

# Report(1997-98)

## CONTENTS

[Preface](#)

[Abstract](#)

[Introduction](#)

## CHAPTER

1. [General Observations and Recommendations](#)
2. [Appropriation Accounts](#)
3. [Finance Accounts](#)
4. [Agriculture](#)
5. [Board of Revenue](#)
6. [Communications and Works](#)
7. [Education](#)
8. [Excise and Taxation](#)
9. [Finance](#)
10. [Food](#)
11. [Forestry, Fisheries, Wildlife and Tourism](#)
12. [Health](#)
13. [Home](#)
14. [Housing, Urban Development and Public Health Engineering](#)
15. [Industries and Mineral Development](#)
16. [Irrigation and Power](#)

17. [Labour and Manpower](#)
18. [Livestock and Dairy Development](#)
19. [Local Government and Rural Development](#)
20. [Planning and Development](#)
21. [Population Welfare](#)
22. [Services and General Administration Department](#)
23. [Transport Department](#)

[Annexure-I \(Notification\)](#)

[Annexure-II- The Punjab Ad hoc Public Accounts Committee](#)

[\(Composition and Function\) Ordinance, 2002.](#)

# Preface

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

2. As a rule, no money can be spent on any service over and above the money granted by the Assembly for the purpose. Excess expenditure, if any, is viewed seriously. PACs examine, with reference to the facts of each case, the circumstances leading to any excess expenditure, or immoderate savings and make appropriate recommendations.
3. Through the Proclamation of Emergency, the Assembly was placed under suspension with effect from 12 October 1999; and, with that the two Public Accounts Committees, consisting of the elected representatives, also ceased to function. Later, the Assembly was dissolved with effect from 20 June 2001.
4. The audit reports for the years 1985-86 to 1996-97 had been under consideration of the former Public Accounts Committees. Out of 8698 audit paras pertaining to those years, the earlier Committees had settled a few Grants and 2570 paras. However, a heavy parcel of pending Appropriation Accounts and 6128 audit paras required immediate attention.
5. To clear the heavy backlog, 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 1999 (5 of 1999), constituted an *ad hoc* Public Accounts Committee of the Punjab *vide* Finance Department Notification No.FD/Acctts:/ (A&A)/V-7/69 dated 20 October 2000 (*Annexure-I*). Later, the Committee continued under the [\[1\]](#) Punjab Adhoc Public Accounts Committee (Composition and Functions) Ordinance, 2002 (*Annexure-II*).
6. The Committee initially consisted of eleven members; *viz.*- Mr Riyaz Hussain Bokhari (Chairman), Prof Dr Khalid Hameed Sheikh, Prof (Retd) Dr Ejaz Ahsan, Major General (Retd) Muhammad Akram, Mr Muzaffar Mahmood Qureshi, Mian Abdul Qayyum, Mr Aftab Ahmad, 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) Dr Ejaz Ahsan resigned after a few meetings.
7. Governor of the Punjab referred to the *ad hoc* PAC the Report on the Appropriation Accounts of the Government of the Punjab and Reports of the Auditor-General of Pakistan for the year

1997-98 on 17 February 2001. As the Committee was busy with other pending reports, and as the departments had to be given sufficient time for preparation, the examination of the Accounts and Reports (1997-98) was taken up in October 2001.

8. The Committee considered Appropriation Accounts and 2,725 audit paras (1997-98) in 1<sub>1</sub>8 meetings. Out of 47 Grants in the authorized budget for 1997-98, the Committee was able to settle 29 Grants after reconciliation of figures. The remaining Grants were kept pending for necessary reconciliation and explanation. The Committee settled 1,907 paras. Whereas, 38 paras were noted, 73<sub>3</sub> paras were finally settled, and 1,13<sub>6</sub> paras were settled subject to further action by the departments in the light of the directions of the Committee. The Committee had to pend 818 paras because sufficient action had not been taken by the departments and, in some cases, the working papers had not been submitted.

9. Press releases were regularly issued to keep the public informed about the main issues and audit objections or irregularities discussed and the directions given by the Committee. The meetings of the *ad hoc* PAC were also opened to the media with effect from 20 May 2002.

10. The Committee took keen interest in examining the accounts and audit paras, and showed considerable patience even in the face of some very unusual impediments. It met frequently and for long hours. The Chairman and the members candidly used their diverse experience and expertise to expedite the work in hand, and to guide and advise the departments for the improvement of the system and procedures. Assembly Secretariat received excellent stimulus and direction from them. But for the contribution and assistance from the Committee, the preparation of this Report, in this form, would have been difficult.

11. The Report of the Committee is arranged in 2<sub>3</sub> Chapters. Chapter 1 consists of general observations and recommendations of the Committee; Chapter 2 contains a summary of the deliberations of the Committee about the Appropriation Accounts; and, Chapter 3 embraces the observations of the Committee with regard to the Finance Accounts. The remaining Chapters deal with the audit paras, arranged separately for the respective Department<sub>5</sub>. A synopsis containing an overview of each department has also been added as a ready reference.

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

19 September 2002

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

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**[1]**

Published in the Punjab Gazette (Extraordinary), dated 21 August 2002, pp.2603-06; but, it has been given effect from 20 October 2000.

# AUDIT REPORTS

(1997-98)

## Appropriation Accounts

Total Grants	Grants Settled	Grants Pended
47	29	18

## Audit Paras

Total Paras	Civil	Works	Commercial	Revenue Receipts
2,725	991	1,514	100	120

Status	Decision	Total
<b>Paras Noted</b>  <b>38</b>	The Paras were noted as these contained Statements of Accounts/ Financial Accounts/ Working Results/Non-Compilation of Accounts.	<b>Commercial:</b> 38
<b>Paras Finally Settled</b>  <b>733</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 414
		<b>Works:</b> 219
		<b>Commercial:</b> 36
		<b>Revenue Receipts:</b> 64
<b>Paras Conditionally Settled</b>  <b>1,136</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 271
		<b>Works:</b> 820
		<b>Commercial:</b> 18
		<b>Revenue Receipts:</b> 27
<b>Paras Pended</b>  <b>818</b>	Paras pended because the department had not taken satisfactory action or the Committee decided to have working papers for consideration or the Committee desired that the SDAC shall consider the matter and submit its report for consideration by the	<b>Civil:</b> 306
		<b>Works:</b> 475
		<b>Commercial:</b> 8



# Introduction

Successful management of public programmes requires an effective administrative set-up with clear-cut delineation of powers & responsibilities together with linkages and co-ordination at and between various tiers of government. The public expects that the managers of the programmes and associated activities will conduct their functions with full regard for the generally accepted standards of honesty, financial propriety and transparency. This expectation provides the basis of the accountability concept that is inherent in the government-electorate relationship.

2. For any one to be held accountable means that he should provide good and sufficient justification and clarifications for the use of resources entrusted to him. Government officials and entities are thus accountable for the management of public finances, the use of powers delegated to them, and the results achieved. They have an obligation to answer for the responsibility that is conferred on them for stewardship of the funds and for the exercise of authority vested in them.

3. The accountability process brings to light cases in which public interest was not adequately or properly protected through such defaults as irregularities, misappropriations and losses. Necessary action has then to be initiated for recovery of losses, and for awarding exemplary punishment to the delinquent functionaries. However, the scope of accountability must not be regarded as restricted only to post-mortem reporting with the object of catching people out. Attention should also be given to identifying the lessons learnt from the exercise. Further, in order to be successful and fruitful, the process should lead to appropriate (and continuing) reforms in organizational set-ups and procedures for direction and control. It is only then that better performance and prudence can be expected in future activities of the individuals and operations of the entities concerned. In the broader perspective, therefore, accountability must be seen as an important step in the progress towards good governance.

4. Since it is the Legislature which authorizes the budgetary allocation of funds for the government's operations and programmes, it has the right and responsibility to examine and oversee the manner in which the funds have actually been utilized, and review the measures being adopted to improve matters.

5. The legislative oversight of the Provincial Government's financial transactions and the enforcement of related accountability are exercised through the Assembly's Committees on Public Accounts, or the PACs. These Committees require reliable information on the utilization of public resources so that the executive officers (the Principal Accounting Officers – PAOs) concerned can be called upon to explain and clarify their or their organization's position. This essential information is provided through the government's Appropriation Accounts, Finance Accounts and the Audit Reports compiled annually under the authority of the Auditor-General.



6. After calling for and obtaining the necessary working papers from the Departments, the *ad hoc* PAC started its examination of the Appropriation Accounts, Finance Accounts and the Audit Report for the year 1997-98 on 15 October 2001. The Accounts and the Audit Reports for 1998-1999 and 1999-2000 were referred to the Committee on 7 November 2001 and 9 February 2002 respectively. The Committee then had to decide whether the latest Reports should be taken up for examination straightway. After careful examination of the alternatives before it, the Committee decided to continue its examination of the 1997-98 Accounts and Reports. The main consideration for this line of action was that the start of work on subsequent years' accounts would necessitate that sufficient additional time be allowed to the Departments concerned to prepare their working papers and explanations in response to audit observations in these Reports. This would have meant that the Committee's Reports would not be finalized for either the 1997-98 accounts or any subsequent year's accounts before the anticipated completion of the Committee's tenure prior to the October elections. It was also felt that a clearance of the backlog of the previous years' pending Audit Reports (one of them since 1985-86) would enable the successor PACs (to be constituted after the elections) to focus their attention on the comparatively recent Accounts and Reports from 1998-99 onwards. This would facilitate early and effective enforcement of legislative accountability.

7. The Finance Department had been asked in December 2000 to prepare Excess Budget Statements as per the recommendations of the PACs in their reports already submitted. The Department had also been directed to examine the Budget Manual and other Financial Rules with a view to updating and harmonizing them with the present conditions and requirements. No progress on these matters was reported to the Committee.

8. Repeated opportunities had to be extended to most of the administrative Departments for such purposes as initiating proper action for settlement of audit objections, getting verifications completed, producing for Audit scrutiny the requisite records/documents and reconciling figures of actual expenditure and of final Grants, etc. The examination of some of the Departments had to be deferred and rescheduled on their request because of their pre-occupation with urgent work.

9. During its examination of the Audit Report 1997-98, the Committee directed that recoveries amounting to Rs.263,332,606 should be made from the concerned officials, contractors and suppliers. This is, of course, in addition to the recoveries made by the Departments on their own prior to their appearance before the PAC. Disciplinary action was recommended to be initiated against 152 persons. In addition, 58 cases involving defalcations adding up to Rs.182,639,067 were considered fit for reference to NAB/RAB for deeper probes and expeditious proceedings under the Bureau's special powers.

10. The Committee had requested the Finance Department to mobilize its Monitoring Wing and direct it to take effective measures for monitoring and timely implementation of PAC decisions. It had been asked to ensure that the provisions of paragraphs 16.25 and 16.26 of the Punjab Budget Manual are strictly followed. These require that—

(a) the recommendations/decisions of the PAC are duly considered and the orders passed on them are communicated to the audit office concerned; and

(b) a statement showing the action taken each year on such recommendations is prepared and placed before the Committee for consideration and incorporation in its next report.

The Annual Reports of the Finance Department in pursuance of these provisions are still awaited. However, the Committee was provided with copies of the working papers/minutes prepared in connection with two meetings of the Monitoring Committee under the Chairmanship of the Additional Chief Secretary, for settlement of audit observations. According to the working paper for the meeting to be held on 19 August 2002, the 28 administrative Departments held only 135 meetings of their Departmental Accounts Committees (DACs) during the three months ending 30 June 2002 as against the required 447 meetings. As many as 2,566 directives of the PACs were pending with them; 922 with the C&W Department, 714 with the Irrigation & Power Department, 468 with the HUD & PHE Department and the remaining 462 with nine other Departments. It is thus obvious that the function of monitoring and reporting progress of action on PAC directives has considerable arrears to catch up.

11. A number of measures need to be adopted without delay if the resources spent on preparing Audit Reports and holding PAC meetings are to yield positive results in the form of expeditiously bringing to book the officials guilty of financial mismanagement, and improving matters for the future. Some suggestions are—

\*Ensuring through strict supervision and control that the necessary action on audit observations is initiated within a prescribed period at the proper level. The senior officers right up to the PAO should be provided with statistics of the number and status of outstanding audit observations/advance paras, etc.

\*The DACs and Special DACs need to be activated so that their meetings are held regularly, and issues like production of record, verification of recoveries, clarification of rules etc are

attended to and settled. This should relieve the burden on PACs and they would have more time for examining weightier issues.

\*The monitoring of progress on PAC directives must be organized properly so that it becomes an effective activity for completion of the work entrusted to the PACs. Periodical reports must be prepared regularly for review and information of the Committees.

12. The Committee was provided excellent assistance by the staff of the Provincial Assembly under the guidance of the Additional Secretary (PAC), who all had to sit late hours day after day for the purpose of facilitating the Committee's work. They collected and distributed working papers in time for the meetings, recorded and circulated minutes, and promptly located and quoted references, when needed, to previous decisions and directives of the PACs. The Committee would also like to place on record its appreciation of the hard work put in by the representatives of the Audit and Accounts Department in preparing, sometimes at very short notice, their comments on the Departmental explanations, and then assisting the Committee during discussion of the accounts and audit paras. Needless to say, the Committee also acknowledges with thanks the contribution made, despite many constraints, and understanding shown by the PAOs and their staff during its meetings.

13. The *ad hoc* Public Accounts Committee is particularly grateful to Dr Syed Abul Hassan Najmee, Secretary, Provincial Assembly of the Punjab, who attended the Committee's meetings in response to special invitation, often by deferring his normal and even other high priority urgent work. He assisted the Committee by clarifying a number of points of Rules of Business, Law and the Constitution, provided advice and guidance on precedents during the Committee's deliberations. He also took upon himself the duty of personally reminding the Principal Accounting Officers to prepare and forward their working papers in good time. His efforts and assistance are highly appreciated.

**(Riyaz Hussain Bokhari)**

Chairman

Ad hoc Public Accounts Committee

19 September 2002

# General Observations and Recommendations

The ad hoc Public Accounts Committee has been issuing appropriate directives to the Principal Accounting Officers (PAOs) to settle the issues that arose during examination of their accounts and discussion of audit paras pertaining to their departments. These are all incorporated in the minutes of the PAC meetings as reproduced in this Report. In addition to these directives, the Committee makes such other observations and recommendations as are not specifically related to any particular audit para or department, but have relevance to perceived shortcomings in organization and procedures in general.

2. PACs examination of the Accounts and Audit Reports for 1997-98 produced a number of such general observations. Most of these dealt with the issues and problems that were described in Chapter 1 of the Committee's Report 1996-97 (reproduced as Appendix to this Chapter for facility of reference). While drawing attention again to those recommendations, the Committee suggests that the Government may take note of the observations on the areas briefly referred to in the following paragraphs also. It is hoped that appropriate and timely action on these will help in bringing about better working and productivity of the departments.

## I-The Accountant General

3. The Committee observed that in many cases in the Appropriation Accounts there were variations in the expenditure figures of various components of a grant, but the total amounts of expenditure shown by the AG and the Administrative departments concerned were in agreement. The figures of actual expenditure appeared to have been rounded off to the nearest thousand in the AG's accounts. This showed that the reconciliation had not been done properly in time. The AG's representative explained to the Committee that hitherto attention had been paid only to the reconciliation of the overall figures of the grant. The Committee advised the AG to look into the matter and find out the reasons for this state of affairs.

4. The Committee suggests that in case the expenditure under a grant allocated to a department is booked both by the AG and the Director General Accounts Works, or another Accounts office, the department concerned should reconcile its expenditure figures jointly with both the Accounts offices.

5. The Committee came to the conclusion that the AG needs to look seriously at the working of his own office also. While considering the Accounts of a department, the Committee observed that in the components of a grant the percentage of saving (or excess) in each and every object was exactly the same as had been shown for the component itself. As such the figures of the expenditure as recorded by the AG could not be considered to have been correctly booked, and seemed to have been concocted. When confronted with these instances, the AG admitted that *prima facie* the Accounts were unrealistic. He assured the Committee that he would inquire into the matter and take appropriate action against the officers responsible for printing inaccurate Accounts.

6. The AG was asked by the Committee to submit to it a brief outlining the bottlenecks in the process of reconciliation of accounts, and suggesting workable remedial measures to address this key issue effectively.

## II-Audit

7. The Audit Reports for 1997•98 do not contain the full text of the audit paras. The basic facts or features of irregularities on which the paras were prepared come to the notice of the Committee only to the extent the departments choose to disclose them in their working papers. The Committee, therefore, suggests that the main text of the audit observation may be reproduced in the Audit Reports so that the Committee can examine the case in proper context.
8. The Committee was informed that the construction of Punjab House in Islamabad had been approved at an estimated cost of Rs.40 million, but it took Rs.90 million for completion. The Committee suggests that the Government and the Auditor-General should consider arranging a special audit of the project.

## III-The Finance and P&D Departments

9. The Committee suggests that the Finance department may consider and lay down a policy for adding a suitable mark up on the belated recoveries of government dues/loans, especially in the case of Food department, where the purchase of wheat is financed through interest – bearing bank loans.
10. It came to the notice of the Committee that some officers were maintaining (official) bank accounts. Finance department should collect full particulars of such accounts all over the Province, and consider laying down a proper system of controlling and regulating the practice, so that the possibilities of any misuse of public funds are eliminated.
11. Finance department should provide for a mechanism for a continuous review and updating of the Composite Schedule of Rates, which should be made as detailed and comprehensive as is reported to be in the Central PWD or the Engineer-in-Chief's organization.
12. The Committee suggests that the Finance department may examine the following in order to improve budgetary controls:-
  - (a) The rationale for showing the “Provincial Assembly” and the “Provincial Assembly Department” as parts of Grant No. 10 ‘General Administration’ instead of having a separate Grant for the ‘Provincial Legislature’.
  - (b) The rationale of classifying certain payments made directly to MPAs as ‘Transfer Payments’.
  - (c) The provision for “an appropriate amount” to be placed at the disposal of the Chief Minister as discretionary grant might be changed into a specified amount.
  - (d) The provision regarding entitlement to the use of an unspecified number of ‘cars’ by the Speaker needs a review.
  - (e) The provision of ‘subsidy’ to MPAs needs to be reviewed for the sake of transparency.
  - (f) The provisions for the salaries, allowances and the privileges of the Speaker, Deputy Speaker, Ministers, etc., need to be reviewed and revised in order to make them realistic and compatible with the economic and financial resources of the Province
13. Many of the field formations face practical difficulties in strictly observing all the provisions of



prescribed purchase procedures. They are often faced with the lowest tenders being much higher than the market rates due to such factors as delays in payment and deduction of income tax. Finance department should review and rationalize the financial and purchase procedures, in the light of present day requirements.

**14.** The Planning & Development and the Finance departments should look into the problems created for other departments by late release of funds, which cannot obviously be utilized before the close of the financial year, or which are not likely to be spent without some violation of the rules. The Committee suggests that the Government may constitute a high level committee for better financial management of the development schemes and related issues.

**15.** The Committee suggests that in schemes involving many interlinked works, the P&D department should also lay down the time sequence for the undertaking and execution of the component works.

## **IV-Works Departments**

**16.** The systems and procedures of giving secured advances to the contractors need to be reviewed, and perhaps done away with, as the practice is being misused in many cases to provide undue benefit to the contractors at government expense.

**17.** The Committee directed the Secretary, C&W department to submit a report to the PAC on the deficiencies in the provisions of the relevant rules and in the contractors' agreements regarding the completion of abandoned/unfinished works at their risk and cost. He should also give his suggestions for making the provisions reasonable, fair and practicable for the departments as well as the contractors.

**18.** The C&W department should evolve an effective system for monitoring the recovery from the officials concerned of the amounts placed against them in the suspense head P.W. Miscellaneous Advances.

**19.** The provisions of the rules/contract agreements should be reviewed to provide for advance payment of hire charges of the machinery lent to the contractors and others.

**20.** In a large number of schemes executed by the LG&RD department, the prescribed procedures had not been followed. Audit had also not started the audit of the accounts of the schemes taken up under the MNAs/MPAs priorities right from the beginning. The failures of adequate controls and safeguards in these schemes need to be looked into, so that a similar situation is avoided in future.

**21.** The Committee observed that the speed and urgency accorded to the execution of works under political exigencies appeared to have undermined the purposes of preparing technically approved estimates of development schemes. It is necessary to adopt effective measures to ensure that basic rules and regulations for the protection of public interest and for technical controls are not bypassed under any pretext.

**22.** The Committee feels that the lack of adequate funds for conducting surveys, investigations and project preparation, etc. may have contributed towards sketchy and incomplete estimates at the initial stages of many works and projects. This needs to be looked into.

- 23.** The 'client' departments should be discouraged from making frequent changes in their projects during execution. Clear-cut orders should be issued or reiterated clarifying the responsibilities of the client and the works departments in the matter of verification of title of land on which works are to be undertaken.
- 24.** The Committee observed that in some works departments, outside consultants had been accorded an almost overriding position even in matters, which should properly be decided by the departmental officers themselves. This practice needs to be curbed.
- 25.** The Works departments should review their stocks of unserviceable/surplus articles throughout the province, and take action, without delay, for their disposal. The delay in the auction of such items should be avoided.
- 26.** It was brought to the notice of the Committee that the quality of execution of development schemes had deteriorated because the Sub Divisional Officers and Sub Engineers were being allotted complicated schemes of heavy amounts, which could not be handled by them. The Committee observed that due to resource constraints of departmental capacity and expertise on the one hand and the mushrooming of development schemes on the other, the departments could not follow all the prescribed regulations in letter and spirit. These had been designed and laid down when the volume of development activity was low. Effective measures are now required to build up the capacity of the departments so that they can be relied upon to follow the prescribed rules faithfully.
- 27.** The particulars of the Technical Sanction should invariably be quoted in the tender notices, and all those participating in opening of tenders, preparing comparative statements and accepting tenders without technical sanction should be regarded as guilty of misconduct.

## **V-Other Departments**

- 28.** In view of the large number of cases of misappropriation/frauds/irregularities in the Food department, the Committee suggests that—
- (a) Serious consideration should be given to using computers for purposes of control and maintenance of comprehensive records.
  - (b) All requisite equipment and facilities should be provided to the department for the purpose of effective and prompt supervision and monitoring.
  - (c) A well-designed MIS should also be introduced.
- 29.** The Administrative departments should hold meetings of the Special DACs regularly for consideration of audit paras, and sorting out matters regarding record verification. The recommendations of the Special DACs should be mentioned in their working papers for the PAC. The Special DACs should also discuss the Appropriation Accounts and issues related to reconciliation of figures with the AG.
- 30.** A large number of Forest offence cases are pending disposal. Effective measures need to be devised for their early disposal/settlement. The Committee was also informed that about 7,000 acres of

Forest land was under encroachment in the Province. Drastic action needs to be taken for ejecting the unauthorized occupants in consultation with the Board of Revenue.

**31.** The Committee directed the Health department to prepare for the PAC, a write-up on the constitution and functions of the Punjab Pharmacy Council. It needs to be examined whether the performance of the Council has been result-oriented.

**32.** The Health department was also asked to prepare a brief report on the objectives and activities of the Punjab Health Foundation. It should be seen whether the Foundation had achieved all its objectives, and whether the same could not be obtained through the existing departmental structure.

**33.** The Committee suggests that the Government consider framing a uniform policy for charging fees for various medical tests conducted in its hospitals.

**34.** The Committee noted that most of the allocation for the projects in the education sector was spent on the pay and allowances of staff. The Education Department was asked to prepare for the PACs consideration a paper on the need for providing and maintaining the requisite equipment and facilities in schools.

**35.** It would of great help to the teachers if they are given proper training in administrative and financial matters before they are inducted in administrative posts.

**36.** The Committee recommends that the Government should accord high priority to the computerization of the work of the Excise and Taxation department.

**37.** The Government may consider the advisability of separating the functions of the Chief Administrator, Auqaf and the Secretary Auqaf, in order to achieve independent control and supervision.

**38.** The Committee is of the view that the income from the canteens and other facilities constructed on government property should accrue to the government itself. If necessary, proper rules should be framed and enforced for this purpose.

## APPENDIX

### General Observations and Recommendations regarding the ad hoc PAC Report (1996-97)<sup>[1]</sup>

#### I-The Accountant General



## Appropriation Accounts – Compilation and Reconciliation

1. During its scrutiny of the Appropriation Accounts, the Public Accounts Committee (PAC) has to satisfy itself, *inter alia*, that the amounts shown as disbursed were legally available for the service or purpose on which these were applied. This requires that the figures of actual expenditure as reported in the accounts for each Grant or Appropriation and sub-heads for objects and functions should not exceed the amounts voted/charged and authorized for the relevant Grants/Appropriations. In case the authorized grant (or its sub-head) has been exceeded, the Principal Accounting Officer (PAO) has to explain the reasons to the satisfaction of the Committee so that it may recommend that the excess should be covered by an Excess Budget Statement or *ex post facto* re-appropriation. In case of substantial savings, the PAOs may be required to explain why the surplus funds could not be surrendered in time for utilization elsewhere.

2. A pre-requisite for this exercise is that the PAO should first accept as correct the amounts in the printed Appropriation Accounts of the Grants and actual expenditure for which he is accountable. To its dismay, the Ad hoc PAC found that in a number of major Grants/sub-heads, the departmental representatives/PAOs challenged the accuracy of the figures in the Appropriation Accounts. The Accountant General (AG) explained to the Committee that the departments had been remiss in following the prescribed procedures for bringing to his notice, during the course of the year, any discrepancies in the expenditure figures as compiled by his office. He added that they had been given enough time to point out the differences before the entire year's figures were incorporated in the printed Appropriation Accounts, but his office had not been advised about any corrections.

3. There seemed to be a general lack of understanding at the PAOs level of the pivotal importance of Appropriation Accounts compiled by the AG and their timely reconciliation with their own record. Some lapses were found at the levels of AG's office and the District Accounts Officers (DAOs) as well. Apparently, most of the departments were not maintaining the mandatory registers/records without which reconciliation of figures is very difficult. Even the present system of monthly reconciliation between the AG and the departments is (according to the AG) not meeting the desired level of success because of poor response from the departments. Finance Department (FD) should intervene to ensure that the prescribed procedures for this function are followed without exception, otherwise the whole process of enforcing accountability in the area of the expenditure remaining within the authorized amount will continue to remain vitiated.

4. As mentioned above, the expenditure figures printed by the AG differed from those compiled by the Administrative Departments (ADs) more often than not. This was stated to be due mainly either to misclassification or the DAOs having reported different sets of figures to the AG and to the Drawing & Disbursing Officers (DDOs)/PAOs. It was difficult to conclude whether the difference of figures was due only to procedural lapses and carelessness or, possibly, due to a *mala fide* action at some level. In the absence of reconciliation not only are the departments unable to exercise effective control over the flow of expenditures but the PAC also is greatly handicapped in satisfying itself that the excesses and savings in the accounts depict the true state of affairs. This is particularly disturbing when the figures reported by a PAO are lower than those of the AG and after reconciliation the latter accepts the department's figures. This state of affairs is quite alarming and warrants a serious review and revamping of the procedures for compilation of accurate Appropriation Accounts and their timely reconciliation. In

many cases even the figures of final Grants and Appropriations themselves were challenged by the departments. In the absence of reliable accounts, it will not be possible to determine the correct amounts of excesses and savings and to enforce accountability for any unauthorized disbursements, losses, frauds etc on a firm and rational basis.

## **5. Misclassification**

a. The most common reason given for non-reconciliation of the figures in the printed Appropriation Accounts was misclassification of expenditure as booked in the accounts offices. Apart from carelessness and inefficiency, the main excuse put forward for errors to creep in the accounts was that the classification system of the Grants and their division into heads and sub-heads was rather archaic and often confusing; there are overlaps and duplications between and within the departments. There is a need to revise the classification system to eliminate the confusion and make it easy to understand and follow at the level of the officials who have to use it at the critical, initial stages. Also, once a misclassification is detected, it must be traced right up to where the transaction should have been booked correctly in the first place to ensure that the amount has only been misclassified and not misappropriated or spent fraudulently. This was often not done by the AG's office when accepting the departmental figures in place of the amounts printed in the Appropriation Accounts.

b. Misclassification by DAOs, and in some cases by the AG's office itself, is a very frequent occurrence. The AG has started taking action against the offenders but the malady itself appears to be of a more serious nature which raises a number of fundamental questions. During the course of its discussion of some cases of misclassification, the Committee felt that the compilers of figures and book-keepers in the AG's office should have been trained and experienced enough to detect and correct obvious cases of misclassification. It is therefore necessary for the AG and the DAOs to go into the whole matter in detail in order to identify the points at which, and the reason on account of which, complaints of misclassification arise (especially in SAP and non-SAP accounts) and are not brought to the notice of the PAOs sufficiently ahead of their appearance before the PAC.

**6. Duality of Control over DAOs.** AG Punjab informed the Committee that he is currently engaged very earnestly to deal with the problems created by the duality of control over the DAOs. A majority of DAOs are still under the provincial government's administrative control and the AG feels hamstrung in exercising full control over the efficiency and accuracy of their work. It is stated to be one of the major impediments in the Appropriation Accounts not being reconciled in time. This duality of control must be removed in the interest of efficient and effective financial control and proper maintenance and compilation of accounts.

**7. Computers in AG's Office.** In one of its meetings, the Committee was informed by the AG that salaries of 100-150 officials/officers were "dropped" every month due to some problems of control and data input in the computerized system in his office. This state of affairs cannot be viewed with equanimity and calls for immediate action for the proper maintenance and protection of the computerized system to eliminate hardships to the persons concerned, and to eliminate chances of incorrect or unauthorized payments and inaccuracies in the accounts.

**8. Incomplete Record of Works Expenditure.** The Committee found that some confusion exists in the methodology of keeping accounts for the total expenditure of the Works departments. The PAOs concerned were usually not able to accept the expenditure figures added in their (Works) accounts as the so called “AG’s portion.” There were problems in reconciliation of total figures shown in the printed Appropriation Accounts. For proper accountability, the Finance Department has to take note of this problem and specify clearly the purposes for which the AG can be called upon to make disbursements relating to the Works departments, and then to ensure that these are promptly reported to the PAOs concerned for acceptance and incorporation in their records.

**9. Grants Shared by Several Departments.** The Committee noted that the AG faced some practical difficulties in maintaining correct accounts for those Grants which are shared by several departments e. g. No. 36 (Development) and No. 10 (General Administration). There should be a distinct number or a separate Grant for each department. The Committee suggests that the Government may consider this proposal for effective control over the budget and accountability of the PAOs.

## **II-The Finance Department**

**10.** Finance Department has the responsibility of maintaining efficiently a huge and complex system of financial management. It appears that there is a great need to enhance its effectiveness. It should consider a rationalization and decentralization of some of its comparatively less important functions. Extensive use of latest MIS and IT techniques should be considered urgently.

**11.** Some aspects of its functions which need attention are discussed in paragraphs 12-33 which follow.

### **Monitoring of Action on Audit Paras**

**12.** Action on audit paras by the ADs is usually very slow. The departments perhaps take no notice of the contents of the Audit Report so long as they are not required to appear before the PAC. The Monitoring Cell of the Finance Department has a very important role to ensure that the departments take expeditious action to settle the advance and draft paras through the Departmental Accounts Committees (DACs) and the Special DACs (SDACs). The review and monitoring of necessary action should not stop even after the inclusion of the paras in the Audit Report to be considered by the PAC.

**13.** PAC’s directions to the departments and subsequent actions taken by them require to be monitored regularly and PAC kept informed periodically. This is a very important link in the chain of expeditious settlement of paras and must not be ignored by the Finance Department.

### **Surrenders/Re-appropriations**

**14.** In some cases it was explained that certain expenditures were unavoidable but adequate funds were not provided in time by the Finance Department. The Finance Department accepts the savings that are surrendered by the departments but often it is reluctant to provide, by re-appropriation, additional funds

for essential expenditure needed by the departments to complete the work in hand or to settle unavoidable claims. This matter calls for an attitudinal change on the part of the Finance Department which should be willing to look into the additional requirements of funds by departments with an open and helpful frame of mind in the overall interest of achieving positive results quickly and of avoiding unnecessary paper work later on.

**15.** No money should be thrust on the departments in the last days of the financial year if they don't ask for it or are obviously unable to use it.

**16.** In order to enable the departments to make surrenders on a more realistic basis, the cut-off date for the statement of surrenders presently fixed at 31 March, should be reconsidered and moved to 15 May as is the case in the Federal Government.

### **Deduction at Source-WAPDA Bills**

**17.** The Federal Government has decided to deduct provinces' electricity bills 'at source' from their shares out of the divisible pool. In this situation, the provincial Finance Department ought to inform the departments concerned of the amounts deducted at source on their account, so that they can watch and control the flow of expenditure and maintain proper account against their own allocations for this purpose. If this is not done or done late, which is usual, departments are not in a position to provide full explanations for savings or excesses in their accounts.

### **Payments by Cheques**

**18.** In order to minimize chances of misappropriation or theft/dacoity of cash, Finance Department should ensure that the existing provisions of the Rules regarding making of payment by cheques to suppliers and contractors are complied with by all concerned. It was noted that the DAOs did not make payments by cheques but they authorized the DDOs to draw cash on passed bills and then make payment to the parties concerned. The AG did not issue separate cheques on each bill but issued one cheque in favour of the DDO for the consolidated amount of several bills. The DDO then had to obtain the cash for payment to different parties. The Committee recommends that for proper control the cheque system should be introduced in the District Accounts Offices, and the AG should issue cheques payable to actual payees instead of to the DDOs. In order to reduce the risk of loss/dacoity of cash, payment of salaries of all government servants should be arranged through banks.

