kept pending.

**4-4-02:** The **Committee settled the para** with the direction that the case in the Anti-Corruption Court may be seriously pursued and action may be taken as per decision of the Court.

## **22. Para 7.5: Page 79 – Bogus Receipt/Issuance of Store Articles Rs.267,665**

Audit had observed: “An examination of record showed store articles of the stated value were shown as issued from the main store of the DEO to the AEOs/Schools, but those articles were not accounted for by the latter. No consumption accounts were maintained in this regard. From the facts noted above it was felt that the entries to issue the store articles, were just made in order to misappropriate the amount to the stated extent, which resulted into loss to Govt. amounting to Rs.267,665 during 1989-93, under the charge of DEO (M) Gujrat”.

**17-3-99:** The Department explained that this para involved the receipt/issue of (i) consumable store articles worth Rs. 201,386 , (ii) 25 bottles of duplicating ink valuing Rs.

4,900. (iii) non receipt of non-consumable articles valuing Rs.12,252/80, (iv) misappropriation of store worth Rs.47,007 and (v) doubtful issue of electric goods valuing Rs.2,120. The item wise position was as under:-

(i) Items were issued to the different schools/field offices and had been entered in their respective registers. Store articles valuing Rs.128,232 were not traceable inspite of the best efforts.

(ii) All the bottles of duplicating ink had issued to the AEOs. concerned and accounted for in their books, except the A.E.O. Kharianwala and AEO Gujrat who did not make the accountal of the said store in their record.

(iii) The store articles had been distributed to the concerned school and field officer where these store articles had been accounted for in the relevant books except the AEO, Kharianwala, AEO Kunjah, DEO (MEE) Gujrat, P/S Shah Jahani and P/S Wazeed.

(iv) The white paper had been distributed according to main stock register to different schools. Necessary entries/accountal were available.

(v) Store articles were distributed to Deputy DEO and AEOs offices where the same were available.

The PAC was not satisfied with the explanation and observed that there was a strong apprehension that store articles had been misappropriated as their accountal seemed to have been made afterwards. Therefore, the Department directed that enquiry may be conducted to fix responsibility for the said misappropriation of Government store. The loss so sustained by the Government may be made good from the defaulters. Disciplinary action may also be taken against the defaulters and officers concerned who did not take timely action in this regard. This process may be completed within ninety days. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

### **23. Para 7.6: Page 79 – Non-submission of Adjustment Accounts of Advances/Loans Drawn Out of Students Fund Rs.2,819,793**

Audit had observed: “An examination of Cash Book of Students Fund revealed that advances/loans were given to various Professors, Associate Professors and Lecturers from Students Fund to meet the contingent expenditure of college to the stated extent. Despite the lapse of 01 to 05 years no efforts were made to recoup the Students Fund.”

**17-3-99:** The Department explained that actual adjustable amount was Rs.2,940,377 and not Rs.2,819,793 as worked out by Audit. An amount of Rs.2,154,665 had since been recovered/adjusted in the relevant record and remaining amount pending adjustment was Rs.785,712. The said amount of Rs.785,712 was paid for the electricity bill and would be

adjusted after the drawal of contingent grant.

The PAC kept the para pending for the adjustment of Rs.785,712.

**4-4-02:** 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 17 March, 1999 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 7.7: Page 80 – Un-authorized Re-appropriation of Funds Rs.244,527**

Audit had observed: “Re-appropriation of Fund in excess of Rs.50,000 was subject to the prior approval of Finance Department as required vide their Circular letter No.Exp.(G) 11-22/92 dated 25.8.92 and B-1.3 (103)/92, dated 2.10.93. An examination of contingent register however revealed that an officer of the Education Department re-appropriated an amount of Rs.244,527 irregularly and in contravention of the aforesaid instructions.”

**17-3-99:** The Department explained that ban on re-appropriation for object of “Establishment Charges” Utilities and communications exceeding Rs.50,000 had been imposed for the financial year 1992-1993. and as such it did not apply to the year 1993-94. Audit however pointed out that the ban had been extended by the Finance Department on 25 August 1992 till further orders and if there was any ban the DAO should aware of that.

The PAC **settled the para subject to condonation of irregularity** by the Finance Department.

#### **25. Para 7.8: Page 80 – Irregular Re-appropriation of Funds Rs.172,725**

Audit had observed: “Re-appropriation of funds for more than Rs.50,000 was subject to approval of the Financial Department vide circular No.Exp. (G) 11-22/92, dated 25.8.92 and circular No.B-13 (103)/92 dated 2.10.93 but during the examination of contingent register it was found that the District Education Officer (M), got the amount of Rs.172,725 re-appropriated without the approval of the Finance Department which was a gross violation of the direction of the Finance Department amounting to Rs.172,725 during 1993-94 under the charge of DEO (M) Elementary Khanewal.”

**17-3-99:** The Department explained that ban on re-appropriation for object of “Establishment Charges” Utilities and communications exceeding Rs.50,000 had been imposed for the financial year 1992-1993, and as such it did not apply to the year 1993-94. Audit however pointed out that the ban had been extended by the Finance Department on 25 August, 1992 till further orders and if there was any ban the DAO should aware of that.

The PAC directed the Department that irregularity may be referred to the Finance Department to seek condonation and the **para was settled subject to the condonation** by



Finance Department.

## **26. Para 7.9: Page 81 – Non/Less Deposit of Tuition Fee and Student Fund Rs.232,759**

Audit had observed: “An Audit scrutiny of tuition fee and other funds record showed that amount in question was collected from students on account of Fee and other dues but the same was less deposited into the Government Treasury. This resulted into loss to the Government amounting to Rs.232,759 during 1987-94 under the charge of Principal Govt. College of Commerce, Rawalpindi.”

**17-3-99:** The Department explained that all the amount had been deposited into treasury except a sum of Rs.57,913.

Audit apprised the PAC that all the Treasury Challans now produced were prior to the date of Audit Inspection and these adjustments/recoveries had already been taken into account. The Treasury Challans did not show the session or the year of fee receipt. These ambiguities made the matter doubtful.

The PAC directed the Department to conduct an enquiry within two months and take disciplinary action according to the findings of the enquiry. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

## **27. Para 7.10 (1): Page 81 – Infuctuous Expenditure Loss of Rs.372,550**

Audit has observed: “From an examination of record, it was observed that the teaching staff were appointed and allowed to join duty just a week before last summer vacation, which resulted into an infuctuous expenditure on account of pay and allowances paid for the period of the summer vacation. The expenditure could have been saved, had the appointees been directed to join after summer vacation in the public interest. This administrative mishandling resulted into loss to government amounting to Rs.372,550 during 1989-91 under the charge of Deputy D.E.O.(W.E.E.), Rajanpur.”

**17-3-99:** The Department explained that the para had already been settled in the Special DAC meeting on 12 June 1997.

The PAC did not agree with the Department and observed that the SDAC was not empowered to settle the para printed in Audit Report and therefore, the decision of the DAC was not binding on the PAC. Therefore, the PAC directed the Department that a case may be referred to the Finance Department for regularization.

**The para was settled subject to regularization** of the expenditure.

## **28. Para 7.11: Page 82 – Defective Purchase of Furniture Loss of Rs.147,000**

Audit had observed: “The Director Education (Colleges) sanctioned an amount of Rs.200,000 for the purchase of 948 chairs for the college on 30 March 1991. The Purchase

Committee did the needful on 30 June 1991. The examination of the stock register revealed that within a period of one year on June 1992, 750 chairs were declared unserviceable by the storekeeper without the approval of the Competent Authority. It may be concluded from the evidence that either the supply was of an inferior quality or proper care was not extended towards their maintenance/upkeep.”

**17-3-99:** The Department explained that the purchase was made after observing all the codal formalities and all the items of furniture were entered in the stock register. Nothing was on record that the said furniture had been declared un-serviceable within one year.

The PAC directed that inquiry may be conducted by the Additional Secretary of the Department himself and he should submit his findings to the Administrative Head within two months for further necessary action. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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 7.12: Page 82 – Non-recovery of Electricity Charges Rs. 94,500**

Audit had observed: “An examination of record showed that District Education Officer (Female) was residing in Govt. residence and availing the facility of electricity which was provided from office connection for the period from January, 1990 to September 1993. It was found during course of Audit that heavy amounts were paid to WAPDA from contingency. The said officer had no sub-meter in her house. An Inquiry Committee comprising DEO(M) and Principal G.C.S Muzaffargarh confirmed the observation. It was noticed that apart from other appliances, 3 Air conditioners were installed in the residence. The cost of electricity of 3 ACs at the rate of Rs.1,000 each plus Rs.500 nominal charges worked out as Rs.94,500 for the period under question. She did not pay the bill for the whole period. The Govt. sustained a loss amounting to Rs.94,500 during 1992-93 due to non-recovery of electricity charges under the charge of DEO (Female) Muzaffargarh.”

**17-3-99:** The Department explained that Audit observation seemed to be based on supposition as the total budget grant under this head during the period from 89-90 to 92-93 was Rs.78,686. Therefore, the incurring of expenditure of Rs.94,500 as pointed out by Audit. Neither any Inquiry Committee to probe into the matter was constituted nor any finding was arrived at.

The PAC directed the Department to enquire into the matter to ascertain the factual position with regard to electric consumption and whether the DEO (F) was having a separate electric connection for her residence or whether she had been getting the electricity from the office connection. The para was kept pending.

**4-4-02:** 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 Audit.

### **30. Para 7.13: Page 83 – Non-recovery of Electricity Charges Rs.91,500**

Audit had observed: “The examination of record revealed that District Education Officer (M) was residing in the Govt. residence and availing the facility of electricity which was provided from office connection for the period from 1st May 1986 to 30 September 1993 but he was not paying charges in lieu of the service provided to him. The Govt. sustained a loss of Rs.91,500 as the electricity charges were not recovered from concerned. Further the electricity connection was also provided to residences of mali and chowkidars, hostel of the school and contractor’s residence from the main connection but no recovery was made. This resulted into Govt. loss amounting to Rs.91,500 during 1992-93 under the charge of DEO (M) Muzaffargarh.”

**17-3-99:** The Department explained that recovery on account of electricity charges was due from Mr. Ghulam Haider Abbasi the then DEO who expired on 25 December, 1997. Therefore, the said recovery was not possible.

The PAC was not satisfied with the explanation and observed that Audit observation was reported to the Department in March 1994 but no action was taken to effect the recovery of Government dues while the defaulter expired in December 1997. Even recoverable amount was not bifurcated to fix the share of recovery due from Mali, Chowkidar, Hostel of the School and Contractor who were also the beneficiaries. Therefore, the Department was directed to conduct the enquiry at a higher level to ascertain as to why the recovery was not effected from the defaulter during his life time and who was responsible for this negligence. Such negligent person may be proceeded against and due recovery may be effected from him. Due share recoverable from Mali, Chowkidar and Contractor may also be fixed and recovered from the person concerned. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

### **31. Para 7.14: Page 83 – Recovery of Private Consumption of Electricity Rs.71,710**

Audit had observed: “An Audit scrutiny of electricity bills showed that electricity was used in the staff residences and hostel from the office connection which was commercial but the charges were recovered at the domestic or nominal rate which resulted into loss to the Government amounting to Rs.71,710 during 1992-94 under the charge of incharge of Government Vocational Institute for Boys Gujrat.”

**4-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **32. Para 7.15: Page 84 – Loss on Account of Irregular Appointment Rs.116,279**

Audit had observed: “An examination of service books showed that Principal Government Commercial Training Institute Gujar Khan appointed a senior clerk directly which was a violation of the Service Rules under which no appointment could be made directly to the post of senior clerk as it was promotion a post for junior clerks. This resulted into an irregularity which costed the public exchequer amounting to Rs.116,279 during 1987 to 1993 under the charge of Regional Director Technical Education Rawalpindi.”

**17-3-99:** The Department explained that a senior clerk was appointed after fulfilling codal formalities. The official so appointed performed official duties and received salary for the duty he performed. Therefore, there was no un-necessary burden on public exchequer. The official had since expired.

The PAC **settled the para subject to regularization of expenditure** by Finance Department.

### **33. Para 7.16: Page 84 – Loss to Government Rs.327,659**

Audit had observed: “An examination of record showed that the EST Teachers were appointed and they were paid salary for the period from 1st January, 1988 to 31st December 1994. On verification it was found that their academic records were declared bogus by the Board of Intermediate & Secondary Education Rawalpindi and Board of Technical Education Lahore. The overpayment made was not recovered. The Govt. thus sustained loss amounting to Rs.327,659 under the charge of Dy. D.E.O. (M) Rawalpindi.”

**17-3-99:** The Department explained that a case had been registered with Anti-Corruption Department, Rawalpindi against the accused teacher who had already been dismissed from Government Service.

The PAC directed that case may be pursued vigorously in Anti-Corruption rather at personal level to get a better and early result. Progress report of the Anti-Corruption may also be reported to the PAC. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

### **34. Para 7.17: Page 85 – Irregular Expenditure of Rs.394,307**

Audit had observed: “During the Audit scrutiny of record it was observed that certain appointments of

PTC lady teachers were made when they did not possess the prescribed qualification. This resulted into irregular expenditure amounting to Rs.394,307 during 1992-93 under the charge of Deputy DEO (F) Lodhran.”

**17-3-99:** The Department explained that appointments of teachers without the prescribed qualification were made by the then Deputy DEO(F) in contravention of the rules and policy of the recruitment. The said Deputy DEO had since been removed from service. Anyhow, the lady teachers so appointed acquired the prescribed qualification after their recruitment.

The PAC **settled the para subject to verification of record** in respect of acquiring the prescribed qualification by the lady teachers after having been appointed by the defaulter Deputy DEO.

### **35. Para 7.18: Page 85 – Overpayment of Pay and Allowances Rs.84,924**

Audit had observed: “An Audit scrutiny of pay bills and service books showed that overpayment to the stated extent was made in pay and allowances on account of wrong fixation of pay.”

**17-3-99:** The Department explained that Rs.973 had been recovered from Tariq Mehmood class IV employee and got verified by Audit. The amount of Rs.4,697 was recoverable from two S.V. teachers who had since left the service and their whereabouts were not known. An amount of Rs.3,845 was recoverable from two teachers who had been reminded time and again to deposit the amount but in vain. Now, the Headmaster concerned had been directed to recover the amount in installments from these teachers. A sum of Rs.71,954 was recoverable from two lady teachers who had promised to deposit the amount.

Audit apprised the PAC that a case pertaining to the recovery of Rs.71,954 was also reported to the Anti corruption where it was yet pending.

The PAC directed the Department to conduct an inquiry to ascertain as to how such a huge amount was overpaid and who was responsible for the said overpayment. Responsibility for this overpayment may be fixed and the defaulter may be proceeded against for severe disciplinary action. Recovery may be effected either from the officials concerned or from the defaulter who made the overpayment. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

### **36. Para 7.19(1): Page 86 – Overpayment of Rs.70,477 (Amount Under Observation Rs.31,477)**

Audit had observed: “An examination of record showed that the amount to the stated

extent was over paid on account of wrong fixation of Pay, irregular award of Selection Grade, double drawal of arrears and by changing the totals of the bills without any justification. This resulted into loss to Government amounting to Rs.70,477 during 1992-94 under the charge Deputy DEO Rajanpur and Taunsa.”

**17-3-99:** The Department explained that overpaid amount of Rs.28,958 had been recovered and deposited with the Government.

The PAC **settled the para subject to verification of recovery** so far made by Audit and balance recovery under verification by Audit.

**37. Para 7.19(2): Page 86 – Overpayment of Rs.40,477 (Amount Under Observation Rs.30,288)**

For Audit Observation, *see* S.No.36 above.

**17-3-99:** The Department explained that total recovery had since been made and got verified by Audit.

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

**38. Para 7.20: Page 86 – Overpayment on Account of Disturbance Pay of Rs.78,000**

Audit had observed: “An Audit scrutiny of pay record showed that Disturbance Pay at the rate of Rs.2,600 PM, was paid from July 1992 to 31 December 1994 against rule to a PTC teacher. The overpayment made to official was neither found to have been got refunded nor recovered. The Government had thus sustained loss due to the fact that vigilant check was not exercised by the DDO. This resulted into an overpayment amounting to Rs.78,000 during 1992-94 under the charge of Deputy DEO(E) Male Lahore Cantt.”

**17-3-99:** The Department explained that the cases were under trial in the court of Special Judge Anti-Corruption. Disciplinary cases were also in process against the culprits.

The PAC directed the Department to pursue the case in the Court vigorously and progress with regard to the disciplinary proceedings and court cases be intimated to the PAC. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

**39. Para 7.21: Page 87 – Excess Drawal of Pay and Allowances of PTC Teachers Loss of Rs.4,594,860**

Audit had observed: “An Audit scrutiny of record showed that pay and allowances of 152

posts of the PTC. The teachers were drawn in excess of sanctioned strength during 1992-93 and 1993-94. The Department could not check the irregularities. This resulted into extra expenditure to Government amounting to Rs.4,594,860 during 1992-94 under the charge of Deputy DEO (Male) Cantt, Lahore.”

**17-3-99:** The Department explained that the cases were under trial in the court of Special Judge Anti-Corruption. The disciplinary cases were also in process against the culprits. The PAC directed the Department to pursue the case in the Court vigorously and progress with regard to the disciplinary proceedings and court cases be intimated to the PAC The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

#### **40. Para 7.22: Page 87 – Un-authorized Payment of Rs.65,930**

Audit had observed: “During Audit scrutiny of record it was observed that a lady instructor was appointed on contract basis vide Education Deptt: Notification No. S.O.(T.E.) 4-4/91 dated 3 February 1992 which expired on 11 January 1993. But the official kept on drawing pay up to 28 February 1994 without obtaining any extension which resulted into excess pay amounting to Rs.65,930 during 1992-93 under the charge of Principal Poly Tech: Institute (W) Sargodha.”

**17-3-99:** The Department explained that case of extension on contract appointment of Mst Kaniz Fatima Instructor of Commerce, Government Polytechnic Institute (Women) Sargodha had already been submitted to the Government and its decision was awaited.

The PAC kept the para pending for regularization of case and further extension of the contract from the S & GAD.

**4-4-02:** 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 17 March, 1999 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.

#### **41. Para 7.23: Page 88 – Irregular Payment of Pay and Allowances to Untrained Teachers Loss of Rs.298,348**

Audit had observed: “From an examination of record it was observed that 14 untrained teachers were appointed on the condition that they were required to acquire the prescribed qualification within a period of three years from the date of appointments failing which their services would stand terminated. On the expiry of said period as required vide Govt. of Punjab Services General Administration and Information Deptt. letter No.SCR-III-2-122/89(B) dated 14th August 1990. The needful has not been done. The amount in question was paid to the untrained teachers inspite of the fact that they had not acquired the prescribed qualification even after the expiry of said period. This resulted into loss amounting to Rs.355,647 during 1993-94 under the charge of Deputy DEO (Male) Okara.”

**17-3-99:** The Department explained that UT/PTC teachers were appointed before the date of 14 August 1990 which was the date of the issue of the Government notification for untrained teachers. Therefore, the said notification was not applicable to the teachers appointed before 14 August, 1990.

The PAC directed the Department to produce the relevant record to Audit for verification. The para was kept pending.

**4-4-02:** Reiterating the decision of the PAC dated 17 Mach 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.

#### **42. Para 7.24: Page 89 – Overpayment of Rs.52,514**

Audit had observed: “From an examination of service book accounts it was observed that amount in question was paid to teachers and lower staff in excess of the pay, which was not permissible to them under the rules. This resulted into an overpayment amounting to Rs.52,514 during 1993-94 under the charge of Deputy DEO, Gujranwala.”

**4-4-02: The Committee settled the para with the direction** that the recoverable amount be determined in consultation with Audit. The amount so determined be recovered and compliance be reported to the Finance Department, the Assembly Secretariat and Audit.

#### **43. Para 7.25 (1): Page 89 – Irregular Payment of Rs.204,253**

Audit had observed: “According to Government Punjab Services & General Administration Department’s letter No.SOR-III-2-122/89(b) dated 14 August 1990 the services of untrained teacher



were to be terminated in case she/he fails to acquire prescribed qualification within the prescribed period of three years. During Audit scrutiny it was, however observed that untrained teachers were appointed who did not acquire the prescribed qualification even after the lapse of prescribed period but their services were not terminated as required. Rather they were retained in service and paid their normal salaries which resulted into a loss to Government amounting to Rs.204,253 during 1993-94 under the charge of Deputy DEO(W) TT Singh and Deputy DEO (M) Rawalpindi.”

**17-3-99:** The Department explained that lady teacher joined service on 24 November 1981 and passed her PTC examination from the Allama Iqbal Open University on 31 December 1987. As such no irregular payment was made to her and no-recovery was due. The matter had also been verified by Audit.

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

#### **44. Para 7.25 (2): Page 89 – Recovery of Overpayment Rs.204,253**

For Audit Observation, *see* S.No.43 above.

**17-3-99:** The Department explained that Qazi Khaliq-ur-Rehman was appointed as un Trained Teacher on 13 May 1987. He acquired the requisite qualification by appearing in the examination of 1989-90. Result of the said candidate was declared late by 18 October 1994. Anyhow he passed the examination. However his pay had been stopped since September 1998. The other teacher Mr. Ghalib served in the Education Department till 1st October 1997 and after that he never attended his duty. He appealed to the Khidmat Committee for pension and the matter was under process.

Audit apprised the PAC that the Department had given incomplete information in the working papers as three other cases had not been mentioned by it.