### **Cheques Payable only up to 30 June**

**19.** Towards the close of the financial year, AG puts a stamp on cheques stating that these are payable only up to the 30<sup>th</sup> of June. This is done even on the cheques issued on that very date. This procedure has been adopted reportedly on instructions from the Finance Department. It takes a long time to issue another cheque in place of the one which cannot be cleared on the last day of the financial year. The Committee feels that this practice needs to be reviewed and its pros and cons weighed in the context of proper control and accounting on the one hand and avoidable inconvenience and paper work on the other.

### **Rules and Regulations**



**20.** Rules and instructions of the Budget Manual need to be followed by the departments in letter and spirit. This will obviate a lot of administrative/regularizing actions at later stages. Finance Department should ensure that its rules are rationalized/simplified, where needed, and that these are understood and followed, as for example the rules and regulations concerning limits on the use of telephones & vehicles, maintenance of log books, and imposition of penalties etc.

**21.** All rules and instructions need to be updated regularly, particularly those regulating delegation of financial and administrative powers, issuing NOCs etc. These should be periodically looked into for their continued validity in the rapidly changing socio-economic and technological scenario. In particular, the maximum limit of imprest money and the scope of items on which imprest money can be spent should be reviewed and rationalized in the light of the prevailing conditions and ground realities.

**22.** The issuance of `substituted letter bearing the same number and date' involves legal complications as both the original and the substituted letters, with different contents, remain in the field. In case these letters contain financial sanction, they may result in double payment of the public funds. The Government must issue suitable instructions to check the practice.

### **Suspense Accounts**

**23.** Apparently a feeling of 'free-for-all' prevails among primarily the Works departments, with regard to the suspense accounts. They continue to spend in excess of their Grants for the sub-head "suspense" and often in obvious violation of existing rules and instructions by resorting to the use of suspense accounts as a form of revolving fund and considering that the credit adjustments relating to previous debits automatically provide the authority to exceed the amount of the Grant.

**24.** In its meeting on 15 March 1995, the then PAC considered the issue and appointed a Sub-Committee for further examination of the matter. The Sub-Committee had meetings with all the concerned departments and made the following recommendations:-

“In view of the above conflicting contentions regarding the operation of Suspense Head, the Sub-Committee decided that all the Works Departments may hold a meeting with the Finance Department to thrash out the matter and arrive at a conclusion. The Law Department as well as the Auditor-General of Pakistan may be consulted in the matter. In the said meeting it may also be decided whether the allocation made under the Suspense Head is a fixed grant or a revolving fund and whether expenditure under Suspense Head can be made against a scheme for which allocation is available but release has not been made.”

**25.** The ad hoc PAC was surprised to learn that the advice has not so far been acted upon. The misuse of the suspense account goes on unabated. Confusion still remaining in the minds of even the senior officers must be removed without delay and the correct procedure enforced. Outstanding balances may be reviewed and necessary steps taken by the Finance Department to clear them without loss of time. These accounts have huge amounts which are still recoverable from various parties. The Committee recommends that as per the advice reproduced in para 24 above, appropriate decisions should be taken

and emphatically implemented.

### **Personal Ledger Accounts (PLAs)**

**26.** During its examination of the Appropriation Accounts the Committee was informed by some departmental representatives that amounts placed in the Personal Ledger Accounts (PLAs) of their designated officers did not all lapse at the end of the financial year, and could therefore be drawn upon in subsequent years in addition to the authorized Grants for those years. This arrangement appeared to the Committee to be in violation of the spirit of the established and generally understood financial provisions for the authorizations and disbursements from the Consolidated Fund. These require that no expense should be incurred in a year unless it is authorized by the Legislature, and such authorization is included in the Schedule of Authorized Expenditure for that year as authenticated by the Chief Minister. The Committee, therefore, sought clarifications from the Finance Department and discussed the implications of the PLA arrangements in a meeting with Secretary Finance and the Accountant General.

**27.** The Committee was informed that the provincial government places the budgetary allocations in the PLAs and these allocations lapse at the end of the financial year. It was stated that practically these lapseable PLAs were within the Provincial Consolidated Fund. However, in the case of autonomous bodies the provincial contributions/grants are placed in non-lapseable PLAs, and ultimately become part of the Public Account.

**28.** The Committee noted that the Constitution provides a clear distinction between the Provincial Consolidated Fund (made up of all revenues and loans) and the Public Account (all other moneys). It was not clear how exactly the transactions of opening a PLA for a government functionary (a Drawing & Disbursing Officer) and its lapse at the end of the year are recorded in the accounts by the AG and the Finance Department, and reflected in the Appropriation Accounts and the Finance Accounts of the Government. If PLAs are classified as a part of the Public Account under the accounting classification, these can hardly be treated as practically falling within the Provincial Consolidated Fund!

**29.** According to the Finance Department, the provincial government has not allowed any non-lapseable PLAs except PLAs of autonomous bodies. At the same time, the Department plans to review any non-lapseable PLAs allowed in the past and convert them into lapseable PLAs so that constitutional requirements are strictly observed.

**30.** The Committee feels that apart from considerations of conforming faithfully, in letter and spirit, to the clear provisions of the Constitution, the pros and cons need to be re-examined in some depth of operating PLAs for execution of government programmes. This is particularly called for in the context of maintaining financial discipline and strengthening the effectiveness of internal and supervisory checks on disbursement procedures.

- 31.** Another point which needs to be examined is whether it is proper for the Finance Department to retain in the Government's Public Account the funds belonging to autonomous bodies which have their own fund accounts under their respective laws.
- 32.** The Committee recommends that Finance Department may–
- a.** Urgently examine the matter and take an appropriate decision in the light of the provisions of the Constitution as well as the principles of effective financial management, and proper controls over disbursements and accounting of public moneys;
  - b.** Review all the existing PLAs in the light of the decisions taken; and
  - c.** In future, authorize PLAs only in cases of urgent necessity for limited periods and strictly in accordance with the provisions of the Constitution as well as the norms of propriety and constructive financial management.

### **Loans to Municipalities**

**33.** The practice of extending loans instead of grants-in-aid to Municipalities and Development Authorities has long been continuing and huge amounts are outstanding against them. The Finance Department informed the Committee that deductions are made out of the Municipalities' tax share against repayment of loans; and no deductions are possible in case no amount is available in the tax share. Many of these authorities (perhaps all of them) are not in a position to service these loans, much less repay them in the foreseeable future. In some cases loans were given for non-development purposes such as payment of salaries, picking up deficits, and bridge financing for payment of electricity bills. If the borrowers are clearly known to be not in a position to liquidate these liabilities, these should not be treated as government assets.

## **III-The Planning and Development Department**

### **Unfinished and Abandoned Development Schemes**

**34.** It was discovered that the Province had been left with a large number of development schemes which were starved of funds or were abandoned, often deliberately, by successive governments. Many of these can be resuscitated by fresh allocation of development funds. It is recommended that a complete survey of these schemes be undertaken by the P&D Department, which already has compiled a list of 2,453 such schemes. As many as 1,011 of these pertain to School Education Projects, 884 to Local Government Department's Programmes, and 263 to the Communication and Works Department. As much as Rs. 3.5 billion were spent on the schemes from which no benefit is being derived. A specific

allocation for this purpose will have to be made by the Finance Department to salvage those which are deemed to be still useful. The Committee recommends that this should be done on priority basis.

## **Allocation of Funds**

**35.** It was also noticed that the P&D Department in some of the projects agreed to provide funds without carefully taking into account the actual progress of work on the ground. This was not advisable as it could lead to diversion and/or misuse of scarce funds.

## **IV-The Administrative Departments**

### **Preparation of Working Papers for PAC**

**36.** In many cases the working papers containing the department's explanation in response to audit paras are prepared at the last minute, sometimes late at night for consideration in the next day's meeting of the PAC. These cannot be circulated to the PAC members for study before the meeting nor can be sent to Audit with sufficient time for helpful comments. On several occasions, the PAO disagreed with the paper submitted by his department (and approved hurriedly by him). This state of affairs obviously leads to wastage of a lot of time all round. The departments must organize their work in this area in a manner to facilitate preparation of comprehensive working papers well in time.

**37.** The Accountant General, Punjab and the Director General Audit/Accounts concerned, should watch, with reference to the Appropriation Accounts and Audit Reports, that the working papers for all grants/items of appropriation accounts and draft paras have been submitted to them for comments by the departments concerned. Deficiency, if any, should promptly be brought to the notice of the Department concerned as well as the Secretariat of the Public Accounts Committee.

**38.** The Government must issue instructions to all concerned that the business of the PAC is given the same priority as is assigned to the Assembly Business under the Punjab Government Rules of Business. Special labels of "PAC Business" should be used to attract immediate attention of all concerned.

**39.** Similarly, cases of inquiries relating to the audit paras must be given high priority and expeditious disposal of such cases at all levels be ensured.

**40.** Finance Department should also issue directions that copies of references made by the departments for obtaining sanctions for write off or regularization in respect of matters pending before the Public Accounts Committee should be provided to Audit, and the number and date of the letter be quoted in the working papers prepared for the Public Accounts Committee. Finance Department should conclude such cases on top priority basis.

## **Action on Audit Paras**



**41.** Non-action on Audit observations and paras at initial stages was one of the serious lapses on the part of almost all the departments. Audit paras are seldom seen by the heads of the departments in good time. Files seem to hibernate for years and are pulled out only after a notice for PAC meeting is received. By that time most of the individuals concerned have either retired or some of them have even passed away. There is a dire need, therefore, to institute a mechanism under the direct control/direction of every PAO which should devise Standard Operating Procedures (SOPs) to initiate concerted action as soon as an audit para is received and the progress on its disposal should be closely watched till it is ready for settlement at the appropriate forum. Departments must use the mechanism of DACs and SDACs to settle the paras as soon as possible. This would greatly help in reducing the work load of the PAC as well.

**42.** The Committee also recommends that Finance Department should issue instructions that DACs should also monitor the progress on the implementation of the directives of the Public Accounts Committee in respect of the paras considered by it.

**43.** The Committee further suggests that the Government should issue necessary instructions that charge sheets in the disciplinary cases emanating from audit paras, be shown to Audit to ensure that the relevant audit observations have been adequately covered in them.

**44.** Departments must strengthen their system of fact-finding and conducting formal enquiries regarding audit paras. Legal/disciplinary action against those found to have caused losses by committing irregularities and misappropriations should be initiated without delay in a deliberate and professional manner. Terms of reference for the officers carrying out probes and formal enquiries under disciplinary rules should be carefully framed to include the vital aspects and core issues of the audit objection, such as recovery of dues.

**45.** The Committee found that many audit paras had been drawn up merely because the relevant record was not produced to Audit at the proper time. The Committee was forced to adjourn such paras for verification of record. The Government should issue directions to all concerned that all the relevant record should be produced to Audit at the appropriate time. Disciplinary action may be initiated against those who fail to do so.

## **Misuse of official vehicles**

**46.** The Committee noticed that the official vehicles belonging to various departments, attached departments or autonomous bodies were misused either by the ministers or the staff of the ministers, or by the employees of the organization itself. The Committee emphasizes that the Government should devise a strategy to guard against the misuse of official vehicles at all levels.

## **Training of Personnel**

**47.** One of the reasons for many financial irregularities was the wide spread lack of training among the officials in office procedure and practices and especially in the financial and accounts matters. The Government should make necessary arrangements for training on regular basis of the personnel belonging to various disciplines.

## Internal Controls and Audit

- 48.** Each department should set up a special cell manned by well qualified and trained staff from within the department, to deal with financial/accounting matters including disposal of audit paras. This staff must work directly under the Head of the Department.
- 49.** It appears that the accounts/audit staff mostly learn their job through trial and error which results in many failures which persist. Also, most of the subordinate and supervisory staff do not hold requisite qualifications in financial disciplines. In fact, both audit/accounts as well as similar subordinate staff of provincial departments should hold certain minimum qualifications, such as passing the departmental or professional institute examinations or a diploma/degree in commerce.
- 50.** The departments which already have a mechanism of internal controls, must augment this mechanism by pooling requisite staff from within their existing establishments. Similarly, the AG's department should augment and strengthen its system of checks before authorizing payments function, so that any slip at the lower tier is identified and removed promptly.
- 51.** Directors of Finance and Accounts of autonomous bodies should be posted from the Finance Department and their annual Performance Evaluation Reports (PERs) should comment on their performance in the accounting and auditing areas. These PERs should be seen and countersigned by the Secretary Finance also.
- 52.** The pre-audit system of the Works departments appears to need a review for improvement. The Divisional Accountants who are responsible for pre-audit seldom figure as co-accused among the rest of the offenders for disciplinary proceedings against them for breach of financial rules and propriety. It is imperative that the Divisional Accountants be duly held liable to disciplinary action along with the offending provincial employees of the administrative departments.

## V-Finance Accounts

- 53.** The Committee was able to examine just a few aspects of the Finance Accounts for the year 1996-97. A number of discrepancies in the figures were pointed out for discussion with the officers of the Finance Department and the Accountant General. Some of these are described in Chapter 3 of this Report. Many of the accounts and balances shown in the publication need to be reconciled and corrected. In view of this, the Finance Accounts can hardly be regarded as presenting a true and fair picture of the Government's financial position as on 30 June 1997. The Committee suggests that urgent attention should be given to rectifying the errors and to proper presentation of the figures in these accounts if these are to be of any use even as historical record and reference material.

## VI-General

### Technical Sanctions of Works/Projects

**54.** In spite of clear and emphatic rules/instructions on the subject, most of the Works departments continued to award contracts and start the work before the Technical Sanctions had been accorded. In some cases the Technical Sanctions were given or substantially amended after the work had been completed. This unhealthy practice undermines the regulatory structure of financial and administrative control over Works expenditure. In a large project, Audit had pointed out major changes in the scope and specifications of various components. The Committee arranged a meeting of the departments concerned to determine who was responsible for violation of the rules but the discussion did not provide a clear-cut answer. In another case, the Committee noted that the laxity in following the prescribed rules had enabled a department to construct an SSP's house out of the allocation for *Taameer-e-Watan Programme*. The Committee is of the opinion that there is always enough time to get the detailed estimates approved/amended well in time i.e., before commencing the work or within a reasonable time if any inescapable change becomes necessary. The practice of proceeding with construction works without proper approvals and sanctions should be stopped emphatically and strict action taken in cases of violation.

**55.** Many irregularities were found in the MNA/MPA sponsored schemes. In almost all such cases, the departments explained that the codal formalities had not been fulfilled on account of political pressure. The Government must take effective steps to curb such malpractices in future.

### Lease of State Lands

**56.** A number of departments have large tracts of agricultural land and other immovable property at their disposal but they fail to put them to optimum use. Some of these have gone under illegal possession and are the subject of litigation because of absence of close supervision and effective control. Much of these lie fallow or are leased out on abysmally low rates. In many cases the produce/income is also mismanaged giving rise to audit paras.

**57.** The Board of Revenue should carry out an exercise to review the minimum needs of the respective departments for originally stipulated use and acquire/consolidate/resume the rest for a better management and commercial use, in consultation with the Finance Department.

### Relaxation of Rules

**58.** It was noticed that quite a few actions, including cases involving substantial financial input, were approved in relaxation of all rules for no pressing reasons, and by the authority other than the rule making authority. Obviously, the scrutiny of such cases on the yardstick of rules was not possible. The Committee is concerned about the facile practice of wholesale and random relaxation of rules. In a democratic layout, a public authority must act in accordance with law/rules. Generally speaking, relaxation of rules, in a particular case, is tantamount to supplanting the rules. The practice of relaxing

rules casually cannot be supported. If and when necessary, rules should be amended to meet with a new situation. However, in a rare case of extreme hardship or pressing emergency, relaxation of rules could be considered. In that case, too, it must be backed up by adequate justification, and should be resorted to only when there is no way out, the amendment of rules is not readily possible or required, and the observance of rules is likely to thwart the public interest. For this purpose, there has to be an appropriate provision in the relevant rules, determining the circumstances in which, the terms and conditions subject to which, and the authority by whom, the relaxation of rules be allowed.

### **Management of Departmental Rest/Guest Houses**

**59.** PAC had to deal with a substantial number of audit paras on the misuse of rest houses. Most of the departments and agencies subordinate to them do need these facilities for operational convenience, provided they can manage and control them properly. Most of them do not have proper (or have inadequate) rules to regulate their use.

**60.** Government may look into this problem with a view to laying down some general guidelines regarding the desirability, the number, the economic viability and conditions for entitlement for their use, maximum period of occupation, etc., of these facilities. While it is desirable to leave the departments and agencies with some flexibility in such matters, a certain amount of advice to regulate this activity would be in the public interest.

### **Limits on Residential Telephones and Use of Official Vehicles**

**61.** A number of audit paras deal with amounts to be recovered on account of officers exceeding the limits prescribed for their residential telephones. In almost all cases the departments represented before the PAC that the nature of the duties of the officers concerned was such that they had to exceed these limits in public interest. The Committee feels that the existing policy and procedures for controlling expenditure on residential telephones need to be carefully reviewed. Officers who have to deal with emergencies, law and order situations, public relations etc. should not be subject to the same limits as their colleagues of similar status but without such duties round the clock. A realistic refixation of these limits along with a suitable change in the procedure for settlement of telephone bills under which the officers may claim reimbursement up to their prescribed limits after they have paid the bills to PTCL, will clearly reduce the number of audit paras on this subject. A similar review of the limits and procedures for recovery appears to be necessary in the matter of use of vehicles allotted to some officers.

### **Blanket Permission for Expenditure on Pay and Allowances**

**62.** At present the Finance Department has given a blanket permission to the accounts offices to go on making payment of salaries of staff even if such payments are likely to exceed the budget allocation. This may be desirable from the point of view of staff welfare but it is also fraught with the danger of laxity in budgetary control. It amounts to nullifying the double check built in the system wherein the DAOs or AG should not make a payment if there is insufficient or no budget allocation. The department and the accounts officer concerned must be required to approach the Finance Department immediately

after the payment with full justification for allocation of additional funds by the competent authority.

## **Litigation**

**63.** The Committee noted that the Excise and Taxation Department was engaged in litigation with a number of corporations, autonomous authorities and local bodies under the provincial government for realization of property tax. The Committee recommends that instead of going to the courts, the disputes should be settled expeditiously within the government itself. The Department should obtain the advice of the Law and Finance Departments on the legal issues involved in the cases and if the contention of the Excise & Taxation Department is supported the matter should be placed before the provincial cabinet for a decision which should be implemented by the agencies concerned.

**64.** To avoid litigation amongst Government agencies, Finance Department should devise a mechanism for inter-departmental adjustment of dues within provincial government departments, autonomous and semi autonomous and local bodies.

**65.** The Committee felt concerned about the casual manner in which the litigation by or against the Government, its agencies and autonomous bodies was generally conducted. In most of the cases, the litigation was handled by junior officials, and lawyers of relatively low-standing. Even some good cases had been lost for want of proper representation and monitoring, and resulted in substantial losses to the Government and its agencies/bodies.

**66.** The Committee recommends that the Government should take stock of the situation, and devise a scheme for competent and effective representation, steering and monitoring of the litigation by or against it.

## **Amendments in Laws and Rules**

**67.** A number of audit paras pointed out that large sums of government receipts were outstanding on account of failure to recover rent for space occupied in katchery compounds by various parties, mostly lawyers who maintained their offices there. The Board of Revenue informed the Committee that the Federal Government was being approached for amendment in the Legal Practitioners and Bar Councils Act 1973 to provide that no advocate will be entitled to vote in the Bar Council elections until he has cleared all the outstanding government dues. The Committee recommends appropriate action on this expeditiously.

**68.** Similarly, the Committee noted that because of a lacuna in the Motor Vehicles Rules 1969 framed under the Motor Vehicles Ordinance 1965, it was not possible for the Transport Department officials to impose any penalty on those who do not surrender their route permits after their expiry but approach the Department for grant of fresh permits to new owners. This was causing a leakage of considerable amounts of Government receipts. On the suggestion of the Committee, the Transport Department has initiated necessary action for the amendment of the relevant rule in order to remove the deficiency. The Committee recommends that the necessary changes be introduced as early as possible.



## Recovery of Government Dues

**69.** The Committee observed that the existing procedure of recovery of public money through the district administration had not yielded the desired results, and considerable amount of public money had been outstanding for long. Government must devise a more effective system for expeditious recovery of public money.

## Students' Fund

**70.** The Committee observed that almost all the teaching institutions received funds on various account from the students. However, there was no law or rules to regulate the levy of and expenditure from the said funds. The funds are spent by the administration of a teaching institution at will. Government should make appropriate law/rules for the management of such funds, and the same should be audited along with other accounts of the teaching institutions.

## Autonomous Bodies

**71.** Certain Universities had allowed 'orderly allowance' and 'Ph.D. allowance' to their employees in contravention of the rules and instructions applicable to the civil servants in the provincial government. Education department was of the view that the Universities, having adopted the scheme of national pay scales, had no power to make any departure from the said rules or instructions. However, it was argued that the universities were autonomous bodies and their authorities were competent to make any decision.

**72.** In that context, a general question emerged as to the nature, extent and quantum of autonomy which an autonomous body, including the Universities, could claim *vis-à-vis* the Government.

**73.** The Committee was informed that the Supreme Court of Pakistan, has observed that the dispensing of autonomy to a Province or to any other body/authority does not imply conferring the right of self-determination, with the right to secede. 'Autonomy' and 'secession' are mutually self-contradictory concepts. Autonomy, within a State, means the power or right of partial self-government. It cannot be construed as complete withdrawal or independence from the Government. The principle squarely applies to the concept of 'autonomy' with reference to a body set up by or under a provincial law.

**74.** Article 138 of the Constitution provides that the Provincial Assembly may by law, confer functions upon authorities subordinate to the Provincial Government. The provision also makes it clear that a body established under a provincial law remains subordinate to the Government; and, notwithstanding the quantum and extent of autonomy, it can have no claim of independence *vis-à-vis* the Government.

**75.** Statutory bodies are set up to facilitate the Government in the performance of the functions allocated to it under the Constitution. Such a body can exercise such powers as are devolved on to it under the law. The question whether or not the rules, regulations and instructions applicable to the departments of the Government *per se* apply to an autonomous body be determined on case to case basis in the light of the provisions of the relevant law, and the decisions competently taken by a body and its authorities. Broadly speaking, being subordinate to the Government, an autonomous body cannot

materially deviate from the general policies of the Government, without its concurrence.

**76.** The Committee is of the view that the Government may, with an open heart, yield to an autonomous body such autonomy and independence as may be necessary for the accomplishment of its objectives. However, it must retain adequate powers and authority to oversee effectively and monitor the policies, the performance and the objectives of an autonomous body as well as its financial management.

**77.** The Committee recommends that Government may examine the entire issue, and clarify the position to all concerned.

**78.** At present, the accounts of the Punjab Employees Benevolent Fund and Welfare Fund are not audited by the Auditor General. Since these organizations deal with the money compulsorily deducted at source from the government servants, the Committee suggests that the accounts of these two organizations should be audited by Auditor General of Pakistan.

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[\[1\]](#) Contained in Chapter 1 of the *ad hoc* PAC Report for the year 1996-97.

# APPROPRIATION ACCOUNTS

(1997-98)

## Overview

Total No. of Grants	Settled	Pended
47	29	18

## Abstract

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

**TABLE I**  
**Grants Settled**



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

Grant No & Title	Final Grant	Expenditure	Saving/Excess	Remarks
<b>1. Opium</b>	1,176,000 <b>955,000*</b>	851,510 <b>851,510</b>	(-) 324,490 (27.29%) <b>(-) 103,490*</b> <b>(10.83%)</b>	Minutes dated 10-1-2002, issued vide No. PAP-PAC(3)-97-98/2001/ 5977, dated 12-2-2002.
<b>5. Forest</b>	449,518,000	434,296,361	(-) 15,221,639 (3.38%)	Minutes dated 15-1-2002, issued vide No. PAP-PAC(3)-97-98/2001/6040, dated 16-2-2002.
<b>7. Charges on account of Motor Vehicles Act</b>	37,242,000 <b>* 36,074,000</b>	35,068,002 <b>* 35,068,002</b>	(-) 2,173,998 (5.84%) <b>* (-) 1,005,998</b> <b>(2.78%)</b>	Minutes dated 10-1-2002, issued vide No. PAP/PAC(3)-97-98/2001/ 5977, dated 12-2-2002 and Minutes dated 18-2-2002, issued vide No. PAC(3)97-98-Vol-II/2002/6619, dated 8-4-2002.
<b>9. Irrigation &amp; Land Reclamation</b>	4,875,992,000 <b>*4,418,298,000</b>	3,194,104,134 <b>*2,838,678,640</b>	(-) 1,681,887,866 (34.49%) <b>*(-) 1,579,619,360</b> <b>(35.75%)</b>	Minutes dated 7-2-2002, issued vide No. PAP/PAC(3)-97-98/2001/6460, dated 27-3-2002.
<b>11. Administration (c) of Justice</b>  (v)	184,273,000	179,884,523	(-) 4,388,477 (2.38%)	Minutes dated 6-12-2001, issued vide No. PAP/PAC(3)-97-98/2001/5313, dated 5-1-20002.
	437,106,000 <b>*428,174,000</b>	391,717,180 <b>*391,717,180</b>	(-) 45,388,820 (10.38%) <b>*(-) 36,456,820</b> <b>(8.51%)</b>	Minutes dated 3-12-2001, issued vide No. PAP/PAC(3)-97-98/2001/5254, dated 1-1-2002, Minutes dated 6-12-2001, issued vide No. PAP/PAC(3)-97-98/2001/5313, dated 5-1-20002, Minutes dated 18-2-2002, issued vide No. PAC(3)97-98/Vol-II/2002/ 6619, dated 8-4-2002 and Minutes dated 1-4-2002, issued vide No. PAP/PAC(3)-97-98/Volume-II/2002 /7295, dated 27-5-20002.
<b>12. Jails and Convict Settlements</b>	544,627,000	539,353,451	(-) 5,273,549 (0.97%)	Minutes dated 19-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/ 5153, dated 22-12-2001.
<b>13. Police</b>	5,934,902,000 <b>*5,934,902,000</b>	5,935,279,777 <b>*5,930,789,357</b>	(+) 377,777 (0.01%) <b>*(-) 4,112,643</b> <b>(0.06%)</b>	Minutes dated 19-11-2001, issued vide PAP/PAC(3)-97-98/2001/5153, dated 22-12-2001.
<b>14. Museums</b>	9,321,000 <b>*8,565,163</b>	8,901,367 <b>* 8,565,163</b>	(-) 419,633 (4.50%) <b>*Nil</b>	Minutes dated 8-4-2002, issued vide No. PAP/PAC(3)-97-98/Volume-II/ 2002/7322, dated 29-5-2002.
<b>18. Agriculture</b>	1,732,751,000 <b>*1,591,109,000</b>	1,571,434,443 <b>*1,571,434,443</b>	(-) 161,316,557 (9.31%) <b>*(-)19,674,557</b> <b>(1.24%)</b>	Minutes dated 14-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/ 4935, dated 1-12-2001.
<b>19. Fisheries</b>	101,372,000 <b>*99,287,000</b>	97,998,843 <b>*96,762,935</b>	(-) 3,373,157 (3.33%) <b>*(-)2,524,065</b> <b>(2.54%)</b>	Minutes dated 15-1-2002, issued vide No. PAP-PAC(3)-97-98/2001/6040, dated 16-2-2002.
<b>20. Veterinary</b>	720,302,000 <b>*688,719,000</b>	666,302,955 <b>*666,302,955</b>	(-) 53,999,045 (7.5%) <b>*(-)22,416,045*</b> <b>(3.25%)</b>	Minutes dated 24-1-2002, issued vide No. PAP/PAC(3)-97-98/2001/6285, dated 9-3-2002.
<b>21. Co-operation</b>	174,738,000	159,057,865	(-) 15,680,135	

	<b>*165,535,000</b>	<b>*159,057,865</b>	(8.97%) <b>*(-)6,477,135</b> <b>(3.91%)</b>	Minutes dated 6-12-2001, issued vide No. PAP/PAC(3)-97-98/2001/5313, dated 5-1-20002.
<b>26. H&amp;PP</b>	121,201,000 <b>*104,154,000</b>	103,903,602 <b>*103,904,000</b>	(-) 17,297,398 (14.27%) <b>*(-) 250,000</b> <b>(0.24%)</b>	Minutes dated 13-5-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II//2001 /7640, dated 22-6-2002.
<b>28. Pensions</b>	6,013,913,000	5,578,377,198	(-) 435,535,802 (7.24%)	Minutes dated 8-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/4977, dated 5-12-2001.
<b>30. Subsidies</b>	3,105,875,000	1,130,675,000	(-) 1,975,200,000 (63.30%)	Minutes dated 20-3-2002, issued vide No. PAP/PAC(3)-97-98/2001/7048, dated 8-5-2002.
<b>32. Civil Defence</b>	36,925,000 <b>*33,004,000</b>	32,976,834 <b>*32,976,834</b>	(-) 3,948,166 (10.69%) <b>*(-) 27,166</b> <b>(0.08%)</b>	Minutes dated 19-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/ 5153, dated 22-12-2001.
<b>34. State Trading in Medical Stores &amp; Coal</b>	359,248,000 <b>*332,027,000</b>	313,429,808 <b>*313,429,808</b>	(-) 45,818,192 (12.75%) <b>*(-)18,597,192</b> <b>(5.60%)</b>	Minutes dated 12-2-2002, issued vide No. PAP/PAC(3)-97-98/2001/6495, dated 30-3-2002.
<b>35. Loans to Government Servants</b>	47,500,000	26,418,388	(-) 21,081,612 (44.38%)	Minutes dated 8-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/4977, dated 5-12-2001.
<b>37. Irrigation Works</b>	1,403,142,000 <b>*1,391,517,000</b>	1,510,907,259 <b>*1,328,992,464</b>	(-) 107,765,259 (7.68%) <b>*(-) 62,524,536</b> <b>(4.49%)</b>	Minutes dated 7-2-2002, issued vide No. PAP/PAC(3)-97-98/2001/6460, dated - 27-3-2002.
<b>38. Agriculture Improvement &amp; Research</b>	95,973,000 <b>*70,689,000</b>	22,947,468 <b>*69,941,011</b>	(-) 73,025,532 (76.09%) <b>*(-) 8,747,989</b> <b>(12.37%)</b>	Minutes dated 21-5-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II//2002/ 7733, dated 28-6-2002.
<b>40. Town Development</b>	94,171,000 <b>*86,303,000</b>	85,499,010 <b>*85,499,010</b>	(-) 8,671,990 (9.21%) <b>* (-) 803,990</b> <b>(0.93%)</b>	Minutes dated 26-11-2001, issued vide No.PAP/PAC(3)-97-98/2001/5166, dated 24-12-2001.
<b>41. Roads and Bridges</b>	2,544,840,000 <b>*2,522,346,000</b>	2,332,798,733 <b>*2,332,798,733</b>	(-) 212,047,267 (8.33%) <b>*(-) 189,547,267</b> <b>(7.51%)</b>	Minutes dated 21-1-2002, issued vide No. PAP/PAC(3)-97-98/2001/6182, dated 2-3-2002.
<b>Nil. Permanent (c)</b>	51,449,000 <b>*50,679,000</b>	50,578,300 <b>*50,578,300</b>	(-) 870,700 (1.69%) <b>(-) 100,700</b> <b>(0.19%)</b>	Minutes dated 18-2-2002, issued vide No. PAC(3)97-98-Vol-II/2002/6619, dated 8-4-2002.
<b>Debt</b>				
<b>Nil. Repayment (c) of Loans from the Federal Govt.</b>	2,468,226,000 <b>*2,347,638,000</b>	2,346,036,423 <b>*2,346,036,423</b>	(-) 122,189,577 (4.95%) <b>*(-) 1,601,577</b> <b>(0.06%)</b>	Minutes dated 8-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/4977, dated 5-12-2001.
<b>Nil. Floating Debt (c)</b>	20,411,582,000	14,821,000,000	(-) 5,590,582,000 (27.39%)	Minutes dated 18-3-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II//2002/

				7048, dated 8-5-2002.
<b>Nil. Privy Purses (c)</b>	<i>1,600,000</i> <b>*1,600,000</b>	— <b>*1,600,000</b>	(+) <i>1,600,000</i> (100%) <i>Nil</i>	Minutes dated 9-4-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II/2002/7378, dated 3-6-2002.

\*After reconciliation.

## TABLE II

### Grants Settled subject to the approval of Excess Budget Statement

Grant No & Title	Final Grant	Expenditure	Excess	Recommendations of PAC
<b>27. Relief</b>	65,211,000	65,271,420	(+) 60,420 (0.09%)	Minutes dated 8-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/4977, dated 5-12-2001.
<b>33. State Trading in (c)</b>	<i>1,090,680,000</i>	<i>969,123,140</i>	(-) <i>121,556,860</i> (11.15%)	Minutes dated 18-3-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II/2001/7048, dated 8-5-2002.
<b>Food Grain**</b>	<i>*1,090,680,000</i>	<i>*605.938.357</i>	<i>*(-) 484,751,643</i> (44.44%)	
<b>(v)</b>	22,380,195,000	26,340,130,329	(+) 3,959,935,329 (25.21%)	Minutes dated 18-3-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II/2001/7048, dated 8-5-2002.
	<b>*22,380,195,000</b>	<b>*27,824,729,268</b>	<b>*(+5,444,534,268)</b> (24.32%)	
<b>Nil. Interest on Debt (c) and other obligations</b>	<i>13,857,609,000</i> <b>*13,857,609,000</b>	<i>13,965,623,144</i> <b>*13,934,191,144</b>	(+) 108,014,144  (0.77%) <b>*(+ 76,588,144)</b> (0.55%)	Minutes dated 8-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/4977, dated 5-12-2001.

\*After reconciliation

\*\*The Excess Budget Statement has been recommended only for the Voted portion in the Grant.

## TABLE III

### Grants Partly Settled/Pended

*The following grants were partly settled/kept pending mainly because the accounts could not be reconciled*

Grant No & Title	Final Grant	Expenditure	Saving/ Excess	Remarks
<b>2. Land Revenue</b>	465,187,000	454,426,574	(-) 10,760,426 (2.31%)	Pended. Minutes dated 20-5-2002, issued vide No. PAP/PAC(3)-97-98/Vol-

				II/2002/7723, dated 27-6-02.	
<b>3. Provincial Excise</b>	67,038,000	62,425,196	(-) 4,612,804 (6.88%)	Pended. Minutes dated 8-4-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II/2002/7722, dated 29-5-2002.	
<b>4. Stamps</b>	36,062,000	31,904,139	(-) 4,157,861 (11.52%)	Pended. Minutes dated 20-5-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II/2002/7723, dated 27-6-02.	
<b>6. Registration</b>	11,434,000	7,818,963	(-) 3,615,037 (31.61%)	Pended. Minutes dated 20-5-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II/2002/7723, dated 27-6-2002.	
<b>8. Other Taxes &amp; Duties</b>	95,582,000	88,882,119	(-) 6,699,881 (7.00%)	Pended. Minutes dated 8-4-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II/2002/7722, dated 29-5-2002.	
<b>Administration</b>	<b>10. General (c)</b>	95,837,000	94,272,925	(-) 1,564,075 (1.63%)	Settled. Minutes dated 15-10-2001, issued vide No. PAP/PAC(3)97-98/2001/4762, dated 16-11-2001, and Minutes dated 24-1-2002, issued vide No. PAP/PAC(3)-97-98/2001/6285, dated 9-3-2002.
	(v)	4,143,188,000	3,462,679,423	(-) 680,508,577 (16.42%)	Partly settled. Minutes dated 14-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/4935, dated 1-12-2001, Minutes dated 3-12-2001, issued vide No.PAP/PAC (3)-97-98/2001/5254, dated 1-1-2002, Minutes dated 6-12-2001, issued vide No. PAP/PAC(3)-97-98/2001/5313, dated 1-1-2002, and Minutes dated 21-1-2002, issued vide No. PAP/PAC(3)-97-98/2001/6182, dated 2-3-2002.
<b>15. Education</b>	27,075,380,000	20,886,638,680	(-) 6,188,741,320 (22.85%)	Partly settled. Minutes dated 9-4-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II//2001/7378, dated 3-6-2002.	
<b>16. Health Services</b>	6,429,601,000	5,281,965,509	(-) 1,147,635,491 (17.84%)	Pended. Minutes dated 6-5-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II/2002/7632, dated 22-6-2002.	
<b>17. Public Health</b>	694,675,000	607,135,308	(-) 87,539,692 (12.60%)	Partly settled. Minutes dated 26-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/5166, dated 24-12-01.	
<b>22. Industries</b>	152,745,000	135,057,457	(-) 17,687,543 (11.57%)	Partly settled. Minutes dated 9-4-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II/2002/7378, dated 3-6-2002.	
<b>23. Miscellaneous</b>	558,650,000	546,123,585	(-) 12,526,415 (2.24%)	Partly settled. Minutes dated 3-12-2001, issued vide No. PAP/PAC(3)-97-98/2001/5254, dated 1-1-2002.	
<b>24. Civil Works (c)</b>	3,675,000	3,673,921	(-) 1,079 (0.02%)	Settled. Minutes dated 21-1-2002, issued vide No. PAP/PAC(3)-97-98/2001/6182, dated 2-3-2002.	
	(v)	1,449,008,000	1,198,641,790	(-) 250,366,210 (17.27%)	Partly settled. Minutes dated 26-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/5166, dated 24-12-2001, Minutes dated 21-1-2002, issued vide No.PAP/PAC(3)-97-98/2001/6182, dated 2-3-2002, and Minutes dated 7-2-2002, issued vide No. PAP/ PAC (3)-97-98/2001/6460, dated 27-3-2002.
<b>25. Communications</b>	1,869,773,000	1,454,899,723	(-) 414,873,277 (22.18%)	Partly settled. Minutes dated 15-4-2002, issued vide No. PAP/PAC(3)-97-98/Vol-II/2002/7442, dated 8-6-2002.	
<b>29. Stationery &amp;</b>	104,289,000	58,846,636	(-) 45,442,364	Partly settled. Minutes dated 28-1-2002,	

<b>Printing</b>			(43.57%)	issued vide No.PAP/PAC(3)-97-98/2001/6309 dated 12-3-2002 and Minutes dated 9-4-2002, issued vide No. PAP/PAC (3)-97-98/Vol-II/2001/7378, dated 3-6-2002.
<b>31. Miscellaneous</b>	1,432,540,000	1,312,644,844	(-) 119,895,156 (8.36%)	Partly settled. Minutes dated 7-1-2002, issued vide No. PAP/PAC(3)-97-98/2001/5773, dated 31-1-2002 and Minutes dated 24-1-2002, issued vide No. PAP/PAC(3)-97-98/2001/6285, dated 9-3-2002.
<b>36. Development</b>	7,821,975,000	7,269,022,658	(-) 552,952,342 (7.06%)	Partly settled. Minutes dated 8-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/4977, dated 5-12-2001 and Minutes dated 15-1-2002, issued vide No. PAP/PAC(3)-97-98/2001/6040, dated 16-2-2002.
<b>42. Government Buildings</b>	2,499,041,000	2,077,900,800	(-) 421,140,200 (16.85%)	Partly settled. Minutes dated 26-11-2001, issued vide No. PAP/PAC(3)-97-98/2001/5166, dated 24-12-2001 and Minutes dated 29-1-2002, issued vide No. PAP/PAC(3)-97-98/2001/6339, dated 14-3-2002.
<b>43. Loans to Municipalities and Autonomous Bodies</b>	3,443,308,000	3,378,750,004	(-) 64,557,996 (1.87%)	Partly settled. Minutes dated 28-1-2002, issued vide No. PAP/PAC(3)-97-98/2001/6309, dated 12-3-2002.

# Finance Accounts 1997-98

Finance Accounts (1997-98) of the Government of the Punjab were prepared under the authority of the Auditor-General, compiled by the Accountant-General, Punjab, and submitted to the Provincial Government as required in Para 9(4) of the Pakistan (Audit and Accounts) Order, 1973 (P.O. 21 of 1973). The Accounts exhibit annual receipts and expenditure as well as balances of assets and liabilities of the Government as on 30 June 1998. The Finance Accounts cover all transactions under both the Consolidated Fund and Public Account divisions of Government accounts. These are based on actual cash transactions and do not include accrued receipts and liabilities.

2. According to the Auditor-General of Pakistan, a test audit of the transactions incorporated in these Accounts had been carried out, and the Audit observations included in his Audit Report.

3. Except for some isolated audit paras about suspense accounts, which needed to be adjusted or recovered, the ad hoc PAC did not come across any specific audit objection, observation or suggestion in the Audit Reports (1997-98) about the contents of the Finance Accounts (1997-98).

4. In Chapter 3 of its Report on the Accounts and Audit Report for 1996-97, the Committee drew attention to some obvious mistakes and shortcomings of the Finance Accounts for that year. A quick review of the subsequent year's Accounts revealed that similar inaccuracies and ambiguities had been carried forward. Some of these are described in the paragraphs that follow with the hope that the departments concerned will take effective steps to eliminate the shortcomings in order to improve the compilation and presentation of these Accounts in the future years.

5. The Balance Sheet of the Government of the Punjab as on 30 June 1998 (page 9 of the Finance Accounts) shows that the accumulated excess of revenue receipts over revenue expenditure stood at Rs.6.453 billion against 6.087 billion on 30 June 1997. According to page 103 of the same publication, the balance on 30 June 1998 was arrived at by adding not only the difference (Rs.336 million) between the Revenue Receipts (Rs.77.266 billion) and the Expenditure on Revenue account (Rs.76.930 billion), but also by taking into account the net effect (Rs.28.75 million) of transactions under "Miscellaneous". No explanation has been provided about these miscellaneous transactions. In the Finance Accounts for the previous year (1996-97), the net effect of similarly unexplained transactions had added up to Rs.27



million. In the Finance Accounts for 1999-2000 (page 121) the figure on this account has risen to Rs.185.3 million. This shows that the amount of unexplained transactions under the Revenue heads has risen considerably within a few years. Effective steps need to be taken to analyze these figures and to account for them under the proper receipt or expenditure heads, otherwise the accuracy and comprehensiveness of Revenue accounts will remain vitiated.

6. The Committee observed that the figures of the year-end balances of the Provincial Consolidated Fund (PCF) and the Public Accounts shown at page 205 of the Finance Accounts 1997-98 had been incorrectly calculated. The figures of (minus) Rs.8.615 billion for the PCF and Rs.15.994 billion for the Public Accounts represented the difference between the receipts and payments during the year in these accounts, and not the balances! A similar mistake was pointed out by the Committee in its Report for 1996-97. The Committee noted that in the Finance Accounts for 1999-2000 (forwarded to it on 9 February 2002), the corresponding figures had been arrived at by adding the difference between the receipts and expenditure to the opening balances, but the accuracy of the balances carried forward remains doubtful. It seems that this serious lapse in account keeping and reporting has been carried forward in subsequent years, and needs to be corrected, along with adoption of suitable measures to eliminate similar blunders in future. The persistence of a negative balance in the PCF year after year is indicative of laxity of proper controls/oversight, it may even have some legal/constitutional implications. (According to a reconciliation carried out by the office of the Accountant-General, Punjab at the behest of the Committee, the PCF balance on 30 June 1998 was (-) Rs.21.34 billion against (-) Rs.8.815 billion printed and that on 30 June 2000 was (-) Rs.2.357 billion against (-) Rs.10.368 billion printed. Corresponding corrections are to be made in the figures pertaining to the Public Account balances on these dates.)

7. It will be seen from paragraph 3 of Chapter 3 of the Committee's Report on the Accounts for 1996-97 that according to AG Punjab, 'all out efforts' were under way to reconcile with the State Bank of Pakistan the figures of Cash Balances appearing in the Finance Accounts. There is no indication in the Finance Accounts 1997-98 about this reconciliation. Page 205 of the Accounts shows the 'Cash at State Bank' as Rs.7.379 billion on 30 June 1998, but the cash balance according to the Bank has not been indicated. The Committee noted that the Finance Accounts for 1999-2000 show a difference of as much as Rs.11.209 billion between the AG's and the Bank's figures. According to the former, the Cash at State Bank was Rs.32.972 billion (combined for both the Consolidated Fund and the Public Account), but the Bank reported only Rs.21.763 billion. It needs to be checked up as to how much of the difference is explained by receipts taken into account by the AG but not credited by the Bank to the Provincial Government's account, and why. In a note on the Finance Accounts 1997-98 submitted to the Committee by the Finance Department, it was stated that *"due to non-existence of regular reconciliation system, the figures given in the Finance Accounts have no relevance with the cash drawals. There may be lot of difference between total expenditure and receipt figures as given in the Finance Accounts and the overall cash balance reported by the State Bank of Pakistan."*

**8.** The Committee feels that any effort at proper and effective management and control cash resources would be handicapped by a lack of analysis and reconciliation of these figures. The Committee stresses the need for immediate attention to be given to complete reconciliation with the Bank. The reliability of the Accounts and the transparency of government operations are both open to question. The provincial finance and accounting establishments indeed have a lot to explain. The Committee suggests that the Government may constitute a high-powered committee of experts to probe into the matter and devise ways and means of ensuring effective and up-to-date reconciliation at the district and provincial levels.

**9.** According to the Grand Summary of the Appropriation Accounts for 1997-98 (page xi), the total actual expenditure during the year was Rs.131.323 billion against the total voted and charged grants/appropriations out of the PCF. If the recoveries (Rs.19.160 billion shown on the same page) adjusted in reduction of expenditure are accounted for, the net expenditure out of the PCF would be Rs.112.163 billion. However, the Finance Accounts for the same year show that the total payments out of the PCF to be Rs.111.913 billion (page 24). The AG's office clarified to the Committee that the printed Appropriation Accounts (1997-98) did not include the expenditure (Rs.64.5 million) on development incurred by the Forest Department out of the PCF, and the figure of recoveries adjusted in reduction of expenditure should be taken as Rs.19.476 billion instead of the printed amount of Rs.19.160 billion!

**10.** The Appropriation Accounts show that Rs.3.379 billion were disbursed to Municipalities and Autonomous Bodies during 1997-98 under Grant No.43. According to the Finance Accounts, the amount paid to these bodies was Rs.3.373 billion (page 23). There are similar differences in the 1999-2000 Accounts.

**11.** No attempt has been made to clarify the reasons for the differences in the two publications, viz., the Appropriation Accounts and the Finance Accounts. This naturally adds to the lack of confidence in the accuracy and reliability of the accounting system.

**12.** The Finance Accounts (1997-98) show (page 267) an amount of Rs.981.6 million as 'loans granted by the Government ... the Corporation of the City of Lahore for ...'. In the Accounts for 1999-2000, the same is shown as a credit balance of Rs.971.6 million with a note to the effect that "acknowledgment to the correctness of the balances has not been received. The ledger and broad sheet figures are under reconciliation". A glance at the section entitled "Review of Balances" (page 231 onwards) shows that most of the balances are unconfirmed and the figures are not fully explained. It is essential that great care be exercised in compiling these Accounts and in reviewing them.



**13.** The Committee would suggest that the Finance Accounts should be subjected to detailed examination and discussion with the executive departments concerned (mainly the Finance Department, the Accountant-General and the Director-General Audit) as is the practice for the scrutiny of the Appropriation Accounts.

**14.** The Committee considers that the process of accountability of the Government as a whole can be enhanced meaningfully if the receipt and expenditure figures in the Finance Accounts are compared with the corresponding budgetary allocations. These can then be examined by PACs and discussed with the senior officers of the Board of Revenue, P&D Department and the Finance Department.

**15.** Since the Finance Accounts are compiled from the books of accounts maintained by the Accountant-General, any discrepancies or mistakes reflect on the quality of book keeping in his office. This is a matter that calls for serious attention of the authorities concerned.

**16.** With so many mistakes in compilation, absence of confirmed and reconciled balances, lack of full explanations, coupled with apparent indifference of the executive towards its accuracy or comprehensiveness, the Committee is justified in wondering whether the effort and resources spent on preparing the Finance Accounts have not been a complete waste. If the Finance Accounts are to be compiled to serve any purpose in public financial managements, there can be no excuse for preparing them in a careless manner.

**17.** Perhaps the lack of attention given to them in the past has been responsible for the present state of affairs. Adequate measures should be adopted now to ensure their correct compilation in such a manner that they provide maximum information to the decision makers as well as to the public/tax payers. An Audit Certificate or opinion after a proper audit by the Auditor-General's Department would help in imparting a measure of reliance in the figures.

# Agriculture Department

## Overview

Total Paras	Civil	Commercial
116	76	40

## Abstract

Status	Decision	Para Nos.	Total	Page Nos.
<b>Paras Noted</b>  <b>15</b>	The paras were noted because these contained statement of Accounts and working results.	<b>Commercial:</b> 25, 26, 28, 30, 31, 32, 35, 36, 39, 40, 43, 44, 45, 46, 47	<b>15</b>	<b>62-64</b>
<b>Paras Finally Settled</b>  <b>70</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 3, 4, 5, 6, 8, 9, 11, 12, 14, 19, 20, 21, 23, 24, 26, 28, 31, 34, 35, 36, 37, 38, 39, 42, 45, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 62, 64, 65, 66, 68, 69, 70, 73, 75, 76	<b>49</b>	<b>51-60</b>
		<b>Commercial:</b> 3(i-ix), 6, 9, 11, 12, 29, 33, 34, 37, 38, 41, 42, 48	<b>21</b>	<b>61-64</b>
<b>Paras Conditionally Settled</b>  <b>18</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 1, 2, 10, 13, 15, 17, 27, 29, 30, 32, 33, 41, 44, 46, 71, 74	<b>16</b>	<b>65-70</b>
		<b>Commercial:</b> 10, 27	<b>2</b>	<b>71</b>
<b>Paras Pended</b>  <b>13</b>	Paras pended because the Department had not taken satisfactory action.	<b>Civil:</b> 7, 16, 18, 22, 25, 40, 43, 61, 63, 67, 72	<b>11</b>	<b>72-78</b>
		<b>Commercial:</b> 7, 8	<b>2</b>	<b>78-79</b>

**Discussed on 14-15 November 2001, 19-20 February and 21-22 May 2002**

## Paras Finally Settled Civil Audit

**1. Para No.3: Page 18 – Probable Misappropriation of Pesticides Valuing Rs.75,251**

**19-2-2002:** The Department explained that the requisite amount was recovered in January and February, 2001 and deposited into government treasury in the same months. The para was settled subject to verification by Audit.

**21-5-2002:** The para was considered in the light of the PAC directive dated 19 February 2002.

In its latest comments, Audit pointed out that the departmental contention had been verified after examination of the record produced by the Department. On the recommendation of Audit, **the para was settled.**

**2. Para No.4: Page 18 – Misappropriation of Fertilizers Valuing Rs.66,345**

**19-2-2002:** The Department explained that the total recovery of Rs.66,345 had been effected and disciplinary action initiated against officers at fault. The Department was directed to get the relevant record/recovery verified by Audit. The para was settled subject to verification by Audit.

**21-5-2002:** The para was considered in the light of the PAC directive dated 19 February 2002.

In its latest comments, Audit pointed out that the departmental contention had been verified after examination of the record produced by the Department. On the recommendation of Audit, **the para was settled.**

**3. Para No.5: Page 19 – Misappropriation in pesticides/fertilizer/seed and produce amounting to Rs.49,600**

**20-2-2002:** In its latest comments Audit had verified the recovery of Rs.4,600 and account of the store worth Rs.45,000 and recommended the para for settlement. **The para was settled.**

**4. Para No.6: Page 19 – Recovery of Rs.451,718 on Account of Misappropriation of Crops by Showing the Area Ploughed Up-Loss to Government**

**15-11-2001:** The Committee was not satisfied with the explanation of the Department given in the Working Paper. Audit pointed out that on the one hand the Department had stated that the crops had failed but on the other hand the Department continued to apply fertilizers, pesticides, etc to the crops. The Committee directed that a fresh inquiry should be held in depth into the matter and appropriate action taken in the light of its findings. The para was kept pending.

**19-2-2002:** The para was discussed in the light of the PAC directive dated 15 November 2001.

The Department explained that an inquiry had been conducted and no misappropriation or

*mala fide* intention of any officer was involved. The Department was directed to provide a copy of the Report to Audit for study and comments. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 20 February 2002.

The Department had earlier contended that according to the findings of the departmental inquiry report, there was no misappropriation or *mala fide* intention on the part of any officer in the matter of failure of crops.

In its latest comments, Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, the Committee **settled the para.**

**5. Para No.8: Page 20 – Misappropriation of POL through excess purchase, amounting to Rs.55,186**

**20-2-2002:** The Department explained that the para was discussed in SDAC meeting on 30.1.2001 and was settled after verification of accountal of POL in the logbook. The verification had been reconfirmed by Audit. The Committee agreed to **settle the para.**

**6. Para No.9: Page 21 – Irregular/Ambiguous Auction of Fruit Trees Misappropriation of Rs.119,000**

**15-11-2001:** The Department explained that the auction proceedings were in order and no misappropriation was involved.

After discussion the explanation of the Department was accepted and **the para was settled.**

**7. Para No.11: Page 22 – Misappropriation of sale proceed of wheat, maize, stock worth Rs.45,720**

**20-2-2002:** The Committee directed that a secretariat level inquiry should be held into the alleged misappropriation of the sale proceeds of wheat and maize and further action taken accordingly. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 20 February 2002.

The Department explained that in compliance with the PAC directive, the inquiry report

regarding misappropriation of sale proceeds of wheat/maize stocks had been completed. It was established that no misappropriation was involved. After discussion, the Committee decided to **settle the para.**

**8. Para No.12: Page 22 – Recovery due to non deposit of sale proceeds of seed Rs.34,164**

**20-2-2002:** In its latest comments, Audit had verified the deposit of Rs.17,181 on account of sale proceeds of vegetable seeds etc and had recommended the para for settlement. **The para was settled.**

**9. Para No.14: Page 23 – Pilferage of pesticides recovery of Rs.62,489**

**Part-I – Rs.30,653 – Non-availability of Paid Vouchers**

**20-2-2002:** The Department explained that all the payments drawn and disbursed had been recorded in cash book under the signatures of DDO and no misappropriation was involved. The PAC directed that in this case, Audit should verify the departmental contention from other collateral record in lieu of the missing vouchers. This part of the para was **settled subject to verification.**

**Part-II – Rs.31,833 – Shortage of Pesticides/Machinery**

**20-2-2002:** The Department explained that actual recoverable amount on account of shortage of pesticides worth Rs.1,797 had been recovered. The Plant Protection Machinery shown short had been auctioned at Rs.28,000 which had been deposited into government treasury. The cost of 5 sprayers had also been recovered. **This part of the para was settled.**

**22-5-2002:** The para was considered in the light of the PAC directive dated 20 February 2002.

In its latest comments, Audit pointed out that the departmental contention had been verified after examination of the record produced by the Department. On the recommendation of Audit, **the para was settled.**

**10. Para No.19: Page 25 – Irregular/ambiguous purchase of store articles and gunny bags worth Rs.60,900**

**20-2-2002:** The Department explained that all the store articles in question had been purchased in the prescribed manner and no irregularity was involved.

The Department further explained that this para was settled by SDAC meeting on 12 January 1999. The Committee agreed to adopt the recommendations of the SDAC and **settled the para.**

### **11. Para No.20: Page 26 – Embezzlement on Account of Auction Money of Produce Valuing Rs.118,662**

**14-11-2001:** The Department stated that the remaining amount had since been recovered. Moreover, disciplinary action against the Farm Manager was in process.

The Department was directed to get the recovery verified by Audit and finalize the disciplinary action expeditiously.

With the above direction the para was settled subject to Audit verification.

**19-2-2002:** The para was considered in the light of the PAC directive dated 14 November 2001.

In its latest comments, Audit had verified the recovery of Rs.71,007. The Department explained that the case of disciplinary proceedings against the Farm Manager was pending with the Authority for decision. The Department was directed to send a copy of the order passed by the Authority in the disciplinary case to Audit. With the above direction, **the para was settled.**

### **12. Para No.21: Page 26 – Recovery of Loss Due to Theft of Rs.50,000**

**14-11-2001:** The Department explained that FIR for the theft of cash amounting to Rs.50,000 from the Cashier, was got registered. In departmental investigation nobody was held responsible for the theft. The claimant of said stolen amount had waived their claim for the amount.

The Committee directed that the loss may be properly accounted for. **The para was settled.**

### **13. Para No.23: Page 29 – Irregular allotment of Government Residence – Doubtful drawal of House Rent Allowance and non-deduction of 5% House Rent amounting to Rs.41,436**

**20-2-2002:** The Department explained that the District Accounts Officer concerned had certified that the officer who had occupied the government residence had not drawn house rent allowance and the house rent at the rate of 5% was also deducted from his salary. The explanation of the Department was accepted and **the para was settled.**

### **14. Para No.24: Pages 29-30 – Irregular drawal of house rent allowance of Rs.29,569 recovery thereof**

**20-2-2002:** The Department explained that the house in question was still incomplete and had not yet been handed over by the Buildings Department to the Agriculture Department. Under the



devolution of powers, the said incomplete house had become the responsibility of the District Government. The Committee observed that the Administrative Department should take up and resolve the issue with the concerned quarters. With this directions, **the para was settled.**

**15. Para No.26: Page 32 – Destruction of Cotton Crop of Kharif 1996-97 – Loss to Government Worth Rs.1,671,988**

**15-11-2001:** The Committee was not satisfied with the explanation given by the Department in the Working Paper and directed that a fresh probe should be held in the matter in greater depth and appropriate action taken accordingly. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November, 2001.

The Department explained that according to the findings of the inquiry report, the cotton crop was not destroyed but ploughed up with the permission of the Competent Authority. The Committee directed that a copy of the report should be provided to Audit for study and comments. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 19 February 2002.

In its latest comments, Audit pointed out that the departmental contention had been verified through examination of record produced by the Department according to which no loss to the government was involved in this case. On the recommendation of Audit, the Committee **settled the para.**

**16. Para No.28: Page 33 – Non-disposal of condemned Government tractor costing Rs.76,000**

**20-2-2002:** The Department explained that the contention of Audit that the Tractor in question had been declared condemned was incorrect, and therefore, the question of its auction did not arise. The position had been verified by SDAC on 10 August 1998. **The para was settled.**

**17. Para No.31: Page 38 – Misuse of Government Vehicle – Recovery of Rs.218,648**

**14-11-2001:** Audit had verified the log book of the vehicle and recommended the para for settlement. **The para was settled.**

**18. Para No.34: Page 40 – Recovery of Rs.49,380 on account of irregular drawal of daily paid labour charges**

**20-2-2002:** The Department explained that an inquiry had been held by the Director General (Research) in this case and the Administrative Secretary had accepted the findings of the inquiry. The para was settled subject to verification by Audit.

**22-5-2002:** The para was considered in the light of PAC directive dated 20 February 2002.

During meeting Audit accepted the contention of the Department that the budget was controlled by Director Sugarcane Research Institute. Therefore, engagement of daily paid labour for a subordinate institution was valid. On the recommendation of Audit, the Committee **settled the para.**

### **19. Para No.35: Page 40 – Un-Authorized Expenditure of Rs.190,530**

**15-11-2001:** The Department explained that as per decision of the SDAC meeting held on 7-10-1998, an inquiry was held, and according to the findings of the inquiry report the amount of subsidy paid for each item did not exceed the delegated powers of the Assistant Director.

The Committee directed that copy of the inquiry report should be provided to Audit who may form a fresh audit para, if needed. **The para was settled.**

### **20. Para No.36: Page 41 – Irregular expenditure on the repair of vehicles amount under observation Rs.177,477**

**20-2-2002:** In compliance with the decision of the SDAC on 8 October 1998, the certificate of genuineness of the expenditure made on repair of vehicles issued by Director General Agriculture (Research) had been seen by Audit. **The para was settled.**

### **21. Para No.37: Page 41 – Expenditure of Rs.881,291 on Account of Irregular Recruitment on Adhoc and Leave Arrangement Basis During Ban**

**15-11-2001:** The Department explained that the services of the persons whose appointments were

irregular had since been terminated and the officer responsible for making irregular appointment had already been dismissed in another case. **The para was settled.**

**22. Para No.38: Page 42 – Irregular Payment of Rs.384,000 on Account of Advance Payment of Office Building Rent**

**15-11-2001:** The Department explained that advance payment of rent had been made with the approval of the Board.

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

**23. Para No.39: Page 42 – Expenditure on Suzuki Jeeps Worth Rs.1,407,000 against the Provision of PC-1**

**15-11-2001:** The Department explained that the revised PC-I had since been approved by the PDWP.

The Committee directed that the approval of the PDWP should be produced to Audit **The para was settled.**

**24. Para No.42: Page 44 – Irregular Expenditure on the Purchase of Store Articles Amounting to Rs.618,120**

**15-11-2001:** The Department explained that after verification of record, the para was settled in SDAC meeting held on 30 January 2001. The Committee agreed **to settle the para.**

**25. Para No.45: Page 44 – Un-economical purchase of chemicals costing Rs.116,697**

**20-2-2002:** The Department explained that the expenditure in question was incurred over three years and no amount exceeded the limit of Rs.150,000. The bill received on 28 June 1995 was drawn on 29 June 1995. The Department further explained that the payment was made through bank draft. The Committee accepted the explanation of the Department and **settled the para.**

**26. Para No.47: Page 47 – Un-economical purchase of store/stock articles – Rs.153,595**

**20-2-2002:** The Department explained that after a preliminary inquiry excess payment of Rs.13,535 on account of acceptance of higher rates was established and the same had been recovered from the officers concerned. The recovery had been verified by Audit. The Committee directed that a warning should also be issued to the officer concerned responsible for acceptance of higher rates. With the above direction, **the para was settled.**

**27. Para No.48: Page 47 – Non-Deposit of Government Receipt amounting to Rs.244,000**

**15-11-2001:** The Department explained that SDAC had settled this para on 30 January 2001. The Committee agreed **to settle the para.**

The Committee, however, advised the Administrative Department to appoint a committee to consider the points raised in the para about avoiding the using of Revenue Receipts of Karkhana Aalat-i-Zari, towards its expenditure and make suitable recommendations regarding the set up and financial procedures which should be considered and decided by the Competent Authority.

**28. Para No.49: Page 49 – Blockage of Government Money by Unnecessary Purchase of Parts of D-40 Bulldozer Valuing Rs.1,258,336**

**15-11-2001:** The Department explained that the para was kept pending by the SDAC on 7.10.1998 for disposal of spare parts of the Bulldozers. These parts were disposed of on 23.5.2000 through an open auction by the Divisional Departmental Disposal Committee fetching Rs.210,000 against the reserve price of Rs.62,916. The explanation of the Department was accepted and **the para was settled.**

**29. Para No.50: Page 49 – Loss of Rs.411,525 Due to Auction of Garden at Less Rates**

**15-11-2001:** The Department explained that an inquiry had been held in the matter. The inquiry officer had held that the auction was made in the prescribed manner and the auction money of Rs.178,500 was reasonable keeping in view the fruit bearing capacity of the garden.

The Committee directed that the inquiry report and complete information about previous years acreage of garden and auction money realised should be produced to Audit. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November, 2001.

Audit reported that the record in support of the contention of the Department had been verified. On the recommendation of Audit, **the para was settled.**

**30. Para No.51: Page 50 – Lavish Expenditure on engagement of Daily Paid Labour Amounting to Rs.1,133,555**

**15-11-2001:** After discussion, the explanation of the Department was accepted and **the para was settled.**

**31. Para No.52: Page 50 – Blockage of Government Money – Pilferage/ Deterioration of Public Property for Rs.455,365**

**14-11-2001:** The Department explained that out of 66 Groundnut Diggers, developed by the department, 55 Diggers had already been sold and the remaining 11 Diggers would be disposed of within a few months. **The para was settled.**

**32. Para No.53: Page 51 – Unnecessary Retention of Staff Resulting in Loss of Rs.8,143,921**

**14-11-2001:** Audit reported that this para had already been settled by the Special Departmental Accounts Committee on 7-10-1998, as P.D.P. The Committee agreed and **settled the para.**

**33. Para No.54: Page 51 – Wasteful Expenditure of Rs.723,750 on Payment of Rent of P.P. (Pesticide) Store**

**14-11-2001:** Audit reported that the para was settled by Special Departmental Accounts Committee on 30-5-2000, as P.D.P. The Committee agreed and **settled the para.**

**34. Para No.55: Page 52 – Appointment of part-time water carrier and engagement of daily labour – Recovery of Rs.378,075**

**20-2-2002:** The Department explained that as per findings of the inquiry report, the engagement of daily paid labour was necessary. Moreover, the Special DAC had settled the Para on 10 June 2000. The Committee agreed to adopt the recommendations of the SDAC and **settled the para.**

**35. Para No.56: Page 52 – Recovery of Rs.158,594 on account of irregular payment of pay and allowances to drivers and cleaner without duty**

**20-2-2002:** The Department explained that the drivers and one cleaner were recruited as per provisions of the PC-I. One vehicle was provided in 1988 but the supply of the second vehicle was delayed. However at present there were two vehicles. Before the arrival of second vehicle, two driver had performed duty on shift basis. The explanation of the Department was accepted and **the para was settled.**

**36. Para No.57: Page 53 – Irregular drawal of Pay & Allowances against the post of Sheep Poultry Dairy Farm – Recovery of Sale Proceed**

**14-11-2001:** The Department explained that posts sanctioned for the project were transferred to Non-Developmental Budget with the approval of the Finance Department.

The Committee directed that relevant record should be shown to Audit for scrutiny. The para was kept pending.

**19-2-2002:** Audit reported that as per directive of the committee dated 14 November 2001, the relevant record had been verified. **The para was settled.**

**37. Para No.58: Pages 53-54 – Misuse of Office Telephone – Justification and Recovery of Trunk Calls Charges Amounting to Rs.117,300**

**14-11-2001:** Audit reported that the para was settled by SDAC on 7-10-1998, as PDP. The Committee agreed and **settled the para.**

**38. Para No.59: Page 54 – Irregular/Unjustified Expenditure on the Engagement of Daily Paid Labour of Rs.368,329 – Recovery of Rs.58,465**



**15-11-2001:** After discussion, the explanation of the Department was accepted and **the para was settled.**

**39. Para No.60: Page 57 – Non Realization of Rs.576,556 from Other Offices on Account of Jobs Got Done out of Budget of A.M.E. Workshop (Soil) Rawalpindi**

**15-11-2001:** The Department explained that the jobs were done for sister formations of the Directorate who were not required to make payment. Moreover, the para was settled in the SDAC meeting held on 7 October 1998 subject to production of certificates of verification from the said formations, which had since been produced to Audit. **The para was settled.**

**40. Para No.62: Page 58 – Foreign Journals not Received – Recovery of Rs.600,408**

**15-11-2001:** The record had been verified by Audit. **The para was settled.**

**41. Para No.64: Page 59 – Less/non deduction of income tax for Rs.64,129 recovery thereof**

**20-2-2002:** The Department explained that actual recoverable amounts of Income Tax Rs.31,649 and Rs.28,451 had been recovered from the suppliers/contractors and deposited into the government treasury. **The para was settled.**

**42. Para No.65: Page 59 – Recovery of Rs.61,696 on account of non/less accounting of POL/ diesel, charcoal, Misc. Stores**

**20-2-2002:** The Department explained that as per direction by the Special DAC on 7 October 1998 the relevant record was produced to Audit.

Audit, however, pointed out that entries in the record had been made afterwards.

The Committee directed that an inquiry should be held into the matter and action taken accordingly. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 20 February 2002.

The Department explained that in the departmental inquiry it was found that all the articles purchased had been duly entered in the log book/stock register but the entry of charcoal worth Rs.5,299 was found to have been made afterwards. As such the said amount had been recovered and deposited into government treasury.