The PAC directed the Department to enquire into the matter to ascertain as to who was responsible for presenting the incomplete/incorrect information before the PAC and (2) Who was responsible for not taking any action against other UT Teachers. The defaulters may be proceeded against for disciplinary action under E & D Rules. Irregularly paid amount may be recovered either from the persons concerned or from the officer who made the appointments. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

#### **45. Para 7.26: Page 90 – Irregular Payment of Rs.224,247 on Account of Advance Increments**

Audit had observed: “A scrutiny of service books revealed that certain PTC and EST

teachers were granted Selection Grade in BPS-9 and 14 respectively for possessing higher qualification. They were also granted advance increments for the higher qualification which was not admissible in terms of Education Deptt. Notification dated 26 October 1990. It resulted into irregular and excess payment amounting to Rs.224,247 during 1992-94 under the charge of Deputy DEO (Male) Lahore Cantt.”

**17-3-99:** The Department explained that all the cases were being scrutinized and if any overpayment was found the same would be recovered.

The PAC directed the Department to conduct inquiry at higher level to ascertain as to how the teachers got double benefit of selection grade and advance increments in violation of Government orders and who was responsible for this irregularity. The defaulters may be proceeded against for severe disciplinary action and overpayment may be made good from them. The para was kept pending.

**4-4-02:** 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 17 March 1999 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.

#### **46. Para 7.27: Page 90 – Non-accountal of Public Receipt Rs.1,253,505**

Audit had observed: “An examination of Treasury Schedule of payments of Asstt. Education Officer (Male) showed that the stated amounts were drawn by him from September 1988 to May 1991. The amounts drawn were neither entered in the cash book nor any record of their disbursements was available. The Government sustained loss amounting to Rs.1,253,505 during 1988-91 under the charge of Assistant Education Officer (Male) Satrah & Deputy DEO (Male) Daska.”

**17-3-99:** The Department explained that case had been registered with the Anti-corruption Department. The defaulter was also being proceeded against under E & D Rules.

The PAC directed the Department to pursue the case in Anti Corruption Department. Progress report of Anti-corruption case and disciplinary case may be reported to the PAC. The para was kept pending.

**4-4-02:** 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 17 March 1999 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.

#### **47. Para 7.28: Page 91 – Non-accountal Rs.382,556**

Audit had observed: “An examination of record showed that the cash book for the period from Jan, 1992 to August 1992 was not maintained in contravention of Rule 2.2 of P.F.R. Vol-

I. An amount of Rs.624,590 was drawn by the Headmistress Govt. Middle School Kaler Wala Markaz Khan Garh in September 1991 and during the period from 25th October, 1992 to 3rd October 1993. Only an amount of Rs.242,043 was disbursed. The remaining balance according to the Acquittance Rolls was neither refunded into Govt. Treasury nor its disbursement was shown to Audit. This resulted into Govt. loss amounting to Rs.382,556 during 1992-93 under the charge of Deputy DEO (W) M/Garh.”

**17-3-99:** The Department explained that cash book of the school had been maintained properly and necessary record duly completed in all respects.

The PAC was not satisfied with the explanation and observed that entries made in the cash book and Acquittance Roll afterwards could not be considered genuine and such record could not justify the disbursement made by the DDO as pointed out by Audit. Therefore, the Department was directed to conduct inquiry as a huge amount drawn from October 1992 to October 1993 had not been found to have been paid at the time of Audit Inspection in January 1994. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

**48. Para 7.29: Page 91 – Overpayment on Account of Grant of Advance Increments Rs.50,645**

Audit had observed: “An Audit scrutiny of record showed that teachers possessing F.A. and B.A. qualification were granted CT and B.Ed grades of BPS-9 and 14 vide notification dated 26 June 1990. But simultaneously they were also allowed to draw advance increments provided by FD letter No. FD-DC-2-1/83 dated 25 August 1993 for the higher qualification. They had already been awarded the higher pay scale and the advance increments were thus not admissible to them. This resulted into overpayment amounting to Rs.50,645 during 1992-94 under the charge of Deputy DEO (M) Elementary Lahore Cantt.”

**17-3-99:** The Department explained that all the cases were being scrutinized and if any overpayment was found the same would be recovered.

The PAC directed the Department to conduct inquiry at higher level to ascertain as to why the teachers had been granted CT and B.Ed. grades and advance increments in violation of Government orders. (2) Who was responsible for this irregularity. The defaulters may be proceeded against for severe disciplinary action and overpayment may be made good from him. The para was kept pending.

**4-4-02:** 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 17 March, 1999 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.

**49. Para 7.30: Page 92 – Un-authorized Shifting of Headquarter Irregular Expenditure of Rs.70,144**

Audit had observed: “An examination of record showed that the headquarter of a clerk was shifted by the Director Technical Education in May 1992 contrary to the instructions of Finance Deptt. contained in letter No.FD-DR. IV-8-1/76 dated 16 March 1988 read with Rule 3.3 of Punjab TA Rules and no sanction of the Finance Department was obtained. The irregular shifting of headquarter for a period in excess of three months resulted in a gross financial irregularity and involved irregular expenditure incurred from 5/92 to 4/95, amounting to Rs.70,144 under the charge of Principal Government College of Commerce, Gujrat.”

**17-3-99:** The Department explained that a request had been made to the Government of Punjab for regularization of the irregularity.

The PAC kept the para pending for the regularization of the irregularity by the Finance Department.

**4-4-02:** 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 17 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 7.31: Page 92 – Less Realization of Government Dues Rs.50,686**

Audit had observed: “An Audit scrutiny of record showed that tuition fee, hostel fee, re-admission fee and typing fee were not realized according to the notification of Government of the Punjab Finance Department vide letter No.SO(x) (F)-11-3/90, dated 9 June 1990. This resulted into loss to Govt. amounting to Rs.50,686 during 1991-94 under the charge of Principal Government College of Commerce Gujrat.”

**17-3-99:** The Department explained that the college authorities collected the fee at the rate as given in the prospectus of the college. Moreover when the objection was raised by Audit, the students had left the college. Therefore, recovery from the students was not possible.

The PAC directed that enquiry may be conducted to fix responsibility for the loss realization of Government dues made in contravention of the Government orders within two months. The para was kept pending.

**4-4-02:** 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 17 March 1999 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.

### **51. Para 7.32: Page 93 – Non-realization of Government Dues Rs.114,448**

Audit had observed: “An examination of the record revealed that tuition fee etc. was short realized/not realized from students and hence, not deposited into government Treasury. This resulted into loss to public exchequer amounting to Rs.114,448 by the Principal government College Asghar Mall, Rawalpindi.”

**17-3-99:** The Department explained that the matter was probed into and it was found that actually the less amount was got deposited due to the facts that some students either left the college after having been detained in the annual/promotion test or their names had been struck off due to non-payment of dues. None of them continued studies.

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

### **52. Para 7.33: Page 93 – Bogus Drawal of Pay and Allowances Rs.208,938**

Audit had observed: “From an examination of record, it was observed that the amount in question was drawn on account of Pay and Allowances against excess posts of class IV and PTC Teacher than the sanctioned strength. This resulted into a loss to Government amounting to Rs.208,938 during 1992-93 under the charge of Deputy DEO (W) Bahawalpur.”

**17-3-99:** The Department explained that an inquiry had been conducted and as a result, four officers/officials were held responsible and they had been proceeded against. Mrs. Iqbal Bhatti the then Deputy DEO (W) had compulsorily been retired from Government Service. Mrs. Farhat Masud incharge Headmistress had been reverted to lower grade. Recovery of Rs.2,20,000 had also been imposed upon her. Mr. Mohammad Yaseen, Junior Clerk had been reverted to lower stage by 5 steps in time scale. The case of Mrs. Khalida Parveen, AEO was under process and would be finalized soon. Mrs. Farhat Masud had challenged the decision in the Punjab Services Tribunal.

The PAC directed the Department to pursue the case in the Services Tribunal and to decide the case of Mrs Khalida Parveen without further loss of time. The para was kept pending.

**4-4-02:** 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 17 March 1999 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.

**53. Para 7.34: Page 94 – Loss on Account of Non-recovery of Conveyance Allowance of Rs.79,969**

Audit had observed: “From an examination of record it was observed that the amount in question was drawn as conveyance allowance by the Teaching Staff of the College during summer vacation of 5/6/93 to 31/8/93, 25/6/94 to 31/8/94 to which they were not entitled. This result into loss to government amounting to Rs.79,969 during 1993-94 under the charge of Principal Government Shalimar College, Baghbanpur.”

**17-3-99:** The Department explained that actual recoverable amount was Rs.69,283 and not Rs.79,969 as pointed out by Audit. The said amount of Rs.69,283 had since been recovered and got verified by Audit.

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

**54. Para 7.35: Page 94 – Non-recovery of Tuition Fee Rs.71,794**

Audit had observed: “From an examination of record it was revealed that the amount to the stated extent was less/not realized from students on account of Tuition Fee and then the same was not deposited into Govt. Treasury in contravention of Rule 7(1) of S.T.R. This resulted into a loss amounting to Rs.71,794 during 1991-92 by Dy. DEO Muzaffargarh.”

**17-3-99:** The Department explained that the para had already been settled by the Special DAC.

The PAC observed that the SDAC was neither empowered to discuss a para printed in Audit Report nor it could settle the same. Therefore, the Department was directed that detailed reply/compliance of Audit observation may be furnished to Audit along with the relevant record for verification. The para was kept pending.

**4-4-02:** As the Special DAC had already recommended the para for settlement, the **Committee settled the para.**

**55. Para 7.36: Page 95 – Loss of Government Revenues of Rs.173,237**

Audit had observed: “On scrutiny of record, it was noticed that furniture articles with similar material and specification, purchased during 1992-93 were on much higher rates as compared to rates of the same furniture items purchased afterwards during the year 1994-95. Contrarily cost of articles manufactured had always increased day by day. Excess expenditure

of Rs.173,237 on the purchases made during the year 1992-93, was therefore, incurred, under the charge of Deputy DEO (M) Daska.”

**17-3-99:** The Department explained that the DDO concerned (Mr. Manzoor Ahmad) had since been expired. Therefore, neither any recovery was possible nor any disciplinary action could be taken.

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

## Commercial Audit

### **56. Para 3(xi): Page 6 – Punjab Education Foundation**

Audit had observed: “The Punjab Education Foundation has not compiled its accounts.”

**18-4-02: The PAC noted** the contents of Audit para and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Department must ensure that the accounts are compiled and submitted to Audit on time.

# Environment Protection Department 1994-95

## Overview

<b>Total Paras</b>	<b>Civil</b>
<b>4</b>	<b>4</b>

## Abstract

<b>Status</b>	<b>Decision</b>	<b>Para Nos.</b>	<b>Total</b>
<b>Paras Finally Settled</b>  <b>2</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 8.2, 8.3.	<b>2</b>
<b>Paras Conditionally Settled</b>  <b>2</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	<b>Civil:</b> 8.1, 8.4.	<b>2</b>

**Discussed on 30 September 1999, 25 January 2001 and 4 April 2002**

## Civil Audit

### 1. Para 8.1: Page 99 – Embezzlement of Rs.154,121 on Account of Pay and Allowances

Audit had observed: “An examination of record showed that the pay and allowances of transferred officials and those proceeded on EOL or terminated were drawn to the stated extent. This amount was neither paid to them nor deposited into the Government Treasury. In cash book it was shown as paid to the concerned to conceal the embezzlement. This resulted into loss to the public exchequer amounting to Rs.154,121 during 1993-95 under the charge of the DG Environment Protection Agency Lahore.”

**30-9-99:** The Department explained that total amount was Rs. 217,468 inclusive of the amount of Rs.154,121 pointed out by Audit. The total amount of Rs.217,468 had been recovered. The DDO



concerned being new was not conversant with the rules and through omission deposited the entire amount into the Treasury. Anyhow, the amount was made good in 1993 while Audit pointed out the same in 1995.

The PAC directed the Department to produce the relevant record to Audit for verification of factual position. The para was kept pending.

**25-1-01:** The Committee re-iterated the previous PAC's direction dated 30 September, 1999, which had not yet been complied with by the Department. The para was kept pending.

**4-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **2. Para 8.2: Page 99 – Irregular Allocation of Government Vehicle to Un-authorized Officials Non-recovery of Rs.54,242**

Audit had observed: "An Audit scrutiny of log books showed that government vehicles were allocated to the officials who were not entitled for free use of government vehicles. The vehicle No. LOK-617 was allocated to the Staff Officer of DG who is an official grade 11. Apart from this vehicle, one motor cycle was also allocated to the PA. Further probe into the matter disclosed that the vehicle under consideration was shown allotted to DG's Camp Office. This resulted into loss to public exchequer amounting to Rs.52,242 during 1993-95 under the charge of DG Environment Protection Agency Lahore."

**30-9-99:** The Department explained that no vehicle was allocated to the Staff Officer of Director General as there was no such post. The vehicle in question had been placed in the Transport Pool of the Department and was used by various officers for discharging extraordinary official duties. Therefore, no irregularity was involved.

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

## **3. Para 8.3: Page 100 – Irregular Use of Government Vehicle Recovery of Rs.172,252**

Audit had observed: "An Audit scrutiny of log book showed that a government vehicle remained under use of private Secretary to the Minister H&PP from 9.7.92 to 0.3.95 and covered 86126 kilometer. The said officer was not entitled for free use of government vehicle and the vehicle so used was without any justification. This resulted into loss to public exchequer amounting to Rs.172,252 during 1993 to 1995 under the charge of Director General Environment Protection Agency, Lahore."

**30-9-99:** The Department explained that vehicle No. LOF-4198 was placed at the disposal of Minister for HP&EP at his request. The P.S. to the Minister filled in and signed the log book of the vehicle. The entire distance covered by the vehicle while used by the Minister had been shown as

official journey. Therefore, there was no irregularity involved.

The PAC settled the para subject to verification of log book of the vehicle by Audit.

**25-1-01:** As per previous PAC's direction dated 30 September 1999 the Department had produced the log books of the vehicles to Audit. **The para was settled.**

#### **4. Para 8.4: Page 100 – Irregular Drawal of Special Pay and Design Allowance Amounting to Rs.54,919**

Audit had observed: "An Audit scrutiny of computer muster roll showed that certain officials who had been drawing special pay in the previous organization, kept on drawing the same even after their transfer to this office without any justification. Similarly Design Allowance was allowed to those who possessed specific qualification and specific job but special pay and Design Allowance was drawn by the officers which was not admissible to them as no provision of such pay and allowance was made in the Administrative approval. The Government sustained a loss amounting to Rs.54,919 during 1993-95 under the charge of Director General Environment Protection Agency, Lahore."

**30-9-99:** The Department explained that payment had been made according to the pay slip issued by the Accountant General Punjab. Therefore, the Department was not responsible in any way for said payment of special pay and design allowance.

The PAC directed that the concerned officer of the AG Office, who issued the pay slip including the special pay and design allowance to the officers who were not entitled for the same, may be proceeded against for severe disciplinary action. The PAC also recommended that the paid amount may be waived off. The para was kept pending.

**25-1-01:** The Committee re-iterated previous PAC's decision dated 30 September 1999 which had not yet been complied with. The para was kept pending.

**4-4-02:** 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 25 January, 2001 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.

# Excise and Taxation Department

## Overview

Total Paras	Civil	Commercial	Revenue Receipts
6	1	1	4

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Noted</b>  <b>1</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	<b>Commercial:</b> 3(xii)	<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 Audit should verify the same.	<b>Revenue Receipts:</b> 4.1, 4.2, 4.3, 4.4.	<b>4</b>
<b>Paras Pended</b>  <b>1</b>	Paras pended either because the Department had not taken satisfactory action or the Department did not submit Working Papers.	<b>Civil:</b> 9.1	<b>1</b>

**Discussed on 4 and 18 April 2002.**

## Civil Audit

### **1. Para No.9.1: Page No. 103 – Theft of Rs.1,255,545**

Audit had observed: “The examination of accounts revealed that the above stated amount was stolen in May, 1993. The case was got registered with police but without any positive outcome. The loss was required to be reported to Audit vide rule 2.34 of PFR Vol-I which was not done. The effort in this regards may please be intimated to Audit.”

**4-4-02:** 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 Audit.

## **(Commercial Audit)**

### **2. Para 3(xii): Page 6 – Government Opium and Alkaloid Factory, Lahore (1993-94 to 1994-95)**

**18-4-02:** The PAC noted the contents of Audit para and directed that the Department should promptly complete the accounts and submit the same to Audit for necessary action. In future, the Department must ensure that the accounts are compiled and submitted to Audit on time.

## **(Revenue Receipts Audit)**

### **3. Para 4.1: Page 13 – Property Tax**

#### **A. Non-realization of Property Tax - Rs.35,979,820**

**(a) (Page 13) Due to Non-recovery of 15% Share of Provincial Government From Cantonment Boards Rs.31,234,730**

**(b) (Page 15) Due to Non-recovery of Arrears Rs.2,983,850**

**(c) (Page 17) Due To Non-issuance Of Demand Notices In Respect Of Property Units Owned By PTC Rs.1,026,186/-**

**18-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**(d) (Page 18) Due To Omission In Carrying Forward Of Arrears Rs.407,024**

**18-4-02:** 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 Audit for verification by 30 September, 2002. Disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**(e) (Page 21) Due To Non-accountal In Demand Of Property Units Owned By PTC Since Its Creation I.E. 15-12-1990 Rs.328,030**

**18-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**B. Short-realization of Property Tax - Rs.1,508,749**

**(a) (Page 22-23) Due to Short-assessment of Property Tax in Respect of Property Units Occupied by Banks Rs.982,849**

**(b) (Page 23-25) Due To Non-consolidation Of Property Units Owned By The Same Person Rs.307,575**

**(c) (Page 25) Due To Computational Errors - Rs.218,325**

**18-4-02:** 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 Audit for verification by 30 September, 2002. The disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**4. Para 4.2: Page 25 – Motor Vehicles Tax**

**(a) (Page 25 to 28) Non-recovery of Token Tax Rs.2,667,824**

**18-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**5. Para 4.3: Page 28- 29 – Cotton Fee**

**(a) (Page 28-29) Non-realization of Cotton fee Rs.366,701 Plus Additional Duty/Cotton Fee**

**18-4-02:** 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 Audit for verification by 30 September, 2002. Disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

**6. Para 4.4: Page 29-30 – Education Cess**

**(a) (Page 29-30) Non-realization of Education Cess Rs.851,065**

**18-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

# Finance Department

## Overview

<b>Total Paras</b>
<b>2</b>

## 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 Audit should verify the same.	<b>Civil:</b> 12.1, 12.2.	<b>2</b>

**Discussed on 18 March 1999 and 6 April 2002.**

## Civil Audit

### **1. Para 12.1: Page 163 – Overpayment of Technical Allowance Rs.391,631**

Audit had observed: “Grant of Technical Allowance for the staff working in the Telecommunication and Motor Transport Section of the Punjab Police at the rate of 20% of the pay w.e.f. Ist May 1990 was sanctioned vide Finance Department letter No.FD (PC)14-3/87 dated 22 May 1990. The allowance was un-authorizedly given also to the staff of SP Sialkot where the Tele & Transport Section did not exist and hence no body was entitled to the said allowance. This resulted into overpayment of Rs.391,631 during 1992-93 under the charge of DAO Sialkot.”

**18-3-99:** The Department explained that Technical Allowance was withdrawn as it was not admissible to the drivers and the case was in the court as the affectees had challenged the decision.

The PAC directed the Department to pursue the case in court vigorously to get a positive and early decision. The para was kept pending.

**6-4-02:** **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.

## **2. Para 12.2: Page 163 – Overpayment of Rs.59,942**

Audit had observed: “During audit scrutiny of record, it was observed that payments to pensioners were being made on the basis of wrong calculations which resulted into an overpayment amounting to Rs.59,942 during 1993-94 under the charge of DAO, TT Singh.”

**18-3-99:** The Department explained that actual overpayment was of Rs.37,632 and not Rs.59,942 as calculated by Audit. Out of Rs.37,632 a sum of Rs.15,523 had been recovered and verified by Audit. The balance amount was being recovered in monthly installments.

The PAC kept the para pending for balance recovery.

**6-4-02:** 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 31 December 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.



# Food Department

## Overview

Total Paras	Civil	Revenue Receipts
74	73	1

## Abstract

Status	Decision	Para Nos.	Total
<b>Paras Conditionally Settled</b>  <b>73</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	<b>Civil:</b> 11.1, 11.2, 11.3, 11.4 11.5, 11.6, 11.7, 11.8, 11.9, 11.10, 11.11, 11.12, 11.13, 11.14, 11.15, 11.16, 11.17, 11.18,11.19, 11.20, 11.21, 11.22, 11.23, 11.24, 11.25, 11.26, 11.27, 11.28, 11.29, 11.30, 11.31,11.32, 11.33, 11.34, 11.35, 11.36, 11.37, 11.38, 11.39, 11.40, 11.42, 11.43, 11.44, 11.45, 11.46, 11.47, 11.48, 11.49, 11.50, 11.51, 11.52, 11.53, 11.54, 11.55, 11.56, 11.57, 11.58. 11.59, 11.60, 11.61, 11.62, 11.63, 11.64, 11.65, 11.66, 11.67, 11.68, 11.69, 11.70, 11.71, 11.72, 11.73.	<b>72</b>
		<b>Revenue Receipts:</b> 5.1	<b>1</b>
<b>Paras Pended</b>  <b>1</b>	Paras pended either because the Department had not taken satisfactory action or the Department did not submit Working Paper.	<b>Civil:</b> 11.41	<b>1</b>

**Discussed on 6 and 18 April 2002.**

## Civil Audit

### 1. Para 11.1: Page 123 – Misappropriation of 14183 Gunny Bags Loss of Rs.198,562

Audit pointed out that the scrutiny of the Inventory Register for November 1991 (1986/87

Scheme) revealed that 14183 bags were shown as “D” class by the centre in charge on his own without obtaining sanction of the Competent Authority, declaring the bags unserviceable.