Audit had verified the recovery. On recommendation of Audit, **the Committee settled the para.**

#### **43. Para No.66: Page 60 – Recovery of Rs.32,481 on Account of Expenditure for Repair of Vehicles not Related to the Formation**

**15-11-2001:** The Department explained that the jobs were done for sister formations of the Directorate who were not required to make payment. Moreover, the para was settled in the SDAC meeting held on 7-10-1998 subject to production of certificates of verification from the said formations, which had since been produced to Audit. **The para was settled.**

#### **44. Para No.68: Page 61 – Wasteful expenditure amounting to Rs.875,604 on account of pay and allowance – Loss to the Government**

**20-2-2002:** The Department explained that three drivers had since been retired and Mistry and Helpers had been adjusted against the posts of Beldars. Moreover, the para had been settled by Special DAC on 10 October 1998 after verifying the record. The Committee decided to **settle the para.**

#### **45. Para No.69: Page 61 – Outstanding Government Dues – Rs.257,088**

**14-11-2001:** Audit reported that total amount of Rs.257,088 had been recovered and verified. **The para was settled.**

#### **46. Para No.70: Page 62 – Loss/recovery on account of cost of motorcycle advance – Rs.128,160**

**20-2-2002:** The Department explained that the outstanding balances of the Motor cycle Advance

had since been recovered from the officers concerned. The deposit had been verified by Audit. **The para was settled.**

**47. Para No.73: Page 63 – Illegal Drawal of Instructional Allowance @20% of Basic Pay Scale-Recovery Thereof – Rs.56,668**

**14-11-2001:** Audit had accepted the departmental reply. **The para was settled.**

**48. Para No.75: Page 64 – Misuse of Government vehicle recovery of Rs.82,112**

**20-2-2002:** The Department explained that the para had been settled by the Special DAC on 30 January 2001 after verification of the log books of the vehicle and tour programme of the officers. The Committee agreed to **settle the para.**

**49. Para No.76: Page 64 – Recovery of Government Dues Amounting to Rs.52,702**

**19-2-2002:** In its latest comments, Audit had pointed out that recoveries of Rs.82,500 on account of House Building Advance, Rs.3,708 on account of sale of vegetable seed and Rs.6,000 on account of House Rent had been verified and recovery of Rs.17,994 was still outstanding on account of House Rent. The para was settled subject to recovery of balance and its verification by Audit.

**21-5-2002:** The para was considered in the light of the PAC directive dated 19 February 2002.

In its latest comments, Audit pointed out that the actual balance recoverable amount of Rs.169,800 had been recovered and verified. On the recommendation of Audit, the Committee **settled the para.**

### **Commercial Audit**

**1. Para No.3(i-ix): Pages 5-6 – Non-Compilation of Accounts**

**14-11-2001:** Audit had pointed out that 25 current and 65 arrears accounts relating to the period upto 1997-98 had not been submitted by various organizations to Audit. The Department explained that the accounts upto the year 1997-98 had since been submitted. However, the accounts for the subsequent years had not been completed as yet.

The Committee noted this and **the para was settled** with the observation that the purpose of preparation of accounts for a particular year was not achieved if these were prepared after several years. The Committee directed the Department to submit the up-to-date accounts to Audit upto 1999-2000.

**2. Para No.6: Page 15 – Misappropriation of Stores Worth Rs.580,693 by the Store Keeper**

**14-11-2001:** The Department explained that in the disciplinary proceedings the accused official was, *inter alia*, awarded major penalty of recovery of Rs.580,692/57. An amount of Rs.68,702/53 had been recovered from him upto January 2001. In Anti-Corruption case he was punished with 3 years

rigorous imprisonment and a fine of Rs.50,000. Consequent upon his conviction, he had been dismissed from service, and the balance recovery, as per order in departmental proceedings was being pursued as arrears of land revenue. His appeal against the order of Anti-Corruption Court was pending in High Court.

The Committee observed that the department had taken the necessary action in the matter and directed that the balance recovery should be pursued, which should be monitored by the Finance Department. With the above direction, **the para was settled.**

## **Punjab Agriculture Development and Supplies Corporation (Defunct)**

### **3. Para No.9: Pages 16-17 – Loss of Rs.93,873 Due to Receipt of 942 Bags of DAP Fertilizer Less in Weight**

**14-11-2001:** It was stated that the DAP fertilizer received in 1991 by District Office, D.G. Khan, from Fertilizer Import Department Karachi, was found short in quantity as only 16,090 KG was received against the requisite weight of 47,100 kg. The matter remained under correspondence between both the organizations. Lately a reminder had been issued on 31-10-2001.

The Committee directed the Finance Department to monitor the case. With this direction the Committee **settled the para.**

### **4. Para No.11: Pages 17-18 – Blockage of Rs.1.093 million Due to ill Planned Purchase of 50000 Cotton Bags**

**14-11-2001:** The explanation of the Department was accepted and **the para was settled.**

### **5. Para No.12: Page 18 – Loss of Rs.0.249 Million Due to Wastage of 325 Bags of Treated Wheat Seed**

**14-11-2001:** The Department contended that it had suffered no loss in the transaction. After pointing out the high percentage of left over quantity in this case, which was indicative of some management failure, **the para was settled.**

### **6. Para No.25: Pages 31-32 – Working Results**

**14-11-2001:** The Department explained that the issue of accountal of subsidy at commercial rates instead of full rates, was being resolved with Finance Department.

Audit observation and the departmental reply were **noted by the Committee** and its recommendation on a similar para in the last year's Audit Report was reiterated.

### **7. Para No.26: Page 32 – Advances**

**14-11-2001:** Audit observation and the departmental reply were **noted by the Committee.** It was suggested that the Department might review its procedures with the object of providing services to

the zamindars in a transparently fair manner.

#### **8. Para No.28: Page 32 – Non-Maintenance of Accounts on Commercial Pattern**

**14-11-2001:** The Department explained that the matter of maintenance of accounts on commercial pattern was being resolved with the Finance Department.

Audit observation and the departmental reply were **noted by the Committee**, and its previous directive reiterated.

#### **9. Para No.29: Page 33 – Working Results**

**14-11-2001:** Audit had reported that the management contention had been verified and found correct. **The para was settled.**

#### **10. Para No.30: Page 34 – Sundry Debtors**

**14-11-2001:** Audit observation and the departmental reply were **noted by the Committee** and it was observed that the process of recoveries or adjustment of amounts due should be monitored by the Finance Department.

#### **11. Para No.31: Page 34 – Non Maintenance of Accounts on Commercial Pattern**

**14-11-2001:** The Department explained that the matter of maintenance of accounts on commercial pattern was being resolved with the Finance Department.

Audit observation and the departmental reply were **noted by the Committee** and its previous directive reiterated.

#### **12. Para No.32: Pages 35-36 – Working Results**

**14-11-2001:** Audit observation and the departmental reply were **noted by the Committee.**

#### **13. Para No.33: Page 36 – Capitalising the Missing Loader**

**14-11-2001:** Audit had verified that depreciation had not been charged in respect of the stolen loader in the accounts for 1995-96 and 1996-97. **The para was settled.**

#### **14. Para No.34: Page 36 – Advances**

**14-11-2001:** The details of advances and work done had been verified by Audit. **The para was settled.**

#### **15. Para No.35: Page 36 – Non-Maintenance of Accounts on Commercial Pattern**

**14-11-2001:** The Department explained that the matter of maintenance of accounts on commercial pattern was being resolved with the Finance Department.

Audit observation and the departmental reply were **noted by the Committee** and its earlier directive reiterated.

**16. Para No.36: Pages 37-38 – Working Results**

**14-11-2001:** Audit observation and the departmental reply were **noted by the Committee** and its earlier directive on a similar para in the last year's Audit Report reiterated.

**17. Para No.37: Page 38 – Transfer of Stores**

**14-11-2001:** The record had been verified by Audit. **The para was settled.**

**18. Para No.38: Page 38 – Working Results**

**14-11-2001:** The details of advances and work done had been verified by Audit. **The para was settled.**

**19. Para No.39: Page 38 – Non-Maintenance of Accounts on Commercial Pattern**

**14-11-2001:** The Department explained that the matter of maintenance of accounts on commercial pattern was being resolved with the Finance Department.

Audit observation and the departmental reply were **noted by the Committee** and its earlier directive reiterated.

**20. Para No.40: Pages 39-40 – Working Results**

Audit observation and the departmental reply were **noted by the Committee.**

**21. Para No.41: Page 40 – Advances**

**14-11-2001:** The details of advances and work done had been verified by Audit. **The para was settled.**

**22. Para No.42: Page 40 – Working Results**

**14-11-2001:** The consumption of POL had been verified by Audit. **The para was settled.**

**23. Para No.43: Page 40 – Subsidy**

**14-11-2001:** The Department explained that the issue of accountal of subsidy at commercial rates instead of full rates, was being resolved with Finance Department.

Audit observation and the departmental reply were **noted by the Committee** and its recommendation on a similar para in last year's Audit Report was reiterated.

**24. Para No.44: Page 40 – Working Results**

**14-11-2001:** The Department explained that the matter of maintenance of accounts on



commercial pattern was being resolved with the Finance Department.

Audit observation and the departmental reply were **noted by the Committee** and its earlier directive reiterated.

**25. Para No.45: Page 41 – Working Results**

**14-11-2001:** Audit observation and the departmental reply were **noted by the Committee**.

**26. Para No.46: Page 42 – Decrease in Profit of Seed Farms**

**14-11-2001:** Audit observation and the departmental reply were **noted by the Committee**.

**27. Para No.47: Page 42 – Working Result Recovery from Trade Debtors**

**14-11-2001:** Audit observation and the departmental reply were **noted by the Committee**.

**28. Para No.48: Page 42 – Working Results**

**14-11-2001:** The Department was directed to give full information in the working papers for the next meeting including–

- (i) a list of those defaulting tenants whose outstanding balances are increasing every year;
- (ii) the area of land on lease with such defaulters and the dates from which the lease is held by each;
- (iii) terms and conditions of lease of such defaulters.

**19-2-2002:** The para was considered in the light of the PAC directive dated 14 November 2001.

The Department was directed to devise and implement effective steps for prompt recovery of the government dues from the lease holders of government land and to avoid accumulation of arrears against them. Arrangements should be made to ensure that proper lease agreements are signed by those who have not signed these so far. With the above direction, **the para was settled**.

## **Paras Conditionally Settled Civil Audit**

**1. Para No.1: Page 17 – Pilferage of Two Truck Chain Link Asseys No.137-32-00037 Valuing Rs.588,153 and Recovery Thereof**

**15-11-2001:** The Department explained that as a result of departmental proceedings the

concerned Unit Supervisor was dismissed from service and recovery of loss to the Government amounting to Rs.192,472 was imposed on him, which was being pursued as arrears of land revenue. The Department clarified that the Audit had determined the amount of loss on the basis of the current market price while the Inquiry Officer had determined the amount of loss on the basis of book value of the articles.

The Committee directed that Administrative Department should pursue the recovery and Finance Department should monitor the recovery. With the above direction, **the para was settled.**

## **2. Para No.2: Page 17 – Misappropriation of Cost of Fodder Valuing Rs.320,749**

**14-11-2001:** The Department was directed to produce the credit verification in respect of the deposit of Rs.129,872 to Audit and pursue the balance recovery of Rs.190,877. The Finance Department was directed to monitor the recovery. With the above direction **the para was settled.**

## **3. Para No.10: Page 21 – Irregular/ambiguous boring of tubewells No.02 and 03 expenditure of Rs.89,000**

**20-2-2002:** Audit had pointed out that an amount of Rs.89,000 spent on boring of tube-wells was suspected to have been misappropriated as the expenditure had been made by ignoring codal formalities and in certain cases the Director had himself received the payment.

The Committee directed that an inquiry should be held into the matter at the Secretariat level along with the other cases relating to the same officer and further action taken accordingly. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 20 February 2002.

The Department explained that in compliance with the PAC directive the inquiry report regarding irregular/bogus boring of tubewell had been completed. It was established that all the codal formalities were adopted and no misappropriation was involved.

The Committee **settled the para** with the direction that the record of inquiry report should be produced to Audit and the Finance Department should monitor the case.

#### **4. Para No.13: Page 22 – Misappropriation of wheat (Maize Seed) and paddy worth Rs.550,876**

**15-11-2001:** The Department explained that as a result of departmental proceedings against the officer and official concerned, the competent authority imposed major penalty of removal from service against the officer, and also imposed recovery of Rs.374,169 on each of them. A case had also been got registered with the Anti-Corruption Establishment.

The Committee directed that the recovery imposed by the Authority should be effected as arrears of land revenue. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November 2001.

The Department explained that efforts were being made to effect recovery from the persons responsible through Revenue authorities.

The Committee directed the Department to effect recovery expeditiously and the Finance Department should monitor the case. With the above direction, **the para was settled.**

#### **5. Para No.15: Page 23 – Embezzlement due to shortage of store valuing Rs.160,897**

**20-2-2002:** The Department explained that as a result of disciplinary proceedings under Efficiency and Discipline Rules against the concerned store keeper for shortage of Plant Protection Machinery worth Rs.160,897, he had been removed from service. Cases had also been registered against him with Police and Anti-Corruption Establishment. Demand for recovery as arrears of Land Revenue had also been created. Moreover, the final payment of his GPF had not been made so far. The Committee directed that the Administrative Department should enforce the recovery and Finance Department should monitor the same. With the above direction, **the para was settled.**

#### **6. Para No.17: Page 24 – Embezzlement of Rs.95,079 by drawing cash in the name of bogus engagement of daily paid labour**

**20-2-2002:** The Committee directed that a secretariat level inquiry should be held into the alleged embezzlement through bogus engagement of daily paid labour and further action taken accordingly. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 20 February 2002.

The Department explained that in compliance with the PAC directive, the inquiry report regarding embezzlement of Rs.95,079 by drawing cash in the name of bogus engagement of daily paid labour had been completed. It was established that no embezzlement was involved. The Committee **settled the para** subject to verification of record by Audit.

**7. Para No.27: Page 33 – Non-realization of water charges from the residents of soil conservation colony, recovery of Rs.158,400**

**20-2-2002:** The Department explained that the major recoverable amount of Rs.95,110 had been recovered and the balance amount of Rs.63,290 was being recovered from the pay of the employees. The Committee directed that the Finance Department should monitor the recovery. With the above direction, **the para was settled.**

**8. Para No.29: Page 37 – Advance Payment for Rs.6,560,875 for Purchase of Cement Without Sanction of Competent Authority**

**15-11-2001:** The Department explained that the advance payment was made to M/s Mustakham Cement Ltd. for purchase of cement in accordance with its rules and procedures. The Department was not sure whether the said organization was a state organization. The Committee directed that the matter should be re-examined and if regularization by Finance Department was needed, it should be obtained. With the above direction **the para was settled.**

**9. Para No.30: Page 37 – Advance Payment to Telephone Department Amounting to Rs.47,233**

**19-2-2002:** The Department explained that excess amount was available in “Head-522 T&T calls” which could not be surrendered and advance bills were drawn from T&T Department for payment and the amounts had been adjusted against those bills. The Department stated that the matter had been referred to the Finance Department for regularization.

The Committee observed that the Department should have initiated action against the DDO and DAO in this case and directed that further action should be taken as per decision of the Finance Department. The para was kept pending.

**21-5-2002:** The para was considered in the light of the PAC directive dated 19 February 2002.

The Department explained that the matter had been referred to the Finance Department for regularization of an irregular advance payment of Rs.47,233 to the Telephone Department. The Finance Department had advised that the explanations of the concerned DDO and

Controlling Officer for the irregularity should be sought.

In the light of above direction, the DDO concerned had been charge sheeted under the Punjab Removal from Service (Special Powers) Ordinance 2000 and the inquiry was under process. The Committee **settled the para** with the direction that the Finance Department should monitor and report progress on the case.

#### **10. Para No.32: Page 38 – Irregular Expenditure on Account of Purchase of Durable Goods Rs.231,014**

**15-11-2001:** The Department explained that the para was discussed in SDAC meeting on 7 October 1998 and was kept pending for regularization, but the Finance Department had refused to regularize the expenditure and had advised that action should be taken under the Efficiency & Discipline Rules, which was in process.

The Committee was dissatisfied with the delay in this case and observed that–

(a) the disciplinary proceedings should be completed expeditiously and –

(b) delay in taking action on the decision of the SDAC should also be explained and necessary action taken against those found responsible.

The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November, 2001.

The Department explained that on recommendation of the Investigation Officer the case had again been sent to the Finance Department on 25 January 2002 for regularization as no embezzlement, misappropriation or mala fide intention was involved in this matter.

**The para was settled subject** to action being taken as per the decision of the Finance Department in the matter. The Finance Department would report progress to the Committee.

#### **11. Para No.33: Page 39 – Irregular Expenditure amounting to Rs.188,741 on Account of Payment of Contingent Paid Staff**

**15-11-2001:** The Department explained that the para was discussed in the SDAC meeting on 7-10-1998 and kept pending for regularization of expenditure by Finance Department. Accordingly a reference was made to Finance Department on 2 October 2001. The Committee directed that–

(a) delay in the implementation of SDAC decision should be explained and action

taken against those held responsible;

(b) the amount of para should be recalculated and recovered from the officers responsible for the irregularity; and

(c) Finance Department should review the mechanism for monitoring action on SDAC's directives.

The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November, 2001.

The Department explained that according to the recommendation of the Inquiry Officer, the para had been reduced to Rs.142,959 and the case for Rs 142,959 on account of payment of Contingent Paid Staff had been referred to the Finance Department on 28 January 2002 for regularization.

The **para was settled subject** to action being taken as per the decision of the Finance Department in the matter and the Finance Department reporting to the Committee.

## **12. Para No.41: Pages 43-44 – Irregular/un-economical expenditure worth Rs.249,500 on purchase of motor cycles**

**20-2-2002:** The Department explained that the case for regularization of irregular expenditure has been referred to the Finance Department on 30 October 2001.

The Committee directed that the Department should take further action as per decision of the Finance Department in the matter. With the above direction, **the para was settled.**

## **13. Para No.44: Page 45 – Excess expenditure of Rs.479,221 over and above the Budget Provision**

**15-11-2001:** The Committee directed the Department to get the excess expenditure regularized by the Finance Department. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November, 2001.

The Department explained that the matter had been referred to the Finance Department on 6 February, 2002 for regularization.

**The para was settled subject** to action being taken as per the decision of the Finance Department and the Finance Department reporting to the Committee.



#### **14. Para No.46: Page 46 – Irregular Drawal of TA/DA out of Grant under Head 513-Extension Worth Rs.73,999**

**19-2-2002:** The Department explained that the matter had been referred to the Finance Department on 12 December, 2001 for regularization of the expenditure. The para was settled subject to regularization by the Finance Department.

**21-5-2002:** The para was considered in the light of the PAC directive dated 19 February 2002.

The Department explained that the matter was referred to the Finance Department for regularization of an irregular drawal of DA/TA amounting to Rs.73,999.

The Finance Department advised that disciplinary action should be taken against the responsible persons for misappropriation.

In the light of the above advice, action against the DDO concerned had been ordered under the Punjab Removal from Service (Special Powers) Ordinance 2000 and the inquiry was under process. The Committee **settled the para** with the direction that the Finance Department should monitor and report progress on the case.

#### **15. Para No.71: Page 62 – Irregular Purchase and Un-Justified Issue of Pesticides and Fertilizers Costing Rs.342,428**

**15-11-2001:** The Committee was not satisfied with the explanation of the Department given in the Working Papers and directed that action should be taken against the store keeper and his supervisor after holding an inquiry into the matter. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November, 2001.

The Department explained that as per directive of the PAC, an inquiry had been held and only six bags of Urea had not been accounted for. The Committee directed that a fresh inquiry should be held at the Secretariat level and action taken accordingly. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 19 February 2002.

The Department explained that in compliance with PAC directive, the inquiry report regarding irregular purchase and unjustified issue of pesticides/fertilizers amounting to Rs.342,428 had been completed. It was established that no irregularity was involved as all codal formalities were adopted and the report had been submitted to the Competent Authority. The Committee **settled the para subject** to verification of record by Audit.

## **16. Para No.74: Page 63 – Non Recovery of Cost of Agricultural Implements Amounting to Rs.774,464**

**15-11-2001:** The Department explained that the net recoverable amount was Rs.750,667 out of which Rs.615,507 had been recovered and efforts were being made to recover the remaining amount of Rs.135,160.

The Committee directed that the reduction in the amount of the para and the amount recovered so far should be got verified by Audit and recovery/adjustment of the balance amount be completed expeditiously. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November, 2001.

The Department explained that a sum of Rs.18,131 had been recovered out of the remaining amount of Rs.135,160 and efforts were being made to recover the balance amount outstanding against various government departments for the last 25 years. The Committee directed that recovery already claimed to have been made should be got verified by Audit. The Department should pursue the recoveries of the balances.

It was brought out that Karkhana Allat-e-Zaree was being run to provide implements to sister organizations, sometimes free of cost, as well as to the private organizations and persons. The Administrative Department was directed to submit a detailed working paper on the working of Karkhana Allat-e-Zaree, its budget and establishment, the rules of its operation, particularly the decision to provide implements free of cost, and the basis of costs and prices at which these were supplied to others including private parties and organizations. The economics of Karkhana Allat-e-Zaree should be worked out taking into consideration all the relevant elements of cost. The Administrative Department was further directed to provide a list of implements showing their cost of production, their types and sale prices, names of organizations/persons to whom supplied and the amounts realized.

The revised working paper along with Audit comments, should be submitted for consideration by PAC. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 19 February 2002.

The Department explained that out of the remaining amount of Rs.135,160 an amount of Rs.63,190 had been recovered on account of implements supplied to various Departments and deposited into Government Treasury. Efforts were being made to recover the balance amount of Rs.71,980 at the earliest.

**The Committee settled the para subject** to recovery of the balance and verification of record by Audit, and the Finance Department was directed to monitor the case.

## **Commercial Audit**

### **1. Para No 10: Page 17 – Loss of 0.469 million due to recovery of Credit Sale and Non-**

## **charging of Penal Interest**

**14-11-2001:** The Department explained that an amount of Rs.404,750 was still recoverable from the loanees on account of credit sale of imported urea made in 1985, and efforts were being made to recover the same as arrears of land revenue.

The representative of the Finance Department pointed out that as per the Credit Sale Policy, the credit sale was made on the personal responsibility of the Regional Managers concerned who should not have been given NOC at the time of receiving the benefit of Golden Hand-Shake scheme.

The Committee directed that Administrative Department should inquire into the matter and complete recovery and take appropriate action expeditiously against those who failed to enforce recovery from persons concerned. The para was kept pending.

**19-2-2002:** The para was discussed in the light of the PAC directive dated 14 November 2001.

The Department explained that as per directive of the Committee, an inquiry had been initiated which would be completed within four weeks and action would be taken accordingly. The Department was directed to complete inquiry/action/recovery expeditiously. The para was kept pending.

**21-5-2002:** The para was considered in the light of the PAC directive dated 19 February 2002.

The Department explained that as a result of departmental inquiry, the officers responsible for granting unsecured loans had been penalized, one was reverted from the post of Manager to the post of Assistant and the other was awarded minor penalty of stoppage of two increments. The recoveries from them were being pursued as arrears of Land Revenue. The Department was directed to pursue the recovery and the Finance Department was directed to monitor the same. With the above direction, **the para was settled.**

## **2. Para No.27: Page 32 – Shortage of Stores**

**14-11-2001:** The Department explained that in one case of departmental proceedings 3 persons had been compulsorily retired and recovery of Rs.84,219 imposed on them. In another case the accused had been dismissed from service and recovery of Rs.145,940 imposed on him, which was being pursued as arrears of land revenue.

The Committee directed that the recovery should be pursued by Administrative Department and monitored by Finance Department. With the above direction, **the para was settled.**

## Pended Paras Civil Audit

### **1. Para No.7: Page 20 – Misappropriation of Rs.170,583 by Showing Bogus Repair of Tractors**

**15-11-2001:** The Department explained that the record of the repairs was available.

The Committee directed that the Department should produce the complete relevant record to Audit to prove its contention. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November, 2001. Audit reported that relevant record had not yet been produced to Audit for verification.

The Committee directed that an inquiry should be held at Secretariat level in the matters pointed out in this para and action taken accordingly. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 19 February 2002.

The Department explained that inquiry report in the case of bogus repair of tractors had been received. According to its findings certain expenditure had been found genuine but major portion of the expenditure had been found bogus. The case had been submitted to the Authority for action under the Punjab Removal from Service (Special Powers) Ordinance 2000/Pension Rules. The Committee directed that a copy of the inquiry report should be provided to Audit. The amount of expenditure found as genuine or bogus should be reconciled with Audit. Disciplinary action should be completed within the stipulated period. **The para was kept pending.**

### **2. Para No.16: Page 24 – Recovery of Rs.48,078 due to bogus/fictitious appointments**

**20-2-2002:** The Department explained that both the illegally appointed Field Assistants had since been removed from service after dismissal of their writ petition by the Lahore High Court, Multan Bench on 13 September 2001.

The Committee directed that an inquiry should be held to fix the responsibility for the above-mentioned illegal appointments and action taken accordingly against the officers found at fault. The Administrative Secretary should undertake a deeper probe to identify the persons associated with the racket of bogus/fictions appointments and initiate necessary action against them. The para was kept pending.

**21-5-2002:** The para was considered in the light of the PAC directive dated 20 February 2002.

The Department explained that in compliance with PAC directive Horticulture Officer (Ext), Rawalpindi had been appointed as inquiry officer for fixing the responsibility on account of illegal appointments of Field Assistants. The action was in progress.

The Department was directed to hold an inquiry at the Secretariat level. **The para was kept pending.**

### **3. Para No.18: Page 25 – Embezzlement of Rs.72,510 by showing bogus repair of vehicle No. BRA-6836-CJ-7**

**20-2-2002:** The Committee directed that a secretariat level inquiry should be held into the alleged embezzlement into the repair of vehicle, and further action taken accordingly. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 20 February 2002.

The Department explained that in compliance with PAC directive, the inquiry report regarding embezzlement of Rs.72,510 by showing bogus repair of vehicle had been completed and submitted to the Competent Authority for further action. It was stated that the vehicle was not in operation even after repairs.

The Department was directed to complete the action/recovery at the earliest. **The para was kept pending.**

### **4. Para No.22: Page 27 – Theft of wheat seed varieties viz. 7222, 7061 and 7398 – Loss to Government Rs.1,032,000**

**15-11-2001:** The Department explained that in the departmental inquiry held into the matter, the Inquiry Officer concluded that the officer concerned had sold 170,000 kilograms wheat seed @ Rs.600 per 100 kg, which was the support price, and Rs.1,020,000 had been deposited in Government treasury. It was held that the officer had only deviated from the prescribed procedure of inviting tenders for auction. But before any decision on the inquiry was taken by the competent authority the accused officer was removed from service in another case. The inquiry thus abated as the accused

was no longer a civil servant. However, a case had been got registered with the Anti-Corruption Establishment, whose response is awaited.

The Committee directed the Department to produce the record of inquiry and deposit of the amount to Audit. The difference in amount may also be got verified by Audit. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November, 2001.

The Department explained that the auction proceeds of the wheat seed had already been deposited and the disciplinary case against the accused officers was decided by the Chief Secretary.

The Department was directed to produce the record in support of its contention to Audit for verification. The para was settled subject to verification by Audit.

**22-5-2002:** The para was considered in the light of PAC directive dated 20 February 2002.

The Department explained that relevant record was sent to Audit for verification. Audit commented that the sale of 1700 filled bags of wheat seed @ Rs.600 per bag at support price instead of Rs.980 per bag seed rate fixed by the Punjab Seed Corporation should be justified or the difference of the amounts i.e. Rs.646,000 should be recovered. Moreover, the cost of 1700 empty bags @ Rs.78.20 should also be recovered. It should also be verified that the seed was of unapproved kind and varieties. The original credit verification regarding deposit of Rs.1,020,000 should also be produced. The latest position of anti corruption case should also be explained.

The Department was directed to take appropriate action in the light of the latest audit comments within two months. The Department should also look into the discrepancy between the figure (200,000 kg) of wheat seed reported to have been stolen and that (170,000 kg) for which the cost was stated to have been deposited. **The para was kept pending.**

##### **5. Para No.25: Page 32 – Misappropriation of crops by showing poor produce – Loss of Rs.347,327 to Government recovery thereof**

**20-2-2002:** The Committee directed that an inquiry should be held into the misappropriation of crops and action taken accordingly. The para was kept pending.



**22-5-2002:** The para was considered in the light of PAC directive dated 20 February 2002.

The Department explained that in compliance with PAC directive, the inquiry report regarding misappropriation of crops by showing poor produce resulting in a loss of Rs.347,327 had been completed and submitted to the Competent Authority for further action.

The Department was directed to produce the record/inquiry report to Audit and complete the action/recovery at the earliest. **The para was kept pending.**

## **6. Para No.40: Page 43 – Irregular appointment of Field Staff and expenditure of Rs.67,800**

**20-2-2002:** The Department explained that the services of irregularly appointed ad-hoc employees had since been terminated on the expiry of the period of their ad-hoc appointment. The Committee directed that an inquiry should be held for fixing responsibility against the officers for irregular appointments and for delay in starting necessary action in 1998. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 20.2.2002.

The Department explained that both the officers i.e. the Appointing Authority and his Supervisory Officer had retired on 7 August 1998 and the later had died on 7 September 1999. The Finance Department had refused to regularize the expenditure on account of pay and allowances of irregular ad-hoc appointees.

The Department explained that responsibility for delay in taking action in the matter was being fixed.

The Committee directed that Audit should also make a reference to AG and Finance Department for taking action against District Accounts Officer who released the pay of irregular ad-hoc appointees.

The Committee directed that action under the relevant pension rules should be completed within two months. The Department should also consider initiating action against those who had issued NOC for payment of pension to the officers held responsible in this case. **The para was kept pending.**

**7. Para No.43: Pages 44-45 – Unlawful/un-authorized retention in Government service. Recovery of Rs.182,241**

**20-2-2002:** The Department explained that the official who was re-instated in service on 28 January 1989 after absence from duty for a period of over 9 years had since been retired from service on 14 October 1999. His pension case had not yet been finalized. His appeal was pending before the Provincial Ombudsman. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 20 February 2002.

The Department explained that the appeal for the grant of pension made by the retired official under observation in this para who had been unduly given the service benefit for the period of his absence abroad for a period of over 9 years was still pending with the Provincial Ombudsman. The Department further explained that action against the Deputy Director and the Director who had made illegal orders to benefit the above-mentioned official, was in process.

The Committee directed that the Department should probe into the matter at Secretariat level, pursue the case with Provincial Ombudsman and complete action/recovery at the earliest. **The para was kept pending.**

**8. Para No.61: Page 57 – Less Realization of Electricity Charges from the Colony Residents- Recovery of Rs.525,576**

**15-11-2001:** The Department explained that the matter was in the Court of Civil Judge, Faisalabad and the next date of hearing was 13-12-2001. The Department was directed to properly pursue the case. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November, 2001.

The Department explained that the matter was still *sub-judice* and the next date of hearing was 7 March, 2002. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 19 February 2002.

The Department explained that the matter was still *sub-judice* in the court of Civil Judge Faisalabad and next date of hearing had been fixed for 15.5.2002. The Department stated that the case was being pursued at Secretariat level.

The Department was directed to pursue the case in the court of law vigorously. **The para was kept pending.**

#### **9. Para No.63: Pages 58-59 – Non-realization of electricity charges loss to Government recovery of Rs.57,000**

**20-2-2002:** Audit had pointed out non-realization of electricity charges from the Bank, a High School and a Primary School, situated in the premises of the Institute. The Department explained that as the Bank was providing services to the employees of the Institute, no electricity charges were being realized from it.

The Department explained that an amount of Rs.12,000 and Rs.6000 had been received from the High School and the Primary School who had assured to pay the balance amount on receipt of funds from the Education Department. Audit further pointed out that the amount realized by the Institute had not been deposited in government account but had been placed in the Commercial Bank. The Department was directed to recover the electricity charges from the Bank also with which a formal agreement should be entered into in consultation with the Finance Department. The authority for opening the bank account with the Commercial Bank should be produced and get the deposits verified by Audit. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 20 February 2002.

Audit pointed out that the Department had neither so far recovered the electricity charges from the National Bank of Pakistan nor produced the record regarding agreement with bank.

The Department was directed to complete the necessary action within two months. **The para was kept pending.**

#### **10. Para No.67: Page 60 – Recovery of Rest House and Telephone Charges Amounting to Rs.119,522**

**15-11-2001:** The Department explained that the amount of Rs.119,522 was recoverable from Mian Abdul Sattar, ex-MNA, who had deposited only Rs.15,000 and efforts were being made to recover the balance amount of Rs.104,522 from him as arrears of land revenue.

On a query, the Department stated that the Election Commission was informed before General Elections 1993 and 1997, that Government dues were outstanding against the said ex-MNA.

The Committee directed the Department to probe into the matter show to Audit the correspondence with the Election Commission in this connection and take disciplinary action against the officers responsible for not making the recovery of Government dues at the appropriate time. In case it is found that the Election Commission was not informed in time, action should be taken also against those officers who were responsible for not informing the Election Commission in time about the outstanding Government dues against the said ex-MNA. The loss in this case should be recovered from the officers responsible for negligence. The para was kept pending.

**19-2-2002:** The para was discussed in the light of the PAC directive dated 15 November, 2001.

The Department explained that Deputy Commissioner, Sialkot had been requested to effect recovery of the balance (Rs.104,522) from ex-MNA (Mian Abdus Sattar). Furthermore, a committee had been constituted to investigate the matter and to fix responsibility against the officers who did not make the recovery at the proper time.

The Department was directed to implement the Committee's directive dated 15 November 2001 expeditiously and consider reporting the matter to the Election Commission also. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 19 February 2002.

The Department explained that two inquiries were held, one for fixing the responsibility for delay in making recovery of the Rest House charges from the Ex-MNA, and the other for fixing responsibility for not referring case to the Election Commission. According to the findings of the inquiry report in the first aspect of the case, the concerned officers had made due efforts for the recovery and had actually recovered an amount of Rs.15,000 and the balance recovery as arrears of land was being pursued. The Administrative Department had accepted the findings of the inquiry. So far as the findings of the inquiry into the second aspect of the case was concerned, it had been found that instead of informing the Election Commission about the outstanding dues against the ex-MNA, the concerned officers had communicated this information to the Cabinet Wing of S&GAD. The Department stated that action would be taken against the officer responsible for this lapse. The Department was directed to complete the recovery and disciplinary action at the earliest. **The para was kept pending.**

## **11. Para No.72: Page 62 – Misuse of Telephone No. 876109 and Loss to Government – Rs.163,534**

**15-11-2001:** The Committee was not satisfied with the explanation of the Department given in the Working Papers and directed that an inquiry should be held to establish full facts, and action taken accordingly. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 15 November, 2001.

The Department explained that one telephone was used by the Minister for Agriculture and the other telephone was used by the Director RARI. Only an amount of Rs.32,873 was recoverable from the said Director.

The Committee directed that an inquiry should be held at the Secretariat level and action taken accordingly. The para was kept pending.

**22-5-2002:** The para was considered in the light of PAC directive dated 19 February 2002.

The Department explained that in compliance with PAC directive, the inquiry report regarding misuse of telephone worth Rs.163,534 had been completed and was under consideration of the Competent Authority.

The Department was directed to complete the action/recovery within two months. **The para was kept pending.**

## Commercial Audit

### **1. Para No.7: Page 15 – Loss of Rs.1.974 million due to theft of unregistered Loader with Two Track Chains**

**14-11-2001:** The Department explained that in the FIR registered for the theft of the vehicle, the Police had not been able to trace out the stolen vehicle. In departmental proceedings the concerned unit supervisor was exonerated, the Freighter Operator and Chowkidar were awarded minor penalties of withholding of annual increments. However, in 1996 the Agriculture Department initiated fresh proceedings in the case involving the concerned Assistant Agriculture Engineer along with the other persons mentioned above. The Department further stated that the writ petition filed by the accused against the order of fresh proceedings was dismissed by the High Court in 1999. Later on his representation before the Chief Secretary was also rejected. Presently, his appeal in the Labour Court was pending, who had suspended the order of fresh inquiry.

The Committee directed that the court case should be pursued and departmental action be finalized as early as possible. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 14 November, 2001.

The Department explained that the Departmental appeal had been admitted in the Punjab Labour Appellate Tribunal, Lahore against the stay order granted to the accused by the Punjab Labour Court No.2 and the next hearing was fixed for 21 February, 2002. The matter being *sub-judice*, the para was kept pending.

**21-5-2002:** The para was considered in the light of the PAC directive dated 19 February 2002.

The Department explained that an appeal before the Punjab Labour Appellant Tribunal against the stay order granted to the accused official responsible for theft of unregistered loader had

been filed. Next date of hearing had been fixed for 30 July 2002.

**The para was kept pending** with the direction that the Department should pursue the case efficiently. The Department should also consider whether the Higher Courts should be approached regarding the jurisdiction of Labour Courts in such cases.

## **2. Para No.8: Page 16 – Fraudulent Withdrawal and Misappropriation of GP Fund Rs.0.819 million of Employees by Cashiers**

**14-11-2001:** The Department explained that in departmental proceedings, recovery of Rs.183,800, Rs.112,570, Rs.67,500 and Rs.363,500 was imposed on four persons, along with their dismissal from service and the fifth person was reduced in time scale. Their appeal in Punjab Service Tribunal was pending.

The Committee wanted to know why the amount of the total recovery imposed was less than the amount of the para, what action had been taken against the officer who had been sanctioning the GPF Advances, and whether the balances in the affected GPF accounts had been corrected.

The Department was directed to pursue the case and complete the requisite action expeditiously. The para was kept pending.

**19-2-2002:** The para was considered in the light of the PAC directive dated 14 November 2001.

The Department explained that the recovery of Rs.724,740 had been imposed on three Assistant Agriculture Engineers and one Cashier responsible for fraudulent drawal of G.P. Fund Advance from G.P. Fund Accounts of various employees. Their appeals were pending in Punjab Service Tribunal and the recovery would be made after the decision by the Punjab Service Tribunal.

The Committee observed that the Department's reply in the working paper was incomplete and directed that the Administrative Secretary should review the whole record of the case and initiate necessary action in the matter. The para was kept pending.

**21-5-2002:** The para was considered in the light of the PAC directive dated 19 February 2002.

The Department explained that the recovery of Rs.727,740 imposed on four officers/officials would be effected as soon as it was confirmed that there was no stay order or the stay order stood vacated. Regarding the balance amount of Rs.91,000, the Department stated that an amount of Rs.71,000 had been returned to the subscribers, the original vouchers in respect of Rs.14,000 were not available and an inquiry had been ordered. Similarly, the matter of drawal of Rs.6,000 was also being investigated.

The Department was directed to complete inquiry/ recovery/necessary action at the earliest. The Committee also suggested that the amounts fraudulently drawn from the subscribers' accounts should be made up in consultation with the Finance Department and the Accountant General. **The para was kept pending.**



# Board of Revenue

## Overview

Total Paras	Civil	Revenue Receipts
<b>79</b>	<b>43</b>	<b>36</b>

## Abstract

Status	Decision	Para Nos.	Total	Page Nos.
<b>Paras Finally Settled</b>  <b>23</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 1.3, 1.4, 1.7, 1.8.4, 1.8.8, 1.8.9, 1.8.11, 1.9.13, 1.11	<b>9</b>	<b>85-87</b>
		<b>Revenue Receipts:</b> 3.1.i(4773, 4768, 4807, 4808, 4658), 3.2.i(4957), 3.2.ii(4696), 3.2.iii(4699), 3.2.iv(4778, 4779), 3.2.v(5001, 4775, 4844), 4.1(4749)	<b>14</b>	<b>87-89</b>
<b>Paras Conditionally Settled</b>  <b>5</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 1.5, 1.8.1	<b>2</b>	<b>90-91</b>
		<b>Revenue Receipts:</b> 3.1.i(4697, 4841), 3.2.v(4046)	<b>3</b>	<b>91</b>
<b>Paras Pended</b>  <b>51</b>	Paras pended because the Department had not taken satisfactory action.	<b>Civil:</b> 1.1, 1.2, 1.6, 1.8.2, 1.8.3, 1.8.5, 1.8.6, 1.8.7, 1.8.10, 1.8.12, 1.8.13, 1.8.14, 1.8.15, 1.8.16, 1.8.17, 1.8.18, 1.8.19, 1.9.1, 1.9.2, 1.9.3, 1.9.4, 1.9.5, 1.9.6, 1.9.7, 1.9.8, 1.9.9, 1.9.10, 1.9.11, 1.9.12, 1.10.1, 1.10.2, 1.12	<b>32</b>	<b>92-108</b>
		<b>Revenue Receipts:</b> 3.1.i(4653, 4670, 4698, 4662, 4657, 4671, 4878), 3.1.ii(4666), 3.1.iv(4655, 4917, 4776, 4822), 4.1(4854, 4745), 4.2(4815, 4855, 4704, 4747, 4748)	<b>19</b>	<b>108-110</b>

Discussed on 12 November 2001, 27 February and 20 May 2002

## Paras Finally Settled

### Civil Audit

#### 1. Para No. 1.3: Page 26 – Misappropriation of Rs.236,408 due to Non Accounting of Items

**12-11-2001:** The Department explained that the stock entries of the articles were available in the Stock Register and the para had been settled in the Special DAC meeting on 23.1.1999.

The Committee settled the para subject to verification of minutes of SDAC by Audit.

**27-2-2002:** In compliance with the directive of the PAC dated 12 November 2001, the minutes of the Special DAC dated 23 January 1999 whereby the para was settled had been verified. The Committee decided to **settle the para.**

#### 2. Para No. 1.4: Page 28 – Loss of Rs.84,900 Due to Contracts on Lesser Rates

**12-11-2001:** The Department explained that this para was settled in the Special DAC meeting on 23.1.1999. The Committee **settled the para.**

### **3. Para No. 1.7: Page 29 – Misappropriation of P.O.L. amounting to Rs.263,269**

**12-11-2001:** After verification of record, Audit reported that the record relating to POL worth Rs.196,731 had been verified.

The Committee directed that the Department should produce all the relevant record to Audit in respect of the POL of the balance amount, or the same should be recovered from the persons concerned. The requisite action should be completed expeditiously. The para was kept pending.

**27-2-2002:** The para was considered in the light of the directive of the Committee dated 12 November 2001.

In its latest comments, Audit had pointed out that out of the total amount of Rs.263,269 entries of POL purchased amounting to Rs.238,814 had been verified.

The Department stated that the log book of vehicle No.KS-9595 involving an amount of Rs.28,058 was being traced out through the officers concerned.

The Committee directed that inquiry should be held into the loss of the log book and fix responsibility therefor. However, in case the log book was traced, it should be produced to Audit and if any recovery was warranted, it should be effected. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 27 February 2002.

Audit had verified the entries of POL amounting to Rs.238,814 before the previous meeting. In its latest comments, Audit had further verified entries of POL costing Rs.18,108 and recovery of Rs.6,347, and had recommended the para for settlement. The Committee **decided to settle the para.**

### **4. Para No. 1.8.4: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

#### **Deputy Commissioner, Sialkot – Rs.78,630**

**12-11-2001:** The Department explained that partial recovery had been made and efforts were being made to recovery the balance amount.

The Committee directed that–

- (a) the amount recovered should be got verified by Audit;
- (b) the balance should be recovered without further delay;
- (c) if the recovery was due from lawyers, efforts should be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues – and
- (d) disciplinary action should be taken against those responsible for negligence and delay.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that total amount of Rs.78,630 had been effected, deposited into Government Treasury and verified by Audit. On the recommendation of Audit, the Committee **settled the para.**

#### **5. Para No. 1.8.8: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

##### **Deputy Commissioner, Lahore – Rs.20,860**

**12-11-2001:** It was explained that the recovery of Rs.14,600 had been verified by Audit and the case for writing off the balance amount had been referred to the Board of Revenue.

The para was settled subject to verification of recovery/write-off by Audit.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

In its latest comments, Audit pointed out that the recovery of Rs.14,360 and write off sanction for Rs.6,500 had been verified. On the recommendation of Audit, the Committee **settled the para.**

#### **6. Para No. 1.8.9: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of**

## **Katchery Compound**

### **Deputy Commissioner, Khanewal – Rs.27,100**

**12-11-2001:** The recovery of Rs.27,100 had been verified by Audit. **The para was settled.**

## **7. Para No. 1.8.11: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

### **Deputy Commissioner, Multan – Rs.48,000**

**12-11-2001:** The recovery had been verified by Audit and the Committee **settled the para.**

## **8. Para No. 1.9.13: Page 31 – Recovery of Rs.3,364,663 Due to Excess Calls on Residential Telephone**

### **Deputy Commissioner, Sahiwal – Rs.67,771**

**12-11-2001:** The Department explained that the expenditure of Rs.63,234 had been regularized by the Finance Department and the remaining amount of Rs.4,537 had been deposited in Government treasury. The Committee **settled the para.**

## **9. Para No. 1.11: Page 33 – Recovery of Rs.100,128 on Account of Irregular Drawl of Conveyance Allowance**

Deputy Commissioner, Lahore

**12-11-2001:** The Department explained that this para was already settled in the SDAC meeting on 23.1.1999. The Committee agreed and **settled the para.**

## Revenue Receipts Audit

### Stamp Duty and Registration Fee

#### 1. Para No.3.1: Page 27 – Short-realization of stamp duty due to under valuation-Rs.5,684,880

**12-11-2001:** The Department requested that it may be given two months' time to complete action and get the record verified by Audit.

As per request of the Department all the PDPs included in this para were kept pending.

**27-2-2002:** On the recommendations of Audit, the Committee **settled the following PDP Nos:-**

PDP No.4773	Sub-Registrar Urban-I, Rawalpindi	Rs.	152,765
PDP No.4768	Sub-Registrar Urban-I, Rawalpindi	Rs.	111,670
PDP No.4807	Sub-Registrar Urban-I, Gujranwala	Rs.	142,340
PDP No.4808	Sub-Registrar Urban-II, Gujranwala	Rs.	93,722
PDP No.4658	Sub-Registrar City, Lahore	Rs.	1,970,005



## **2. Para No.3.2: Page 29 – Short realization of stamp duty due to application of incorrect rate-Rs.1,915,571**

### **(i) PDP No. 4957-SD, Sub-Registrar, Model Town, Lahore – Rs.140,050**

**12-11-2001:** The Department requested that it may be given two months time to complete action and get the record verified by Audit.

As per request of the Department all the PDPs included in this para were kept pending.

**27-2-2002:** On the recommendations of Audit, the Committee **settled the PDP No. 4957.**

### **(ii) PDP No. 4696, Sub-Registrar, Urban-I, Faisalabad – Rs.327,350**

**12-11-2001:** The Department explained that the short realization of Stamp Duty pointed out by Audit in this PDP was not recoverable, as per judgement of the Lahore High Court dated 31-7-1998 in a case of alike nature. Audit recommended the para for settlement. The para was settled.

**27-2-2002:** On the recommendations of Audit, the Committee **settled the PDP No. 4696.**

### **(iii) PDP No. 4699, Sub-Registrar (Saddar), Faisalabad – Rs.52,900**

**12-11-2001:** The Department explained that the rate to be charged was as per the nature of land at the time of the execution of the deed and not as per its prospective future use.

Audit had recommended the para for settlement, on the precedent of a previous decision of the Committee. **The para was settled.**

### **(iv) PDP 4778 & 4779, Sub-Registrar, Urban-II, Rawalpindi – Rs.672,311**

**12-11-2001:** The Department requested that it may be given two months time to complete action and get the record verified by Audit.

As per request of the Department all the PDPs included in this para were kept pending.

**27-2-2002:** On the recommendations of Audit, the Committee **settled the PDP Nos. 4778 and 4779.**

**(v) PDP Nos. 5001, 4775 & 4844**

**12-11-2001:** The Department requested that it may be given two months time to complete action and get the record verified by Audit.

As per request of the Department all the PDPs included in this para were kept pending.

**27-2-2002:** On the recommendations of Audit, the Committee **settled the following PDP Nos:-**

PDP No.5001 Sub-Registrar, Sharaqpur Sharif	Rs. 36,825
PDP No.4775 Sub-Registrar, Urban-I, Rawalpindi	Rs. 97,775
PDP No.4844 Sub-Registrar, Bahawalpur	Rs. 24,000

## Collection of Abiana

**3. Para No. 4.1: Page 33 – Non-realization of occupier’s rate (abiana) due to omission in carrying forward of outstanding balance-Rs.6, 718,223**

**Sr. No. 3, PDP No. 4749, Tehsildar City Multan-Rs.63,260**

**12-11-2001:** This **para was settled** as the recovery had been verified by Audit.

# Paras Conditionally Settled

## Civil Audit

### 1. Para No. 1.5: Page 28 – Irregular Expenditure of Rs.348,047 on Dietary Charges

**12-11-2001:** The Department explained that the matter had already been referred by the D.O. (R) to the IG Prisons, Punjab, Lahore on 31.10.2001 for obtaining necessary regularization/sanction by the Finance Department.

The Department was advised to re-examine the case to see if the amount was made available to the D.C. for specific object and whether he had actually exceeded his competence, and if so, the expenditure be got regularized by the competent authority. The para was kept pending.

**27-2-2002:** The Department explained that the matter had already been referred to Finance Department for regularization through IG Prisons. The case was still under process.

The Committee re-iterated its previous decision. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 27 February 2002.

The Department explained that the matter had been referred to the Finance Department by the Inspector General of Prisons through Home Department for regularization of expenditure amounting to Rs.348,047.

The Committee **settled the para subject to** regularization by the Finance Department/Competent Authority and verification by Audit.

### 2. Para No. 1.8.1: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound

**Deputy Commissioner, Vehari – Rs.238,563**

**12-11-2001:** The Department explained that partial recovery had been made and efforts were being made to recover the balance amount.

The Committee directed that–

- (a) the amount recovered should be got verified by Audit;
- (b) the balance should be recovered without further delay;
- (c) if the recovery was due from lawyers, efforts should also be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues – and
- (d) disciplinary action should be initiated against those responsible for negligence in this case.

The para was kept pending.

**27-2-2002:** The para was considered in the light of the directive of the PAC dated 12 November 2001.

The Department stated that an amount of Rs.156,863 had already been recovered and got verified by DAO Vehari.

The Department further stated that so far as recovery of rent of Lawyers' Chambers was concerned, a summary moved by the Department was referred by the Governor to the Federal Government who had suggested that the Punjab Bar Council Rules should be got amended for the requisite action against the defaulting lawyers. The Department further stated that so far as taking of disciplinary action against the official responsible for not realizing the Government dues at proper time was concerned, an inquiry was held but no one was held guilty. The Committee observed that no inquiry report had been presented to Audit or the Committee.

The Committee directed that all the PAC work of the Board of Revenue should be handled by one of the Members and cases should be decided at the level of Board itself.

The Committee re-iterated its previous decision. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 27 February 2002.

In its latest comments, Audit had verified the recovery of Rs.156,836.

The Department explained that the cases of write off of losses of Rs.58,500 and Rs.32,200 had been referred to the Finance Department.

The Committee **settled the para subject to** write off the losses and its verification by Audit. The Finance Department would monitor and report progress in the case.

## Revenue Receipts Audit

### 1. Para No.3.1(i): Page 27 – Short-realization of stamp duty due to under valuation – Rs.5,684,880

**27-2-2002:** On the recommendations of Audit, the Committee **settled the following PDP Nos.** subject to verification:-

PDP No.4697	Sub-Registrar, Urban-II, Faisalabad	Rs.	212,878
PDP No.4841	Sub-Registrar, Bhawalpur	Rs.	111,144

### 2. Para No. 3.2: Page 29 – Short realization of stamp duty due to application of incorrect rate-Rs.1,915,571

**(v) PDP No. 4046, Sub-Registrar, Chishtian – Rs.66,775**

**12-11-2001:** The Department requested that it may be given two months time to complete action and get the record verified by Audit.

As per request of the Department all the PDPs included in this para were kept pending.

**27-2-2002:** On the recommendations of Audit, the Committee **settled PDP No. 4046** subject to balance recovery and monitoring by the Finance Department.

**Pended Paras****Civil Audit****1. Para No. 1.1: Page 25 – Embezzlement of Rs.214,200**

**12-11-2001:** Audit had observed that the amount of Rs.186,000 had been realized from the Contractor, but not deposited in Government treasury.

The Department explained that the amount was recoverable from the Contractor, and the major portion of the amount had been recovered from him while the balance amount (Rs.28,000) would also be recovered shortly.

The Committee directed that–

- (a) balance amount should be recovered expeditiously;
- (b) action should be taken against the persons responsible for not realising the Government dues at the appropriate time.

The Committee also directed Audit to see why it had been stated in the Audit para that the amount had been realised but not deposited into Government account. The para was kept pending.

**27-2-2002:** The Department explained that the balance recovery of Rs.28,200 had been effected and verified by Audit.

The Committee observed that the Department and Audit did not comply with the directive of



the PAC dated 12 November 2001.

The Committee directed that the points raised in the Audit para should be reviewed in detail in the light of the following factors and questions:-

- (i) The Terms and conditions of the contract
- (ii) When was the amount due from the contractor, when was it received from him and when was it deposited into Government Treasury?
- (iii) If the terms and conditions of the contract had been violated, action should be taken against the officer responsible for not taking prompt action in the matter.
- (iv) Audit, too, should clarify the reasons for the misleading statement in the Audit para to the effect that the amount had been realized but not deposited into Government account.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 27 February 2002.

The Department explained that the total amount of the para Rs.214,200 had since been recovered.

In its latest comments, Audit had also verified the recovery. Audit further clarified that the amount had not been deposited at the time of audit and the Audit Officer who had made the observation that the amount had been realized from the contractor but was not deposited into government accounts had since retired and had been asked to explain as to why he made an incorrect observation because the amount had been realized from the contractor afterwards.

Audit further pointed out that  $\frac{1}{4}$  of the bid money was required to be deposited at the time of acceptance of the bid and the remaining amount was to be deposited in three installments but the amount had been realized from him during 1999 and 2001.

The Committee directed that an inquiry should be held and disciplinary action should be taken against the officers/officials, including DDO responsible for not realizing the amount from the contractors as per terms and conditions of the contract. **The para was kept pending.**

## **2. Para No. 1.2: Page 25 – Loss of Rs.599,000 due to Theft**

**12-11-2001:** Audit had pointed out the loss of Rs.599,000 on account of theft of an official vehicle.

The Department explained that an FIR was lodged with the Police but the vehicle had not been recovered.

During discussion it transpired that no departmental inquiry had been held to fix responsibility for the loss.

The Committee directed that-

- (a) a legible copy of FIR should be produced to Audit;
- (b) a departmental inquiry should be held into the loss of vehicle and appropriate action be taken in the matter;
- (c) responsibility be fixed for not holding departmental inquiry at the proper time into the loss of the vehicle, and appropriate action taken against the persons held responsible for this lapse.

The para was kept pending.

**27-2-2002:** The para was considered in the light of the PAC directive dated 12 November 2001.

The Committee had directed that a departmental inquiry should be held to fix the responsibility for the loss of Rs.599,000 due to theft of Toyota Corolla car of Deputy Commissioner, D.G. Khan while driven by a private servant of the Deputy Commissioner.

The Department explained that holding of inquiry at this belated stage when the Police had already declared the vehicle as untraceable, would be useless.

The Committee observed that the loss of the official vehicle was not reported to Audit/the Accountant General Punjab and the Administrative Department as required under the Punjab Financial Rules. Moreover, no departmental inquiry was held to fix the responsibility for the loss.

The Committee directed that the Administrative Department should make a reference to the competent authority for taking action against the then Deputy Commissioner, Dera Ghazi Khan.

The Committee further directed that the Police file relating to the snatching of the said official vehicle should be pursued by the Inspector General of Police Punjab who should also enquire into the matter. The para was kept pending for early action on the above directives of the Committee.

**20-5-2002:** The para was considered in the light of PAC directive dated 27 February 2002.

The Department explained that as per compliance with the PAC directive the matter had been taken up with the Secretary (Services) S&GAD regarding action against the then Deputy Commissioner, D.G. Khan and another reference had been made to Inspector-General Police Punjab, Lahore for enquiring into the incident of snatching of the car of Deputy Commissioner, D.G. Khan.

The Committee observed that the Departmental replies were not satisfactory – the incident had not been reported to the Administrative Department and Audit as required by the Rules. If the vehicle of D.C. was lost why the Commissioner or Board of Revenue could not order an inquiry into the incident immediately.

The Department was directed to fix the responsibility on all the persons at fault and complete the action/recovery within 6 weeks. **The para was kept pending.**

### **3. Para No. 1.6: Page 29 – Irregular Expenditure of Rs.173,912 on Local Purchase of Furniture**

**12-11-2001:** The Department acceded during the discussion that prescribed purchase procedure had not been followed in this case.

The Committee directed that–

- (a) expenditure should be got regularized by the Competent Authority, and
- (b) action should be taken against the persons responsible for the irregular expenditure.

The para was kept pending.

**27-2-2002:** The para was considered in the light of the PAC directive dated 12 November 2001.

The Committee noted with dismay that the latest departmental reply was different from that given in the previous working paper. Moreover, the reply was also at variance with the previous direction of the Committee. The Committee re-iterated its previous decision. The Department was

advised to maintain a separate file for each Audit para in order to avoid confusion. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 27 February 2002.

The Department explained in compliance with the PAC directive Executive District Officer (Revenue), Mandi Bahaudin had been directed to conduct an inquiry to fix the responsibility against the officers/officials responsible for the irregular expenditure and forward the same to the Competent Authority for further necessary action.

The Committee expressed its concern over the delay and directed the Department to complete the disciplinary action and also get the expenditure regularized by the competent authority within three months. **The para was kept pending.**

#### **4. Para No. 1.8.2: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

##### **Deputy Commissioner, Sheikhupura – Rs.281,250**

**12-11-2001:** The Department explained that partial recovery had been made and efforts were being made to recover the balance amount.

The Committee directed that–

(a) the amount recovered should be got verified by Audit;

(b) the balance should be recovered without further delay;

(c) if the recovery was due from lawyers, efforts should also be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues; and

(d) disciplinary action should be taken against those responsible for negligence and delay in this case.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 27 February 2002.

In its latest comments, Audit had verified recovery of Rs.150,000 leaving an outstanding balance of Rs.131,250.

The Department explained that the balance amount was recoverable from Mr. Muhammad Sarwar, contractor Printed Forms and DO (R) Sheikhpura had been directed to effect the recovery and also to take action against those responsible for negligence and delay. The Department was directed to complete the recovery/ disciplinary action against those responsible for negligence and delay in this case. **The para was kept pending.**

#### **5. Para No.1.8.3: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

##### **Deputy Commissioner, Bahawalpur – Rs.26,880**

**12-11-2001:** The Department explained that partial recovery had been made and efforts were being made to recover the balance amount.

The Committee directed that–

(a) the amount recovered should be got verified by Audit;

(b) the balance should be recovered without delay;

(c) if the recovery was due from lawyers, efforts should also be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues – and

(d) disciplinary action should be taken against those responsible for negligence and delay.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that an amount of Rs.2,880 had been recovered from Stamp Vendors. The Department further stated that the balance of Rs.24,000 relate to rent of the lawyers' chambers. As per advice of the Ministry of Law and Justice the matter had been taken up with the Advocate General/Chairman Punjab Bar Council for recovery of outstanding amount from lawyers/ amendment in the Bar Council Rules for debarring the defaulters from the right of vote in the Bar Council Elections. The Department was directed to complete the recovery and disciplinary action against those responsible for negligence and delay in this case. **The para was kept pending.**

#### **6. Para No. 1.8.5: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

##### **Deputy Commissioner, Sargodha – Rs.408,000**

**12-11-2001:** The Department had shown no progress in the recovery of the Government dues.

The Committee directed that–

(a) the recovery should be pursued;

(b) if the recovery was due from lawyers, efforts should be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues; and

(c) necessary disciplinary action should be taken against those responsible for negligence and delay in this case.

The para was kept pending.



**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that the DO (R) Sargodha had been directed to recover the amount on account of lease money of katchery compound from the defaulting advocates/lawyers.

The Department stated that so far as the recovery of rent of lawyers chambers was concerned, that matter had been referred to the Advocate General/Chairman Punjab Bar Council for recovery/ amendment in the Bar Council rules for debarring the defaulting lawyers for voting in the Bar Council Election.

The Department was directed to complete the recovery and disciplinary action against those responsible for negligence and delay in this case. **The para was kept pending.**

## **7. Para No. 1.8.6: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

### **Deputy Commissioner, Lahore – Rs.70,000**

**12-11-2001:** The Department explained that the Canteen was not leased out to any contractor but was allowed to be run by the Employees Association on “no profit no loss basis” under orders of the Deputy Commissioner, Lahore.

Audit and Finance Department pointed out that there was no provision for such an arrangement in the Financial Rules. Moreover, the canteen was open to staff as well as to general public.

The Committee directed that the Administrative Department should probe into the matter to determine whether such practices should be permitted and if so under what rules, take action against the persons responsible for the irregularity. Moreover, the action in this case should be got regularised by the Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that in compliance with the PAC directive the case for regularization of giving canteen premises to the Employees Association for running it on no-profit-no-loss basis had been referred to the Finance Department for regularization on 24 April 2002. Moreover, all the Executive District Officers (R) in the province had been directed to discontinue this

practice.

The Department was directed to complete the appropriate action at the earliest. **The para was kept pending.**

#### **8. Para No. 1.8.7: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

##### **Assistant Commissioner, Jaranwala District Faisalabad – Rs.480,235**

**12-11-2001:** The Department explained that partial recovery had been made and efforts were being made to recover the balance amount.

The Committee directed that–

- (a) the amount recovered should be got verified by Audit;
- (b) the balance should be recovered without further delay;
- (c) if the recovery was due from lawyers, efforts should also be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues; and
- (d) disciplinary action should be taken against those responsible for negligence and delay.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that out of total amount of Rs.494,635, a sum of Rs.242,180 had been recovered and efforts were being made to effect the balance recovery.

The Department was directed to effect the recovery at the earliest and take disciplinary action against those responsible for negligence and delay in this case. **The para was kept pending.**

**9. Para No. 1.8.10: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

**Deputy Commissioner, D.G. Khan – Rs.339,150**

**12-11-2001:** The Department explained that the relevant record was not traceable and a case for theft of record had been lodged with the Police.

The Committee was not satisfied with the explanation of the Department and directed that the recovery of Government dues should be made at the earliest and action should be taken against those responsible for non-recovery. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that out of total amount of Rs.339,150 on account of lease money of Kutchery compound a sum of Rs.50,000 had been recovered from the contractor concerned. Regarding balance amount an inquiry was ordered for tracing out the record and fixing the responsibility on the concerned staff for non-recovery. The Department assured that the amount would be recovered from the defaulter contractor or from the officers/officials responsible for not realizing the government dues at the proper time.

The Department was directed to complete the action/recovery at the earliest. **The para was kept pending.**

**10. Para No.1.8.12: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

**Deputy Commissioner, Sheikhupura – Rs.72,000**

**12-11-2001:** The Department explained that the recovery from the lawyers, petition writers, stamp venders, typists and photo machinists working in Katchery compound was under process.

The Committee directed that–

- (a) the amount recovered should be got verified by Audit;
- (b) the balance should be recovered without delay;
- (c) if the recovery was due from lawyers, efforts should also be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues; and
- (d) disciplinary action should be taken against those responsible for negligence and delay in this case.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that DO(R) Sheikhpura had been directed to effect the recovery amounting to Rs.72,000 on account of lease money of Kutchery compound from the defaulting advocates/lawyers.

The Department was directed to complete the recovery at the earliest and disciplinary action against those responsible for negligence and delay in this case. **The para was kept pending.**

### **11. Para No. 1.8.13: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

#### **Deputy Commissioner, Muzaffargarh – Rs.253,025**

**12-11-2001:** The Department explained that partial recovery had been made and efforts were being made to recover the balance amount.

The Committee directed that–

- (a) the amount recovered should be got verified by Audit;
- (b) the balance should be recovered without further delay;
- (c) if the recovery was due from lawyers, efforts should also be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues; and
- (d) disciplinary action should be taken against those responsible for negligence and delay in this case.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that DO(R) Muzafargarh had been directed to effect the recovery amounting to Rs.253,025 on account of lease money of Kutchery compound from the defaulting advocates/lawyers.

The Department was directed to complete the recovery at the earliest and disciplinary action against those responsible for negligence and delay in this case. **The para was kept pending.**

## **12. Para No. 1.8.14: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

### **Assistant Commissioner, Ferozewala District Sheikhupura – Rs.119,700**

**12-11-2001:** The Department explained that partial recovery had been made and efforts were being made to recover the balance amount.

The Committee directed that–

- (a) the amount recovered should be got verified by Audit;

(b) the balance recovery should be recovered;

(c) if the recovery was due from lawyers, efforts should also be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues; and

(d) disciplinary action should be taken against those responsible for negligence and delay.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that in compliance with the PAC directive, out of total recoverable amount of Rs.119,700 an amount of Rs.62,650 on account of lease money of Katchery compound had been recovered, deposited into Government Treasury and verified by Audit. Efforts were in progress to effect the balance amount.

The Committee directed the Department to complete the recovery at the earliest and disciplinary action against those responsible for negligence and delay in this case. **The para was kept pending.**

### **13. Para No. 1.8.15: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

#### **Deputy Commissioner, Gujranwala – Rs.129,000**

**12-11-2001:** The Department explained that partial recovery had been made and efforts were being made to recover the balance amount.

The Committee directed that–

(a) the amount recovered should be got verified by Audit;

(b) the balance recovery should be recovered without delay;

(c) if the recovery was due from lawyers, efforts should also be made to get the



relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues; and

(d) disciplinary action should be taken against those responsible for negligence and delay.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that an amount of Rs.28,000 on account of lease money of Kutchery compound had been effected and the matter regarding balance amount which was previously pending in the Court of law had now been decided against the contractor. Efforts were being made to effect the recovery of the balance amount.

The Committee directed the Department to complete the recovery at the earliest and disciplinary action against those responsible for negligence and delay in this case. **The para kept pending.**

#### **14. Para No. 1.8.16: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Kutchery Compound**

##### **Deputy Commissioner, Gujranwala – Rs.112,000**

**12-11-2001:** The Department explained that the recovery was being pursued.

The Committee directed that—

- (a) the amount recovered should be got verified by Audit;
- (b) the balance should be recovered without delay;
- (c) if the recovery was due from lawyers, efforts should also be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues; and
- (d) disciplinary action should be taken against those responsible for negligence and delay.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that recovery of Rs.112,000 had been declared the arrears of land revenue. Efforts were being made to recover the same.

The Department was directed to complete the processes of effecting recovery at the earliest and disciplinary action against those responsible for negligence and delay in this case. **The para was kept pending.**

### **15. Para No. 1.8.17: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

#### **Deputy Commissioner, Sheikhupura – Rs.104,000**

**12-11-2001:** The Department explained that the recovery was being pursued.

The Committee directed that–

- (a) the amount recovered should be got verified by Audit;
- (b) the balance should be recovered without delay;
- (c) if the recovery was due from lawyers, efforts should also be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues; and
- (d) disciplinary action should be taken against those responsible for negligence and delay.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that in compliance with PAC directive the DO(R) Shiekhupura had been directed to recover an amount of Rs.104,000 from the defaulting advocates/lawyers on

account of lease money of Kutchery compound.