**6-4-02:** 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 11.2: Page 123 – Misappropriation of 7889 “A” Class Empty Bags Rs.147,814**

Audit had observed: “At the closing of the scheme 1987-88 and 1988-89 there were 7889-A class gunny bags worth Rs.147,814 in balance. But the said gunny bags were neither handed over to any one nor the disposal/despatch of the same was shown in the inventory as a result of which there was likelihood of their misappropriation. Either the said gunny bags may be traced out or cost thereof recovered from the official responsible and deposited into the Government Treasury.”

**6-4-02:** 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.

**3. Para 11.3: Page 124 – Misappropriation/Less Accountal Of Gunny Bags Rs.86,670**

Audit had observed: “During the scheme 1992-93, gunny bags worth stated value were either not acknowledged or less accounted for, while dispatching from one to another center.”

**6-4-02:** 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.

**4. Para 11.4: Page 124 – Misappropriation of Government Stores Rs.212,883**

Audit had observed: “From the stock article register, it was observed that stores worth Rs.212,883 were shown by the Department to be not on site. The matter may be investigated and the loss sustained by the Government on this account may please be made good by effecting the recovery from the persons found at fault.”

**6-4-02: 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 SDAC. The action taken in the matter shall be communicated to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**5. Para 11.5: Page 125 – Misappropriation of Store and Stock Articles Rs.156,992**

Audit had observed: “The examination of stock articles register indicated that stores worth Rs.156,992 were shown short on 14.11.1988 at the time of taking over charge. The matter was reported to the Department vide letter No.DGA/LZ/AP/CD/51, dated 27.6.1994.”

**6-4-02: 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.

**6. Para 11.6: Page 126 – Misappropriation of Government Stores Rs.219,500**

Audit had observed: “From an examination of stock articles Register, it was revealed that the stock articles worth Rs.189,500 were shown as non-recoverable without any solid reason at PR Centre, Haroonabad for the scheme 1992-93 by the Incharge of the Centre un-authorizedly.”

**6-4-02: 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.

**7. Para 11.7: Page 126 – Misappropriation of 76937 A-Class Bags Rs.488,299**

Audit had observed: “During course of Audit it was observed that wheat was dispatched in A-Class bags from the various PR Centres but were acknowledged by DFC Attock as B-class and D-class which resulted in loss to the Public exchequer amounting to Rs.488,299 during 1992-93 under the charge of DFC Attock.”

**6-4-02: On consideration of the facts, 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.

**8. Para 11.8: Page 127 – Godown Shortage of 354 M. Tons Recoverable amount Rs.609,600**

Audit observed that the examination of the stock report of scheme 1993-94 revealed godown shortage of 354 M. Tons valuing Rs.141,600 in February 1994. While some amount was recovered and deposited into Government Treasury, the remaining balance amount of Rs.609,600 was still recoverable.

**6-4-02:** On consideration of the facts, 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 11.9: Page 127 – Godown Shortage Rs.1,142,214**

Audit had observed: “An examination of GP-5 revealed that wheat valuing the above amount was shown as godown shortage during wheat procurement scheme 1992-93. An amount of Rs.286,518 was recovered and the balance amount of Rs.1,142,214 stands recoverable. This resulted into loss of Rs.1,142,214 during 1992-94 by District Food Controller, Bhakkar.”

**6-4-02:** On consideration of the facts, the **Committee settled the para with the direction** that the Department shall investigate the matter; recover the loss from the persons found at fault. In case no one is found responsible and the case may be referred to the Competent Authority for the write off. The action taken shall be got verified from Audit by 30 September 2002, and reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**10. Para 11.10: Page 128 – Shortage of Wheat and Other Stock Articles Rs.1,839,718 (108,250 +575,600+1,155,868)**

Audit had observed: “During Audit scrutiny of record it was observed that various stock articles were found short during 1992-93. Besides 591 filled bags of wheat were missing and 125 bags were found damaged. This resulted into loss to Government amounting to Rs.1,839,718 during the year 1992-94 under the charge of DFC Rajanpur.”

**6-4-02:** On consideration of the facts, 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 11.11: Page 128 – Shortage of Bricks Rs.131,600**

Audit had observed: “An Audit scrutiny of Article Register of Food Controller Kotla Mughlan for the year 1992-93 showed that bricks costing Rs.100,000 were purchased for use in August 1992 but after the close of Flag Center, neither the bricks were returned to PR Center nor shown in stock. Similarly at PR Center Jampur, 31600 bricks were found short. The Department could not adopt measures to check these damages. This resulted into loss to Government amounting to Rs.131,600 during 1992-94 under the charge of DFC Rajanpur.

**6-4-02:** On consideration of the facts, 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.

### **12. Para 11.12: Page 129 – Shortage of Wheat Rs.194,350**

Audit had observed: “During Audit scrutiny of records, it was observed that heavy shortage of wheat at godown was shown at PR Taunsa in 1991-92 and 1992-93. Despite sufficient arrangements being made by the Government to save the wheat from losses a huge amount spent on salary of chowkidars and medicines. The shortage occurred due to carelessness of the Department. Shortage was shown just to hide the theft by the staff engaged for its safe custody. This resulted into loss amounting to Rs. 194,350 during 1992-93 and 1993-94 under the charge by DFC DG Khan.”

**6-4-02:** 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 11.13: Page 129 – Godown Shortage of 492 M.Tons Wheat Loss of Rs.1,343,160 and 4920 Gunny Bags (Rs.118,080) = Rs.1,461,240**

Audit had observed: “Godown shortage of 492.000 M. Tons wheat of scheme 1989-90 was found at PR Center 70-Abbasia as per stock report GP 5 No.018346 dated 24 September 1991.

**M.Tons.**

Total receipt including purchase	=	18024.700
Total disposal	=	17532.700
Shortage	=	492.000

Godown shortage calculated @ Rs.2,730 per M.Tons with cost of 4920 guny bags @ Rs.24 amounting to Rs.118,080 may be recovered as well as disciplinary action taken against the persons at fault.”

**6-4-02:** 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.

**14. Para 11.14: Page 130 – Godown Shortage of 87 M.Tons Wheat Rs.306,702 Center 41/Fateh Scheme 1991-92**

Audit had observed: “The examination of stock report of PR Center for the scheme 1991-92 revealed that there was a godown shortage of 87.000 M. Tons wheat. The cost of wheat @ Rs.3,525/31 per M. Ton amounting to Rs.306,702 may be recovered from the official at fault as required under rule under intimation to Audit.”

**6-4-02:** 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.

**15. Para 11.15: Page 130 – Loss of Rs.759,944 – Wheat Godown Shortage P.R. Minchinabad (Scheme 1992-93)**

Audit had observed: “An examination of stock report for center scheme 1992-93 revealed godown shortage of 198.622 M.T., valuing Rs.759,944.

The requisite record was not produced to Audit. The same may please be produced to audit.

The loss may please be made good.”

**6-4-02:** 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.

### **16. Para 11.16: Page 131 – Loss of Rs.3,387,994 Due to Sanctions Issued Beyond Competency**

Audit had observed: “228052 Gunny bags of D-class valuing the stated amount were declared unserviceable by the Deputy Director Food, Multan which have not been admitted in audit due to the following reasons:-

(i) Deputy Director Food was competent to declare store unserviceable upto the value of Rs.4 lac at a time vide Sr.No. 6A of Delegation of Financial Powers Rules 1990.

(ii) Book value of gunny bags declared unserviceable in each sanction was more than 4 lac.

Therefore, all sanctions issued by the Deputy Director Food were beyond his competency. Sanction to write off the loss may be obtained from the competent authority *i.e.* Finance Department and shown to audit.

**6-4-02:** On consideration of the facts, 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 regularisation 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.

### **17. Para 11.17: Page 131 – Sanction Beyond Competency Rs.1,039,836**

Audit had observed: “The examination of record revealed that the Deputy Director Food declared 39184 D-class bags and tarpaulin unserviceable valuing up to the stated extent which was beyond his competency in accordance with common powers of Delegation of Financial Powers Rules 1990 Sr. No.6-A. Proper investigation has not been conducted against the responsible officials in accordance with the Finance Department’s letter No.SO(M-REC)-MW/91 dated 25 September 1991. This resulted into a loss to Government up to the stated extent.”

**6-4-02:** On consideration of the facts, 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.

### **18. Para 11.18: Page 132 – Loss of A-Class Gunny Bags Rs.(2,97,000 + 2,22,705 + 7,00,353/) = Rs.1,220,058**

Audit had observed: “Examination of inventory record of various PR Centers, pertaining to the wheat scheme 1992-93, revealed that 36939 (11000+25939) A-Class gunny bags were outstanding against growers. Moreover, a major difference was noticed in the opening and closing balances of empty gunny bags during scrutiny of inventory registers. This resulted into loss to public exchequer amounting to Rs.(297,000 + 222,705 + 700,353) = Rs.1,220,058 during the year 1992-94 under the charge of DFC Layyah.”

**6-4-02:** 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.

**19. Para 11.19: Page 132 – Damaged Wheat and Shortage of Gunny Bags Rs.(144,400+257,460) = Rs.401,860**

Audit had observed: “During Audit scrutiny of Bardana Register of PR Center Jampur for the year 1992-93 it was observed that 380 filled bags of wheat were shown as damaged. Moreover, as a result of Audit examination of the Inventory Registers pertaining to DFC Rajanpur, 8582 empty bags were found short. This resulted into loss to Government amounting to Rs.401,860 during the year 1992-94 under the charge of DFC Rajanpur.”

**6-4-02:** On consideration of the facts, 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.

**20. Para 11.20: Page 133 – Loss of Rs.241,515 – Cost of 8945-A Class Bags**

Audit had observed: “The examination of inventory register for July 1992 of centre 120 TDA scheme 1992-93 revealed that 8945-A Class bags were shown received back from zamindars and classified as “D” Class. There was no justification to receive “D” class bags in lieu of A-Class bags. It is sufficient to prove that misappropriation of the stated gunny bags. Resultantly Government sustained a loss of Rs.241,515 during 1992-93 and 1993-94.”

**6-4-02:** On consideration of the facts, 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.

**21. Para 11.21: Page 133 – Un-Authorized Declassification of Stock Articles/ Bardana Rs.1,694,774**

Audit had observed: “An examination of record revealed that stock articles up to the stated extent were declassified without the sanction of the Competent Authority, which is contrary to the instructions issued vide Food Directorate’s letter No: Audit(4)-31/75 (Para-II) dated 4 May 1985. Thus the Government sustained a loss up to Rs.1,694,774 during 1992-94 by DFC Layyah.”

**6-4-02: On consideration of the facts, 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.

**22. Para 11.22: Page 134 – Declassification of Gunny Bags – Loss of Rs.100,497**

Audit had observed: “An act of misappropriation that came to light on physical verification by a Controlling Officer worked out 6980 A-Class Gunny Bags missing. These were replaced with 7039 non-PR bags out of which 1235 bags were quite unserviceable. This un-authorized declassification resulted into loss to the public exchequer amounting to Rs.100,497 during 1992-93 and 1993-94 by DFC, Bhakkar.”

**6-4-02: On consideration of the facts, 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.

**23. Para 11.23: Page 134 – Un-authorized Declassification of Stock Articles Rs. (1,011,442 + 2,142,010) = Rs.3,153,452**

Audit had observed: “According to Food Directorate Letter No. Audit (4)-31/75 (Part-II), dated 4 May 1985, Declassification of stock articles without prior sanction of Competent Authority was misappropriation. During Audit scrutiny of record, it was observed that stock articles to the stated extent were de-classified by the Incharge of the Centers, on their own. The same amounted to

misappropriation, resulting into loss amounting to Rs.3,153,452 during the year 1992-94 under the charge DFC Layyah.”

**6-4-02: On consideration of the facts, 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.

**24. Para 11.24: Page 135 – Loss Due to Un-authorized Declassification Rs.(3,610,500+ 54,064 +4,86,729+14,99,210)= Rs.5,650,503**

Audit had observed: “An Audit examination of inventory registers of various Flag and PR Centers revealed that gunny bags, pertaining to the wheat schemes 1986-87 to 1992-93, were de-classified from A-Class to D/B-Class without proper sanction of the Competent Authority. Unauthorized declassification of stock articles was to be treated as misappropriation and the responsible officers were to be dealt with under E&D Rules in terms of Directorate of Food Letter No. Audit (4) 31-75 (Part-II) dated 4 May 1985. This resulted into loss amounting to Rs.(3,610,500 + 54,064 + 486,729 + 1,499,210) = Rs.5,650,503 during the year 1992-93, under the charge of DFC M/garh, DFC Okara, DFC B/pur and DFC Layyah.”

**6-4-02: On consideration of the facts, 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.

**25. Para 11.25: Page 135 –Due to Un-authorized Declassification - Loss of Rs.54,064**

Audit had observed: “From an examination of record of various PR/Purchase Centers of DFC Okara it was observed that 9920 A-Class bags had been changed to B-Class bags without obtaining orders of the Competent Authority. This resulted into loss amounting to Rs.54,064 during 1992-93 under the charge DFC Okara.”

**6-4-02: On consideration of the facts, 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.

## **26. Para 11.26: Page 136 – Un-authorized Declassification of Bags - Rs.271,089**

Audit had observed: “The record of PR Centers revealed that A-Class bags were declassified as D-Class bags without any authority. According to Director Food Punjab letter No. Audit (4)-31/75 (Part-II) dated 4 May 1985, the declassification of stock without sanction of the Competent Authority would be treated as misappropriation. Hence the action declassification being unlawful, it amounted to misappropriation. The cost difference of 30121 bags @ Rs.9 per bag, for the stated value was therefore loss to government during 1992-93 under the charge of DFC Muzaffargarh.”

**6-4-02:** On consideration of the facts, 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.

## **27. Para 11.27: Page 136 – Un-authorized Declassification of Gunny Bags - Loss of Rs.99,480**

Audit had observed: “An examination of record showed that at different PR Centers, 1090 A-Class bags and 4850 B-Class bags were de-classified as D-Class bags without the sanction of the Competent Authority which amounts to misappropriation in terms of Food Directorate Punjab letter No. Audit(4)-31/75 (Part-II) dated 4 May 1985. This resulted into loss to Government amounting to Rs.99,480 during 1992-93 under the charge of DFC Muzaffargarh.”

**6-4-02:** On consideration of the facts, 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.

## **28. Para 11.28: Page 137 –Due to Un-authorized Declassification - Loss of Rs.665,580**

Audit had observed: “An examination of record showed that various Incharge of the centers unauthorizedly declassified 55465 gunny bags without obtaining orders/ sanction of the Competent Authority. This resulted into a loss amounting to Rs.665,580 during 1992-93 under the charge of DFC Rawalpindi.”

**6-4-02:** On consideration of the facts, 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.

**29. Para 11.29: Page 137 –Due to Un-authorized Declassification - Loss of Rs.544,052**

Audit had observed: “An examination of GP-13 showed that at various centers like Bins Center Rawalpindi and PR Center Islamabad-III, 99826 A-Class bags were de-classified into B-Class without obtaining sanction of the Competent Authority. The Government sustained a loss of Rs.544,052 during 1992-93 under the charge of DFC, Rawalpindi.”

**6-4-02: On consideration of the facts, 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.

**30. Para 11.30: Page 138 – Un-authorized Declassification of Gunny Bags Rs.1,021,572+125,598 = Rs.1,147,170**

Audit had observed: “An Audit examination of the record of DFC B/nagar showed that 37836 and 11418 A-class bags were converted into D-class bags without any justification and proper authority during the scheme 1992-93. The Deputy Director was competent up to the extent of Rs.4 Lacs at a time to declare the bags unserviceable. According to Directorate of Food letter No. Audit (4)-31/75/ PT-II dated 4 May 1985, the unauthorized declassification of stock articles would be treated as misappropriation. This resulted into loss to public exchequer amounting to the stated extent during the year 1992-93 under the charge of DFC Bahawalnagar.”

**6-4-02: On consideration of the facts, 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.

**31. Para 11.31: Page 138 – Declassification of Tarpaulins Rs.9,240,000 in PR Jampur 1993-94 Recovery Thereof.**

Audit had observed: “An Audit scrutiny of Articles Register showed that 308 A-class tarpaulins costing Rs.924,000 were declassified in PR Jampur in 1993-94 without obtaining orders of the

Competent Authority. It amounted to misappropriation and resulted into loss to public exchequer amounting to Rs.924,000 during 1992-94 under the charge of DFC, Rajanpur.”

**6-4-02:** On consideration of the facts, 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.

**32. Para 11.32: Page 139 – Loss of Rs.430,244 on Account of Declassification of 20688 Gunny Bags**

Audit had observed: “20688 A-class gunny bags of various PR Centers relating to wheat procurement scheme 1986-87 to 1991-92 were declassified as D-class by the centre Incharge himself without sanction of the Competent Authority.

Either sanction of competent authority to declare the bags as D-class may be obtained or cost of the bags may be recovered from the defaulters and deposited into Govt. Treasury under intimation to audit.”

**6-4-02:** On consideration of the facts, 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.

**33. Para 11.33: Page 139 – Enroute Shortage of 300 Filled Bags of Imported Wheat Containing 30.000 M.Tons Loss of Rs.106,500**

Audit had observed: “30.000 M. Ton imported wheat in 300 bags was booked on truck No. 6340-PRW at Bin Qasim Port Karachi for despatch to Faisalabad which was misplaced. Thereafter a case was got registered at Bin Qasim Port Police Station Karachi against the Truck Driver vide FIR No.107/92 dated 10 December 1992 under section 407 PPC but no further progress was achieved in the matter despite lapse of about two years.”

**6-4-02:** 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 may be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**34. Para 11.34: Page 140 – Un-authorized Declassification And Shortage of Bardana Rs.72,788**

Audit had observed: “An Audit scrutiny of record of PR Centre Sohawa for the year 1984-85 showed that 2028 A class bags were converted into B class and 615 A class bags were declared as D class bags without any reason and justification. In this way a difference of Rs.5/65 for 2028 bags and cost of 615 bags @ Rs.28/25 each i.e. 11458-20 + 17373-75 total Rs.28,832 has been misappropriated. Further 1556 empty bags for the wheat procurement scheme 1985-86 of the same centre (AP-2) were found short. There was no inventory stock of these bags in PR accounts Sohawa. This resulted into total loss to government amounting to Rs.72,788 during 1992-94 under the charge of DFC Jhelum.”

**6-4-02:** On consideration of the facts, 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.

**35. Para 11.35: Page 141 – Un-authorized Declassification of Gunny Bags Rs.293,325**

Audit had observed: “From an examination of stock accounts of scheme 1993-94, it was observed that 64046 filled bags were received (during the month 5 & 6/94) from other PR Centers at PR Center VI Faisalabad. The wheat was bulk in silos, as such all bags were emptied 3205 bags out of 64046 bags costing Rs:48,075 were declared as D-class without justification, as thousands of bags were also sold by other five centers of Faisalabad to mill owners as A-class bags and not a single empty bag was declared by them as D-class. Similarly, 150 bales of A-class were shown as handed over to a flag PR Center Rangpur, District Muzaffargarh, but only 120 bales actually reached their destination. This resulted into total loss amounting to Rs.293,325 during 1993-94 under the charge of DFC Faisalabad.”

**6-4-02:** 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.

**36. Para 11.36: Page 141 – Un-authorized Declassification Rs.449,083**

Audit had observed: “An Audit scrutiny of inventory register of various PR and Flag Centers showed that during wheat procurement scheme 1992-93, 17831 gunny bags were declassified from A to D class by the Incharge of the Center without prior sanction of the Competent Authority. This resulted into loss to Government amounting to Rs.449,083 during 1993-94 under the charge of DFC Bahawalnagar.”

**6-4-02:** On consideration of the facts, 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.

**37. Para 11.37: Page 142 – Un-authorized Declassification - Loss of Rs.243,492**

Audit had observed: “A scrutiny of GP Form No.13 showed that 43096 A-class wheat bags were received as such but changed to B-class without any justification by PR Center Chakwal which resulted into financial loss to the stated extent on account of differential price @ Rs.5/65 per bag. This resulted into loss to public exchequer amounting to Rs.243,492 during 1992-94 under the charge of DFC Chakwal.”

**6-4-02:** On consideration of the facts, 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.

**38. Para 11.38: Page 142 – Enroute Shortage of 136,940 M.T. Rs.522,117**

Audit had observed: “From an examination of record of Basal PR Center in procurement scheme 1992-93, it was observed that the stated quantity was less acknowledged by the receiving centers than the quantity despatched which resulted as enroute shortage amounting to Rs.522,117 during 1992-93 under the charge of DFC, Attock.”

**6-4-02:** 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.

**39. Para 11.39: Page 143 – Shortage of 291.064 M.Tons Wheat Rs.838,317**

Audit had observed: “From an Audit scrutiny of GP-13 records, it was observed that 291.064 M.T. of wheat was less acknowledged by the receiving centers than the quantity despatched by DFC, Bhakkar during the scheme year 1993-94. This resulted into loss to public exchequer amounting to Rs:838,317

during 1992-93 and 1993-94 by DFC, Bhakkar.”

**6-4-02: 6-4-02: 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.

**40. Para 11.40: Page 143 – Shortage of Wheat Rs.276,119**

Audit had observed: “From an Audit scrutiny of record 4440.418 MT was acknowledged by Islamabad-II Center against wheat despatched of 4512.600 MT (vide GP-16). The balance was shown as enroute shortage of 72.182 M.tons. This resulted into loss to public exchequer amounting to Rs.276,119 during 1992-93 and 1993-94 under the charge of DFC Bhakkar.”

**6-4-02: On consideration of the facts, 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.

**41. Para 11.41: Page 144 – Shortage of Wheat Rs.1,559,025**

Audit had observed: “From an examination of the records, it was observed that 479.700 MT wheat was purchased during 1991-92 by PR Center Taunsa. The wheat was shown on record as being transferred to PR Center DG Khan which was not acknowledged by the recipient center. However the Government Public Analyst declared it to be unfit for human consumption. Thus the shortage of wheat in stock was initially shown to be transferred and was thereafter declared unfit for human consumption. It resulted into loss to public exchequer amounting to Rs.1,559,025 during 1992-93 under the charge of DFC, DG Khan.”