The Department was directed to complete the recovery at the earliest and disciplinary action against those responsible for negligence and delay in this case. **The para was kept pending.**

### **16. Para No. 1.8.18: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Kutchery Compound**

#### **Deputy Commissioner, Sheikhupura – Rs.315,000**

**12-11-2001:** The Department explained that partial recovery had been made and efforts were being made to recover the balance amount.

The Committee directed that–

- (a) the amount recovered should be got verified by Audit;
- (b) the balance should be recovered without further delay;
- (c) if the recovery was due from lawyers, efforts should also be made to get the relevant law amended to debar such lawyers from voting in the Bar Council Elections, who were defaulters of the Government dues – and
- (d) disciplinary action should be taken against those responsible for negligence and delay.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

In its latest comments, Audit had verified the recovery of Rs.65,000.

The Department explained that efforts were being made to effect the recovery of the balance amount of Rs.250,000 from contractor concerned.

The Department was directed to complete the recovery of the amount at the earliest and disciplinary action against those responsible for negligence and delay in this case. **The para was kept pending.**

**17. Para No. 1.8.19: Page 30 – Non-Recovery of Rs.3,373,971 on Account of Lease Money of Katchery Compound**

**Deputy Commissioner, Jhelum – Rs.250,398**

**12-11-2001:** The Department contended that actual recoverable amount was Rs.226,874 and the recovery was being pursued.

The Committee directed that the—

- (a) reduction in the amount of para be got verified by Audit;
- (b) the Government dues should be recovered expeditiously.

The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that in the case of Mr Shabbir Ahmed Butt, the attachment of his property had been made and the matter was in progress with the DO (R) concerned.

In the case of Sheikh Abdul Khaliq, DO(R) Karachi West was requested to effect the recovery of Government dues from the defaulters.

Regarding action against the responsible officers/officials, an inquiry was being conducted for fixing the responsibility.

The Department was directed to complete the action/recovery at the earliest. **The para was kept pending.**

**18. Para No. 1.9.1: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones**

**Deputy Commissioner, Vehari – Rs.1,220,636**

**12-11-2001:** The Department explained that the cases had been referred to the Finance Department for regularization, and the matter was still under correspondence.

The Committee directed that the Department should get the expenditure regularized by Finance Department or recover the amount from the officers concerned. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that the matter of excess residential telephone calls had already been referred to the Finance Department for regularization of excess expenditure amounting to Rs.1,220,636.

The Committee expressed its concern over the delay and directed that the Finance Department should take the decision within 15 days in the case. **The para was kept pending.**

**19. Para No. 1.9.2: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones**

**Deputy Commissioner, D.G. Khan – Rs.332,396**

**12-11-2001:** The Department was directed to make recovery or get the expenditure regularized by Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that the matter of excess residential telephone calls had already been referred to the Finance Department for regularization of excess expenditure amounting to Rs.332,396.

The Committee expressed its concern over the delay and directed that the Finance Department should take the decision within 15 days in the case. **The para was kept pending.**

## **20. Para No. 1.9.3: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones**

### **Commissioner, Gujranwala – Rs.113,837**

**12-11-2001:** The Department was directed to make recovery or get the expenditure regularized by Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Committee observed that the Department had neither recovered an amount of Rs.113,837 on account of excess residential telephone calls nor sent the case to the Finance Department for regularization.

The Department was directed to effect the recovery or get the expenditure regularized from the Finance Department within 15 days. **The para was kept pending.**

## **21. Para No. 1.9.4: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones**

### **Deputy Commissioner, Khanewal – Rs.1,019,703**



**12-11-2001:** The Department was directed to make recovery or get the expenditure regularized by Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that an amount of Rs.2,768 had been recovered from the officers on account of excess residential telephone calls and DO(R) Khanewal had been directed to effect the outstanding amount from the concerned officers.

The Department was directed to effect the recovery or get the expenditure regularized by the Finance Department within 15 days. **The para was kept pending.**

## **22. Para No. 1.9.5: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones**

### **Deputy Commissioner, Hafizabad – Rs.57,585**

**12-11-2001:** The Department was directed to make recovery or get the expenditure regularized by Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that the matter of excess residential telephone calls had already been referred to the Finance Department for regularization of excess expenditure amounting to Rs.57,585.

The Committee expressed its concern over the delay and directed that the Finance Department should take the decision within 15 days in the case. **The para was kept pending.**

## **23. Para No. 1.9.6: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones**

**Deputy Commissioner, Mianwali – Rs.101,656**

**12-11-2001:** The Department was directed to make recovery or get the expenditure regularized by Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Committee observed that the Department had neither recovered an amount of Rs.101,656 on account of excess residential telephone calls nor sent the case to the Finance Department for regularization.

The Department was directed to effect the recovery or get the expenditure regularized from the Finance Department within 15 days. **The para was kept pending.**

**24. Para No. 1.9.7: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones****Deputy Commissioner, Mandi Bahaudin – Rs.224,522**

**12-11-2001:** The Department was directed to make recovery or get the expenditure regularized by Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that the matter of excess residential telephone calls had already been referred to the Finance Department for regularization of excess expenditure amounting to Rs.224,522.

The Committee expressed its concern over the delay and directed that the Finance Department should take the decision within 15 days in the case. **The para was kept pending.**

**25. Para No. 1.9.8: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones**

**Deputy Commissioner, Bhakkar – Rs.183,961**

**12-11-2001:** The Department was directed to make recovery or get the expenditure regularized by Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Committee observed that the Department had neither recovered an amount of Rs.183,961 on account of excess residential telephone calls nor sent the case to the Finance Department for regularization.

The Department was directed to effect the recovery or get the expenditure regularized from the Finance Department within 15 days. **The para was kept pending.**

**26. Para No. 1.9.9: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones****Deputy Commissioner, Jhang – Rs.63,613**

**12-11-2001:** The Department was directed to make recovery or get the expenditure regularized by Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Committee observed that the Department had neither recovered an amount of Rs.63,613 on account of excess residential telephone calls nor sent the case to the Finance Department for regularization.

The Department was directed to effect the recovery or get the expenditure regularized from the Finance Department within 15 days. **The para was kept pending.**

**27. Para No. 1.9.10: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones**

**Deputy Commissioner, Sargodha – Rs.200,888**

**12-11-2001:** The Department was directed to make recovery or get the expenditure regularized by Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that the matter of excess residential telephone calls had already been referred to the Finance Department for regularization of excess expenditure amounting to Rs.200,888.

The Committee expressed its concern over the delay and directed that the Finance Department should take the decision within 15 days in the case. **The para was kept pending.**

**28. Para No. 1.9.11: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones**

**Deputy Commissioner, Layyah – Rs.200,639**

**12-11-2001:** The Department was directed to make recovery or get the expenditure regularized by Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Committee observed that the Department had neither recovered an amount of Rs.200,639 on account of excess residential telephone calls nor sent the case to the Finance Department for regularization.

The Department was directed to effect the recovery or get the expenditure regularized from the Finance Department within 15 days. **The para was kept pending.**

**29. Para No. 1.9.12: Page 31 – Recovery of Rs.3,864,663 Due to Excess Calls on Residential Telephones**

**Deputy Commissioner, Toba Tek Singh – Rs.78,456**

**12-11-2001:** The Department was directed to make recovery or get the expenditure regularized by Finance Department. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Committee observed that the Department had neither recovered an amount of Rs.78,456 on account of excess residential telephone calls nor sent the case to the Finance Department for regularization.

The Department was directed to effect the recovery or get the expenditure regularized from the Finance Department within 15 days. **The para was kept pending.**

**30. Para No. 1.10.1: Page 31 – Recovery of Rs.189,793 on Account of House Rent Allowance**

**Commissioner, Gujranwala – Rs.130,825**

**12-11-2001:** During discussion it transpired that special DAC had taken a decision in the matter on 23-1-1999. The Administrative Department was not sure whether the said decision was applicable as per Government instructions on the subject.

The Administrative Department assured the Committee that it would look into the matter and

take appropriate action. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that the SDAC in its meeting held on 23 January 1999 had decided that henceforth the officials occupying government accommodation above their entitlement should be asked to pay rent equal to 10% of the maximum of the pay scale for which that accommodation was meant or to vacate the said accommodation – in respect of the past period a certificate issued by the Commissioner should be produced to the effect that no eligible applicants for higher accommodation were available and no lower accommodation according to the entitlement of the officials was available for those who had occupied the higher accommodation.

The *Ad hoc* PAC observed that the above-mentioned second part of the decision of the SDAC was not correct. The SDAC was not competent to take a decision in the matter. The officers of Audit Department and Finance Department who attended the said meeting of SDAC were party to this decision should be asked to explain their position. The Committee further directed that house rent should be deducted from the officials occupying higher accommodation as per the prevalent clear policy of the government from the date of occupation. **The para was kept pending.**

### **31. Para No. 1.10.2: Page 31 – Recovery of Rs.189,793 on Account of House Rent Allowance**

#### **Assistant Commissioner, Saddar, Faisalabad – Rs.58,968**

**12-11-2001:** The Department explained that the necessary action in the matter was still in process. The Department was directed to complete the appropriate action expeditiously. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Department explained that District Accounts Officer Faisalabad had been requested to recover the dues on account of house rent allowances from the salaries/ pension of the persons concerned on monthly basis. The matter was in progress.



The Department was directed to effect the recovery at the earliest and get it verified by Audit. **The para was kept pending.**

### **32. Para No. 1.12: Page 35 – Non-Production of Vouched Accounts for Rs.4,396,199**

**12-11-2001:** The Department explained that an inquiry had been ordered in the matter and that disciplinary action was being initiated against an official.

The Committee directed that the action should be taken against all other concerned officials also in the matter under the Punjab Removal from Service (Special Powers) Ordinance 2000. The para was kept pending.

**20-5-2002:** The para was considered in the light of PAC directive dated 12 November 2001.

The Committee observed that the Department did not comply with the PAC directive and expressed its concern over the delay.

The Department was again directed to complete the action against all officials/officers concerned for non-production of vouched accounts amounting to Rs.4,396,199 under the Punjab Removal from Service (Special Powers) Ordinance 2000 within the prescribed time. **The para was kept pending.**

## **Revenue Receipts Audit**

### **Stamp Duty and Registration Fee**

#### **1. Para No.3.1: Page 27 – Short-realization of stamp duty due to under valuation – Rs.5,684,880**

**27-2-2002:** On the recommendations of Audit, the Committee **kept pending the following PDP Nos:-**

PDP No.4653}	Sub-Registrar, Lahore Cantt.	Rs. 1,623,273
PDP No.4670}		
PDP No.4698}	Sub-Registrar, Urban-II, Faisalabad	Rs. 55,633
PDP No.4662}	Sub-Registrar, Saddar, Lahore	Rs. 1,011,337
PDP No.4657}		
PDP No.4671}	Sub-Registrar, City Lahore	Rs. 1,970,005
PDP No.4878}		

## 2. Para No.3.1: Page 27 – Short-realization of stamp duty due to undervaluation Rs.5,684,880

### (ii) PDP No.4666 – Sub-Registrar, Saddar, Lahore

**27-2-2002:** On the recommendations of Audit, the Committee **kept pending** the PDP No. 4666 for recovery/verification.

### (iv) PDP Nos.4655, 4917, 4776 & 4822

**12-11-2001:** The Department requested that it may be given two months time to complete action and get the record verified by Audit.

As per request of the Department all the PDPs included in this para were kept pending.

**27-2-2002:** On the recommendations of Audit, the Committee **kept pending** for recovery/verification the following PDP Nos:-

PDP No.4655	Sub-Registrar, Lahore Cantt.	Rs. 88,000
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PDP No.4917	Sub-Registrar, Gujrat	Rs.	64,175
PDP No.4776	Sub-Registrar, Urban-II, Rawalpindi	Rs.	672,311
PDP No.4822	Sub-Registrar, Rural Rawalpindi	Rs.	345,410

## Collection of Abiana

### **3. Para No. 4.1(1 & 2): Page 33 – Non-realization of occupier’s rate (abiana) due to omission in carrying forward of outstanding balance – Rs.6,718,223**

#### **PDP No. 4854, Tehsildar Sheikhupura – Rs.1,260,018**

**12-11-2001:** The Department requested that it may be given two months’ time to complete action and get the record verified by Audit.

As per request of the Department all the PDPs included in this para were kept pending.

**27-2-2002:** Audit had pointed out that an outstanding recoverable balance of Rs.6,718,223 appearing in old demands Register was not brought forward to the new register and had escaped recovery. The Department explained that an amount of Rs.2,017,945 had since been recovered and the balance amount of Rs.4,700,278 would be recovered as arrears of Land Revenue within one month.

The Committee observed that the Audit Report had presented a sample of only three Tehsils, namely Sheikhupura, Multan Rural and Multan Urban. The overall picture of the whole province would give alarming figures of outstanding recoverable amounts. The Committee directed that:-

- (i) All outstanding dues should be brought forward and upto date recoverable amount District wise should be reported to the Committee within 30 days.

(ii) Measures should be taken to expedite the recovery;

(iii) The mechanism for monitoring and checking that all outstanding amounts were carried forward should be explained; and

(iv) Action should be taken against the officials and their supervisors who failed to carry forward the outstanding balances mentioned in this para.

**The para was kept pending.**

### **PDP No. 4745 – Tehsildar (Rural) Multan – Rs.5,394,945**

**12-11-2001:** The Department requested that it may be given two months' time to complete action and get the record verified by Audit.

As per request of the Department all the PDPs included in this para were kept pending.

**27-2-2002:** Audit had pointed out that an outstanding recoverable balance of Rs.6,718,223 appearing in old demands Register was not brought forward to the new register and had escaped recovery. The Department explained that an amount of Rs.2,017,945 had since been recovered and the balance amount of Rs.4,700,278 would be recovered as arrears of Land Revenue within one month.

The Committee observed that the Audit Report had presented a sample of only three Tehsils, namely Sheikhpura, Multan Rural and Multan Urban. The overall picture of the whole province would give alarming figures of outstanding recoverable amounts. The Committee directed that:-

(i) All outstanding dues should be brought forward and upto date recoverable amount District wise should be reported to the Committee within 30 days.

(ii) Measures should be taken to expedite the recovery;

(iii) The mechanism for monitoring and checking that all outstanding amounts were carried forward should be explained – and

(iv) Action should be taken against the officials and their supervisors who failed to carry forward the outstanding balances mentioned in this para.

**The para was kept pending.**

**4. Para No.4.2: Page 34 – Non-Realization of 10% surcharge for late payment of Abiana-Rs.530,557**

**(PDP Nos. 4815, 4855, 4704, 4747, 4748)**

**12-11-2001:** The Department requested that it may be given two months' time to complete action and get the record verified by Audit.

As per request of the Department all the PDPs included in this para were kept pending.

**27-2-2002:** Audit had pointed out that the Department had failed to levy and recover 10% surcharge leviable on late payment of abiana. The Department explained that out of the amount of Rs.530,557 pointed out by Audit in respect of five Tehsils, an amount of Rs.64,740 had been recovered and the amount of Rs.465,817 was still outstanding. The Department further stated that "Dhallash" showing the amount of abiana payable by the zamindars was received late from the Irrigation and Powers Department, when the prescribed due date of payment had already expired. The Committee directed that:-

- (i) the balance amount of the para should be recovered expeditiously; and
- (ii) Board of Revenue should submit a working paper relating to the problem faced by it in respect of recoveries relating to the Irrigation and Power Department to the Assembly Secretariat within 10 days and the Assembly Secretariat would forward the same to the Irrigation and Power Department for obtaining its comments thereon.

**The para was kept pending.**

# Communications and Works Department

## Overview

Total Paras	Works
<b>564</b>	<b>564</b>

## Abstract

Status	Decision	Para Nos.	Total	Page No.
Paras Finally Settled  <b>76</b>	Paras finally settled as the requisite action had been taken.	<b>Works: (Buildings)</b> 2.2, 2.6, 2.15, 2.16, 2.21, 2.22, 2.23, 2.32, 2.34, 2.48, 2.50, 2.51, 2.55, 4.28, 4.35, 4.38, 4.43, 4.44, 4.46, 4.49, 4.53, 4.60, 4.61, 4.62, 4.63, 4.66, 4.67, 4.69, 4.70, 4.71, 4.74, 4.75, 4.79, 4.81, 4.82, 4.83, 4.89, 4.92, 4.96, 4.97, 4.101, 4.103, 5.3, 5.5, 5.6, 6.8, 6.14, 6.17, 6.28, 6.32, 6.34, 6.38, 6.39, 6.41, 6.42, 6.44, 6.45, 7.1, 7.13, 7.14	<b>60</b>	<b>115-127</b>
		<b>Works: (Highways)</b> 34, 81, 99, 166, 174, 208, 210, 218, 219, 220, 231, 305, 306, 307, 308, 322	<b>16</b>	<b>128-130</b>
Paras Conditionally Settled  <b>376</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Works: (Buildings)</b> 1.3, 2.1, 2.3, 2.8, 2.9, 2.11, 2.12, 2.13, 2.14, 2.17, 2.18, 2.19, 2.20, 2.24, 2.27, 2.28, 2.29, 2.30, 2.33, 2.36, 2.37, 2.41, 2.45, 2.46, 2.47, 2.49, 2.56, 2.57, 2.59, 2.60, 3.3, 3.4, 3.5, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.10, 4.11, 4.12, 4.13, 4.14, 4.16, 4.17, 4.18, 4.21, 4.22, 4.25, 4.26, 4.32, 4.40, 4.41, 4.42, 4.45, 4.47, 4.50, 4.51, 4.52, 4.54, 4.57, 4.58, 4.59, 4.64, 4.65, 4.68, 4.77, 4.80, 4.84, 4.87, 4.95, 4.98, 4.100, 4.102, 5.1, 5.4, 5.7, 6.6, 6.7, 6.9, 6.10, 6.11, 6.12, 6.13, 6.15, 6.16, 6.18, 6.19, 6.20, 6.23, 6.25, 6.27, 6.29, 6.30, 6.31, 6.33, 6.35, 6.36, 6.37, 6.40, 6.43, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10, 7.12	<b>112</b>	<b>131-159</b>
		<b>Works: (Highways)</b> 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 17, 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33,	<b>264</b>	<b>160-235</b>

		35, 36, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 115, 116, 117, 118, 119, 120, 121, 122, 123, 125, 126, 127, 129, 130, 131, 132, 133, 134, 137, 138, 139, 140, 141, 142, 143, 146, 147, 149, 150, 151, 152, 153, 155, 156, 157, 158, 160, 161, 162, 163, 165, 167, 169, 170, 171, 172, 173, 178, 179, 186, 187, 188, 189, 190, 191, 194, 195, 197, 198, 200, 201, 202, 203, 204, 205, 206, 207, 209, 211, 213, 216, 217, 221, 223, 224, 225, 226, 227, 228, 229, 230, 232, 233, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 309, 310, 312, 313, 314, 315, 317, 318, 319, 320, 321, 323, 324, 327		
<b>Paras Pended</b>  <b>112</b>	Paras pended either because the Department had not taken satisfactory action or the Committee have directed that the SDAC shall consider the matter and submit its report for consideration by the Committee.	<b>Works: (Building)</b> 1.1, 1.2, 2.4, 2.5, 2.7, 2.10, 2.25, 2.26, 2.31, 2.35, 2.38, 2.39, 2.40, 2.42, 2.43, 2.44, 2.52, 2.53, 2.54, 2.58, 3.1, 3.2, 4.1, 4.2, 4.9, 4.15, 4.19, 4.20, 4.23, 4.24, 4.27, 4.29, 4.30, 4.31, 4.33, 4.34, 4.36, 4.37, 4.39, 4.48, 4.55, 4.56, 4.72, 4.73, 4.76, 4.78, 4.85, 4.86, 4.88, 4.90, 4.91, 4.93, 4.94, 4.99, 5.2, 6.1, 6.2, 6.3, 6.4, 6.5, 6.21, 6.22, 6.24, 6.26, 7.11	<b>65</b>	<b>236-253</b>
		<b>Works: (Highways)</b> 10, 16, 18, 22, 32, 37, 50, 51, 52, 53, 64, 114, 124, 128, 135, 136, 144, 145, 148, 154, 159, 164, 168, 175, 176, 177, 180, 181, 182, 183, 184, 185, 192, 193, 196, 199, 212, 214, 215, 222, 234, 267, 282, 311, 316, 325, 326	<b>47</b>	<b>254-266</b>

**Discussed on 21-23-29-31 January, 15-17 April, 2-3 May and 15-17 August 2002**



# Paras Finally Settled

## Buildings Department

### Works Audit

#### 1. Para No.2.2: Page 30 – Overpayment – Rs.71,400

**16-4-2002:** The Department explained that recovery as pointed out by Audit on account of excess payment had been effected from the contractor concerned. Moreover, warning to Sub Engineer concerned for incorrect measurement had been issued.

The Committee observed that action taken by the Department against the Sub Engineer for recording incorrect measurement needed to be reviewed as a simple warning was not enough. His previous record should also be seen and the role and responsibility of the S.D.O. concerned should also be scrutinized. With the above observation, **the para was settled.**

#### 2. Para No.2.6: Page 32 – Overpayment of Rs.1,184,400

**23-1-2002:** Audit had pointed out that the quantity of M.S. grill on a boundary wall was paid in excess of the length of the constructed boundary wall. The Department explained that the item of work was titled as “Providing and Fixing of Grill”. As the wall was not completed only a part payment for bringing the grill at site was made. The Department stated that there was a provision for part payment in Rule 7.28 of Delegation of Financial Rules. As such no excess payment was involved in the matter. After discussion, the explanation of the Department was accepted and **the para was settled.**

#### 3. Para No.2.15: Page 36 – Overpayment – Rs.56,173

**16-4-2002:** As per latest Audit comments, the recovery of Rs.56,173 had been verified by Audit. **The para was settled.**

#### 4. Para No.2.16: Page 36 – Overpayment – Rs.180,903

**15-4-2002:** The Department explained that the payment was made to the contractor concerned against the quantity of steel within the permissible limit after the revised estimate had been technically sanctioned by the competent authority. No excess payment had been made. The revised technical sanction had been verified by Audit. After some discussion, the Committee decided to

settle the para.

#### 5. Para No.2.21: Page 39 – Overpayment – Rs.186,500

**15-4-2002:** The Department explained that actual recoverable amount of Rs.39,991 on account of rate of RCC had been recovered.

The Department further explained that remaining amount of Rs.146,509 was not recoverable as horizontal shuttering was involved in the item under observation.

Audit had verified the said recovery. Audit also verified the design of the building during the meeting in support of the departmental contention. The Committee **settled the para.**

#### 6. Para No.2.22: Page 39 – Overpayment – Rs.120,120

**16-4-2002:** Audit pointed out that the departmental contention regarding excess payment had been verified by it through examination of the relevant record. The Committee decided to **settle the para.**

#### 7. Para No.2.23: Page 39 – Overpayment – Rs.118,500

**15-4-2002:** The Department explained that the lead of 3 miles had been sanctioned in the revised estimate by the competent authority. The same was paid to the contractor concerned. Audit had seen the Measurement Book in which the XEN had verified the location from where the earth was brought.

The Committee suggested that the Department might review the procedure outlined in its letter of 6 July, 1988. With the above suggestion, **the Committee settled the para.**

**8. Para No.2.32: Page 43 – Overpayment – Rs.93,160**

**3-5-2002:** The Department explained that the actual recoverable amount of Rs.56,049 on account of overpayment had been recovered. Audit stated in the meeting that recovery had been verified.

The Committee observed that appropriate action should be taken against the officers responsible for overpayment in the first instance. With the above observation, **the para was settled.**

**9. Para No.2.34: Page 44 – Overpayment – Rs.91,784**

**3-5-2002:** The Department explained that the recovery of Rs.91,784 on account of overpayment due to application of incorrect rates had been effected from the contractor, as pointed out by Audit. Audit verified the recovery.

**The para was settled** with the observation that the Divisional Accountant responsible for the above mentioned overpayment should be asked to explain his lapse.

**10. Para No.2.48: Page 50 – Overpayment – Rs.217,681**

**16-4-2002:** The Department explained that the tenders were accepted below technically sanctioned estimate.

Audit accepted the contention of the Department in the meeting. **The para was settled.**

**11. Para No.2.50: Page 51 – Overpayment – Rs.65,038**

**16-4-2002:** The Department explained that the whole amount of the para had been recovered from the contractor. Audit stated in the meeting that the recovery had been verified by Audit. **The para was settled.**

**12. Para No.2.51: Page 51 – Overpayment – Rs.50,000**

**3-5-2002:** The Department explained that the first bore for the tube well proved a failure and the second bore for tube-well was executed on the basis of survey report of the Quaid-e-Azam University and tube well was successfully installed there. The Department further stated that test bore was provided in the technical sanction.

Audit had verified the record. The Committee accepted the explanation of the Department and **settled the para.**

**13. Para No.2.55: Page 53 – Over Payment of Rs.171,700**

**21-1-2002:** The Department explained that the plastering of pre-cast roofing was essential after smooth application of bitumen coating for protection against the leakage of water. This was done according to the technically sanctioned estimates wherein plastering was provided. Hence, there was no excess payment.

The Department was advised to review its practice of plastering in such cases in future. With this observation, **the para was settled.**

#### **14. Para No.4.28: Page 70 – Violation of Rules – Rs.150,294**

**3-5-2002:** The Department explained that the technically sanctioned estimate contained provision of 24,651 sft of Marble Dado skirting and 53,506 sft for National tiles. However, as per site requirements of marble Dado skirting was provided in 26, 682 sft and National Tiles were provided on 50,450 sft. The Department stated that the rate for both items was the same. The explanation of the Department was accepted and **the para was settled.**

#### **15. Para No.4.35: Page 73 – Violation of rules – Rs.315,545**

**15-4-2002:** The Department explained that the variation in quantities had been made in accordance with site requirements and the provisions of these items had been made in the amended technically sanctioned estimate.

The Department further explained that the technical sanction had been amended before completion of the work. The explanation of the Department was accepted and **the para was settled.**

#### **16. Para No.4.38: Page 74 – Violation of Rules-Excess Payment of Rs.89,708**

**22-1-2002:** The Department explained that the change in the quantities of boundary wall and grill had been covered in the revised technical sanction. **The para was settled.**

#### **17. Para No.4.43: Page 76 – Violation of Rules – Rs.318,811**

**16-4-2002:** The Department explained that the lowest tenders received on 10 September 1993 was 6% above the technically sanctioned estimate. However, in view of revision of the premium on 2 October 1993, the amended scheme on revised rates was approved by Provincial Development Working Party on 14 November 1993. The amount of DNIT was accordingly corrected by the Chief Engineer and tender was accepted on 14 November 1993 with excess of 3.93% over the technically sanctioned estimate.

After a detailed discussion, The Committee decided to **settle the para** in view of the special circumstances of this particular case.

#### **18. Para No.4.44: Page 77 – Violation of Rules – Rs.557,316**

**17-4-2002:** The Department explained that item rates had been accepted on the basis of competitive bidding and were also approved by the Superintending Engineer. **The para was settled.**

**19. Para No.4.46: Pages 77-78 – Violation of Rules – Rs.309.23 Million**

**23-1-2002:** Audit had pointed out that the Elementary Education Buildings Division had been making payments without being vested with the powers of drawing and disbursing authority. The Department explained that the District Accounts Officer, Sargodha as well as the Director General Accounts (Works) Lahore were aware of the situation but they had not taken any action to stop payment by the officer concerned. The Committee decided that the para should **stand settled** as far as the Communications & Works Department was concerned. However, Director General Accounts (Works) Lahore should be asked to clarify the position of his office in this matter. Moreover, he should also ensure that there was no other case of exercise of the functions of the DDO by any officer without lawful authority. The Director General Audit (Works) was asked to communicate this direction of the Committee to Director General Accounts (Works) for necessary action.

**20. Para No.4.49: Page 79 – Violation of Rules – Rs.4,992,073**

**23-1-2002:** The Department explained that this audit para related to the work of addition/alteration and improvement/renovation of Chief Minister's House (7-Club Road GOR-1), Lahore. The said work was executed under the directive of the Chief Minister in relaxation of rules and procedure. The payments were made to the contractor as per estimate prepared by the consultant and no irregularity was involved. The Department further stated that the payment to the contractor was made on the order of the Court. Moreover, inquiries had been held into this matter at various levels. The rates had been checked by Anti-Corruption Establishment and National Accountability Bureau.

The Committee observed that in future the directives issued by any authority ordering relaxation of rules or procedure should invariably be endorsed to Audit by the issuing authority so that Audit may examine it and offer its comments to the authorities concerned. With the above observation, **the para was settled.**

**21. Para No.4.53: Page 80 – Violation of Rules – Rs.321,701**

**16-4-2002:** The Department explained that the recovery of income tax at the enhanced rate was made after vacation of the stay granted by the court. The Committee **settled the para.**

**22. Para No.4.60: Page 83 – Violation of Rules – Rs.2,361,209**

**3-5-2002:** Audit had pointed out that non-schedule rates for certain items had been paid without approval by the Competent Authority.

The Department explained that the factual position was that all those rates were not non-schedule rates but were item rates which were quoted by the Contractors in their tenders. Moreover, the item rate of one building could not be applied to another building having different architectural features and elevation.

The Committee accepted the explanation of the Department and **settled the para** with the observation that the existing instructions should be strictly followed in future – analysis of rates should have been prepared for estimation purposes even for “item rates” and communicated to the Standing Rates Committee.

### **23. Para No.4.61: Pages 83-84 – Violation of Rules – Rs.174,320**

**3-5-2002:** Audit verified that this para was a duplication of draft para No.6.36 for the year 1997-98. On the recommendation of Audit, **the Committee settled the para.**

### **24. Para No.4.62: Page 84 – Violation of Rules – Rs.174,483**

**16-4-2002:** The Department explained that the item rate of “providing and fixing of jungla over B/wall” was based on competitive bidding and approved by the Superintending Engineer.

The position had been verified by Audit. **The para was settled.**

### **25. Para No.4.63: Page 84 – Violation of Rules – Rs.273,008**

**17-4-2002:** The Department explained that price variation was entered in the 13<sup>th</sup> running bill when the work had been completed.

The Committee after detailed discussion **decided to settle the para** in the special circumstances of the particular case.

### **26. Para No.4.66: Page 85 – Violation of Rules – Rs.57,337**

**15-4-2002:** The Department explained that according to clause 55 of the contract agreement the price variation was allowed on the successful completion of work/scheme. The price variation was paid after successful completion of work, in the final bill. Audit verified the departmental contention in the meeting. The Committee **settled the para.**

### **27. Para No.4.67: Page 86 – Violation of Rules – Unauthorized Awarding of work – Rs.1,208,000**

**22-1-2002:** The Department explained that the XEN concerned had not obtained the permission of the competent authority for splitting the work. He was proceeded against under the Efficiency & Discipline Rules and major penalty of compulsory retirement was imposed on him. **The para was settled.**



**28. Para No.4.69: Page 87 – Violation of Rules – Acceptance of tender at higher Rates – Rs.225,586**

**22-1-2002:** The Department explained that the tender accepted was 3.39% over the corresponding Technical Sanction which was within the permissible limit. Audit reported in the meeting that the record had been verified. **The para was settled.**

**29. Para No.4.70: Page 87 – Violation of Rules –Overpayment of Rs.131,269**

**22-1-2002:** The Department explained that tender was given on item rate basis, and prior approval as non-schedule rate was not required. **The matter was discussed and settled.**

**30. Para No.4.71: Page 88 – Violation of Rules – Unauthorized payment of Rs.9,644**

**22-1-2002:** The Department explained that the payment in question had been made before the receipt of the letter of the Finance Department dated July 24,1996 and it had since been adjusted/cleared while closing the manufacture account. The explanation of the Department was accepted and **the para was settled.**

**31. Para No.4.74: Page 89 – Violation of Rules – Rs.107,574**

**2-5-2002:** The Department explained that the price variation had been paid after the completion of work.

Audit had verified the record and recommended to settle the para. The Committee decided to **settle the para.**

**32. Para No.4.75: Page 90 – Violation of Rules – Rs.51,928**

**2-5-2002:** This para was considered in the meetings held on 2 and 3 May 2002.

Audit had pointed out that the expenditure on the running of a government vehicle used by S. E. had been charged to various schemes instead of contingencies of circle office.

The Department explained that no funds for POL charges had been placed at the disposal of circle office in the budget for the year 1996-97.

The Committee observed that Audit observation was valid. The expenditure in question should be got regularized by the competent authority. The Committee further observed that S.Es should be allocated sufficient funds for this purpose and they should not be charging such expenses to the accounts of various schemes. With the above observation, **the para was settled.**

**33. Para No.4.79: Page 91 – Violation of Rules – Rs.194,438**

**15-4-2002:** The para was considered on 16 and 17 April 2002.



The Department explained that a part of 3% contingency of the scheme was utilized towards the premium for the purpose of acceptance of tenders as admissible vide Planning & Development Memo No.3(90) RD(H)P&D/95 dated 7 May 1995. The representative of the Finance Department remarked that the Finance Department had clarified vide letter dated 11 April 2001 that contingencies of schemes would not be included in the amount of the technical sanction for acceptance of tenders.

The Department explained that if the schemes had been revised and re-tendered, the rates received would have been much higher than those accepted by the Department in this case.

After detailed discussion, the Committee observed that Audit observation was valid as per the clarification issued by the Finance Department. However, the Committee decided to **settle the para** in view of the special circumstances of this particular case.

#### **34. Para No.4.81: Page 92 – Violation of Rules-3,968,597**

**17-4-2002:** The Department explained that this para was based on advance para No.31. The para was discussed in DAC meeting held on 29 August 1998 and was settled. The Committee decided to **settle the para**.

#### **35. Para No.4.82: Page 93 – Violation of Rules – Rs.2,500,209**

**23-1-2002:** Audit had pointed out that an amount of Rs.2,500,209 had been drawn in June, 1996 for payment to the contractors but payments upto 90% were withheld. This procedure had been adopted to avoid lapse of funds. The Department explained that the matter related to the Civil Engineering Cell of the Education Department. The payments to contractors were withheld till detailed inspection of sites by the XEN and the SDO and the Project Committees. The Committee directed that the officers who circumvented the financial rules should be admonished. With the above direction, **the para was settled**.

#### **36. Para No.4.83: Page 93 – Violation of Rules – Rs.4,144,000**

**23-1-2002:** Audit pointed out that the Department incurred an expenditure of Rs.10,142,000 against the allotment of funds for Rs.5,998,000 which had resulted in an excess expenditure of Rs.4,144,000.

The Department explained that the expenditure incurred was Rs.5,331,987 as against the allocation of Rs.5,998,000 and no excess expenditure was involved. Audit stated during the meeting that the record had been verified and departmental explanation was acceptable. **The para was settled.**

#### **37. Para No.4.89: Page 96 – Violation of Rules – Rs.192,458**

**3-5-2002:** The Department explained that tenders had been called before technically sanctioned estimate and the probe report was being examined by the Administrative Department.

The Committee directed that the disciplinary action should be taken against the officers responsible for the irregularity. With the above direction, **the para was settled.**

**38. Para No.4.92: Page 97 – Loss of Rs.600,690**

**21-1-2002:** Audit had pointed out that tender had been accepted exceeding 4.5% of the estimated cost. The Department explained that only an amount of Rs.8,000 was spent over the permissible limit for which contingency of work could be utilized. Audit agreed to the contention of the Department during the meeting. **The para was accordingly settled.**

**39. Para No.4.96: Page 99 – Violation of Rules – Rs.546,459**

**17-4-2002:** The Department explained that the item pre-stressed and pre-cast roofing was not provided in CSR.

The Department further explained that the item rate of pre-stressed and pre-cast roofing was based on competitive bidding therefore approval of rate analysis as non-scheduled item was not required. **After detailed discussion** The Committee decided to **settle the para.**

**40. Para No.4.97: Page 99 – Violation of Rules-Irregular Expenditure – Rs.4,698,110**

**22-1-2002:** The Department explained that the item “Pre-stressed roof slab” was not given in composite schedule of rates and the tenders were invited and accepted on item rate basis. The approval of non-schedule rate was not involved. Moreover, an inquiry was held and the XEN was exonerated because the item rate had been approved by the Superintending Engineer. The explanation of the Department was accepted and **the para was settled.**

**41. Para No.4.101: Page 101 – Violation of Rules – Rs.232,149**

**16-4-2002:** The Department explained that the para was related to two works:-

- (i) **Rasul Nagar Rs.23,065**
- (ii) **Kamoke Rs.209,084**

The Department explained that the recovery of Rs.23,065 had been made and got verified by Audit. The Department further explained that the position with respect to the record item amounting to Rs.209,084 had been explained on Page-74 of the working paper.

The Committee decided that page 38 of the working paper would be considered jointly with page 74 of the working paper. However, page 74 of working paper could not be taken up for consideration during the meeting held on 16 and 17 April 2002. As such para No.4.101 remained pending.

**2-5-2002:** Audit had pointed out that the Department had made payment for price variation without obtaining sanction of the competent authority for the enhancement of the agreement.

The Department explained that the contract amount was enhanced by the competent authority on 2 June 1996. The Committee **settled the para.**

**42. Para No.4.103: Page 102 – Violation of Rules – Rs.54,125**

**17-4-2002:** The Department explained that the number of windows provided in the technically sanctioned estimate was 29 and not 20. The position had been verified by Audit in the meeting. **The para was settled.**

**43. Para No.5.3: Page 103 – Violation of Propriety – Rs.77,755**

**17-4-2002:** The Department explained that the funds provided for the Scheme were utilized during the year 1991-92 but thereafter the Scheme became un-funded and the contract was finalized by the Competent Authority. After four years a new Scheme was approved for completion of the remaining work as well as additional work. It was not possible to get the work completed at the old rates after the lapse of four years. The scheme was re-tendered. As there was no fault on the part of the contractor no penalty or risk and cost was involved. The Committee agreed with the explanation of the Department and decided to **settle the para.**

**44. Para No.5.5: Page 104 – Violation of propriety – Rs.836,261**

**2-5-2002:** The Department explained that the para related to construction of buildings of three schools and stated as under:-

**(i) Primary School at Chak No.5/NB District Sargodha (Rs.32,266)**

The Department explained that the work was started on the site indicated by the Education Department. However, when the work had been completed upto plinth level at an expenditure of Rs.32,266, a dispute arose about the site between two local parties which led to a murder and the work could not be completed. It had to be abandoned.

**(ii) Primary School Dera Muhammad Ali (Rs.198,511)**

The work was started at the site indicated by the Education Department. The roof was laid and 2<sup>nd</sup> running payment of Rs.198,511 was released on 26 September 1994. In the meanwhile a party filed a writ petition in Lahore High Court and obtained a stay order. The final decision of the court came on 30 July 1996 while the cut off date of the project was 30 June 1996. However, the local people had completed the building on self-help basis.

**(iii) Government Community Model School Sodhry wala (Rs.307,875)**

The work was started on the site indicated by the Education Department. The work was stopped on 5 January 1994. However, later on it was restarted and completed on 4 December 2001.

The Committee directed that all the relevant record be produced to Audit. The wasteful expenditure of Rs.32,266 in respect of primary school Chak No.5/NB should be got written off by the Competent Authority. With the above observation, **the para was settled.**

**45. Para No.5.6: Pages 104-105 – Violation of Propriety – Rs.92,400**

**17-4-2002:** The para was considered on 16 and 17 April 2002.

The Communications & Works Department explained that the agreement for the lease of Assembly canteen was executed on 16 August 1989 between Assembly Secretariat and the contractor. The Communications & Works Department only collected the monthly rent from the contractor and deposited it in the Government Treasury. The Secretary Assembly explained that before the construction of the Assembly canteen this site was under occupation of Ch. Khan Muhammad who had built a shed type structure and was running a canteen and paying some rent to the Buildings Department. During the period from 1977 to 1985 Martial Law Headquarters Zone-A Punjab were housed in the Assembly Building. During that period the scheme for construction of the Assembly canteen was approved and funds were allocated. However, the occupant filed a civil suit against his adjustment. On the direction of Brig. (ML), HQ MLA, the contractor was given an undertaking that after completion the canteen, it would be rented out to him subject to payment of reasonable rent and provision of food items to the employees of the Assembly Secretariat at reasonable rates. However, on completion of the canteen building, the matter of its renting out was referred to the Law & Parliamentary Affairs Department who advised that it should be leased out through open auction. When tenders were invited through advertisement of tender notice in the newspapers, the said contractor filed a civil suit and obtained a stay order against the open auction of the canteen.

The Assembly Secretariat filed an appeal in the Lahore High Court for vacation of the stay order. The litigation lingered on. In the meantime, the political government had been established. By intervention of the Speaker, it was settled that Assembly canteen would be rented out to Ch. Khan Muhammad at a rent to be determined by the Excise & Taxation Department and he would withdraw the civil suit. The said agreement was initially for one year but was automatically extended. The draft agreement was approved by the Law & Parliamentary Affairs Department. However, the canteen had since been got vacated from the said contractor and was closed.

The Committee accepted the explanation of the Communications & Works Department and the Assembly Secretariat and **settled the para.**

#### **46. Para No.6.8: Page 108 – Recoverables of Rs.64,778**

**17-4-2002:** The Department explained that full recovery of the old dismantled material as per provision of the technically sanctioned estimate had since been effected. **The para was settled.**

#### **47. Para No.6.14: Page 110 – Recoverables of Rs.61,400**

**17-4-2002:** Audit pointed out that the Department failed to recover the stamp duty from the contractors which resulted in non-recovery of Rs.61,400.

The Department explained that full recovery had been effected and record had also been got verified by Audit.

Audit verified the position in the meeting. **The para was settled.**

**48. Para No.6.17: Page 111 – Non-recovery of Rs.86,083**

**22-1-2002:** The Department explained that the work allotted to a contractor remained incomplete as the scheme became un-funded and also because the contractor had died in the meantime. The remaining work was allotted to the second contractor at the risk and cost of first contractor. The heirs of the first contractor filed a suit against the recovery. The case was decided against the Department by the Senior Civil Judge, District & Sessions Judge, Lahore High Court and the Supreme Court of Pakistan. The Department was directed to provide copies of the judgements of the Courts to Audit. **The para was settled.**

**49. Para No.6.28: Pages 115-116 – Recoverables – Rs.387,056**

**23-1-2002:** The Department explained that the full amount of income tax as pointed out by Audit had been deposited by the contractor and verified by Audit. **The para was settled.**

**50. Para No.6.32: Page 117 – Recoverables – Rs.53,000**

**15-4-2002:** The Department explained that the PAC had already decided that the 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.**

**51. Para No.6.34: Page 118 – Non-Deduction of Professional Tax – Rs.117,000**

**22-1-2002:** The Department explained that full amount involved in the para had been recovered

from the contractors and verified by Audit. The Committee had previously observed that the payment of Professional Tax was the liability of the assessee himself. **The para was settled.**

**52. Para No.6.38: Pages 119-120 – Recoverables – Rs.140,914**

**17-4-2002:** The Department explained that total recovery pointed out by audit on account of income tax/professional tax had been made.

Audit recommended the para for settlement during the meeting. **The para was settled.**

**53. Para No.6.39: Page 120 – Recoverables – Rs.94,000**

**2-5-2002:** **The para was settled** with the observation that there was no legal obligation on the Department to make deduction of professional tax at source. However the provision of the contract agreement, if any, regarding production of certificate of payment of professional tax should be implemented.

**54. Para No.6.41: Page 120 – Non-Recovery of Rs.75,500**

**21-1-2002:** Audit had pointed out that the Department had not deducted professional tax while making payment to the contractors. The Committee observed that the payment of professional tax was liability of the assessee on annual basis. There was no provision in the law for compulsory deduction of professional tax at source on each payment to the contractor/supplier by the government department. **The para was settled.**

**55. Para No.6.42: Page 121 – Non-Recovery of Rs.95,000**

**21-1-2002:** Audit had pointed out that the Department had not deducted professional tax while making payment to the contractors. The Committee observed that the payment of professional tax was liability of the assessee on annual basis. There was no provision in the law for compulsory deduction of professional tax at source on each payment to the contractor/supplier by the government department. **The para was settled.**



**56. Para No.6.44: Page 121 – Recoverables – Rs.862,129**

**15-4-2002:** The Department explained that the recovery of the entire amount (Rs.897,538) on account of income tax had been effected and verified by Audit. **The para was settled.**

**57. Para No.6.45: Page 122 – Non-recovery of Professional Tax – Rs.46,000**

**22-1-2002:** The Department explained that full amount involved in the para had been recovered from the contractors and verified by Audit. The Committee had previously observed that the payment of Professional Tax was the liability of the assessee himself. **The para was settled.**

**58. Para No.7.1: Pages 122-123 – Unauthorized payment of – Rs.197,866**

**22-1-2002:** Audit had pointed out that R.C.C. slab had been laid instead of P.C.C. which had resulted in an unauthorized payment. The Department explained that technical sanction had been revised to cover changes in the specifications. The explanation of the Department was accepted and **the para was settled.**

**59. Para No.7.13: Pages 127-128 – Unauthorized Payment of – Rs.1,382,463**

**23-1-2002:** The Department explained that the payment of utility bills had been made as per provision available under the Ministers' Salaries and Privileges Act.

After discussion, the explanation of the Department was accepted and **the para was settled.**

**60. Para No.7.14: Page 128 – Others Payment of – Rs.810,530**

**23-1-2002:** The Department explained that the comparative (item) rates were detained and the lowest (item) rate was approved. The item could not, therefore, be classified as a non-scheduled item. The Department further explained that the rate of pre-cast roofing had been approved on the basis of cost analysis by the competent authority.

The Committee accepted the reply of the Department and **settled the para.**

## Highways Department

**1. Para No.34: Page 50 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.250,800**



**31-1-2002:** Audit verbally stated in the meeting that the accountal of material in question had been verified. **The para was accordingly settled.**

**2. Para No.81: Page 73 – Over Payment – Rs.93,452**

**31-1-2002:** The Department explained that the item under observation was covered in the revised technically sanctioned estimate which was approved before the execution of work. **The para was settled.**

**3. Para No.99: Page 82 – Over Payment – Rs.1,064,624**

**31-1-2002:** The Department explained that overall amount quoted by the contractors was compared and considered, and not the individual items. The explanation of the Department was accepted and **the para was settled.**

**4. Para No.166: Page 113 – Negligence/Loss of Rs.6,243,280**

**29-1-2002:** The Department explained that the lowest bidder in the first tender expressed his inability to undertake the work at the quoted rates. The matter was reported to the Superintending Engineer by XEN for forfeiting of his earnest money and re-tendering of the work. The tenders were re-floated and work allotted to the lowest tenderer.

The Committee observed that there were no clear cut instructions about the award of the contract to second lowest tenderer, in the event of inability of the first lowest tenderer to accept the work. The audit objection could not, therefore, be pursued further. The Committee directed that Finance Department should issue clear cut instructions for dealing with such situations. With the above observation, **the para was settled.**

**5. Para No.174: Page 117 – Violation of Rules – Rs.179,330**

**31-1-2002:** The Department explained that the contingency of work was used in the interest of work, to complete the scheme and to avoid re-tendering which would have raised the cost. The Superintending Engineer had recommended the utilization of the contingency and the Chief Engineer

had approved it.

After discussion, the explanation of the Department was accepted and **the para was settled.**

**6. Para No.208: Page 134 – Violation of Rules – Rs.201,346**

**31-1-2002:** The Department explained that the price variation had not been paid on running payment but it was paid on the successful completion of works. **The para was settled.**

**7. Para No.210: Page 135 – Violation of Propriety – Rs.56,047**

**31-1-2002:** The Department explained that the expenditure in question had been incurred on the work of repair of Truck and Diesel Road Roller which had since been got regularized by the Finance Department. **The para was settled.**

**8. Para No.218: Page 140 – Violation of Propriety-Idle machinery – Rs.28,659,000**

**29-1-2002:** Audit had pointed out that a large number of road construction machinery remained idle during 1996-97. The Department explained that Audit had framed the para without any justification and had given the total cost of all the 180 items of different machinery under observation in this para. The Department stated that machinery had been used as per requisition. The explanation of the Department was accepted and **the para was settled.**

**9. Para No.219: Pages 140-141 – Violation of Propriety – Rs.580,932**

**30-1-2002:** The para was considered on January 30 and 31, 2002.

The Department explained that the para related to special repair works and not to resurfacing. The Work at site had been executed as per provisions in the technically sanctioned estimate. Audit reported that the position had been verified. **The para was settled.**

**10. Para No.220: Page 141 – Violation of Propriety – Rs.265,857**

**30-1-2002:** The Department explained that the number of departmental labour was too short to carry out all the earth work involved in the maintenance of roads of the division. The works had been executed according to the technically sanctioned estimate approved by the competent authority. The explanation of the Department was accepted and **the para was settled.**

**11. Para No.231: Page 146 – Recoverables – Rs.174,510**

**31-1-2002:** The Department explained that route of the road was changed and work could not be started in time. The contractor was not at fault. He was not, therefore, liable to pay interest on the secured advance. After discussion, the explanation of the Department was accepted and **the para was settled.**

**12. Para No.305: Page 179 – Recoverables – Rs.61,500**

Audit had observed: “A division failed to effect recovery of Rs.61,500 from contractors as required under rules. Delay in recovery of professional tax resulted in non-recovery of Rs.61,500

from the contractors”

**17-8-2002:** The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Departments to have deducted the same at source. **The para was settled.**

### **13. Para No.306: Page 179 – Recoverables – Rs.121,000**

**31-1-2002:** Audit pointed out that the *ad hoc* Public Accounts Committee had already decided that payment of professional tax was liability of the assessee.

There was no legal obligation on the Drawing and Disbursing Officer to deduct professional tax at source. **The para was settled.**

### **14. Para No.307: Page 180 – Recoverables – Rs.105,000**

Audit had observed: “In a division professional tax required under section 3 of the Punjab Finance Act 1997 as amended in 1996 was not deducted from the payment made to the contractors Delay in recovery of professional tax resulted in non-recovery of Rs.105,000”.

**17-8-2002:** The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Departments to have deducted the same at source. **The para was settled.**

### **15. Para No.308: Page 180 – Recoverables – Rs.43,900**

**31-1-2002:** The Department explained that the revenue stamp duty was levied only on contracts and not on work orders. The explanation of the Department was accepted and **the para was settled.**

### **16. Para No.322: Page 186 – Others – Rs.498,458**

**29-1-2002:** The Department explained that the deposit in question was available in the deposit register of the concerned division which could be credited to revenue.

The Committee directed that the amount should be got adjusted with the approval of the competent authority and the Finance Department should monitor the case. With the above direction, **the para was settled.**

## **Paras Conditionally Settled Buildings Department Works Audit**

### **1. Para No.1.3: Page 30 – Misappropriation of Rs.749,484**

**23-1-2002:** The Department explained that the accountal of the material under observation in this Audit Para was available and there was no shortage of material.

The Committee decided to **settle the para** subject to verification by Audit.

### **2. Para No.2.1: Page 30 – Overpayment – Rs.86,326**

Audit had observed: “A formation measured and paid the item of sterling door shutter for full length of opening ignoring the space covered by chowkat having a width of 3” surrounding three sides. Excessive measurements resulted in overpayment of Rs 86,326 in December 1997.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

### **3. Para No.2.3: Page 31 – Overpayment – Rs.60,914**

Audit had observed: “A formation measured and paid the item of work “Pacca Brick Work 1:6 in first floor with height of walls as 12’ to 22.5’ against the admissible height of 11.5’ as per technically sanctioned estimate. Payment of excessive height has resulted in over payment of Rs.60,914 in March and May 1995.”

**15-8-2002:** 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 31

January 2003 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 No.2.8: Page 33 – Overpayment – Rs.65,348**

**15-4-2002:** The Department had stated in the working paper that an amount of Rs.29,376 had been recovered in 1995 and the recovery of the remaining amount of Rs.35,972 was being pursued through EDO (Revenue) Rajanpur. However, the Department stated in the meeting that the total amount had since been recovered. The Committee **settled the para** subject to verification of record by Audit.

#### **5. Para No.2.9: Pages 33-34 – Excess Payment of Rs.63,000**

**21-1-2002:** The Department explained that after the execution of items of sub base and base course as per specifications full rate was allowed to the contractor in c.c.10 and running bill paid vide voucher No.88/Ist date 30-5-1998. Thus no excess measurement had been made. Audit wanted to verify the record in support of the contention of the Department. **The para was settled** subject to verification by Audit

#### **6. Para No.2.11: Page 34 – Excess payment – Rs.120,265**

##### **(i) AP No.546 Rs.42,516**

**22-1-2002:** The Department explained that the quantities had been paid for according to the actual Technically Sanctioned Estimate as per measurement book and no excess payment was involved. The explanation of the Department was accepted and **this portion was settled.**

##### **(ii) AP No.556 Rs.42,075.78**

**22-1-2002:** The Department explained that as per decision of the DAC on 2-4/12/98, the official at fault had been issued a warning and no further action was required. **This portion was settled.**

##### **(iii) AP No.560 Rs.77,750**

**22-1-2002:** The Department explained that the payment made for the work was within the provision of Technically Sanctioned Estimate. **This portion was settled** subject to verification by Audit

## **7. Para No.2.12: Page 35 – Overpayment – Rs.99,883**

Audit had observed: “A formation measured and paid an item of work “Providing and Fixing cast irons soil pipe and specials” in excess of admissible quantity and deduction of length of specials from the C.I.Pipe was not made. Payment of excess quantity of cast iron specials/pipe resulted in excess payment of Rs.99,883 in May 1995.”

**15-8-2002:** 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 31 January 2003 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 No.2.13: Page 35 – Overpayment – Rs.59,844**

**16-4-2002:** The Department explained that increased diameter of tubewell boring was approved by the Superintending Engineer in the revised technically sanctioned estimate. Similarly, the increased depth of tubewell was also approved by the Superintending Engineer in the revised technically sanctioned estimate. **The para was settled** subject to verification of record by Audit.

## **9. Para No.2.14: Page 36 – Overpayment – Rs.46,725**

Audit had observed: “A formation made excess payment due to incorrect computations and fictitious measurements. Incorrect computation and fictitious measurements resulted in excess payment of Rs.46,725.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **10. Para No.2.17: Page 37 – Overpayment – Rs.64,746**



**22-1-2002:** The Department explained that the work had been executed according to the Technical Sanction and no over-payment was involved. **The para was settled** subject to verification of record by Audit.

#### **11. Para No.2.18: Page 37 – Overpayment – Rs.58,910**

**16-4-2002:** The Department explained that this para consisted of two Advance Audit Paras and explained as under:-

**(i) Rs.44,985**

The Department explained that in the items of work under observation horizontal shuttering was required and as such correct rate had been applied.

**(ii) Rs.13,925**

The Department explained that the record entry of the item in question had been made in the Measurement Book.

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

#### **12. Para No.2.19: Page 38 – Overpayment – Rs.860,829**

Audit had observed: “A formation measured and paid the item of Providing and Laying Weather Shield paint on old surface one coat @ Rs 142.75 instead of 50/- per % sft as per AC No.14 dated 8.5.1993 by issuing work orders instead of calling open tenders. Allotment/execution of work on work order basis by splitting the estimate resulted in over payment of Rs 860,829 due to higher rate.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **13. Para No.2.20: Page 38 – Overpayment – Rs.240,130**

Audit had observed: “A formation paid an item of terrace railing at non schedule rates of Rs.150 p.sft instead of Rs.40.80 p.sft as per Composite Schedule of Rates 1979. Measurement of the same was also made for more quantities than DNIT/Agreement. Allowing of higher rate resulted in unjustified payment of Rs.240,130.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to**



**the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**14. Para No.2.24: Page 40 – Overpayment – Rs.194,888**

Audit had observed: “A formation measured and paid 9425 cft. RCC 1:2:4 in raft strips @ Rs.21.05 P.cft instead of @ Rs 15.70 P.cft as per provision of estimate. Payment of higher rate resulted in an excess payment Rs.194,888 in November 1997.”

**15-8-2002: 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 31 January 2003 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 No.2.27: Page 41 – Overpayment – Rs.121,943**

**16-4-2002:** The Department explained that in the original estimate the rate for RCC in foundation was inadvertently taken as Rs.15.70 per Cft, whereas in the revised estimate the rate for RCC pipe caps and connecting beams was corrected as Rs.21.05 Cft as horizontal shuttering was involved in the work.

The Committee directed that the issue involved in this para should be discussed and resolved by the SDAC. Subject to the above direction **the para was settled.**

**16. Para No.2.28: Page 42 – Overpayment – Rs.875,540**

**17-4-2002:** The Department explained that item rates had been accepted on the basis of competitive tenders and also sanctioned in the technically sanctioned estimate approved by the Superintending Engineer. **The para was settled** subject to verification by Audit

**17. Para No.2.29: Page 42 – Overpayment – Rs.115,342**

**17-4-2002:** The Department explained that as a result of inquiry a sum of Rs.728,520 was found recoverable out of which Rs.411,877 is to be recovered from the concerned officers/officials and Rs.316,943 from the contractor. The Department further explained that as a result of disciplinary proceedings, the XEN was compulsorily retired and a recovery of Rs.205,789 was imposed on him, the Sub-Divisional Officer was dismissed from service and a recovery of Rs.123,473 was imposed on him and a recovery of Rs.82,315 was imposed on the Sub-Engineer. The Department further

explained that the amount of Rs.82,315 had been recovered from the Sub-Engineer. Moreover, a recovery of Rs.316,943 had also been made from the security of contractor in December 2001. The Department stated that efforts were being made to effect the recovery imposed on the XEN and SDO mentioned above.

The Committee directed that the inquiry report should be produced to Audit. The Department should also consider initiating action against the Divisional Accountant. The Finance Department should monitor further action in the matter. With the above direction, **the para was settled** subject to Audit verification.

### **18. Para No.2.30: Pages 42-43 – Overpayment – Rs.791,783**

**17-4-2002:** The Department explained that as a result of inquiry a sum of Rs.728,520 was found recoverable i.e. Rs.411,877 from the concerned officers/officials and Rs.316,943 from the contractor. The Department further explained that as a result of disciplinary proceedings the XEN was compulsorily retired and a recovery of Rs.205,789 was imposed on him, the Sub Divisional Officer was dismissed from service and a recovery of Rs.123,473 was imposed on him and a recovery of Rs.82,315 was imposed on the Sub-Engineer. The Department further explained that the amount of Rs.82,315 had been recovered from the Sub-engineer. Moreover, a recovery of Rs.316,943 had also been made from the security of contractor in December 2001. The Department stated that efforts were being made to effect the recovery imposed on the XEN and SDO mentioned above.

The Committee directed that the inquiry report should be produced to Audit. The Department should also consider initiating action against the Divisional Accountant. The Finance Department should monitor further action in the matter. With the above direction, **the para was settled** subject to Audit verification.

### **19. Para No.2.33: Page 44 – Overpayment – Rs.175,858**

**3-5-2002:** The Department explained that–

- (i) the recovery of Rs.19,238 on account of overpayment of 3<sup>rd</sup> coat of weather shield had been effected from the contractor;
- (ii) recovery of Rs.8,647 on account providing marble strip had been effected from the contractor;
- (iii) air-conditioning was provided in the original Administrative Approval. Moreover, the item of roof tiles along with the insulation was provided in the revised technically sanction estimate.

**The para was settled** subject to verification by Audit of recovery admitted and effected by the Department.

## **20. Para No.2.36: Page 45 – Overpayment of Rs.38,764**

**17-4-2002:** The Department explained that over-payments of Rs.22,961 and Rs.15,803 on account of various items as pointed out by Audit had been made inadvertently, but the same had been subsequently recovered. The Committee directed that disciplinary action should be taken against the officers/officials, including the Divisional Accountant, responsible for overpayment in the first instance. With the above direction, **the para was settled** subject to verification by Audit

## **21. Para No.2.37: Pages 45-46 – Overpayment of Rs.57,875**

### **(i) Rs.34,914**

**17-4-2002:** The Department explained that this part was a repetition of part-I of Audit Para 2.36. The Committee decided to drop this part as it had already been dealt with.

### **(ii) Rs.34,914**

**17-4-2002:** The Department explained that the amount of income tax pointed out by the Audit had been recovered and verified by Audit on 27 February 2001.

**This part was settled** subject to audit verification.

## **22. Para No.2.41: Page 47 – Overpayment – Rs.90,592**

Audit had observed: “A formation paid the rates of some items higher than that provided in the agreement. Payment of higher rates has resulted in over payment of Rs.90,592 in April 1995.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **23. Para No.2.45: Page 49 – Overpayment – Rs.71,885**

**16-4-2002:** The Department explained that the openings in the brick work had been correctly deducted. Moreover, the conversion factor for steel had also been correctly applied. The Committee **settled the para** subject to verification by Audit

**24. Para No.2.46: Pages 49-50 – Overpayment – Rs.63,084**

Audit had observed: “A formation made incorrect payment for the item of conglomerate flooring with rubbing & polishing though no measurement for rubbing and polishing was recorded. Unauthorised payment for component of rubbing and polishing resulted in excess payment of Rs.63,084 in December 1997.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**25. Para No.2.47: Page 50 – Overpayment – Rs.67,940**

Audit had observed: “A formation measured and paid the items of work dry rammed brick ballast, P/L conglomerate flooring and mosaic flooring without laying sand under floors. Payment of flooring without laying sand under floor has resulted in unjustified payment of Rs.67,940 in April 1995.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**26. Para No.2.49: Page 51 – Overpayment of Rs.570,585**

**23-1-2002:** The Department explained that Audit Para 2.49 was related to Para 2.5. An inquiry into the matter had been finalized and the officers/officials responsible for overpayment had already been punished vide order dated September 2, 2000.

The Committee decided to **settle the para** subject to verification of Departmental contention by Audit.

**27. Para No.2.56: Page 54 – Overpayment – Rs.58,767**

**15-4-2002:** The Department explained that the payment was made after the estimate had been technically sanctioned by the competent authority. The provision was approved in the revised detailed estimate. No excess payment was involved. The relevant record was available.

The Department was directed to produce the relevant record (including the XEN's letter to the Superintending Engineer about the soil) to Audit for verification and comments. The Committee **settled the para** subject to verification of record.

**28. Para No.2.57: Page 54 – Excess payment – Rs.453,100**

**22-1-2002:** Audit had pointed out that two coats of paint had been applied on old surface in annual repair works. The Department explained that the provision of two coats of paint on old surface wherever required was permissible in CSR 1979. The Department was directed to get its contention verified by Audit. **The para was settled** subject to verification by Audit

**29. Para No.2.59: Page 55 – Overpayment – Rs.361,000**

**22-1-2002:** Audit had pointed out that two coats of paint had been applied on old surface in annual repair works. The Department explained that the provision of two coats of paint on old surface wherever required was permissible in CSR 1979. The Department was directed to get its contention verified by Audit. **The para was settled** subject to verification by Audit

**30. Para No.2.60: Page 55 – Overpayment – Rs.39,000**

**15-4-2002:** The Department explained that the actual recoverable amount was Rs.863 which had already been recovered in 1994. The Department further explained that no other excess payment was involved. The Committee **settled the para** subject to verification of record by Audit.

**31. Para No.3.3: Page 57 – Negligence: non-vouching/non recovery of Advances of –**

**Rs.14,041,752**

**23-1-2002:** The Department explained that the amount under observation in this para was deposited with the Land Acquisition Collector who had not yet disbursed the whole amount to the landowners whose land had been acquired. An amount of Rs.1,068,270 had yet to be disbursed by the Land Acquisition Collectors after due process under the law. **The para was settled** subject to verification by Audit.

**32. Para No.3.4: Page 57 – Negligence – Rs.30,760**

Audit had observed: “A formation awarded certain works of annual repair/ maintenance to various contractors, but they failed to start the works and their earnest money was not forfeited. Non forfeiture of earnest money resulted in loss of Rs.30,760.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**33. Para No.3.5: Page 58 – Negligence – Rs.4,632,647**

Audit had observed: “A formation called tenders on May 05, 1996 and the lowest contractors further reduced their rates after negotiation with the condition of acceptance of tenders within two months. The case was sent to Superintending Engineer by the Executive Engineer in June 1996. Approval was delayed and acceptance letters were issued in November 1996 but the contractors refused to start the work. Due to slackness of the officers work could not be started. Due to delay approval of tenders the Government was put to a loss of Rs.4,632,647. The extra cost incurred for completion was however not intimated.”

**15-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.



**34. Para No.4.3: Page 59 – Violation of Rules – Rs.90,238**

**16-4-2002:** Audit had pointed out that certain quantities of items were paid in excess of the approved design in November 1997. The Department explained that the items under observation were covered in the revised estimate technically sanctioned by the Chief Engineer on 31 October 1997.

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

**35. Para No.4.4: Page 59 – Violation of Rules – Rs.177,941**

**16-4-2002:** The Department explained that the excess quantities of the work under observation in this para had been covered in the revised estimates technically sanctioned by the Superintendent Engineer.

Audit, however, pointed out that technical sanction was done on the basis of work done but the amount of technical sanction was higher than actual work done and paid.

The Department was directed to get the record verified by Audit at the earliest. **The para was settled** subject to verification by Audit

**36. Para No.4.5: Page 60 – Violation of Rules – Rs.162,200**

**16-4-2002:** The Department explained that the work in question was got executed as per requirement of the client department and duly incorporated in the revised estimate technically sanctioned by the competent authority. The Committee **settled the para** subject to verification of record by Audit.

**37. Para No.4.6: Pages 60-61 – Violation of Rules – Rs.354,234**

**16-4-2002:** The Department explained that the items objected by Audit were approved and executed as non-scheduled items by the competent authority. The Committee **settled the para** subject to verification of record by Audit.

**38. Para No.4.7: Page 61 – Violation of Rules – Rs.388,738**

**17-4-2002:** The Department explained that the expenditure under observation in this para had been covered under the revised Administrative Approval and revised Technical Sanction. **The para was settled** subject to verification by Audit



**39. Para No.4.8: Page 61 – Violation of Rules – Rs.80,835**

**16-4-2002:** The Department explained that the item in question was got executed as per site requirements as well as requirements of the client department and duly incorporated in the revised estimate technically sanctioned by the competent authority. The Committee **settled the para** subject to verification of record by Audit.

**40. Para No.4.10: Page 62 – Violation of Rules – Rs.363,252**

**17-4-2002:** Audit pointed out that the Department deducted the security deposits more than that stipulated in the agreement to avoid lapse of funds which resulted in mis-utilization of Rs.365,262.

The Department explained that excessive security deduction to the extent of 20% were made to be on safe side, because due to rush of work during June 1995 the XEN could not check the execution of work minutely and hence excessive retention money was retained. There was no misappropriation or loss to Government.

The Committee observed that payments should not have been allowed until the XEN had certified the successful completion of work. Appropriate action should be taken against the XEN who allowed such payments. Finance Department should monitor progress in this case. The Committee further observed that the practice of deducting excessive retention money could not be recommended. With the above direction, **the para was settled.**

**41. Para No.4.11: Page 62 – Violation of Rules – Rs.227,285**

**16-4-2002:** The Department explained that all the items of work pointed out by Audit were executed and were duly incorporated in the revised technically sanctioned estimate by the competent authority. There was no excess payment involved. The Committee **settled the para** subject to verification of record by Audit.

**42. Para No.4.12: Page 63 – Violation of Rules – Rs.827,364**

**16-4-2002:** The Department stated that this Audit para comprised three Advance Paras and explained as under:-

**(i) AP No.654 Rs.80,072**

The Department explained that the quantity of RCC was executed according to the structural design provided by the Planning & Development Directorate. The technical sanction was being revised accordingly.