**6-4-02:** 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 Audit.

**42. Para 11.42: Page 144 – Enroute Shortage of Wheat Rs.177,173**

Audit had observed: “From an examination of record of 1992-93 scheme it was observed that 31790.120 MT wheat was despatched to DFC, Jhelum but he acknowledged only 31743.804 MT resulting into enroute shortage of 46.316 MT. This resulted into loss to public exchequer amounting to



Rs.177,173 during 1992-93 under the charge of DFC, Jhelum.”

**6-4-02:** 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.

**43. Para 11.43: Page 145 – Enroute Shortage of 23.525 M.T. of Wheat – Loss of Rs.63,047**

Audit had observed: “From an examination of GP-7, it was observed that 1698.700 MT wheat was acknowledged in PR Center, Mughalpura instead of 1726.500 MT despatched from Jalalpur Pirwala which resulted into enroute shortage of 27.800 M.Tons.

The cost of 4.275 MT amounting to Rs.11,457 has so far been recovered and balance of Rs.63,047 was still recoverable. This resulted into loss to public exchequer amounting to Rs.63,047 during 1988-91 under the charge of DFC, Multan.”

**6-4-02:** 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.

**44. Para 11.44: Page 145 – Enroute Shortage of Wheat Rs.342,013**

Audit had observed: “An Audit scrutiny of GP-6 & 7 of wheat procurement scheme 1992-93 showed that 19781.500 M.T. of wheat was dispatched from various PR centres to PR centre Hassan Abdal but the later acknowledged only 19682.300 M.T. This resulted into loss to government amounting to Rs.342,013 during 1992-93 under the charge of DFC Attock.”

**6-4-02:** 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.

**45. Para 11.45: Page 146 – Enroute Shortage of Wheat (Rs.142,578+762,712= Rs.905,290)**

Audit had observed: “An examination of record showed that wheat dispatched to PR Centre Islamabad and charilala from PR Centres Kammalia and Shah Jiwan during the period 1992-93 and

1993-94 was less acknowledged by the recipient centres. The Department could not recover the shortage and took no steps to check such loss. This resulted into enroute shortage amounting to Rs.142,578 + 762,712 = Rs.905,290 during the years 1992-93 and 93-94 under the charge of DFC Rawalpindi and TT Singh.”

**6-4-02:** 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.

**46. Para 11.46: Page 146 – Shortage of Imported Wheat Rs.136,407**

Audit had observed: “During scrutiny of record it was observed that 2232.000 MT imported wheat was despatched from Bin-Qasim Port Karachi to Faisalabad by Railway during the Scheme 1993-94. The wheat was weighed at Railway Godown Faisalabad and the shortage to the extent of 30.003 MT valuing the amount in question was noticed. This resulted into loss to public exchequer amounting to Rs.136,407 during 1993-94 under the charge of DFC, Faisalabad.”

**6-4-02:** On consideration of the facts, 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.

**47. Para 11.47: Page 147 – Enroute Shortage of Wheat (Rs.864,600 + 288,181 = Rs.1,152,781)**

Audit had observed: “An Audit scrutiny of record showed that wheat despatched from Karachi and various other P.R. Centres of Punjab to Islamabad/Rawalpindi was acknowledged less by (222.153 + 75.079)/MT. Wheat Plus (543 + 36) 579 gunny bags. The Deptt. Did not take any measures to recover the shortage either in cash or kind. This resulted into loss to public exchequer, amounting to the stated extent during the years 1992-93 under the charge of D.F.C.R/Pindi.”

**6-4-02:** 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.

**48. Para 11.48: Page 147 – Enroute Shortage of Wheat Rs.100,074**

Audit had observed: “An Audit scrutiny of record relating to procurement scheme 1992-93 showed that 17263 MT of wheat was despatched from various centers to PR Center Attock, where it was acknowledged only 17236.839 MT leaving behind a balance of 26.161 MT valuing Rs.100,074. This resulted into loss to Government amounting to Rs.100,074 during the year 1992-93 under the charge of Distt. Food Controller, Attock.”

**6-4-02:** On consideration of the facts, 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 11.49: Page 148 --Enroute Shortage of Wheat Rs.805,744**

Audit had observed: “An examination of record showed that wheat was despatched from PR Centers under the control of DFC Bhakkar but the same was less acknowledged by PR Centers under DFC Rawalpindi up to 210.635 MT valuing to the stated extent. This resulted into loss to Government amounting to Rs.805,744 during 1992-93 under the charge of DFC, Bhakkar.”

**6-4-02:** 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.

**50. Para 11.50: Page 148 – Enroute Shortage Rs.988,466**

Audit had observed: “An examination of record showed that during the scheme 1992-93 PR Centre Islamabad acknowledged 262.408 MT less than the wheat dispatched. Later on 13.749 MT of wheat was further received, leaving behind the balance of 248.659 MT. This resulted into loss to Public exchequer amounting to Rs.988,466 during 1992-93 under the charge of DFC Rawalpindi.”

**6-4-02:** 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.

**51. Para 11.51: Page 149 – Shortage of Wheat Rs.99,383**

Audit had observed: “An Audit scrutiny of procurement scheme 1993-94 showed that 9900 filled bags were despatched from PR Center, Chitiana District, T.T.Singh to Faisalabad PR set III vide GP-6 dated 20 September 1993. The GP-7 bearing No.8/333 dated 19 September 1993 issued by the I/C set-III Faisalabad showed that 9650 bags were received. There was shortage of 250 bags of wheat, which resulted into loss to Government amounting to Rs.99,383 during 1993-94 under the charge of DFC, Faisalabad.”

**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**52. Para 11.52: Page 149 – Shortage of Wheat Rs.97,017,895**

Audit had observed: “During the course of Audit of records, it was observed that 25362.100 M tons of wheat was dispatched from one centre to another. The dispatching centre was liable to obtain acknowledgment on GP.13 and receipt certificate on GP 7 from the recipient centres. The said record was not produced for Audit scrutiny. This indicated loss to public exchequer amounting to Rs.97,170,895 during 1993-94 under the charge of DFC Muzaffargarh.”

**6-4-02: 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the Committee.

**53. Para 11.53: Page 150 – Loss of Wheat in PR Center, Jampur Rs.420,000**

Audit had observed: “An Audit scrutiny of record of wheat procurement scheme 1993-94 at PR Center Jampur showed that 1050 filled bags of wheat were despatched to PR Center, DG Khan and were not acknowledged even after the lapse of 10 months as per GP-6 bearing No.44/1135 dated 5 August 1994. It was suspected that the wheat was either misappropriated or even if acknowledged would now be damaged and not fit for human consumption due to insects and weather conditions during the last 2 years. This resulted into loss to Government amounting to Rs.420,000 during the year 1992-94 under the DFC, Rajanpur.”

**6-4-02: 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.

**54. Para 11.54: Page 150 – Enroute Shortage of Wheat Rs.52,450**

Audit had observed: “An Audit scrutiny of GP-13, showed that 756 bags of wheat were despatched by Flag Centers i.e. Khider Wala and Pindi Sheikh Musa (under DFC Faisalabad) but only 657 bags of wheat were shown acknowledged by the recipient centers. Later on, the figure of 756 bags was changed to conceal the enroute shortage and to avoid recovery amounting to Rs.35,145 during the procurement scheme 1992-93. Furthermore, 4.524 MT wheat was less acknowledged at PR Center Faqirabad (under DFC Attock) costing Rs.17,305. This resulted into total loss to Government amounting to Rs.52,450 during 1992-93 under the charge of DFC, Faisalabad.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following directions.**

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

**55. Para 11.55: Page 151 – Non-recovery of Penalty of Rs.275,881**

Audit had observed: “A contractor was awarded a contract for transportation of 7400 MT from PR Center DG Khan to Islamabad. He could not transport 4781.300 MT wheat during his contract period out of the 7400 MT wheat. The Director Food Punjab imposed penalty to the stated extent for the short lifting of wheat and breach of contract. No plausible efforts were made to recover the same. This resulted into loss to public exchequer amounting to Rs.275,881 during 1992-93 and 1993-94 under the charge of DFC, DG Khan.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para with the direction** that the Department shall recover the penalty, and produce the relevant record for verification by Audit.

**56. Para 11.56: Page 151 – Non-recovery of Rs.515,977**

Audit had observed: “An Audit scrutiny of records showed that the amount in question was recoverable from the Government servants on account of shortage and damages till June 1994 but the same was not recovered from them. This resulted into loss to public exchequer amounting to Rs.515,977 during 1992-94 under the charge of DFC, Rajanpur.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**57. Para 11.57: Page 152 – Non-recovery Rs.173,142**

Audit had observed: “An examination of record of the DFC, Attock for wheat scheme 1992-93 showed that according to the contract made with contractor, a quantity of 2132.271 MT wheat was less transported. A penalty equivalent to 10% of the transportation cost of the quantity less transported was to be recovered vide S. No.26 (iii) of the agreement which was not recovered from the contractor. This resulted into loss to Govt. amounting to Rs.173,142 during 1992-93 under the charge of DFC, Attock.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; recover the penalty, if due, 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.

**58. Para 11.58: Page 152 – Non-recovery of Penalty Rs.1,436,081**

Audit had observed: “An examination of record showed that according to agreement with the contractor the quantity of 54540 MT of wheat was to be transported during the period September 1992 to March 1993 but he transported only 34469.160 MT during that period for the scheme 1992-93. The contractor thus violated the provisions of para 26(iii) of the agreement as he failed to transport a balance of 20070.840 MT wheat for which he was liable to pay 10% of transportation cost as penalty but the same was not recovered which resulted into a loss to Govt. amounting to Rs.143,608 during 1992-93 under the charge of DFC Rawalpindi.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; recover the penalty, if due, 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.

### **59. Para 11.59: Page 153 – Non-recovery of Penalty Rs.179,814**

Audit had observed: “An examination of record showed that according to the agreement with the contractor a quantity of 15700 MT wheat was to be transported during the period February 93 to March 93, but the contractor transported only 13104.982 MT wheat during that period. The contractor had violated the provisions of para 26 (iii) of agreement as he failed to transport a balance of 2595.018 MT of wheat for which he was liable to pay 10% of transportation cost as penalty but the same was not recovered which resulted into a loss to Government amounting to Rs.179,814 during 1992-93 under the charge of DFC, Sheikhpura.”

#### **6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter; recover the penalty, if due, 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.

### **60. Para 11.60: Page 153 – 544 M.Ton Sound Wheat Shown As Damaged – Loss of Rs.2,080,969**

Audit had observed: “The scrutiny of stock register revealed that 544 MT of sound wheat was shown as damaged by the Incharge of a Center. The Department did not adopt precautionary measures in this regard, which resulted into a loss of Rs.280,969 during 1992-93 by DFC, Bahawalnagar.”

#### **6-4-02: 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.

### **61. Para 11.61: Page 154 – Excess Payment of Transportation Charges/Less Deduction of Income Tax Rs.74,432**

Audit had observed: “An examination of record showed that the payment of transportation charges of 16535.500 MT wheat for the distance of 16 KM was made instead of 14.5 KM as verified by the Departmental Committee from flag center, Qaboola to Bini Shells Arifwala. This resulted into loss to public exchequer for the sum of Rs.36,905 during 1992-93 under the charge of DFC, Sahiwal. Further the scrutiny of record of DFC, TT Singh revealed that Income Tax on rental income was to be deducted @ 5% instead of 3% in pursuance of Section 50 (7B) of Income Tax Ordinance 1979, resulting in less deduction of income tax amounting to Rs.37,527. This resulted into a total loss

amounting to Rs.74,432 during 1993-94 under the charge of DFC, Sahiwal and TT Singh.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; recover the loss, if any, and get it verified by Audit. The Department shall also inform the Income Tax Department about the lesser deduction of income tax. Disciplinary action shall 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.

**62. Para 11.62: Page 154 – Less Deduction of Income Tax Rs.54,279**

Audit had observed: “An Audit scrutiny of record showed that the income tax was deducted @ 2% instead of @ 5% required in contravention of provision of section 50 (7B) of Income Tax Ordinance, 1979 which resulted into a loss to Govt. amounting to Rs.54,279 during 1992-93 under the charge of DFC, Kasur.”

**6-4-02:** 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 deduction of income tax. Disciplinary action shall 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.

**63. Para 11.63: Page 155 – Missing A-Class Bardana Rs.115,221**

Audit had observed: “An examination of record showed that “A” class bardana worth Rs.115,221 was missing as per bardana inventory registers of Fazalpur and Rajanpur for the months of May 1990 and January 1993 respectively. The stated amount was not recovered from the concerned persons. This resulted into a loss to public exchequer amounting to Rs.115,221 during 1992-94 under the charge of DFC, Rajanpur.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.



**64. Para 11.64: Page 155 – Irregular/Unauthorized Payment of Rs.369,097**

Audit had observed: “An examination of Cash Book showed that amount to the stated extent was paid on account of Telephone Charges of Dy. Dir. Food from the head 59700-incidental charges that related to wheat instead of from Code 52200-telephone charges. This was quite irregular and unjustified. This resulted into an irregularity amounting to Rs.369,097 under the charge of DFC, DG Khan.”

**6-4-02:** 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 Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**65. Para 11.65: Page 156 – Irregular Payment of Rs.1,915,102 to Market Committee**

Audit had observed: “A scrutiny of the wheat procurement 1992-93 revealed that the stated amount was paid to various market committees out of contingent grant @ Paise 50 per filled bag of wheat purchased from growers without authorization from the Competent Authority. The payment may be recovered or got regularized.”

**6-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**66. Para 11.66: Page 156 – Infuctuous Expenditure Rs.7,869,230**

Audit had observed: “An Audit scrutiny of record showed that for the transportation of imported wheat from Karachi to R/pindi a contract was made with a contractor in September 1992. The contract had to remain in force at the rate of 0.478 per MT per KM till the completion of whole work vide clause 2 of the agreement. The contract remained in force only for four months and was discontinued on 31 December 1992 without assigning any reasons and a new contract was awarded at higher rate i.e. 5493 per KM per MT to the same contractor and another one. Had the wheat been transported under the provisions of the original contract, the Govt. could have saved a loss amounting to Rs.7,869,239 during 1992-93 under the charge of DFC, Rawalpindi.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The Department shall

also review the existing draft agreement with a view to safeguarding the interest of the Government. 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.

**67. Para 11.67: Page 157 – Doubtful Despatch of Wheat Rs.159,000**

Audit had observed: “An Audit scrutiny of GP-13 of PR Center Darya Khan for the wheat procurement scheme 1992-93 showed that 43 MT of wheat was despatched to PR Center, Attock. But, GP-13 in support of acknowledgement was not signed by the recipient center and the official stamps without bearing signature was not enough proof of the receipts of the wheat. It was apprehended that a fictitious document of wheat despatched was prepared to conceal the misappropriation of wheat. This resulted into loss to Govt amounting to Rs.159,000 during procurement scheme 1992-93 under the charge of DFC, Bhakkar.”

**6-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the Committee.

**68. Para 11.68: Page 157 – Recoverable 13824 Gunny Bags – Loss of Rs.193,536**

Audit had observed: “The inventory register of scheme 1986-87 for the month of March 1993 Center Burewala revealed that gunny bags from the following officials were still recoverable:-

No. of Bags	Name of Official
8035	Rana Muhammad Ali,
AFC	
5789	Fardous Raza, R.I.

Either the bags or the cost of the bags @ Rs.14 per bag amounting to Rs.193,536 may be recovered without further delay under intimation to audit.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**69. Para 11.69: Page 158 – Less Accountal of Tat & Patri Rs.54,486**

Audit had observed: “The examination of the record for the wheat procurement scheme for 1992-93 & 1993-94 revealed that Tat & Patri obtained from opening the bales of gunny bags was less accounted for resulting in loss of Rs.54,486 to Government by DFC, Faisalabad/Bhakkar.”

**6-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the Committee.

**70. Para 11.70: Page 158 – Non-accountal of Rs.459,375**

Audit had observed: “During Audit scrutiny of record it was observed that 1050 bags of indigenous wheat were sold to the flour mills on 28 March 1994. Neither the challans in support of deposit were shown nor verification of amount was got done from DAO, Jhelum in the Treasury deposits register maintained in the DFC office for the purpose. In this way, the public exchequer sustained a loss amounting to Rs.459,375 during 1993-94 under the charge of DFC, Jhelum.”

**6-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the Committee.

**71. Para 11.71: Page 159 – Excess Payment of Rs.108,715**

Audit had observed: “An examination of record showed that the amount to the stated extent was paid in excess to the carriage contractors by showing excess distance than actually travelled. This resulted into loss amounting to Rs.108,715 during 1991-92 under the charge of DFC, RY Khan.”

**6-4-02:** 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.

**72. Para 11.72: Page 159 – Excess Payment Rs.150,035**

Audit had observed: “An examination of record showed that 10700 MT wheat of Scheme 1990-91 was shifted from Khan Pur Nauranga Center to PR Center, B.Pur. The contract was paid for the distance of 48.9 KM instead of the actual distance of 37.5 KM as verified by the Departmental team vide letter No.TM 2388-Insp.Part-III/998 dated 7 January 1991. In this way, Govt. sustained a loss amounting to Rs.150,035 during 1992-93 by way of excess payment under the charge of DFC, Bahawalpur.”

**6-4-02:** 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.

**73. Para 11.73: Page 160 – Loss of Government Money Rs.263,475**

Audit had observed: “While Auditing the record, it was observed that incidental/handling charges amounting to Rs.263,475 were paid to contractors at various PR Centers under DFC, Rajanpur during the year 1992-93 and 1993-94. The amount to the stated extent could have been saved, had the supply of wheat made direct to outstations from Flag centers instead of dispatching the same through PR centres. This resulted into burden on public exchequer amounting to Rs.263,475 under the charge of DFC, Rajanpur during 1992-93 and 1993-94.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

## **Revenue Receipts Audit**

**74. Para 5.1: Page 31****A. Non-realization of Government Dues Rs.46,194,131**

- (a) (Page 31) Non-realization of Sugar-cane (development) Cess fund Rs.1,192,346
- (b) (Page 31-32) Loss of Government Revenue Due to Non-deposit of Sugarcane (Development) On Additional Price Rs.27,656,997
- (c) (Page 32-33) Non-realization of Sugar-cane (development) Cess Rs.8,530,054
- (d) (Page 33) Non-recovery of Amount of Penalty Rs.8,814,734

**18-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the Ad hoc PAC.

# Forestry, Wildlife, Fisheries and Tourism Department

## Overview

<b>Total Paras</b>	<b>Civil</b>	<b>Commercial</b>
<b>33</b>	<b>28</b>	<b>5</b>

## Abstract

<b>Status</b>	<b>Decision</b>	<b>Para Nos.</b>	<b>Total</b>
<b>Paras Noted</b>  <b>1</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	<b>Commercial:</b> 3(xiii)	<b>1</b>
<b>Paras Finally Settled</b>  <b>1</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 10.1	<b>1</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 Audit should verify the same.	<b>Civil:</b> 10.2, 10.3, 10.4, 10.6, 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13, 10.14, 10.15, 10.16, 10.18, 10.19, 10.20, 10.26, 10.27.	<b>19</b>
<b>Paras Pended</b>  <b>12</b>	Paras pended either because the Department had not taken satisfactory action or the Department did not submit Working Papers.	<b>Civil:</b> 10.5, 10.17, 10.21, 10.22, 10.23, 10.24, 10.25, 10.28.	<b>8</b>
		<b>Commercial:</b> 76, 77, 78, 79.	<b>4</b>

**Discussed on 21 July 1999, 4 and 18 April 2002.**

## Civil Audit

### 1. Para 10.1: Page 107 – Misappropriation of Rs.49,352

Audit had observed: “An Audit scrutiny of TF-7 in the office of Sub-division forest range of Gujar Khan showed that an amount of Rs.49,382 was paid as labour conversion and carriage charges of the timber/firewood. Whereas no such material was taken into accounts on TF-7. Therefore, there was no question of any work being carried out on the wood. Either the firewood/timber was misappropriated or no such operation was carried out at all and fictitious payment was made. The entry was made just to conceal the fact of misappropriation. Resultantly Government sustained a loss amounting to Rs.49,382 during 1992-93 under the charge of DFO (S) Rawalpindi.”

**21-7-99:** The Department explained that the amount of Rs.49,382 had been incurred on felling conversion and stacking of firewood/timber. The firewood measuring 13000 cft was sent to DFO Murree during January 1993. The timber was sold in March 1993 and sale proceeds had been adjusted in the account of May 1993.

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

## **2. Para 10.2: Page 107 – Non-recovery of Rs.73,995**

Audit had observed: “The fishing rights of River Ravi and Chenab of Tehsil Kabirwala were auctioned on 8th September, 1992 for Rs.156,500. Only a sum of Rs.82,505 was recovered from the contractor leaving balance of Rs.73,995 which had not been recovered in accordance with condition No.8 (a) of Terms and Conditions of auction for the year 1992-93.”

**21-7-99:** The Department explained that a case had been referred to the District Administration to recover the Government dues as arrears of land revenue. A fact finding inquiry was also under process to fix responsibility for the non-recovery of Government money.

Finance Department apprised the PAC that DDO concerned was responsible for the loss and recovery may be made good out of the salary of DDO.

The PAC directed that:-

- i) responsibility may be fixed for delayed inquiry i.e. after about five years and for not taking timely action for recovery of Government money.
- ii) balance amount of Government Dues may be made good from the DDO concerned.
- iii) disciplinary action may also be taken against the DDO concerned within one month positively.

The para was kept pending.

**4-4-02:** 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 21 July 1999 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 10.3: Page 108 – Recovery of Rs.50,000**

Audit had observed: “The waters of River Indus were auctioned for the year 1993-94 to a Fish contractor for Rs.365,000 at Tehsil Layyah. Against the said total amount, the contractor deposited a sum of Rs.315,000 at the close of contract, leaving behind the balance amount of Rs.50,000. This resulted into a loss to Government amounting to Rs.50,000 during 1993-94 by AD Fisheries Layyah.”

**21-7-99:** The Department explained that a case had been referred to the District Administration for recovery of Government Dues as arrears of land revenue.

Finance Department apprised the PAC that the DDO concerned was responsible for the loss and recovery may be made good out of the salary of DDO

The PAC directed that:-

- (i) responsibility may be fixed for delayed inquiry i.e. after about five years and for not taking timely action for recovery of Government Money.
- (ii) balance amount of Government Dues may be made good from the DDO concerned.
- (iii) disciplinary action may also be taken against the DDO concerned within one month positively.

The para was kept pending.

### **4-4-02: 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 21 July 1999 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.

### **4. Para 10.4: Page 108 – Non-recovery of House Rent Allowance Rs.62,627**

Audit had observed: “An examination of record showed that 4 bungalows and 4 houses constructed at fish-hatchery Chanawan were occupied by officers and staff where no deduction of house rent @ Rs.5% of pay was made from them rather in addition to that they were drawing house rent allowance. This resulted into excess payment amounting to Rs.62,627 during 1991-92 under the charge of Deputy Director Fisheries District Gujranwala.”

**21-7-99:** The Department explained that fish seed Hatchery was located at far flung areas where Grade-18 residences had not been allotted to any officer. The residences pointed out by Audit were kept reserved for the inspecting officers of the Department. As no facility was available in the said forlorn area, therefore, no officer/official was willing to stay over there and as such no allotment of residence was made to any one. Therefore, the payment of House



Rent Allowance was made to the staff.

The Audit apprised the PAC that the said station residential accommodation was available and therefore, the staff posted at that station was not entitled to draw House Rent Allowance.

The PAC directed that un-authorizedly paid House Rent Allowance may be recovered from the concerned staff at the earliest. The para was kept pending.

**4-4-02:** 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 21 July 1999 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.

### **5. Para 10.5: Page 109 – Less Realization of Sale Proceeds Rs.202,080**

Audit had observed: “An examination of record showed that according to S.No.8 Part-II Special Powers to Fisheries Department Delegation of Financial Powers Rules 1990, the higher bid of Fishing lease was required to be approved subject to the condition of the highest bid i.e. more than 10% of last auction or an average bid of last 3 years whichever is more. The Fishing rights for the river Chenab were auctioned for Rs.185,000 during 1991-92 and for subsequent year i.e. 92-93 it was required to be auctioned for not less than Rs.203,500 i.e.  $(185,000 \times 10)/100$  but it was auctioned for Rs.176,000 involving lesser revenue of Rs.27,500. The fishing rights of the river Chenab & Sutlej were auctioned for Rs.176,000 and Rs.310,000 respectively during the year 1992-93. Only a sum of Rs.311,420 was recovered leaving a balance of Rs.174,580 as recoverable. This resulted into a total loss to Govt. amounting to Rs.202,080 during 1992-93 under the charge of Asstt: Director Fisheries Multan.”

**21-7-99:** The Department explained that as per clarification of Finance Department there was no ban of 10% increase over the last year’s bid in case the bid had been approved by the Director General, Fisheries. The bid had been approved by the Director General Fisheries and recoverable amount came to Rs.174,580. In other case the recoverable amount stood as Rs.72,300. So total recoverable amount was Rs.174,580.

The representative of the Finance Department present in the meeting showed dissatisfaction about the clarification made by a wing of the Finance Department and desired that the matter may be got rechecked from the concerned wing of Finance Department.

The PAC directed that said order/clarification of the Finance Department produced by the Department may be got re-checked from the concerned wing of the Finance Department within ten days. The PAC also directed to see whether all the actions towards the realization of the Government money had been taken in time. All the details in this regard may be shown to the PAC in the next meeting. The para was kept pending.

**4-4-02:** 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 Audit.

#### **6. Para 10.6: Page 109 – Non-deposit of Sale Proceeds of Rs.90,226**

Audit had observed: “An Audit scrutiny of records of DFO (Sub Div) Rawalpindi revealed that sale proceeds of 45113 plants was not deposited into Government Treasury. Resultantly Government sustained a loss amounting to Rs.90,226 during 1992-93 at the instance of DFO(S) Rawalpindi.”

**21-7-99:** The Department explained that out of total 45113 plants had been sold and sale proceeds accounted for in the relevant record. The remaining 16038 plants were given free of cost to Army and other formations.

The PAC **settled the para subject to verification of record**, supporting the departmental contention, by Audit.

#### **7. Para 10.7: Page 110 – Shortage of Timber Rs.196,966**

Audit had observed: “An Audit scrutiny of timber Form-7 O/o the DFO(S) Rawalpindi for the year 1993-94 revealed that an entry of 562.0 cft timber wood was deleted therefrom. No documentary evidence for its disposal i.e. auction papers deposit of sale proceeds into Government Treasury i.e. Dr. Vr. No. and month of deposit etc. were available. This proves that the timber wood in question was short. Resultantly, Government sustained a loss amounting to Rs. 196,966 during 1993-94 by DFO(s) Rawalpindi.”

**21-7-99:** The Department explained that timber involved in this para was auctioned on 10 March 1993 and 22 May 1993.

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

#### **8. Para 10.8: Page 110 – Shortage of Firewood Rs.174,120**

Audit had observed: “An examination of the record of formation of the Forest Department Rawalpindi Range revealed that out of 20,000 cft. equal to 3816 maunds of firewood, only 914 Maunds valuing Rs.18,828 were distributed amongst the staff of the Division on account of employees quota. The disposal of balance fire-wood of 2902 Maunds was not shown to Audit despite lapse of 2 years. This resulted into Govt. loss of Rs.174,120 during 1992-93 by DFO Rawalpindi.”

**21-7-99:** The Department explained that the matter had been investigated and actual

recovery had been worked out to Rs.59,781. Mr Muhammad Razzaq, Forester (Retired) was held responsible for shortage of 2902 maunds of firewood. The said retired official had consented that the amount of Rs.59,781 may be recovered from his pension. The amount had been shown in the NOC and would be recovered from his pension.

The PAC directed that the amount of Rs.59,781 may be recovered from the pension of retired official and reduction of amount from Rs.174,120 to Rs.59,781 may be got verified by Audit. The para was kept pending.

**4-4-02:** 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 21 July 1999 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.

**9. Para 10.9: Page 111 – Non-accountal of Drift Timber Rs.199,540**

Audit had observed: “A comparison of drift wood carried and taken in stock in Form-9 showed that drift timber to the stated extent was neither taken in stock nor shown disposed of which provides sufficient proof of negligence on the part of the Department during 1992-93 under the charge of Divisional, Forest Officer Rawalpindi.”

**21-7-99:** The Department explained that timber involved in the para was accounted for in the relevant record.

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

**10. Para 10.10: Page 111 – Non-recovery of Rs.86,390 on Account of Lease of Lake.**

Audit had observed: “The Jallo Park Lake was leased out for boating for the period 1 January 1992 to 30 June 1992 for a sum of Rs.163,000 to a contractor. Only a sum of Rs.81,500 was deposited into Govt. Treasury. The balance of Rs.81,500 & Rs.4,890 on account of Income Tax @3% was still recoverable, due to the carelessness/negligence of the Department. This resulted into loss to public exchequer amounting to Rs.86,390 during 1990-91 and 1991-92 by the DFO, Lahore.”

**21-7-99:** The Department explained that District Collector, Lahore, had been requested to recover the amount of Rs.86,390 as arrears of land revenue from the contractor concerned.

The PAC directed the Department to pursue the recovery as arrears of land revenue for its early realization. The para was kept pending.

**4-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **11. Para 10.11: Page 112 – Non-recovery of Lease Money Rs.860,215**

Audit had observed: “An examination of record of DFO Lahore revealed that Secretary Forest, Wildlife gave the Jallo Park on contract to TDCP verbally for the year 1991-92 in lieu of lacs of annual lease rent for gate entry/car parking fee, boating in lake fee, electric swing fee and cafeteria/snackbar income. The Department did not consider it necessary to seek the approval of Finance Department. This contract lasted from 1 July 1991 to 4 December 1991, during the period TDCP collected revenues from aforesaid heads. Lease money amounting to Rs.860,215 was not deposited into Govt. Treasury. This resulted into loss to public exchequer during 1991-92 under the charge of Secretary Forest.”

**21-7-99:** The Department explained that management of the Jallo Park had been taken over by the TDCP on 1st July 1991 for a lease money of Rs.20 lac, but the TDCP did not pay the 1st installment of lease money. Therefore, the charge of the Park was resumed by the Forest Department on 5 December 1991 and as such the Park remained with the TDCP from 1st July 1991 to 4 December 1991. The recoverable amount for that period was Rs.705,524. The TDCP had been requested time and again for the payment of Rs.705,524 but to no avail.

The PAC directed the Department that:-

- (i) the lease money may be recovered from the TDCP at the earliest.
- (ii) all the relevant record may be produced to Audit for verification.
- (iii) matter may be probed meticulously and all the facts be brought before the

PAC in the next meeting.

The para was kept pending.

**4-4-02:** 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 Audit for verification by 30 September, 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **12. Para 10.12: Page 112 – Non-realization of Lease Money Rs.180,303**

Audit had observed: “An examination of collection register showed that out of Rs.317,105 only Rs 136,802 were recovered leaving a balance of lease money of Gatwala Forest Park recoverable from the lessee due to the negligence of the Division. This resulted into a loss to Govt. amounting to Rs.180,303 during 1991-92 under the charge of Divisional Forest Officer, Faisalabad.”

**21-7-99:** The Department explained that the contractor had gone defaulter. The total recoverable amount was Rs.134,000. The contractor had filed a civil suit in the court. As such the case was sub judice.

The PAC directed that the case may be pursued vigorously in the court for early and favourable decision so that recovery could be realized at the earliest. The para was kept pending.

**4-4-02:** 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 21-7-99 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.

### **13. Para 10.13: Page 113 – Non-recovery of Lease Money Rs.101,404**

Audit had observed: “Divisional Forest Officer Chakwal leased out the surface, roads and path to the mine operators. An examination of Fixed Demand Register showed that lease money for the last five years was not recovered from the defaulters along with penalty. Resultantly Government sustained a loss amounting to Rs.101,404 during 1991-92 and 1993 under the charge of DFO Chakwal.”

**4-4-02:** 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 Audit for verification by 30 September 2002. Disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

### **14. Para 10.14: Page 113 – Irregular Expenditure of Rs.57,335 on Account of Installation of New Diesel Engine**

Audit had observed: “An Audit scrutiny of record showed that a sum of Rs.57,335 was incurred on the installation of a new diesel engine at Fish Hatchery Faisalabad which was beyond the scope of the project. The expenditure was irregularly charged to the allocation under II-Aquaculture Development Project despite the fact that no provision existed either in the P.C-I of the project or the S.N.E. for the year. Whereabouts of the replaced engine were also not known. This resulted into loss to Government amounting to Rs.57,335 during 1991-92 under the charge of project Director II-Aquaculture Development Project (Fisheries

Department) Lahore.”

**4-4-02: 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 Assembly Secretariat, Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**15. Para 10.15: Page 114 – Non-recovery of Advances of Rs.422,015**

Audit had observed: “From an examination of record, it was observed that considerable amount was outstanding on account of HBA, MCA etc. against various Government servants of which no recovery had been realized since July 1988. The registered mortgage deeds were also not obtained. This irregularity resulted into non-recovery of Government money amounting to Rs.422,105 during the year 1993-94 under the charge of Director Budget & Accounts Forest Department.”

**4-4-02: 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**16. Para 10.16: Page 114 – Non-recovery of conveyance allowance Rs.59,557**

Audit had observed: “According to Government Instructions, no Government servant is entitled to conveyance allowance if he/she resides within the premises of working place. An Audit scrutiny of record showed that the Conveyance Allowance had been drawn in contravention of the instructions contained in Government of the Punjab Finance Department circular No.FD. PC-21-1/77 dated 16 May 1977 read with letter No.FD.PC-38-8/77 dated 5 July 1977. This resulted into an overpayment of Rs.59,557 during 1990-92 under the charge of Director Sericulture, Lahore.”

**4-4-02: 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**17. Para 10.17: Page 115 – Less-accountal of Stores Rs.410,868**

Audit had observed: “An examination and comparison of Form 16 of the Division with

that of the Sub Division revealed that fencing material was less accounted for than that issued. This resulted into loss to public exchequer amounting to Rs.410,868 during 1992-93 and 1993-94 under the charge of DFO Attock.”

**4-4-02:** 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 Audit.

### **18. Para 10.18: Page 115 – Non-accountal of Government Stores Rs.53,953**

Audit had observed: “Audit scrutiny of cash book and M.F-7 of a formation of the Forest Department revealed that Polythene bags of certain value received from Lahore were not accounted for in M.F-7. This non-accountal resulted into Government loss amounting to Rs.53,953 during 1992-93, under the charge of DFO (S) Rawalpindi.”

**4-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **19. Para 10.19: Page 116 – Non-accountal of Polythene Bags Rs.54,385**

Audit had observed: “During Audit scrutiny of record of a formation of the Forest Department, it was observed that Polythene bags issued by the divisional head to various range (Sub-divisions) were not accounted for in the respective Form-7. This non-accountal resulted into loss amounting to Rs.54,385 during 1991-94 under the charge of DFO Faisalabad.”

**4-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **20. Para 10.20: Page 116 – Non-recovery on Account of Forest Damages of Rs.486,208**

Audit had observed: “From an examination of the progress report of prosecution cases and F.C. register, it was observed that registered losses were neither made good nor written off corresponding between 1 to 4 years. The forest cases were required to be finalized within three months as per Government instructions. This irregularity resulted into blocking of Government Funds amounting to Rs.486,208 during 91-94 under the charge of DFO Faisalabad.”

**4-4-02:** **The para was settled with the direction** that the Administrative Department shall expeditiously finalize the matter and report the same to the Assembly Secretariat, Audit and the Finance Department. Finance Department shall monitor the implementation of the

directive of the PAC.

**21. Para 10.21: Page 117 – Non finalization of Court/Forest Offence Cases and Non-realisation of Compensation Rs.(11,693,741 + 4,331,441 + 96,780) = Rs.16,121,962**

Audit had observed: “During Audit scrutiny of Forest record it was observed that a large number of forest offence cases were not sent to the courts of law for prosecution. While no effective steps were taken in connection with forceful follow up of the prosecution in those cases already sent to the courts of law, non-pleading of court cases resulted into a loss to government amounting to Rs.16,121,962 under the charge of DFO (Canalside Plantation) Faisalabad during the year 1991-94.”

**4-4-02:** 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 Audit.

**22. Para 10.22: Page 117 – Shortage of Rs.3,102,066**

Audit had observed: “An Audit scrutiny of TF-7 DFO FSD revealed that Timber, Plants and other material were either not carried over as opening balance to the next month or shown short in stock. This resulted into a loss to the Public Exchequer amounting to Rs.3,102,066 during 1991-94 under the charge of DFO, Faisalabad.”

**4-4-02:** 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 Audit.

**23. Para 10.23: Page 118 – Loss of Trees Rs.5,756,867**

Audit had observed: “Canal side plantations from Forestry Wing of Irrigation and Power Department were transferred to the Forest Department vide letter No.C&B-1/2-10-82 dated 7 June 1993. On physical verification by the latter Department it was noticed that heavy illicit damage to 1582 mature trees valuing Rs.5,756,867 had been caused by the negligence and collusion of its officials/officers. A high level committee was constituted to probe into the matter which confirmed the loss. As a result of which F.I.Rs were lodged in the respective Police Stations against the Officers/Officials involved. Resultantly Government sustained a loss amounting to Rs.5,756,867 during 1991-94 under the charge of DFO Faisalabad.”

**4-4-02:** 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 Audit.

**24. Para 10.24: Page 118 – Non-recovery of Rs.1,281,050**

Audit had observed: “An examination of record showed that loss on account of damage to 3400 young plants and illegal cutting of 11 old matured trees valuing stated extent had been



imposed by the Department on contractors, Local Government Gujranwala and District Council Sheikhpura respectively but no recovery was made from them. Resultantly Government sustained a loss amounting to Rs.1,281,050 during 1991-94 under the charge of DFO Canal Side Plantation Faisalabad.”

**4-4-02:** 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 Audit.

**25. Para 10.25: Page 119 – Loss of Material Rs.1,491,360**

Audit had observed: “An examination of record revealed that fencing material to the stated extent was shown issued to different blocks of Chakwal Forest Sub-Division and the Talagang Sub-Division, respectively. The utilization of the material by the blocks was however not made available to Audit to ensure that the material was actually utilized for the purpose it had been purchased for. There is an apprehension of misappropriation of fencing material. This resulted into loss of material valuing Rs.1,491,360 by DFO, Chakwal during 1991-93.”

**4-4-02:** 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 Audit.

**26. Para 10.26: Page 119 – Loss Due to Theft of Trees Rs.85,321**

Audit had observed: “An examination of record of the DFO FSD revealed that 32 shisham/kikar trees were stolen with the connivance of field staff when other 24 were illegally cut by a Forester of the Farooqabad Forest Sub Division, but neither the material was recovered nor the compensation and value of forest produce realized from the defaulters. This resulted into loss to Public Exchequer amounting to Rs.85,321 by DFO Faisalabad.”

**4-4-02:** 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 Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**27. Para 10.27: Page 120 – Non-disposal of Drift Timber Rs.11,314,655**

Audit had observed: “Drift timber to the stated extent was lying undisposed since 1992 at various timber depots which was deteriorating and depreciating due to seasonal effects.”

**4-4-02:** On consideration of the facts of the case, the **Committee settled the para subject**

**to the following direction–**

The Department shall investigate the matter; recover the loss, if any, and get it verified by Audit. Disciplinary action shall also be taken against the persons at fault. The drift timber, if any, not yet disposed of, shall be expeditiously auctioned. 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.

**28. Para 10.28: Page 120 – Blockade of Government Money Rs.1,267,793**

Audit had observed: “A scrutiny of Form-16 of Divisional Officers showed that fencing material worth Rs.1,267,973 was purchased without immediate requirement in contravention of provision of Rule-2.10(b)(5) of PFR Vol-I. The material was available in store since Ist July 1992 uptil February, 1995. In this way the amount in question remained blocked in contravention of Rule 15.21(4) during 1992-94 under the charge of Divisional Forest Officer Attock.”

**4-4-02:** 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 Audit.

## Commercial Audit

**29. Para 3(xiii): Page 6 – Government Jallo Rosin and Turpentine Factory, Lahore (1993-94 to 1994-95)**

Audit had observed: “Government Jallo Rosin and Turpentine Factory, Lahore has not compiled its accounts.”

**18-4-02: The PAC noted** the contents of 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.

**30. Para 76: Pages 59-60 – Tourism Development Corporation of Punjab Limited, Lahore**

With reference to the working results, the Audit had suggested: “Audit would therefore, again suggest to the Punjab Government to get rid of this white elephant as early as possible.”

**18-4-02:** 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 Audit.

### **31. Para 77: Page 60 – Tourism Development Corporation of Punjab Limited, Lahore**

Audit had observed: “Interest bearing loans aggregating to Rs.182.936 million were granted by the Government of the Punjab to the Corporation during the years 1986-87 to 1989-90 for publicity and promotion expenses. The Corporation neither paid any installment of loans nor provision for interest accrued thereon made in the accounts. On the one hand the Corporation requested the Punjab Government for conversion of the loans into equity or interest free loans and on the other hand the Corporation has been adjusting its publicity and promotion expenses against the loans on the plea that said expenses were being incurred on behalf of the Punjab Government and reduced the balance of loans to Rs.74.113 million on 30th June, 1995 by making un-authorized adjustment of Rs.108.823 million. The un-authorized adjustment of expenses against interest bearing loans and constant silence of the Finance Department of the Government of the Punjab for a period of about 10 years needs to be looked into by the Public Accounts Committee.”

**18-4-02:** 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 Audit.

### **32. Para 78: Page 60 – Working Results of Tourism Development Corporation of Punjab Limited, Lahore**

Audit had observed: “In addition to the loans of Rs.182.936 million mentioned in the above para, the Corporation received “Development Schemes Loan” of Rs.30.000 million from the Punjab Government during the year 1990-91. This was a short term loan to be repaid in six months together with interest at a rate applicable to development schemes of Federal Government for the year 1990-91. Subsequently, the Corporation proposed to the Government that loan should be treated as equity and neither paid the loan nor provision for interest, accrued on the loan, made in the accounts. No decision on the proposal of the Corporation has been taken by the Government despite elapse of period of more than five years which needs to be investigated by the Public Accounts Committee.”

**18-4-02:** 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 Audit.

### **33. Para 79: Page 60 – Working Results of Tourism Development Corporation of Punjab Limited, Lahore**

Audit had observed: “In addition to the provision of Rs.437,598 made for doubtful debts upto June 30, 1994 the Corporation made a further provision of Rs.99,876 for doubtful debts during the year 1994-95 thus raising the provision to Rs.537,474 against debtors of Rs.1,173,487. Thus the percentage of doubtful debts worked out to be 46% which was alarmingly on the higher side. The reasons for which the recovery could not be made from

trade debtors need to be investigated.”

**18-4-02:** 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 Audit.

# Health Department

## Overview

Total Paras	Civil	Commercial
80	76	4

## 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	<b>Commercial:</b> 3(xiv), 3(xv).	<b>2</b>
<b>Paras Finally Settled</b>  <b>6</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 13.22, 13.26, 13.27, 13.61, 13.69.	<b>5</b>
		<b>Commercial:</b> 81	<b>1</b>
<b>Paras Conditionally Settled</b>  <b>72</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	<b>Civil:</b> 13.1, 13.2, 13.3, 13.4, 13.5, 13.6, 13.7, 13.8, 13.9, 13.10, 13.11, 13.12, 13.13, 13.14, 13.15, 13.16, 13.17, 13.18, 13.19, 13.20, 13.21, 13.23, 13.24, 13.25, 13.28, 13.29, 13.30, 13.31, 13.32, 13.33, 13.34, 13.35, 13.36, 13.37, 13.38, 13.39, 13.40, 13.41, 13.42, 13.43, 13.44, 13.45, 13.46, 13.47, 13.48, 13.49, 13.50, 13.51, 13.52, 13.53, 13.54, 13.55, 13.56, 13.57, 13.58, 13.59, 13.60, 13.62, 13.63, 13.64, 13.65, 13.66, 13.67, 13.68, 13.70, 13.71, 13.72, 13.73, 13.74, 13.75, 13.76.	<b>71</b>
		<b>Commercial:</b> 80	<b>1</b>

Discussed on 29 July 1999, 6 and 18 April 2002.

## Civil Audit

### **1. Para 13.1: Page 167 – Misappropriation of Rs.160,640**

Audit had observed: “An examination of Diet Register for the year 1991-92 to 1993-94 showed that 22456 patient were served with diet and sum of Rs.224,560 was to be recovered from the patients @ Rs.10 (per patient). Whereas, only Rs.63,920 were deposited into the Government account leaving behind the balance. This resulted into loss to the Government amounting to Rs.160,640 during 1991-94 under the charge of MS Rawalpindi General Hospital.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter – 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.

### **2. Para 13.2: Page 167 – Misappropriation of Medicines/Equipments Rs.158,566**

Audit had observed: “An examination of main store Stock register showed that certain medicines and equipment were issued from main store to various wards, but the same were either less accounted for or not accounted for in the books of the wards which amounted to misappropriation. This resulted into a loss to the Government amounting to Rs.158,566 during 1991-94 under the charge of MS Rawalpindi General Hospital.”

**6-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **3. Para 13.3: Page 168 – Misappropriation of Hospital Receipt Rs.107,208**

Audit had observed: “An Audit scrutiny of record showed that Hospital receipt like purchee fee, ambulance charges realized from the patients were not deposited into the Government Treasury which resulted into loss to the Government amounting to Rs.107,208 under the charge of DHO Gujranwala during 1993-94.”

**6-4-02:** 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.

#### **4. Para 13.4: Page 168 – Fraudulent Drawl of Double Pay – Rs.35,908**

Audit had observed: “An Audit scrutiny of pay bills showed that the amount in question was drawn twice on account of pay i.e. once at the previous station of posting and secondly at the new station of joining in violation of Rule.2.31 of PFR Vol-I. This resulted into a loss to the Government amounting to Rs.35,908 during 1993-94 under the charge of DHO Okara.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; recover overpayment, 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.

#### **5. Para 13.5: Page 169 – Loss of Rs.133,108**

Audit had observed: “A scrutiny of record revealed that the stated amount was stolen at night falling between 29 & 30 April, 1994 from the office safe. The matter was reported to Police vide FIR No.0048179 dated May 1994. The matter was however not reported to Audit as required under Rule 2.34 & 2.35 of PFR Vol-I. No progress has been reported towards making good the loss.”

**6-4-02:** 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.

#### **6. Para 13.6: Page 169 – Loss of Rs.526,488**

Audit had observed: “While Auditing the accounts records, it was observed that the purchase of various Endoscopy Units (for West Medical Wards) was made during the year 1993-94. The said purchase was made at higher rates than the lowest rates of the other contractors which were for the same specifications being not considered. Provisions under Rule 15.2 (d) of PFR Vol-I were thus violated by MS, Mayo Hospital during 1992-93 and 1993-94 causing a minimum loss to the Government of Rs.526,488.”

**6-4-02:** 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.

## **7. Para 13.7: Page 170 – Loss of Rs.105,000**

Audit observed: “An Audit scrutiny of record showed that MS, Mayo Hospital, Lahore purchased an Endoscopic Trolley complete with all accessories that included a camera for Rs.80,000 during 1993-94. But, on physical verification, the camera was found missing from store which was not supplied. The matter was neither taken up with the suppliers nor reported to Police, or Audit during the last one year as required under the rules. It came to notice that the Colin-Neonatal Monitor was purchased for Rs.2,50,000 by the MS for supply to be made within 30 days. But, the equipment was supplied after four months. According to the agreement, penalty, @ 10% of the amount was to be imposed in terms of the contract. As such a sum of Rs.25,000 was to be recovered which was not done. This resulted into a total loss amounting to Rs.105,000 during 1992-93 and 1993-94 under the charge of MS, Mayo Hospital, Lahore.”

**6-4-02:** 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.

## **8. Para 13.8: Page 170 – Irregular Drawl of House Rent Allowance Rs.89,941**

Audit had observed: “During Audit scrutiny, it was noted that the amount to the stated extent was drawn on account of house rent and conveyance allowances, by doctors, who were residing in the Government accommodation made available to them at their work premises. This resulted in loss to the Government of Rs. 89,941.”

**6-4-02:** 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.

## **9. Para 13.9: Page 171 – Irregular Payment of House Rent/Conveyance Allowance Rs.158,019**

Audit had observed: “An Audit scrutiny of pay bills showed that house rent allowance at the rate of 45% was given instead of the admissible rate of 30% of basic pay to the officials posted out of the corporation limits. Besides, conveyance allowance was also paid to such officials to which they were not entitled. House Rent Allowance was also paid to the officers who were provided designated accommodation. This resulted into loss to the Government amounting to Rs.158,019 during 1993-94 under the charge of DHO, Gujranwala.”



**6-4-02: 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.

**10. Para 13.10: Page 171 – Irregular Drawal of House Rent Allowance of Rs.165,552**

Audit had observed: “The Punjab Government in connection with the scheme of BHUs provided accommodations for Doctors and staff. During an Audit scrutiny of record, it was however observed that a number of doctors/staff were drawing HRA along with being in occupation of designated residences which was irregular. Resultantly, the Government sustained a loss amounting to Rs.165,552 during 1991-92 under the charge of DHO Sialkot.”

**6-4-02: 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.

**11. Para 13.11: Page 172 – Irregular Drawal of House Rent Allowance Rs.738,198**

Audit had observed: “Most of the Doctors of the Punjab Institute of Cardiology, Lahore have been provided the Government residential accommodation in the newly constructed Institution’s Hostel. The doctors were not allowed to draw House Rent Allowance and Conveyance allowance under the provision of existing Rules and orders. The necessary deductions were not made from their salaries in the light of the Government of the Punjab Health Department (Audit and Accounts Cell) letter No.AAC/HD/1-40/90, dated 14th June 1994 and deposited into the Government account. This resulted into loss to public exchequer amounting to Rs.738,198 during 1990-93 under the charge of Incharge, Punjab Institute of Cardiology Lahore.”

**6-4-02: 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.

**12. Para 13.12: Page 172 – Irregular Drawal and Non-recovery of House Rent Allowance Rs.340,662**

Audit had observed: “During Audit scrutiny of record, it was observed that the house rent allowance was paid to the Medical Officers, when the Government accommodation was made

available exclusively for them. Same was not admissible to them in terms of orders contained in F.D. letter No.FD.PC-21-1/77 dated 16 May 1977. Further the rent deduction at the rate of 5% of basic pay was also not made under Law. This resulted into excess payment amounting to Rs.340,662 during 1991-92 and 1992-93 under the charge of DHO. Faisalabad.”

**6-4-02:** 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 13.13: Page 173 – Non-recovery of Electricity Charges – Rs.119,700**

Audit had observed: “The Government provided accommodation along with electricity facility to doctors. It was laid down that persons using Air conditioner would deposit Rs.2000 PM into the Government Treasury from April to September. The examination of record revealed that the stated amount was not recovered from residents as required in letter No.SO (B&A)1-1/1991-92, dated 12 May 1992, issued by the Government of the Punjab. This resulted into a loss to the Government exchequer.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**14. Para 13.14: Page 173 – Non-recovery of Electricity Charges Rs.241,200**

Audit had observed: “An examination of record showed that in the Punjab Institute of Cardiology Lahore electricity connection of the Hospital was extended to the Government residences within the premises of the Institute and the occupants of those residences had installed air conditioners in their residences but the charges at the rate of Rs.2,000 PM for the same had not been recovered in contravention of instructions issued by the Government of Punjab Health Department vide No. SO(B&A)1-1-/91-92 dated 4th July 1992 which resulted into loss to the Government amounting to Rs.241,200 during 1990-93 under the charge of Incharge, Punjab Institute of Cardiology, Lahore.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**15. Para 13.15: Page 174 – Non-recovery of Sui Gas/Electricity Charges Rs.233,490**

Audit had observed: “An examination of record showed that certain officers/officials who were residing in the hospital premises were using sui gas & electricity but charges thereof were not being paid. The hospital administration could not recover these charges. This resulted into loss to the Government amounting to Rs.233,490 under the charge of MS Rawalpindi General Hospital.”

**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**16. Para 13.16: Page 174 – Non-recovery of Rs.250,032 on Account of Unauthorized Contract of Cycle Stand**

Audit had observed: “During Audit scrutiny of accounts record, it was observed that a 3 year contract of cycle stand terminating on 30 June 1993 was extended up to 30 June 1994 without obtaining the sanction of the Government of the Punjab, Health Department. Moreover, the total amount of this unauthorized contract was also not recovered from the contractor. This resulted into loss to the Government amounting to Rs.250,032 during 1993-94 under the charge of MS Allied Hospital Faisalabad.”

**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**17. Para 13.17: Page 175 – Unnecessary Purchase of Rs.112,860**

Audit had observed: “An examination of the record showed that 180-X-Ray Developers kits worth Rs.118,800 were purchased on 4 October 1990 without need as only 9 kits up to 20 May 1993 were used and remaining 171 kits worth Rs.112,860 were lying unused in the stores which seemed to have become time barred. Thus unnecessary purchase was a violation of Rule 15.20 (c) PFR Vol.I. This resulted into loss to the Government amounting to Rs.112,860 under the charge of Incharge Punjab Institute of Cardiology Lahore.”

**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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 Ad hoc PAC.

**18. Para 13.18: Page 175 – Purchase of Equipment without Immediate Requirement Rs.128,000**

Audit had observed: “The scrutiny of record revealed that the Administration purchased certain equipments on 30 June 1977. All the equipments purchased were lying in the store and were not used for the last seventeen years. The purchase was made without immediate requirement which was the violation of Rule-2.10(5) of PFR Vol.I. This resulted into a loss to the Government exchequer.”

**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**19. Para 13.19: Page 176 – Irregular Re-appropriation of Funds Rs.6,732,887**

Audit had observed: “An Audit scrutiny of record showed that an expenditure of stated amount was incurred after making re-appropriation of funds. The re-appropriation of the amount of Rs.50,000 was required to be made through the Government of the Punjab Finance Department as required vide Para (vii) of letter No.EXP(G)11-22/92 dated 25-8-92 which was not followed. This resulted into irregular expenditure amounting to Rs.6,732,887 during 1992-93 under the charge of MS General Hospital, Lahore.”

**6-4-02: 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 Ad hoc PAC.

**20. Para 13.20: Page 176 – Irregular and Un-economical Purchase Rs.255,000**

Audit had observed: “An Audit scrutiny of vouchers of Mayo Hospital, Lahore for the year 1992-94 showed that Biometry Attachment for calculation of IOL of the stated amount was purchased without the system of competitive tender for Eye Department in violation of Rule-15.2(d) of PFR Vol-I. This resulted into an irregular purchase amounting to Rs.255,000 during 1992-94 under the charge of MS Mayo Hospital, Lahore.”

**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**21. Para 13.21: Page 177 – Unnecessary Purchase of Firewood/Charcoal - Loss of Rs.216,988**

Audit had observed: “An examination of record showed that expenditure was incurred from June 1993 to April 1994 for the purchase of firewood and Charcoal, despite the fact sui gas installation existed in the hospital which was contrary to the Finance Department instructions, contained in S.O.(Bud.)1-32/77 dated 15 January 1973. Amount so spent was infructuous. Besides, payment for charcoal was also shown made at the very high rates of Rs.7/25 per kg than the Rs.4/75 per kg fixed by the D.C. Gujranwala during 1993-94 resulting into loss to the Government amounting to Rs.216,988 during 1993-94 under the charge of MS DHQ Hospital, Gujranwala.”

**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**22. Para 13.22: Page 177 – Repair of Gas Cylinders Without Requirement – Recovery of Rs.73,400**

Audit had observed: “An Audit scrutiny of vouchers showed that oxygen gas was purchased but the firm also included repair charges of cylinders in the bills without any order/ authority which were paid by the Hospital Administration. The expenditure, without proper permission/requirements, was a loss to public exchequer amounting to Rs.73,400 during 1993-94 under the charge of MS General Hospital, Lahore.”

**6-4-02: On consideration of the facts, the Committee observed that in fact the hospital authorities purchased the gas but while supplying the gas necessary repairs of cylinders could have been carried out. The Committee felt that no further investigation in the matter was required and settled the para.**

**23. Para 13.23: Page 178 – Irregular Expenditure of Rs.73,470**

Audit had observed: “An examination of record showed that the amount to the stated extent was spent on the purchase of khaki paper without need of the Department and in contravention of rule 15.2(c) of PFR Vol-I by splitting up the expenditure to avoid the

sanction of higher authority. It was also noticed that laid down procedure was not followed properly. This resulted into an irregular and infructuous expenditure amounting to Rs.73,470 during 1991-93 under the charge of DHO, Jhang.”

**6-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **24. Para 13.24: Page 178 – Unnecessary Purchase of Rs.290,000**

Audit had observed: “During Audit scrutiny of purchase vouchers, it was observed that MS Mayo Hospital, Lahore purchased Medical Equipment during June 1994. On physical verification during April 1995, it was found that equipment was lying unused in original packing. This proved the Audit contention that the equipment was purchased without any immediate requirement in violation of rule 2.10(b)(v) of PFR Vol-I. This resulted into blockade of public money amounting to Rs.290,000 during 1994-95 under the charge of MS Mayo Hospital, Lahore.”

**6-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **25. Para 13.25: Page 179 – Loss on Account of Purchase of Medicines at Excessive Rates Rs.145,587**

Audit had observed: “An Audit scrutiny of record showed that medicines were purchased from local market at exorbitant rates when compared with the available rates of the local market. Medical Superintendent did not opt for competitive tenders through press; rather he opted for firms of his own choice in contravention of Rule 15.2 of PFR Vol.I. This resulted into loss to public exchequer amounting to Rs.145,587 during 1992-93 under the charge of MS, DHQ Hospital, Vehari.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter, 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.

**26. Para 13.26: Page 179 – Wasteful Expenditure of Rs.138,366**

Audit had observed: “An examination of record showed that the sanctioned posts of Dietition, Cook and House Keeper were regularly being utilized since January 1993 inspite of the fact that neither diet was being served to the patients in the hospital nor a dietary budget had ever been provided. As regards the post of House Keeper the same had been sanctioned for Nursing Hostel, whereas no Nursing Hostel had been constructed in the hospital. These irregular appointments resulted in wasteful and unnecessary expenditure amounting to Rs.138,366 during 1993-94 under the charge of MS, Government Sardar Begum Hospital, Sialkot.”

**6-4-02:** The Committee found no force in the plea of Audit and **settled the para.**

**27. Para 13.27: Page 180 – Infructuous Expenditure of Rs.246,162**

Audit had observed: “During Audit scrutiny of record it was revealed that the amount to the stated extent was drawn on account of pay and allowances of 13 cooks appointed in Rural Health Centres, where no provision for supply of diet to patients existed. Unjustified appointments of cooks without involvement/performance of official duties thereof resulted in infructuous expenditure of Rs.246,162 from the public exchequer during 1993-94 by DHO, Muzaffargarh.”

**6-4-02:** The Committee **settled the para** with the direction that the Department may examine whether or not it is desirable to continue with the posts of cooks at such places where diet to the patients is not being provided.

**28. Para 13.28: Page 180 – Shortage of Stock Articles Rs.116,725**

Audit had observed: “The examination of record showed that at the time of transfer of charge of general store the store articles of stated amount were found short in January 1994. But no steps were taken to make good the loss. This resulted into a loss to the Government up to the stated extent.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter; 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.

**29. Para 13.29: Page 181 – Shortage of Stock Articles Rs.132,820**

Audit had observed: “The examination of stock register showed that no physical verification was carried out as required under Rule 15.16 of PFR Vol-I. The Audit found that stock articles were either stolen or less accounted for in the record up to the stated extent. This resulted into a loss to the Government It was also observed that certain stock registers were

not produced to Audit.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter, 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.

**30. Para 13.30: Page 181 – Shortage of Stocks Rs.535,318**

Audit had observed: “From an examination of the Stock Registers of Instruments of Operation Theatre and Furniture Fixture (movable property) it was observed that heavy shortages of stocks were detected during the physical verification but the Department failed to recover the same. This resulted into loss to the Government exchequer amounting to Rs.535,318 during 1992-93 by MS District Headquarter Hospital, Mandi Bhauddin.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter, 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.

**31. Para 13.31: Page 182 – Shortage of Stock Articles Rs.643,339**

Audit had observed: “During the physical verification carried out by the Department, various store articles were found short during 1993-94. The matter was brought to the notice of higher authorities. An inquiry was conducted and ex-store keeper was held responsible but no further steps were taken to effect the recovery. This resulted into loss to Government amounting to Rs.643,339 during 1993-94 under the charge of MS DHQ Hospital, Bahawalnagr.”

**6-4-02:** On consideration of the facts, the **Committee settled the para** with the direction that the outstanding amount may be recovered and reported to Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**32. Para 13.32: Page 182 – Shortage of Instruments/Equipments – Loss of Rs.226,827**

Audit had observed: “From an examination of stock register of equipment and instruments it was observed that stock articles of amount in question were not found in record. Shortage was noticed at the time of taking over the charge of the stores by the next Operation Theatre Assistant. This resulted into loss to public exchequer amounting to Rs.226,827 during 1993-94 under the charge of MS, THQ Hospital Kamokee, Gujranwala.”



**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter, 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.

**33. Para 13.33: Page 183 – Loss of Store Articles Rs.49,979**

Audit had observed: “An examination of record showed that chemical items were purchased during January 1992 which were packed in tins/packets. During physical verification by the Medical Superintendent, 50% of the tins/packets were found empty which resulted into loss on account of non-inspection of store/articles at the time of taking delivery as required under Rule 15.4 of PFR Vol.I. This resulted into loss to public exchequer amounting to Rs.49,979 during 1992-94 under the charge of MS, THQ Hospital, Gujjar Khan, District Rawalpindi.”

**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter, 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.

**34. Para 13.34: Page 183 – Non-deposit of the Government Receipt Rs.323,769**

Audit had observed: “The examination of record revealed that in various Rural Health Centres and Basic Health Units under the administrative control of District Health Officer, Okara, purchee fee, admission fee, X-Ray and Laboratory charges were realized from patients but not deposited into the Government Treasury which was required under Rule-7(1) STR. This resulted into a loss to Government exchequer up to the stated extent.”

**6-4-02: 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.

**35. Para 13.35: Page 184 – Non-deposit of Government Receipts Rs.94,228**

Audit had observed: “During scrutiny of hospital record of purchee fee, X-Ray fee and ambulance charges, it was noticed that amount realized from patients under above mentioned

heads was not/less deposited into the Government Treasury. This resulted in loss to the Government of Rs.94,228 during 1987 to 1993.”

**6-4-02:** 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 may shall reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**36. Para 13.36: Page 184 – Non-deposit of Ambulance Charges Rs.118,133**

Audit had observed: “An examination of log books showed that the stated amount was realized from the patients on account of ambulance charges but the same was not deposited into Government Treasury which was required under Rule 7(1) STR. This resulted into a loss to Government of Rs.118,133 during 1990 to 1994.”

**6-4-02:** 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.

**37. Para 13.37: Page 185 – Non-deposit of Government Receipts (Rs.78,017+94,144=Rs.172,161)**

Audit had observed: “All the Government receipts are required to be deposited into Government accounts immediately in accordance with rule 7(1) of STR. But, during Audit scrutiny of record, it was observed that the Government receipts collected on a/c of purchase fee, X-Rays fee and ambulance charges were not deposited into Government accounts. This resulted into loss to public exchequer amounting to Rs.172,161 during the year 1993-94, under the charge of MS, DHQ Hospital, Okara and DHQ Layyah.”

**6-4-02:** 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.

**38. Para 13.38: Page 185 – Non-depositing of Government Receipt - Loss of Rs.145,115**

Audit had observed: “From an examination of record it was observed that Hospital receipts like purchase fee, X-ray and Laboratory charges realized from the patients but the same were not deposited into Government Treasury in contravention of Rule 7(1) of STR. This resulted into loss amounting to Rs.145,115 during 1992-93 under the charge of MS DHQ Hospital,

Vehari.”

**6-4-02: 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.

**39. Para 13.39: Page 186 – Non-deposit of Government Receipts Rs.70,945**

Audit had observed: “From an examination of record, it was observed that Hospital receipts like purchee fee, ambulance charges realized from the patients were either less deposited or not deposited into Government Treasury in contravention of Rule 7(1) of STR. This resulted into loss amounting to Rs.70,945 during 1993-94 under the charge of MS, DHQ Hospital, Muzaffargarh.”

**6-4-02: 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.

**40. Para 13.40: Page 186 – Less Deposit of Government Receipts Rs. 53,772**

Audit had observed: “An examination of record showed that Hospital receipts realized under the head of purchee fee and other Government dues etc were either not deposited or less deposited into Government accounts, which resulted into a loss to Government revenues amounting to Rs.53,772 during 1993-94 under the charge of MS, DHQ Hospital, Gujranwala.”

**6-4-02: 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.

**41. Para 13.41: Page 187 – Non-deposit of Hospital Receipts Rs.141,931**

Audit had observed: “An Audit scrutiny of record showed that the Hospital receipts like purchee fee, ambulance charges etc. to the stated extent were realized from the patients but the same were not deposited into the Treasury in contravention of rule 7(1) of STR which resulted into loss to Government amounting to Rs.141,931 during 1991-94 under the charge of DHO

Muzaffargarh, Chakwal, MS DHQ Hospital, Kasur, THQ Hospital, Wazirabad, Pasrur, Mandi Bahauddin and Sardar Begum Hospital, Sialkot.”

**6-4-02:** 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.

**42. Para 13.42: Page 188 – Non-deposit of Government Receipts Rs.69,227**

Audit had observed: “An Audit scrutiny of record showed that the whole amount of Purchee Fee, Ambulance Charges and X-Ray Charges collected from the patients were not deposited into Government Treasury. This resulted into loss to Government amounting to Rs. 69,227 during 1992-93 and 1993-94 under the charge of District Health Officers, Sialkot, Rawalpindi, MS THQ Hospital, Karor, District Layyah and THQ Hospital, Wazirabad, District Gujranwala.”

**6-4-02:** 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.

**43. Para 13.43: Page 188 – Non/Less Deposits of Rs.49,926 on Account of Ambulance Charges**

Audit had observed: “The examination of record revealed that an amount of Rs.49,926 was realized on account of ambulance charges from patients but not/less deposited into Government Treasury resulting into loss to Government during 1991-93.”

**6-4-02:** 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.

**44. Para 13.44: Page 189 – Less Realization of Government Dues Rs.121,197**

Audit had observed: “An examination of record showed that the Government dues on account of tuition fee and subscription charges for each class were realized from the students at the rate less than that fixed by the Health Department which resulted into loss to Government amounting to Rs.121,197 under the charge of Principal, Fatima Jinnah Medical College, Lahore.”

**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter, 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.

**45. Para 13.45: Page 189 – Non-deposit of Rs.105,357**

Audit had observed: “Scrutiny of record showed that ambulance charges of 5 RHCs to the stated extent were realized from patients but the same were not deposited into Government Treasury in contravention of Rule 7(1) of STR. This resulted into loss to public exchequer amounting to Rs.105,357 during 1993-94 under the charge of DHO, Muzaffargarh.”

**6-4-02: 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.

**46. Para 13.46: Page 190 – Un-authorized Payment of House Rent Allowance Rs.464,805**

Audit had observed: “An examination of record showed that the amount in question was paid to the staff on account of house rent allowance, while they were residing in the Government residences available exclusively for them according to their designations. They were not entitled to the said allowance. This resulted into loss to Government amounting to Rs.464,805 under the charge of DHQ, Rawalpindi.”

**6-4-02: 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.

**47. Para 13.47: Page 190 – Excess Payment of House Rent Allowance Rs.224,720**

Audit had observed: “An Audit scrutiny of record showed that the House Rent Allowance to the stated extent was paid to the staff posted at Rural Health Centers, Basic Health Units inspite of the fact that Government residential accommodation was available exclusively at place of their posting. They were not entitled to draw house rent allowance. This resulted into an overpayment amounting to Rs.224,720 during 1993-94 under the charge of DHQ, Muzaffargarh.”

**6-4-02:** 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.

**48. Para 13.48: Page 191 – Uneconomic/Irregular Expenditure of Rs.8,249,593**

Audit had observed: “During Audit scrutiny of record, it was observed that expenditure to the stated extent was incurred by MS Allied Hospital, Faisalabad on account of purchase of medicines etc. The purchase was made locally without calling open tenders in violation of rule 15.2 of PFR Vol-I read with Finance Department No.FD PR)II-5/8 dated 2.11.86. The sanction of the competent authority was not obtained in disregard to rule ibid. This resulted into an irregular expenditure from public exchequer amounting to Rs.8,249,593 during 1991-93 under the charge of MS, Allied Hospital, Faisalabad.”

**6-4-02:** 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.

**49. Para 13.49: Page 191 – Irregular Expenditure of Rs.360,000**

Audit had observed: “An examination of record showed that machinery and equipments were purchased without following the laid down procedure for making such expenditure. This resulted into irregular expenditure amounting to Rs.360,000 during 1992-93 under the charge of MS, Lahore General Hospital, Lahore.”

**6-4-02:** 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 may be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**50. Para 13.50: Page 192 – Irregular Expenditure on the Local Purchase of Medicines Rs.1,106,755**

Audit had observed: “Health Department has authorized RHCs and BHUs for local purchase or purchase other than MSD upto 15% of the total budget in order to ensure the availability of essential drugs and medicines. An examination of record showed that DHO Chakwal exceeded the limit upto 46.7% of the available budget while making local purchases of medicines and in this way incurred extra expenditure which was quite irregular. This resulted into an irregular expenditure amounting to Rs.1,106,755 during 1992-93 under the charge of DHO Chakwal.”

**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall investigate the matter, 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.

**51. Para 13.51: Page 192 – Irregular Purchase of Rs.338,616**

Audit had observed: “During Audit scrutiny of record it was observed that an amount of Rs.338,616 was drawn from Head `599- others’ and paid to various suppliers on account of purchases made for the hospital in violation of Sr. No.3(b)(xxvii) of Delegation of Powers Rules 1990. The MS being category-I officer was authorized only for expenditure of Rs.4,000 for recurring expenditure and Rs.20,000 for non-recurring expenditure. The payments were also made by splitting up the purchases to avoid the necessity for obtaining the sanction of competent authority in disregard to rule 15.2(c) of PFR Vol-I. This resulted into irregular expenditure amounting to Rs.338,616 during 1993-94 under the charge of MS, DHQ Hospital, Faisalabad.”

**6-4-02: 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.

**52. Para 13.52: Page 193 – Unauthorized Purchase of Rs.329,000**

Audit had observed: “A scrutiny of record revealed that mobile telephones were purchased on 28.6.92 without entitlement and that too were lying unused in stock. This resulted into blockade of Government money amounting to Rs.329,000 in contravention of the Government orders as communicated vide Rule 15.21(4) of PFR Vol-I during 1990-93 under the charge of

Incharge, Punjab Institute of Cardiology, Lahore.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter, 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.

**53. Para 13.53: Page 193 – Irregular Purchase of Medicine Rs.1,050,442/90**

Audit had observed: “An Audit scrutiny of purchase vouchers of medicines showed that medicines to the stated extent were purchased from the local market from the firms of choice and the tenders not advertised in the press to make economical purchase as required under Rule 15.2(b) PFR Vol-I. This resulted into an irregular purchase during 1992-93 and 1993-94 under the charge of MS Mayo Hospital, Lahore.”

**6-4-02:** 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.

**54. Para 13.54: Page 194 – Excess Payment on Purchase of Rs.448,924**

Audit had observed: “In the light of instructions issued by the Government of Punjab, Health Department, vide No.SOP(108-32/91) dated 26th August 1992 for the year 1992-93 where rate contract had been concluded by the Department, drugs/medicines were to be purchased at the same rate and from the same firm as per rate contract finalized. An examination of record however showed that the amount to the stated extent was paid in excess because medicines were purchased at higher rates than the rate contract approved. This resulted into loss to Government amounting to Rs.448,924 during 1992-93 under the charge of DHO, Gujranwala.”

**6-4-02:** 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.

**55. Para 13.55: Page 195 – Irregular Purchase of Medical Equipment Rs.298,000**

Audit had observed: “From an examination of vouchers for the period 1993-94 it was observed that Ophthalmic B-Scan Unit for Eye Department was purchased from Latif



Brothers, Lahore. The purchase was made on single enquiry basis without calling competitive tenders in violation of Rule 15.2(d) of PFR Vol-I. This resulted into irregular purchase amounting to Rs.298,000 during 1992-93 under the charge of MS, Mayo Hospital, Lahore.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter, 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.

**56. Para 13.56: Page 195 – Theft of Jeep – Loss of Rs.200,000**

Audit had observed: “A Suzuki Jeep provided by US-AID was stolen on 20 February 1991 from the residence of Management Analyst. As a result of an inquiry, the said Doctor was held responsible for the theft of the Jeep. An FIR was registered with Police Station on 2 March 1991. No effort was however made to recover the Jeep. The case was not reported to Audit in accordance with rule 2.34 and 2.35 of PFR Vol-I. Resultantly Government had to sustain a loss amounting to Rs.200,000 during 1990-91 and 1991-92 under the charge of DHS, Rawalpindi.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter at a high level to fix the responsibility; 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.

**57. Para 13.57: Page 196 – Non-accountal of Medicines/Misc. Items – Loss of Rs.969,722**

Audit had observed: “During scrutiny of main stock register of medicines/misc. items, it was observed that the stock articles of amount in question were shown as issued to THQ Pasrur/BHUs, but those were neither accounted for in their accounts records nor its consumption account was maintained. This resulted into loss to Government amounting to Rs.969,722 during 1993-94 under the charge of DHO, Sialkot.”

**6-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the Committee.

**58. Para 13.58: Page 196 – Non-accountal of Store Items Rs.311,694**

Audit had observed: “An examination of record showed that administration of the hospital purchased certain items, but the same were not entered/accounted for in the relevant stock register which was contrary to Rule 15.4 of PFR Vol-I. In the absence of proper accountal/consumption account, misappropriation of the items purchased was not beyond doubt. This resulted into loss to Government amounting to Rs.311,694 during 1987-94 under the charge of Medical Superintendent, DHQ Hospital, Chakwal.”

**6-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**59. Para 13.59: Page 197 – Non-deduction of Withholding Tax Rs.93,808**

Audit had observed: “In accordance with section 50(4) of Income Tax Ordinance 1979, the payment for execution of contracts and supplies of goods and services are subject to withholding tax. From an examination of record, it was observed that the amount was not deducted in contravention of the provision of Ordinance from the different offices.”

**6-4-02:** 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 non-deduction of income tax. Disciplinary action shall 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.

**60. Para 13.60: Page 197 – Non-deduction of House Rent Allowance Rs.55,795**

Audit had observed: “Certain officials/officers were holding residence which were made exclusively for them by designation/appointments in terms of Appendix-IX referred to in Rule 5.88 of Punjab Civil Services Rule, 1978 (Part-I). Recovery at the rate of 5% of basic pay was to be made in this connection but the needful was not done. This resulted into overpayment amounting to Rs.55,795 during 1993-94 under the charge of Medical Superintendent Eye and General Hospital, Gojra.”

**6-4-02:** On consideration of the facts of the case, the **Committee settled the para subject to the following direction–**

The Department shall investigate the matter, recover overpayment, 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.

**61. Para 13.61: Page 198 – Non-accountal of Consumable Articles Rs.224,168**

Audit had observed: “An Audit scrutiny of general store expenditure book, showed that consumable articles such as soda ash, firewood, charcoal and washing soap etc., to the stated extent were purchased on various occasions during the period 1993-94. But its consumption accounts were not supported with any requisitions/demands. The consumption of the articles, in the absence of supporting documents, was a misappropriation of the consumable articles. This resulted into loss to public exchequer amounting to Rs.224,168 during 1993-94 under the charge of MS, DHQ Hospital, Rawalpindi.”

**6-4-02: The Committee settled the para** as no irregularity was found.

**62. Para 13.62: Page 198 – Non-utilization of X-Ray Plant Purchased – Blocking of Government Funds (Rs.492,200+Rs.50,000 = Rs.542,270)**

Audit had observed: “During Audit scrutiny of record an X-Ray plant to the stated extent was received by DHO Muzaffargarh in May 1992 for installation in Rural Health Centre, Dera Din Panah. But the X-Ray plant was not put into operation for the welfare of patients even after the lapse of more than 2 years although the services of a radiographer were acquired and available since 6 March 1993, he being paid about Rs.50,000 on account of pay, without doing any job.”

**6-4-02: 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 take disciplinary action against the persons found at fault for not commissioning the equipment on time. 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.

**63. Para 13.63: Page 199 – Non-recovery of Penal Rent Rs.350,740**

Audit had observed: “During Audit scrutiny of record it was observed that medical officers on their transfer from the Punjab Medical College, Faisalabad either retained the Government residences or sublet them to some other persons even not belonging to Health Department. The Health Department ordered for the recovery of penal rent @ 60% of their pay but could not effect the recoveries in execution of its orders. This resulted into non-recovery amounting to Rs.350,740 during 1993-94 under the charge of Principal Punjab Medical College, Faisalabad.”

**6-4-02: The Committee settled the para with the direction** that the outstanding amount shall be recovered and reported to Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**64. Para 13.64: Page 199 – Non-recovery of Rs.468,713**

Audit had observed: “According to admission rules, nurses undergoing training of Nursing Course will have to refund the stipend and allowance to Government in case the training is discontinued on account of misconduct or non-observance of rules/regulations. An examination of attendance register revealed that a number of nurses could not complete their training course for one or the other reason, but their stipend and allowance were not refunded to Government as was the requirement of law. This resulted into loss to the Government amounting to Rs.468713 during 1990-94 under the charge of Principal, Nursing School, Allied Hospital, Faisalabad.”

**6-4-02:** On consideration of the facts, the **Committee settled the para with the direction** that the Department shall investigate the matter and effect recovery. The same shall be reported to Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**65. Para 13.65: Page 200 – Non-recovery of Rs.398,008**

Audit had observed: “Students getting training in the school were paid stipend which had to be refunded in case of leaving the training. An Audit scrutiny of record showed that the school administration failed to recover the stipend from those who had left the school during training. It seemed that no effective measures were adopted to recover such amounts in case of students dropping out/absconding. This resulted into loss to Government amounting to Rs.398,008 during 1990-93 under the charge of Principal, School of Nursing, Holy Family Hospital, Rawalpindi.”

**6-4-02:** On consideration of the facts, the **Committee settled the para with the direction** that the Department shall investigate the matter and effect recovery. The same shall be reported to Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**66. Para 13.66: Page 200 – Irregular Payment of Conveyance Allowance Rs.90,528**

Audit had observed: “An examination of record showed that certain officials who were residing in the premises of the Hospital in Government residences were paid conveyance allowance since 7/91 to the date of Audit for which they were not entitled. This resulted into a loss to Government amounting to Rs.90,528 during 1991-94 under the charge of MS, General Hospital Rawalpindi.”

**6-4-02:** On consideration of the facts, the **Committee settled the para with the direction** that the outstanding amount shall be recovered and reported to Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**67. Para 13.67: Page 201 – Non-recovery of Conveyance Allowance Rs.74,694**

Audit had observed: “According to the Government instructions the officer/official who resides within the premises of office was not entitled to conveyance allowance. During the examination of record it was, however, observed that the amount in question on account of conveyance allowance had been paid to the officers/officials despite the fact that they were living in the hospital premises in the Government residence. This resulted into overpayment amounting to Rs.74,694 during 1993-94 under the charge of MS, DHQ Hospital, Rawalpindi.”

**6-4-02:** On consideration of the facts, the **Committee settled the para with the direction** that the outstanding amount shall be recovered and reported to Audit for verification by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

**68. Para 13.68: Page 201 – Irregular Payment of Rs.330,306**

Audit had observed: “Hostel utility bills for the services used were to be paid by the students themselves. During scrutiny of the record it was however noticed that sui-gas and electricity bills for student’s hostel were paid from Government Funds. Resultantly, the Government sustained a loss up to Rs.330,306 during 1993-94.”

**6-4-02:** On consideration of the facts, the **Committee settled the para subject to the following direction–**

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

**69. Para 13.69: Page 202 – Irregular Payment Rs.81,771**

Audit had observed: “An Audit scrutiny of record showed that advance increments were allowed on improving academic qualification to the Technical and Semi-Technical staff in violation of Finance Department letter No.FD-FR-I-3/93/(C)-III dated 17 March 1992 whereby advance increments were only admissible to the Technical Staff on improving qualifications in their relevant field. This resulted into loss to Government amounting to Rs.81,771 during 1993-94 under the charge of DHO, TT Sing.”

**6-4-02:** The **Committee settled the para** as no irregularity was found.

**70. Para 13.70: Page 202 – Non-deduction of Income Tax Rs.989,182**

Audit had observed: “The provisions of Income Tax Ordinance 1979 clearly state that drawing officers were responsible for deduction of tax at the rate of 2.5% at source from the contractors whose supplies/services exceeded Rs.25,000, Rs.10,000 respectively during the financial years. An Audit scrutiny of record showed that the tax was not deducted at source to the stated extent. This resulted into loss to Government amounting to Rs.99,182 during 1993-94 under the charge of DHO, M/Garh MS, DHQ Hospital, Kasur, General Hospital, Lahore.”

**6-4-02: 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 non-deduction of income tax, and take disciplinary action 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.

**71. Para 13.71: Page 203 – Less Deduction of Income Tax Rs.62,678**

Audit had observed: “Under Section 50(1) of Income Tax Ordinance 1979 the Government Officers/Officials were required to pay Income Tax on salary in excess of Rs.40,000 per year. From an examination of pay bills of 40 officers it was observed that Income Tax to the stated extent was less deducted than due from them. Resultantly, Government sustained a loss amounting to Rs.62,678 during 1993-94 under the charge of Secretary Health, Punjab.”

**6-4-02: On consideration of the facts of the case, the Committee settled the para subject to the following direction–**

The Department shall recover the outstanding amount and deposit it with the Income Tax Department. It shall also inform the Income Tax Department about the non-deduction of income tax, and take disciplinary action 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.

**72. Para 13.72: Page 203 – Irregular Drawal of Conveyance Allowance During Summer Vacation Rs.35,831**

Audit had observed: “An examination of record of De-Montmorency College of Dentistry and College of Community Medicine, Lahore showed that the teaching staff of the College was not entitled to draw conveyance allowance during summer vacation. But, contrary to this the teaching staff of the formation drew a sum of Rs.35,831 on account of conveyance allowance. This resulted into loss to public exchequer amounting to Rs.35,831 during 1993-94 under the charge of both Principals.”

**6-4-02: 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **73. Para 13.73: Page 204 – Shortage of Stock Articles – Loss of Rs.86,130**

Audit had observed: “During Audit scrutiny of stock and main registers followed by joint physical verification of stock by Audit Party and Assistant District Health Officer, Gojra in accordance with Rule 15.21(7) of PFR Vol-I showed shortage in the stock articles kept in the store which resulted into loss to Government amounting to Rs.86,130 during 1993-94 under the charge of DHO, TT Singh.”

#### **6-4-02: On consideration of the facts of the case, the **Committee settled the para subject to the following direction–****

The Department shall investigate the matter; 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.

### **74. Para 13.74: Page 204 – Irregular Expenditure on Printing Material Rs.108,921**

Audit had observed: “An expenditure was incurred on the printing of various forms, registers and books etc., through private printing press without obtaining N.O.C. from the Government Printing and Stationery Department and without sanction of the Competent Authority. The DHO was competent to accord sanction only up to Rs.1,000 as per Item No.3 (b)(xiii) of Delegation of Financial Powers Rules, 1990. This resulted into irregular expenditure amounting to Rs.108,921 during 1993-94 under the charge of DHO, Bhakkar.”

#### **6-4-02: 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 Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

### **75. Para 13.75: Page 205 – Overpayment of House Rent Allowance Rs.78,814**

Audit had observed: “During Audit scrutiny of record it was observed that certain staff was residing in the Government accommodation located within the premises of the Institute. The House Rent Allowance was paid to them for which they were not entitled and 5% of pay was also not recovered as required. This resulted into loss amounting to Rs.78,814 during

1993-94 under the charge of DHQ Hospital, Bahawalnagar.”

**6-4-02:** 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.

**76. Para 13.76: Page 205 – Overpayment Due to Wrong Fixation of Pay Rs.142,326**

Audit had observed: “The nurses who qualified the Midwifery Course were initially allowed two advance increments before Ist July 1983. Afterwards, on the introduction of Basic Pay Scales, two more increments in addition to the previous ones were granted which was against the provisions of rules. This resulted in irregular payment to the stated extent. However, certain amount was recovered leaving the balance to the above extent which requires immediate recovery.”

**6-4-02:** On consideration of the facts, the **Committee settled the para subject to the following direction–**

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

## Commercial Audit

**77. Para 3(xiv): Page 6 – Government Medical Stores Depot, Lahore**

Audit had observed: “The Medical Stores Depot, Lahore has not compiled its accounts.”

**29-7-99:** The Department explained that accounts for the year 1987-88, 1990-91 had since been got verified/certified by Audit. The accounts for the year 1988-89, 1989-90 and 1992-93 had been submitted to Audit for verification/certification. The accounts for the year 1993-94 and 1994-95 would be prepared in due course of time.

The PAC directed the Department that all the outstanding accounts may be got verified/certified by Audit. The para was kept pending.

**18-4-02:** The PAC noted the contents of Audit para and directed that the Department should promptly compile the accounts and submit the same to Audit for necessary action. In future, the Department must ensure that the accounts are compiled and submitted to Audit on time.

**78. Para 3(xv): Page 6 – Punjab Health Foundation, Lahore**



Audit had observed: “The Punjab Health Foundation, Lahore has not compiled its accounts.”

**29-7-99:** The Department explained that accounts of the Punjab Health Foundation for the year 1992-93 to 1994-95 had been got certified by Audit. The PAC accepted the explanation and the **para was settled.**

#### **79. Para 80: Page 61 – Punjab Pharmacy Council, Lahore**

Audit had observed: “The working results of the Punjab Pharmacy Council, Lahore during the year 1994-95, were as in the given cases..... Necessary steps also need to be taken to enable the Council to come out of the present stagnant position.”

**29-7-99:** The Department explained that matter was sub judice as the Punjab Pharmacy Council had filed an inter court appeal against the decision of Lahore High Court. After the decision of inter court appeal the examination will be conducted.

The PAC directed the Department to pursue the case in court vigorously for early decision. The para was kept pending.

**18-4-02:** 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 29 July 1999 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.

#### **80. Para 81: Page 62 – Punjab Pharmacy Council, Lahore**

Audit had observed: “The working results of the Punjab Pharmacy Council, Lahore during the year 1994-95, were as in the given cases..... The income of the Council increased by Rs.422,225 whereas the expenditure increased by Rs.120,738. This resulted in increase in net income by Rs.301,487 during the year 1994-95 as compared to the previous year 1993-94. Increase in expenditure was mainly due to increase in pay of staff by Rs.65,,103, stationery expenses by Rs.45,661, advertisement charges by Rs.49,571 and postal service stamps by Rs.135,214. However, the overall financial position of the Council improved during the year 1994-95 as compared to the preceding year 1993-94.”

**29-7-99:** The Department explained that expenditure had increased during 1994-95 due to revision of pay scales in July 1994. Besides this 15000 applications received for the enrolment in register “C” but these applications were returned to the candidates alongwith their demand draft/fee due to un-avoidable circumstances. For this process expenditure on advertisement, stationery and postal service stamps was incurred which was un-avoidable.

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

# Home Department

## Overview

<b>Total Paras</b>
<b>21</b>

## Abstract

<b>Status</b>	<b>Decision</b>	<b>Para Nos.</b>	<b>Total</b>
<b>Paras Finally Settled</b>  <b>4</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 14.7(1), 14.7(2), 14.8, 14.11.	<b>4</b>
<b>Paras Conditionally Settled</b>  <b>17</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and Audit should verify the same.	<b>Civil:</b> 14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 14.9, 14.10, 14.12, 14.13, 14.14,14.15, 14.16, 14.17, 14.18, 14.19, 14.20.	<b>17</b>

**Discussed on 24 February 1999 and 12 April 2002.**

## Civil Audit

### **1. Para 14.1: Page 209 – Misappropriation of Store Articles Rs.66,136**

Audit had observed: “The examination of record revealed that the Dietary Articles were misappropriated by less Accountal of stock, computational errors by carrying over incorrect balances, which resulted into a loss of Government up to the stated extent.”

**24-2-99:** The Department explained that recovery of Rs.66,136 had been effected and got verified by Audit. The concerned officials/officer had also been reprimanded.

The Audit apprised the PAC that the recovery had been effected at the purchase rate while the same should have been effected at current market rates.

The Public Accounts Committee **settled the para subject to** the condition that if the embezzlement was proved then the recovery may be made at prevailing market rates.

## **2. Para 14.2: Page 209 – Misappropriation of Stores Rs.116,457**

Audit had observed: “An Audit scrutiny of stock register showed that stores to the stated extent were found short as detected at the time of physical verification, conducted vide rule 15.16 of PFR Vol-I. The Department could not adopt measures to save the loss to the Government amounting to Rs.116,457 during 1990-93 under the charge of Superintendent Distt. Jail Gujrat.”

**24-2-99:** The Department explained that recovery of Rs.16,889 being the cost of short items had been recovered and got verified by Audit. Accountal of stock articles valuing Rs.45,000 had also been verified by Audit. Stock articles worth Rs.20,591 had been consumed/ utilized. Wool worth Rs.33,975 had been found un-serviceable and therefore, would be got condemned by the Competent Authority.

The PAC directed the Department to get the wool worth Rs.33,975 condemned by the Competent Authority under verification by Audit. The items worth Rs.20,591 shown as consumed may also be got verified by Audit. The para was kept pending.

### **12-4-02: The Committee settled the para subject to the following direction–**

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

## **3. Para 14.3: Page 210 – Irregular Expenditure on Residential Telephone Rs.51,842**

Audit had observed: “As per instructions contained in the Government of the Punjab Finance Department Letter No.FD(PW-II)2-1/Tele/82(Provl.) Dated 10 July 1988, only 400 calls p.m. were admissible for the residential telephone of the Superintendent of Jail. An Audit scrutiny of vouchers showed that telephone was used beyond the limit up to the stated extent. It has resulted into excess expenditure to Government exchequer amounting to Rs.51,842 during 1991-94 under the charge of Superintendent Jail, Rawalpindi.”

**24-2-99:** The Department explained that a sum of Rs.28,562 had been recovered from the officer concerned. The officer had since been retired and was reluctant to pay the balance amount on the plea that remaining amount of Rs.23,279 pertained to STD calls, which were made for official purpose. Anyhow, efforts were being made to recover the balance amount.

The PAC directed the Department to recover the balance amount of Rs.23,279 without further delay under verification by Audit. The officer who issued the NOC/NDC in favour of the defaulting retired officer for pension purposes may be proceeded against for disciplinary

action. The para was kept pending.

**12-4-02:** 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 24 February 1999 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.

**4. Para 14.4: Page 210 – Excess Expenditure on Residential Telephone Rs.151,987**

Audit had observed: “Under the Government of Punjab letter No.FD/PW-II-2-1/Tele (Provl.) dated 10 August 1988, DIG and Superintendent of Police were entitled to 1000 & 900 local calls on the residential telephone respectively, but an Audit scrutiny of telephone bills revealed that expenditure on calls in excess of the prescribed limit was paid out of the public account unauthorizedly. Resultantly, Government sustained a loss amounting to Rs.151,987 during 1992-93 under the charge of DIG Police, Gujranwala.”

**24-2-99:** The Department explained that Police Department is a law-enforcing Agency and D.I.G. Police being the controlling authority of Range had to remain in touch with the higher formations/lower formations to pass on and receive the informations/directions concerning the position of law and order. The telephone calls were made under un-avoidable conditions in the best interest of public safety and law and order.

The PAC directed the Department to move a case to the Chief Secretary through Finance Department for regularization of excess expenditure; otherwise the same may be recovered within one month. The para was kept pending.

**12-4-02:** 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 24 February 1999 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.

**5. Para 14.5: Page 211 – Excess Expenditure on Residential Telephone Rs.106,392**

Audit had observed: “An Audit scrutiny showed that SSP and Addl. S.P. made telephone calls in excess of their limit of 1000 and 900 local telephone calls P.M. respectively prescribed by FD vide circular dated 10 July 1988 for residential telephones. This resulted into excess expenditure amounting to Rs.106,392 (SSP Rs.102,674 and Additional SP Rs.3,718) during

1992-93 under the charge of SSP Sahiwal.”

**24-2-99:** The Department explained that Police Department being the Law Enforcing Agency and the DSP being the controlling Authority had to remain in touch with the higher/lower formations to receive and pass on the informations/directions concerning the position of law and order. The telephone calls were made under extreme urgency in the best interest of public safety and law & order situation.

The PAC directed the Department to move a case to the Chief Secretary through Finance Department for regularization of excess expenditure, otherwise the same may be recovered within one month. The para was kept pending.

**12-4-02:** 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 24 February 1999 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 14.6: Page 211 – Excess Expenditure on Residential Telephone of Rs.121,153**

Audit had observed: “The Senior Superintendent of Police and Additional Superintendent of Police were entitled to 900-Free Telephone Calls per month from residential telephone as per notification of Government of Punjab Finance Department No. (Pov-II) 2-1/Tele/82 dated 10 July 1988. It was however, observed that 60323 calls between July 1992 to June 1993 leading to Telephone charges of Rs.121,153 in excess of the ceiling, were paid out of the Government account during 1992-93. The Government thus sustained a loss amounting to Rs.121,153 during 1992-93 by SP Police Bahawalpur.”

**24-2-99:** The Department explained that Police Department being the Law Enforcing Agency and the DSP being the controlling Authority had to remain in touch with the higher/lower formations to receive and pass on the informations/directions concerning the position of law and order. The telephone calls were made under extreme urgency in the best interest of public safety and law & order situation.

The PAC directed the Department to move a case to the Chief Secretary through Finance Department for regularization of excess expenditure, otherwise the same may be recovered within one month. The para was kept pending.

**12-4-02:** 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 24 February 1999 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.

**7. Para 14.7(1): Page 212 – Non-recovery of Risk Purchase Rs.104,026 (Supdt: Central Jail, Gujranwala – Rs.82,388)**

Audit had observed: “An examination of record showed that certain contractors failed to supply dietary articles (Milk, Atta, Ghee) during 1992-93 and 1993-94 in accordance with the contract agreement. Consequently the items were purchased from the open market at higher prices. The Department did not confiscate contractors securities on their failure in this regard as required nor the risk money involved. This resulted into loss to Government amounting to Rs.104,026 during 1992-93 and 1993-94 under the charge of Superintendent Central Jail Gujranwala and DG Khan.”

**24-2-99:** The Department explained that the payment Rs.18,280 being the dues of the supplier for the milk supplied by him had been withheld. Also the security of the supplier amounting to Rs.80,000 had been forfeited. Position had also been verified by Audit.

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

**8. Para 14.7(2): Page 212 – Non-recovery of Risk Purchase Rs.104,026 (Distt: Jail, D.G. Khan – Rs.21,638)**

For Audit Observation, *see* Sr.No.7 above.

**24-2-99:** The Department explained that actual amount of loss in the supply of Atta was Rs.245 while ghee was supplied on the risk of the contractor. Loss in the risk supply of ghee amounted to Rs.11,250 which had been recovered from the contractor. The position had also been verified by Audit.

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

**9. Para 14.8: Page 213 – Non-deposit of Government Receipts Rs.111,000**

Audit had observed: “An Audit scrutiny of contract register showed that administration of the jail auctioned canteen for Rs.111,000 for the year 1993-94 which was realized from the contract but the same was not deposited into Govt. Treasury. Resultantly, Government sustained a loss amounting to Rs.111,000 during 1993-94 under the charge of Superintendent. New Central Jail, Multan.”

**24-2-99:** The Department explained that canteens in the jail were established on jail land and income derived from the canteens had been deposited in the welfare fund. Such Audit observations had previously been discussed in the PAC i.e. vide para 14.2.6 of Audit Report for the year 1986-87 and the para was settled by the PAC The welfare fund was being used for welfare and charitable purposes. The Department further apprised the Committee that Chief Minister, Punjab had already accorded approval for the establishment and operation of Punjab Employees Welfare Fund w.e.f the date of its established i.e. 29 April 1975 and had allowed

its utilization for welfare of the prisoners and the staff of Prisons Department through Punjab Prison Foundation.

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

#### **10. Para 14.9: Page 213 – Loss on Less Accountal of Ammunition of Rs.94,789**

Audit had observed: “During Audit scrutiny of record it was observed that ammunition in the form of cartridges and other material to the stated extent was found short in the stock register of ammunition maintained in the office of Superintendent of Police Gujrat and other related Police stations. This less Accountal of material resulted into loss to Government amounting to Rs.94,789 during 1990-93 under the charge of S.P. Gujrat.”

**24-2-99:** The Department explained that D.S.P/Headquarter and Line Officer had carried out a physical verification of record and found that stock was physically available which could be verified by Audit. The omissions had since been rectified.

The PAC directed that a higher-level inquiry may be conducted to ascertain the factual position as to why the accountal of ammunition was made in the books later on while at the time of Audit the record showed shortage. The inquiry may be completed at the earliest under intimation to PAC the para was kept pending.

**12-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **11. Para 14.10: Page 214 – Non-accountal of Stock Articles Costing Rs.73,812**

Audit had observed: “During Audit scrutiny of record it was observed that an expenditure was incurred on the purchase of stock articles, but the same was neither taken into accounts nor consumption was shown to Audit which amounted to misappropriation in accordance with Rule 15.4 PFR Vol-I. This resulted into a loss to the Government amounting to Rs.73,812 during 1992-93 under the charge of SP Police DG Khan.”

**24-2-99:** The Department explained that necessary stock entries of articles purchased had already been made in the relevant stock register.

Audit apprised the PAC that said entries in the stock register were not shown to Audit Inspection Party at the time of Audit.

The PAC directed that inquiry may be conducted and responsibility be fixed for the misappropriation of government funds and the loss be recovered from the defaulter. The para was kept pending.

**12-4-02:** On consideration of the facts of the case, the **Committee settled the para**

**subject to the following direction–**

The Department shall investigate the matter; 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.

**12. Para 14.11: Page 214 – Non-accountal of Dietary Store Rs.67,178**

Audit had observed: “As per Jail Manual Rule 11.59 the gate keeper records in red ink in Gate Book all the particulars regarding items/articles incoming and outgoing from the jail i.e., exact time, name of the official, weight and description of articles/items etc. While scrutinizing the record, it was observed that various items/articles valuing the stated extent were not entered in the Gate Book. Either these items were not purchased at all or these were misappropriated. Resultantly Government sustained a loss amounting to Rs.67,178 during 1991-94 under the charge of Superintendent Central Jail, Rawalpindi.”

**24-2-99:** The Department explained that dietary items worth Rs.1,441 were found missing and recovery of the same had been effected and verified by Audit. The remaining items valuing Rs.66,736 were duly accounted for and also shown to Audit.

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

**13. Para 14.12: Page 215 – Shortage of Store Articles Rs.1,180,480**

Audit had observed: “An examination of clothing godown record of District Jail Lahore showed that the clothing articles were found short in the stock. The Government thus sustained a loss amounting to Rs.1,180,480 during 1992-93 under the charge of Superintendent District Jail Lahore.”

**24-2-99:** The Department explained that case was got registered with the Anti Corruption Department. The Anti Corruption Department investigated into the matter and reported that allegations did not stand proved, hence the matter was dropped by the Anti Corruption. As such the DG Audit Punjab was requested for denovo Audit and reply of the DG Audit Punjab was awaited.

The PAC directed that the relevant record may be produced to Audit for verification of facts. The para was kept pending.

**12-4-02: 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.



#### **14. Para 14.13: Page 215 – Non-return of Government Store Items Issued Rs.693,556**

Audit had observed: “An examination of record of S.P. Gujrat showed that boxes, beds, revolvers and ammunition temporarily issued to various officials in connection with official duty were not recovered after the duty was over. Most of them have been transferred while some have either been retired, discharged or dismissed or even died. In some other cases, beds have again been issued without recovering the earlier ones issued. In one case revolver along with ammunition was issued without recovery of the one earlier issued. The Department thus has failed to recover above mentioned items of stores and resultantly Government sustained a loss amounting to Rs. 693,556 during 1990-93 under the charge of SP Gujrat.”

**24-2-99:** The Department explained that the arms and ammunition issued to the Police officers/Police officials had since been recovered and entered in the relevant stock register.

The PAC directed that relevant record may be produced to Audit for verification. If Audit was not satisfied then recovery may be effected from the concerned officers/officials. The para was kept pending.

**12-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **15. Para 14.14: Page 216 – Shortage of Store Articles Rs.268,252**

Audit had observed: “During Audit scrutiny of records, it was observed that store articles issued by police lines to police station for the amount in question were either not accounted for or less taken in the stock register. But the Department did not take any step to make good the loss. This resulted into a loss to Government amounting to Rs. 268,252 during 1993-94 under the charge of SP Sialkot.”

**24-2-99:** The Department explained that the entries of all the store articles issued by the Police Lines to Police Stations concerned had been compared with the Register No.16 of the Police Station and found correct. All the store articles issued from Police Line were available in the Police Station.

The PAC directed that the relevant record may be produced to Audit for verification and the para was kept pending.

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 Audit

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

#### **16. Para 14.15: Page 216 – Stores /Stock Articles Short Rs.66,369**

Audit had observed: “During Audit scrutiny of stores and stock register of the Factory Accounts it was observed that at the time of handing over his charge the prisons store-keeper did not hand over all articles/material to the newly appointed store-keeper. This resulted into loss to public exchequer amounting to Rs.66,369 during 1993-94 under the charge of Superintendent Central Jail, Gujranwala.”

**24-2-99:** The Department explained that inquiry had been conducted and as a result of it responsibility had been fixed. An amount of Rs.34,981 had been recovered from the defaulter and got verified by Audit. Balance recovery was also under way. Disciplinary action against the defaulters had also been taken.

The PAC directed the Department to recover the balance amount at the earliest and get it verified by Audit. The para was kept pending.

**12-4-02:** 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 Audit for verification by 30 September 2002. Disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

#### **17. Para 14.16: Page 217 – Irregular Expenditure on Purchase of Stationery Rs.1,539,867**

Audit had observed: “An Audit scrutiny of record showed that Rs.328,330 were provided for the purchase of stationery but the amount was enhanced to the tune of Rs.1539867 by re-appropriation. The stationery was purchased without observing purchase procedure in terms of Rule 15.2(d) of P.F.R Vol.1 as open tenders were not invited and purchase was made through limited tender inquiry. Tenders were received personally from firms, which were not registered. NOC was also not obtained in this regard. The items purchased were also not entered in the stock register in contravention of Rule 15.4 of P.F.R. Vol-I. This resulted into irregular expenditure amounting to Rs.1,539,867 during 1993-94 under the charge of Additional Inspector General Police Special Branch Lahore.”

**24-2-99:** The Department explained that an amount of Rs.328,330 was allocated to meet the expenditure for four months (July 1993 to October 1993). The Provincial Stationery office, Lahore was requested to supply the stationery articles but the requisite stationery items were not available with that office and they issued N.A.C. in this regard. As such under the urgent

official requirement local purchase was made after observing all codal requirements. As the amount of Rs328,330 was insufficient, therefore, more amount was demanded through reappropriation of funds. Actual amount of expenditure was Rs.1,417,070 and not Rs.1,539,867 as shown by Audit.

Audit apprised that under relevant provision of Rules only a sum of Rs.150,000 could be expended whereas the Department explained a sum of Rs.1,500,000 in contravention of the rules. The PAC directed the Department to conduct an inquiry and fix responsibility for the irregular expenditure. The inquiry may be completed within two months. A case for write off sanction may also be moved to Finance Department for regularization of irregularity after the completion of inquiry. The para was kept pending.

**12-4-02:** 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 Audit by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

#### **18. Para 14.17: Page 218 – Irregular Payment of Rs.107,950**

Audit had observed: “During Audit scrutiny of record, it was observed that the the Government of the Punjab enhanced the additional allowance for the Anti-Terrorist Squad vide FD.’s letter No.1639/PP-11/81 Vol-II, dated 12 May 1988, for Farooqabad and Sheikhpura Districts only. Following this instance SSP Sahiwal drew the said allowance in respect of 27 officials who obtained the training of anti-terrorist course, without any budget provision & sanction of the Competent Authority. The I.G. Police Punjab also refused allocation of funds for this irregular payment, which resulted into an irregular and unauthorized expenditure amounting to Rs.107,950 during 1993-94 under the charge of SSP Sahiwal.”

**24-2-99:** The Department explained that amount paid irregularly was being recovered and a sum of Rs.23,000 had been recovered. The balance amount was being recovered in monthly installments. Disciplinary action was also being taken for the said irregular payment.

The PAC kept the para pending for finalization of recovery and disciplinary action.

**12-4-02:** 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 Audit for verification by 30 September 2002. Disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

#### **19. Para 14.18: Page 219 – Irregular Expenditure Rs.106,920**

Audit had observed: “An examination of record revealed that the payment to the stated extent was made on account of hire charges of ceiling/pedestal fans for the period of 1983-84 to 1993-94. Resources have not been used prudently as the Department could have bought fans for the amount paid as hire charges. This resulted into loss to Government amounting to Rs.106,920 during 1983-94 under the charge of DSP Finger Print Bureau Lahore.”

**24-2-99:** The Department accepted that it was a clear-cut embezzlement case and accordingly it would be dealt with.

The PAC directed to effect the recovery of full amount paid irregularly from the defaulter after due process and the para was kept pending.

**12-4-02:** 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 Assembly Secretariat, Audit and the Finance Department by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.

## **20. Para 14.19: Page 219 – Non-recovery of Conveyance Allowance Rs.70,308**

Audit had observed: “During Audit of records, it was observed that the Government vehicles were allotted to various officers for their use. They had drawn the conveyance allowance in contravention to rule 14(a) of the Punjab Government Staff vehicles. This resulted into loss of Government amounting to Rs.70,308 during 1993-94 under the charge of Additional IG Police Punjab Special Branch Lahore.”

**24-2-99:** The Department explained that vehicles were provided to the officers only for government duties and not for private use.

Audit apprised the PAC that logbooks of the vehicles were not provided for verification of facts.

The PAC was not satisfied with the explanation and directed that recovery may be effected from the officers who drew the conveyance allowance despite having the possession of Government vehicles. The para was kept pending.

**12-4-02:** 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 Audit for verification by 30 September 2002. Disciplinary action shall also be taken against the persons at fault. Finance Department shall monitor the implementation of the directive of the PAC.

## **21. Para 14.20: Page 220 – Un-authorized Issuance of Stores Loss of Rs.106,200**

Audit had observed: “Under Punjab Police Rules Chapter-V Rule 5.6(iii), no Police Officer or his private servant is entitled to beds and boxes. While scrutinizing the record of Superintendent of Police Gujrat, it was observed that beds and boxes to the stated value were

issued in contravention of aforesaid rule. Most of the Police officers have been transferred to other stations without handing over the requisite goods and thus have caused a loss to public exchequer amounting to Rs.106,200 during 1990-93 under the charge of SP Gujrat.”

**24-2-99:** The Department explained that all articles issued un-authorizedly to the police officers/officials had since been recovered and entered in the relevant stock register.

The PAC directed the Department to produce the relevant record to Audit for verification. The para was kept pending.

**12-4-02:** 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 Audit and take further necessary action including recovery, if any, as per observation of Audit after such verification. The action shall be completed, and reported to the Assembly Secretariat by 30 September 2002. Finance Department shall monitor the implementation of the directive of the PAC.