**(ii) AP No.657 Rs.10,920**

The Department explained that excessive item of work involved in the para had been incorporated in the revised technically sanctioned estimate.

**(iii) AP No.659 for Rs.736,371**

The Department explained that the quantity of mild steel used at site was in accordance

with the drawings supplied by the Planning & Development Directorate. This variation did not warrant revised technical sanction as per para 2.110 Chapter 11 of the B & R Code.

The **para was settled** subject to verification by Audit.

#### **43. Para No.4.13: Page 63 – Violation of Rules – Rs.192,900**

Audit had observed: “A formation measured and paid two items of work without any provision in the technically sanctioned estimate. Execution of an item of work beyond the provision of technically sanctioned estimate resulted in unauthorized payment of Rs.192,900 in June 1996.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **44. Para No.4.14: Page 64 – Violation of Rules – Rs.548,971**

Audit had observed: “A formation measured and paid certain items in excess of the quantities provided in technically sanctioned estimate. Payment of excess quantities than estimate resulted in excess payment of Rs.548,971.”

**15-8-2002:** 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 31 January 2003 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 No.4.16: Page 64 – Violation of Rules – Rs.1,104,950**

Audit had observed: “A formation measured and paid two items of work i.e. (i) filling earth brought from outside lead 6-miles and (ii) making ornamental/structural 7’ – 6” to 10’ span in special class moulded brick masonry in 1:2” without provision in estimate and agreement. Payment of item of work not provided in agreement and estimate resulted in excess payment of Rs.1,104,950 in March 1995.”

**15-8-2002:** 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 31 January 2003 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 No.4.17: Page 65 – Violation of Rules – Rs.1,640,980**

Audit had observed: “A formation measured and paid the quantity of 63805 sft of “ornamental/ architectural ½” thick pacca brick work in special bricks in 1:2 for walls i/c cost of bricks etc.” against the admissible quantity of 26510 sft as per sanctioned. Payment of quantity more than the provision of the estimate resulted in over payment of Rs.1,640,980 in March 1995.”

**15-8-2002:** 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 31 January 2003 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 No.4.18: Page 65 – Violation of Rules – Rs.1,782,900**

Audit had observed: “A formation measured and paid the quantity of steel in excess of the provision of technically sanctioned estimate. Payment of steel of more than the provision of technical estimate has resulted in over payment of Rs.1,782,900 in March and May 1995.”

**15-8-2002:** 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 31 January 2003 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 No.4.21: Page 67 – Violation of Rules – Rs.285,289**

Audit had observed: “A formation measured and paid the item of “brick facing in cement, lime and Surki Mortar 41.2 and 9” thick for quantities of 54626 sft and 18901 sft against the admissible quantities of 50325 sft and 16550 sft as per sanctioned estimate. Payment of excessive quantities

resulted in overpayment of Rs.285,289.”

**15-8-2002:** 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 31 January 2003 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 No.4.22:Page 67 – Violation of Rules – Rs.92,241**

Audit had observed: “A formation made payment for an item of work, which was not provided in agreement and sanctioned estimate. Payment for item not provided in the agreement resulted in unauthorized payment of Rs.92,241 in February 1997.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**50. Para No.4.25: Page 69 – Violation of Rules – Rs.192,750**

**3-5-2002:** The Department explained that the increased quantity of providing and fixing aluminum windows was covered in the revised technically sanctioned estimate. **The para was settled** subject to verification of record by Audit.

**51. Para No.4.26: Page 69 – Violation of Rules – Rs.64,000**

**3-5-2002:** The Department explained that the increased quantity of aluminum doors was covered in the revised technically sanctioned estimate. **The para was settled** subject to verification of record by Audit.

**52. Para No.4.32: Page 72 – Violation of Rules – Rs.424,260**

**(i) AP No.4792 for Rs.66,255**

**17-4-2002:** The Department explained that plinth beam had to be provided according to the site requirement of the building and the increased quantities of steel and RCC were approved in the revised Technical Sanction granted by the Competent Authority. **The item was settled** subject to verification by Audit

**(ii) AP No.4793 for Rs.159,991**

Audit pointed out that the item was executed without provision in the technical sanction and without the approval of the competent authority.

The Department explained that the provision for RCC for boundary wall was changed to PCC 1:2:4 by the Competent Authority. The change made was for cheaper article which was economical and resulted in saving. The item was settled.

**(iii) AP No.4794 for Rs.45,031**

The Department explained that the change of quantity/design had been approved by the Competent Authority in the revised technical sanction. **The item was settled** subject to verification by Audit

**(iv) AP No.18 for Rs.25,191**

The Department explained that the quantity of sand filling was increased on the basis of the Report of the Building Research Station, Lahore. **The item was settled** subject to verification by Audit

**(v) AP No.20 for Rs.55,345**

The Department explained that the plinth had to be provided according to the site requirement and the increased quantities of steel and RCC was approved in the revised Technical Sanction granted by the Competent Authority. **The item was settled subject to verification.**

**(vi) AP No.5 for Rs.25,752**

The Department explained that the lead of 500 ft was provided for estimation purpose. The lead chart as per actual lead of one mile was approved by the Competent Authority. The explanation of the Department was accepted and **the item was settled.**

**(vii) AP No.11 for Rs.46,695**

**1. Rs.7,220**

The Department explained that there was no excess in the quantity of marble strip and Audit had mis-calculated the floor area.

**2. Rs.6,347**

The Department explained that there was no excess in the quantity of marble strip

and Audit had mis-calculated the floor area.

**3. Rs.12,260**

The Department explained that no excess quantity of RCC and steel had been paid.

**4. Rs.20,568**

The Department explained that no excess quantity of RCC and steel had been paid.

The Committee **settled the items** subject to verification by Audit

**53. Para No.4.40: Page 75 – Violation of Rules – Rs.47,443**

**2-5-2002:** Audit had pointed out that the Department had paid for 1½” thick mosaic floor @ Rs.490 per % Sft instead of conglomerate flooring @ Rs.281.55% Sft as provided in the estimate. The Department explained that the Client Department i.e. The Education Department had been moved to issue Administrative approval due to change of scope/rates.

The Committee was not satisfied with the explanation of the Department and directed that the irregular expenditure may be got regularized by the Competent Authority. Moreover, appropriate action should be taken against the officer for making payment without a provision in the estimates. The amount should be recovered from persons at fault if necessary approvals are not forthcoming. The action should be completed within three months. The Finance Department should monitor further action in the matter. With the above direction, **the para was settled.**

**54. Para No.4.41: Pages 75-76 – Violation of Rules – Rs.83,386**

**17-4-2002:** Audit pointed out that the Department executed the work beyond sanctioned limit without prior approval from the competent authority which resulted in excess payment of Rs.83,386.

The Department explained that the Administrative Approval of the scheme was accorded for Rs.53.99 lac. Revised Technical Sanction accorded for Rs.51.57 lac against which an expenditure incurred was Rs.5,155,897. No scope of work was curtailed and full scope of work was executed.

The Committee directed the Department to produce the record to Audit for verification and decided **to settle the para** subject to verification by Audit.

**55. Para No.4.42: Page 76 – Violation of Rules – Rs.221,576**

**2-5-2002:** Audit had pointed out that quantity of earth filling had been paid in excess of that provided in the estimate.

The Department explained that the change of excess quantity in earth filling was made as per site requirements and revised estimate had been submitted to the Client Department i.e. the Education Department for issuance of revised administrative approval.

The Committee was not satisfied with the explanation of the Department and directed that irregular expenditure should be got regularized. Appropriate action should be taken against the



officers responsible for excess payment beside recovery. The Finance Department was directed to monitor further action in the matter. With the above direction, **the para was settled.**

**56. Para No.4.45: Page 77 – Violation of Rules – Rs.5,513,520**

Audit had observed: “A formation paid various items of works on item rate basis without preparing analysis of rates and approving them from Superintending Engineer concerned. Payment for various items of works on item rate basis, not approved by Competent Authority has resulted in unauthorized payment of Rs.5,513,520.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**57. Para No.4.47: Page 78 – Violation of Rules – Rs.212,142**

**(i) AP No.4372**

**17-4-2002:** The Department explained that payment of price variation was made on completion of work. **This part was settled.**

**(ii) AP No.4373**

**17-4-2002:** The Department explained that in this case payment for price variation had been made before completion of the work and the XEN, SDO, Sub-Engineer and Divisional Accountant concerned were being proceeded against for making the irregular payment. Subject to the completion of disciplinary action, **this part was settled.**

**58. Para No.4.50: Page 79 – Violation of Rules – Rs.204,471**

**16-4-2002:** Audit had pointed out that price variation of steel and cement had been paid during execution of work in violation of the instructions of the Finance Department. The Department explained that price variation had been made after completion of the work, in the 10<sup>th</sup> running bill which was last bill of payment. The Department was directed to produce the record to Audit for verification.

The Committee also observed that the Finance Department might consider reviewing and revising its instructions on the subject so that the matter is clarified and no undue hardship is caused to the parties concerned. **The para was settled** subject to verification by Audit



**59. Para No.4.51: Pages 79-80 – Violation of Rules – Rs.75,451**

**16-4-2002:** The Department stated that the para comprised two advance Paras and explained as under:-

**(i) AP No.3035 for Rs.40,502**

The Department explained that the price variation was paid when the portion of work relating to item of price variation had been completed. In its latest comments, Audit had accepted the departmental explanation. **This part of the para was settled.**

**(ii) AP No.3045 for Rs.34,940**

The Department explained that the amount of price variation was paid to the contractor in June 1994 and was placed in Miscellaneous PW Advance, and was recovered from the contractor in November 1994. **This part of the para was settled** subject to verification of record by Audit

**60. Para No.4.52: Page 80 – Violation of Rules – Rs.6.5 Million**

Audit had observed: “A formation incurred expenditure on repair and maintenance without observing codal rules and its limitations. Incurring of expenditure without observing its limitations and without observing codal rules stands irregular for Rs.6.5 Million.”

**15-8-2002:** 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 31 January 2003 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 No.4.54: Page 81 – Violation of Rules – Rs.693,244**

**16-4-2002:** The Department explained that deduction/adjustment of 10% security up to 50 lac had been effected from the next running bills of the contractor and Audit had been asked to verify the fact. The Committee **settled the para** subject to verification by Audit

**62. Para No.4.57: Page No.82 – Violation of Rules – Rs.16,843,919**

Audit had observed: “A formation failed to observe codal rules and instructions issued by Finance Department while making payment for annual repair & maintenance. Non observance of

codal rules resulted in irregular expenditure of Rs.16,843,919 in 1996-97.”

**15-8-2002:** 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 31 January 2003 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 No.4.58: Page 82 – Violation of Rules – Rs.1,265,400**

Audit had observed: “A formation incurred expenditure on annual repair works without technical sanction to estimate from the Competent Authority as required under the rules. Award of work and incurrence of expenditure without sanctioned estimate resulted in unauthorized payment of Rs.1,265,400 in 1996-97.”

**15-8-2002:** 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 31 January 2003 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.

**64. Para No.4.59: Page 83 – Violation of Rules – Rs.4,805,802**

Audit had observed: “A formation made payment for work done without obtaining performance security bond from contractor. Payment without obtaining security bond from contractor has resulted in irregular expenditure of Rs.4,805,802.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**65. Para No.4.64: Page 85 – Over Payment of Rs.62,507**

**21-1-2002:** The Department explained that the amount of Rs.62,507 involved in this para had been recovered on May 25, 2001. **The para was settled** subject to verification by Audit

**66. Para No.4.65: Page 85 – Violation of Rules-Non-forfeiture of Security Deposit – Loss of Rs.106,383**

**22-1-2002:** Audit had pointed out that the security of the contractor who had left the work incomplete had not been forfeited. The Department explained that the contractor in question had completed the work and the forfeiture of security was not warranted. The Department was directed to get the record verified by Audit. **The para was settled** subject to verification by Audit

**67. Para No.4.68: Page 86 – Violation of Rules – Unjustified Payment of Rs.110,000**

**22-1-2002:** The Department explained that full recovery of the secured advance had been made from the contractor. **The para was settled** subject to verification by Audit

**68. Para No.4.77: Page 91 – Violation of Rules – Rs.126,460**

**15-4-2002:** The Department explained that an amount of Rs.27,085 related to Education Buildings Division, D.G. Khan and the remaining amount of Rs.99,375 related to Education Buildings Division, Sargodha. The relevant record was being collected from the quarters concerned. The Department asked time for getting the relevant record verified by Audit. The para was kept pending.

**2-5-2002:** The Department explained that tenders had been accepted within permissible limit of 4.5% of the technically sanctioned estimate. The amount of technically sanctioned quoted by Audit was not correct. The Committee **settled the para** subject to verification of record by Audit

**69. Para No.4.80: Page 92 – Violation of Rules – Rs.8,686,323**

**16-4-2002:** The Department explained that **Para** No.Nos.4.80 and 7.12 were inter-related. The

Department further explained that two schemes namely strengthening and improvement of Government Pilot Secondary School for Boys Wahdat Colony, Lahore and Government Pilot Secondary School for Girls Wahdat Colony, Lahore were being funded and executed simultaneously.

Ultimately both the schemes were completed as per their respective allocations of funds.

The Department further explained that ADP scheme No.2445 1994-95 was misprinted as relating to Government Pilot Secondary School for Boys but actually it related to Government Pilot Secondary School for Girls. This printing error was later on rectified by the Finance Department and expenditure was incurred accordingly.

The Department was directed to produce the relevant record to Audit. **The para was settled subject to verification of record by Audit**

#### **70. Para No.4.84: Pages 93-94 – Violation of Rules – Rs.285,268**

Audit had observed: “Various formations incurred expenditure on repairs and maintenance of provincial lodges and rest houses without sanction of Competent Authority, in excess of fixed yard stick. Non compliance of rules resulted in irregular payment of Rs.285,268.”

**15-8-2002:** 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 31 January 2003 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.

#### **71. Para No.4.87: Page 95 – Violation of Rules – Rs.2,036,225**

Audit had observed: “A formation allotted the work at 11.97% above the estimated cost instead of permissible limit of 4.5%. Due to acceptance of tenders at higher rate in violation of Finance Department orders, Government was put to a loss of Rs.2,036,225.”

**15-8-2002:** 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, if necessary. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January

2003. Finance Department shall monitor the implementation of the directive of the PAC.

**72. Para No.4.95: Page 98 – Violation of Rules-99,940**

**2-5-2002:** Audit had pointed out that the item of weather shield was deleted by the SE while approving D.N.I.T. and revised TS estimate. The item was however included in the second revised estimate. Audit further pointed out that under the B&R Code second revision is allowed with the approval of administrative Department and with the concurrence of Finance Department.

The Committee was not satisfied with the explanation of the Department given in the working paper – the wasteful expenditure could have been avoided if the officers concerned had exercised prudence in spending public money. The Committee directed that as suggested by Audit, the second revised technical sanction should be got approved by the Finance Department. With the above direction, **the para was settled.**

**73. Para No.4.98: Pages 99-100 – Over Payment of Rs.89,044**

**21-1-2002:** The Department explained that the actual recoverable amount was Rs.7,497 which had been recovered. **The para was settled** subject to verification by Audit

**74. Para No.4.100: Page 100 – Violation of Rules-Excess Payment of Rs.80,383**

**22-1-2002:** The Department stated that this audit para was based on two advance paras and explained as under:-

**(i) Advance para No.545 amounting to Rs.36,842**

**22-1-2002:** The Department explained that the cutting in the record had been made in good faith for the purpose of correction of an error. Audit was satisfied with the explanation. **This part was settled.**

**(ii) Advance para No.547 amounting to Rs.43,540/91**

**22-1-2002:** In its latest comments Audit wanted to check the revised drawing and design along with final bill, M.B. and vouchers. **This part was settled** subject to verification by Audit

**75. Para No.4.102: Page 101 – Violation of Propriety – Rs.1,106,132**

Audit had observed: “Various formations sustained loss due to application of the incorrect rates non revision thereof and non deposit of rent after realization in Government account of lodges and rest houses. Non compliance of rules resulted in loss of Rs.1,106,132.”

**15-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**76. Para No.5.1: Page 102 – Violation of Propriety – Rs.75,347**

**16-4-2002:** The Department explained that the item of vinyl flooring was changed to marble flooring for hygienic reasons by the Hospital authorities. This change was incorporated in the revised technically sanctioned estimate approved on 20 January 1997.

Audit stated that the record had been produced by the Department and was under verification. The Committee **settled the para** subject to verification of record by Audit

**77. Para No.5.4: Page 104 – Violation of Propriety – Rs.133,294**

**16-4-2002:** The Department explained that no undue benefit had been given to the contractor. The item was duly incorporated in the technically sanctioned estimate by the competent authority. There was no excess payment involved. The Committee **settled the para** subject to verification of record by Audit

**78. Para No.5.7: Page 105 – Violation of Propriety – Rs.5,228,777**

Audit had observed: “A formation made payment for ware house charges which were not provided in agreement & estimate. Payment of Rs.5,228,777 for items not provided in estimate stands unjustified.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**79. Para No.6.6: Pages 107-108 – Recoverables – Rs.290,094**

Audit had observed: “A formation failed to recover telephone and other charges from various officers and kept in Misc. P.W.Advances against their names. Department failed to recover telephone charges and other dues from a number of officers which resulted in non-recovery of Rs.290,094.”



**15-8-2002:** 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 January 2003. 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.

**80. Para No.6.7: Page 108 – Recoverables – Rs.52,000**

**16-4-2002:** The Department explained that the renewal fee along with the penalty where due had been recovered from the concerned contractors. **The para was settled** subject to Audit verification.

**81. Para No.6.9: Page 109 – Recoverables – Rs.191,207**

**15-4-2002:** The Department explained that the amount of the para was reduced by Audit from Rs.191,207 to Rs.83,664. The same had been effected from the security deposit of the contractor. The Committee **settled the para** subject to verification of record by Audit

**82. Para No.6.10: Page 109 – Non-recovery of Rs.57,598**

**22-1-2002:** The Department explained that actual recoverable amounts of Rs.37,640 and Rs.19,958 had been recovered earlier and the balance amount of Rs.17,682 had recently been recovered. **The para was settled** subject to verification by Audit

**83. Para No.6.11: Pages 109-110 – Recoverables – Rs.71,106**

Audit had observed: “A formation failed to recover the extra expenditure incurred at the risk and cost of the defaulting contractor. Non-realization of Government dues has resulted in non-recovery of Rs.71,106 up to December 1995.”

**15-8-2002:** 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 January 2003. 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.



**84. Para No.6.12: Page 110 – Recoverables – Rs.210,552**

**3-5-2002:** Audit pointed out that the Department failed to recover the amount of risk and cost and shrinkage of earth from the contractor.

The Department stated that the para was based on two Advance Paras and explained as under:-

**(i) AP No.4655 (Rs.171,734)**

(A) The Department explained that an amount of Rs.35,085 on account of risk and cost had been recovered from the contractor and the recovery of balance amount Rs.20,071 as arrears of land revenue was in process.

The **item was settled by the Committee subject to balance recovery** and its verification by Audit.

**Items B and C**

The explanation of the Department was accepted and the **items were settled** subject to verification.

(D) The Department explained that no risk and cost was involved. **The item was settled** subject to verification by Audit

(E) The explanation of the Department was accepted and **the item was settled**.

(F) The Department explained that no risk and cost was involved. **The item was settled** subject to verification of record by Audit

**(i) AP No.4669 Rs.38,818**

The Department explained that no risk and cost was involved. **The para was settled** subject to verification of record by Audit

**85. Para No.6.13: Page 110 – Recoverables – Rs.256,013**

**3-5-2002:** The Department explained that entire recovery of Rs.281,000 had been effected from the contractor. The Committee **settled the para** subject to verification of record by Audit

**86. Para No.6.15: Page 111 – Recoverables – Rs.99,500**

**2-5-2002:** The Department explained that full recovery on account of stamp duty on contracts had been recovered from the contractors as pointed out by Audit. The Committee **settled the para** subject to Audit verification.

**87. Para No.6.16: Page 111 – Recoverables – Rs.1,115,163**

**2-5-2002:** The Department explained that the actual recoverable amount on account of risk and cost from the contractor was Rs.1,115,163. The civil suit filed by the contractor against the recovery was decided on 9 March 2002 by the court in favour of the Department. The case for recovery as arrears of land revenue through EDO (R) Mianwali was being pursued. The Committee directed that

further action in the matter should be monitored by the Finance Department. With the above direction, **the para was settled.**

#### **88. Para No.6.18: Page 112 – Recoverables – Rs.342,311**

**16-4-2002:** The Department explained that the cost of the dismantled material had been duly assessed and had been recovered from payments made to the contractor. The Committee **settled the para** subject to verification of record by Audit

#### **89. Para No.6.19: Page 112 – Recoverables – Rs.12,216,263**

Audit had observed: “A formation failed to recover compensation charges from contractor for delay in completion of works as per clause 39(a) of contract agreement. Failure of department to recover compensation charges on delay of work from contractors has resulted in non-recovery of Rs.12,216,263.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **90. Para No.6.20: Page 113 – Non-Recovery of Rs.92,261**

**22-1-2002:** The Department explained that the P.W Advance in question had since been cleared. The Department was directed to get the record verified by Audit. **The para was settled** subject to verification by Audit

#### **91. Para No.6.23: Page 114 – Non-recovery of secured advances – Rs.385,468**

**22-1-2002:** The Department explained that an amount of Rs.297,439 of the secured advance had been adjusted/recovered from the contractors. As regard outstanding secured advance of Rs.88,029, an inquiry was initiated against the officers/officials involved under Punjab Removal from Service (Special Powers) Ordinance 2000 and final orders of recovery had been made by the Competent Authority.

The Department was directed to effect the balance recovery and get the entire recovery verified by Audit. **The para was settled** subject to verification.

#### **92. Para No.6.25: Page 114 – Non-recovery of Rs.862,800**

**22-1-2002:** The Department explained that total recovery of the secured advance had been adjusted from the bills of the contractors. **The para was settled** subject to verification of relevant

record by Audit.

**93. Para No.6.27: Page 115 – Recoverables – Rs.41,862**

Audit had observed: “A formation failed to deduct income tax at 3% instead of 5% from the payments made to a contractor after revision of deduction rates from 1<sup>st</sup> July 1995. Deduction of income tax at lesser rate has resulted in overpayment of Rs.41,862.”

**15-8-2002:** 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/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, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**94. Para No.6.29: Page 116 – Recoverables – Rs.162,437**

**15-4-2002:** The Department explained that total recovery of Rs.116,530 and Rs.45,907 had been effected. The Committee **settled the para** subject to verification of record by Audit.

**95. Para No.6.30: Page 116 – Non-Recovery of Rs.61,506**

**21-1-2002:** The Department explained that the recovery of Rs.29,506 and Rs.32,000 had since been made and deposited into Government Treasury. **The para was settled** subject to verification by Audit

**96. Para No.6.31: Page 117 – Recoverables – Rs.539,457**

**15-4-2002:** The Department explained that the para related to the Education Buildings Division, D.G. Khan. From the relevant record, it had been found that the recovery involved had already been made. The Committee **settled the para** subject to verification of record by Audit.

**97. Para No.6.33: Page 117 – Recoverables of Rs.78,000**

**17-4-2002:** The Department explained that up-to-date dues on account of renewal fee and penalty

had been effected from the contractor. **The para was settled** subject to verification by Audit

**98. Para No.6.35: Page 118 – Recoverables – Rs.155,563 (Income Tax)**

**16-4-2002:** The Department explained that an amount of Rs.129,400 on account of less recovery of income tax had been recovered and the recovery of the remaining amount of Rs.31,206 was in process.

The Department was directed to expedite the recovery of the balance and also inform the Income Tax Department about the particulars of the contractors and the amounts of income tax recoverable from them. The recovery actually made should be got verified by Audit. **The para was settled** subject to verification by Audit.

**99. Para No.6.36: Pages 118-119 – Recoverables – Rs.1,529,734**

**3-5-2002:** Audit pointed out that the Department deducted income tax @ 3% instead of 5% and deducted the security deposited 5% instead of 10%.

The Department stated that this draft para was based on three Advance Paras and explained as under:-

**(i) AP No.4666 (Rs.360,765)**

The Department explained that an amount of Rs.160,890 on account of increase in the rate of income tax from 3% to 5% had been recovered from the contractors and the balance recovery was being pursued. The Department was directed to provide the particulars of the case to Income Tax Department for necessary action under the law. With the above direction, **this part was settled.**

**(ii) AP No.11 Rs.994,649**

The Department explained that in most of the cases involved in this para, the amount due on account of deduction of security @ of 5% instead of 10% had been adjusted and in some cases the adjustment would be made in due course. **This item was settled** subject to verification of record by Audit

**(iii) AP No.4672 Rs.174,320**

The Department stated that this amount was included in **Para No.11 (AIR) 1997-98. The item was settled** subject to verification of record by Audit

**100. Para No.6.37: Page 119 – Recoverables – Rs.755,540 (Income Tax)**

**15-4-2002:** The Department explained that an amount of Rs.236,194 had since been recovered and the remaining amount would be recovered shortly. The Department was directed to effect the balance recovery and also intimate the Income Tax Department about the name of the contractor and the amount of outstanding Income Tax for necessary action. The Finance Department should monitor the action taken by the Department. With the above direction, **the para was settled.**

**101. Para No.6.40: Page 120 – Recoverables – Rs.75,809**

**2-5-2002:** The Department explained that the actual recoverable amount of Rs.73,544 on account of enhancement rate of income tax from 3% to 5% w.e.f. 1 July 1997 had been made from the contractors concerned. **The para was settled** subject to verification by Audit

**102. Para No.6.43: Page 121 – Recoverables – Rs.112,800**

**15-4-2002:** The Department explained that the recovery of the total amount (Rs.112,800) on account of income tax as pointed out by Audit had been effected. The Committee **settled the para** subject to verification of record by Audit

**103. Para No.7.2: Page 123 – Unjustified Payment of Rs.104,385**

**21-1-2002:** Audit had pointed out that R.C.C. Pipe was laid without excavation.

The Department explained that in the original estimate both the excavation and earth filling were provided but the revised estimate provided only for earth filling as per site condition. The Department was directed to produce the relevant record to Audit in support of its contention. **The para was settled** subject to verification by Audit.

**104. Para No.7.3: Page 122 – Others – Rs.197,866**

**2-5-2002:** The Department explained that the observation of Audit that full payment had been made for incomplete work was not correct. The factual position was that the less payment to the extent of Rs.3,068.46 was released to the contractor as per visual inspection of the work in six items and not due to below specification or incomplete work. The Committee **settled the para** subject to verification of record by Audit

**105. Para No.7.4: Page 124 – Others – Rs.3,948,520**

**3-5-2002:** Audit pointed out that the Department allotted a work and finalized the same without the approval of agreement by the Competent Authority which resulted into unauthorized payment of Rs.3,948,520.

The Department explained that the work was allotted to the contractor at a cost of Rs.5,679,707 to be completed within 15 months. The contractor got running payment of Rs.3,948,520 and left the work incomplete. He was declared defaulter and remaining work was completed at his risk and cost. The Committee **settled the para** subject to verification of record by Audit

**106. Para No.7.5: Page 124 – Others – Rs.79,974**

**3-5-2002:** Audit pointed out that the Department washed out the original record entries from MB and new record entries were made on those pages.

The Department explained that the Sub-Engineer used the ink remover to erase the wrong entries instead of cutting. However, the quantities were actually executed at site. There was no loss to the Government.

The Department further explained that disciplinary action against the Sub Engineer was in process.

The Committee directed that the disciplinary action should be completed within one month. With the above direction, **the para was settled.**

**107. Para No.7.6: Page 124 – Others – Rs.411,421**

**3-5-2002:** Audit pointed out that the formation had deducted security deposit at more than the contractual provision to utilize funds by recording fictitious measurements at the close of financial year.

The Department explained that the payments for works were made in the last days of June. It was very difficult for the XEN to check each and every work in detail. Therefore, lump sum security was deducted.

The Committee observed that the XEN was required to release payment after detailed verification of successful completion of work and directed that appropriate action should be taken against the XEN concerned and the payments made in violation of the rules should be got regularized by the Finance Department. With the above direction, **the para was settled.**

**108. Para No.7.7: Page 125 – Others – Rs.1,001,860**

Audit had observed: “In a formation special repair estimate of a building was sanctioned by the Superintending Engineer by splitting as the estimate of the building was beyond his competency. Splitting of estimate to keep it within the competency resulted in unauthorized sanction of Rs.1,001,860.”



**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**109. Para No.7.8: Pages 125-126 – Others – Rs.76,606**

Audit had observed: “A formation made payment without writing detailed nomenclature in measurement book, without check measurement/check and bill and order by officer concerned. The payment of certain items without provision in the estimate was also made. Releasing of payment without writing detailed nomenclature in M.B., without check measurement/check as bill and order of officers resulted irregular payment for Rs.76,606.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**110. Para No.7.9: Page 126 – Others – Rs.1,409,972**

Audit had observed: “A formation made payment for secured advance on various items much more than actually required at site and failed to recover despite lapse of one and half year. Secured advance granted liberally for various item of works resulted irregular payment of Rs.1,409,972.”



**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**111. Para No.7.10: Page 126 – Others – Rs.2,774,329**

Audit had observed: “A formation measured and paid extra items at abnormal high rates without approval of Competent Authority and without preparing and sanctioning analysis of rates. Payment of non-schedule items without preparing analysis of rates and without approval from Competent Authority resulted in irregular payment of Rs.2,774,329 in December 1997.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**112. Para No.7.12: Page 127 – Others – Rs.13,283,767**

**16-4-2002:** The Department explained that Para Nos.4.80 and 7.12 were inter related. The Department further explained that two schemes namely strengthening and improvement of Government Pilot Secondary School for Boys Wahdat Colony, Lahore and Government Pilot Secondary School for Girls Wahdat Colony, Lahore were being funded and executed simultaneously.

Ultimately both the schemes were completed as per their respective allocations of funds.

The Department further explained that ADP scheme No.2445 1994-95 was misprinted as relating to Government Pilot Secondary School for Boys but actually it related to Government Pilot Secondary School for Girls. This printing error was later on rectified by the Finance Department and expenditure was incurred accordingly.

The Department was directed to produce the relevant record to Audit. **The para was settled** subject to verification of record by Audit

## Highways Department

### **1. Para No.1: Page 35 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.4,174,238**

Audit had observed: “A division deducted security deposits at 76% against the admissible limit of 5% and 10% which represented that it was a method of utilization of funds by making fictitious measurements of works not actually executed. Due to fictitious measurements, funds amounting to Rs.4,174,238 were mis-utilized.”

**15-8-2002:** 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 31 January 2003 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 No.2: Page 35 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.515,840**

Audit had observed: “In a division two sub engineers tampered record entries on six page of measurement book for payments. A content of area was incorrectly worked out. Tampering of record entries as well as misclassification resulted in over payment of Rs.515,840.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31

January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**3. Para No.3: Page 36 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.1,014,041**

Audit had observed: “A division rescinded the certain contracts but recovery of risk and cost charges and secured advances with interest was not made. Due to slackness of the Department a recovery of Rs.1,014,041 could not be effected.”

**15-8-2002:** 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 31 January 2003 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 No.4: Page 36 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.263,250**

Audit had observed: “In a division shortage of 52,800 cft base course material was reported. The recovery of the cost of some material was made leaving a balance of 35,100 cft still to be recovered. Due to delayed action by the Department the recovery of Rs.263,250 could not be effected from the contractor.”

**15-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**5. Para No.5: Pages 36-37 – Suspected Corruption – Frauds, Misappropriation, Misuse and**

**Theft – Rs.3,841,811**

Audit had observed: “In a division, the different items of works carrying lower/lesser rates were not got executed in full quantities as provided in technically sanctioned estimate. So the execution of works were below specification. Execution of works below specification resulted in a loss of Rs.3,841,811 to the Government.”

**15-8-2002:** 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 31 January 2003 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 No.6: Page 37 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.182,657**

Audit had observed: “An item of work “making embankment” was to be executed to the extent of 840145 cft but the Department accomplished only 90936 cft and the balance work was not executed because this item of work was allotted at a rate lower than the Composite Schedule of Rates 1979. Thus as per conditions of acceptance letter/agreement and in the interest of Government a sum of Rs.182,657 being difference of item rate and CSR 1979 was to be recovered from the contractor. Non-execution of balance work being lower rate resulted in an excess payment of Rs.182,657 to the contractor.”

**15-8-2002:** 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 31 January 2003 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 No.7: Pages 37-38 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.1,004,580**

Audit had observed: “The rates for the items of “Earth Work Embankment” and “Sand Silt Filling” were quoted on a very lesser side and as such the contractor executed these items of work up to about 50% of the quantity provided for in the technically sanctioned Estimate/Agreement. So difference of lesser rate quoted with Composite Schedule of Rates, 1979 was required to be recovered. Non-recovery of difference in both the rates resulted in an excess payment of Rs.1,004,580.”

**15-8-2002:** 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 31 January 2003 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 No.8: Page 38 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.521,891**

Audit had observed: “The items of road structure carrying less rates were not got executed proportionately to the items of road work carrying high rates as per technically sanctioned estimate in contravention of clause-10 of the agreement. execution of work in violation of clause 10 of contract agreement resulted in a loss of Rs.521,891.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **9. Para No.9: Pages 38-39 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.669,833**

Audit had observed: “Item of earthwork for making embankment carrying lower rate was not

executed as per provision of technical sanctioned estimate/contract agreement/acceptance letter. Deference of cost due to lower rate was not recovered as condition No.4 of acceptance letter. Non execution of item of lower rate resulted in over payment of Rs.669,833.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **10. Para No.11: Pages 39-40 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.1,627,850**

Audit had observed: “A division made payment to the contractor for execution of item for less quantity having lesser rates i.e. earthen embankment and allowing excessive quantity having higher rates for other items than provided in BOQ/technical sanctioned estimate. Non execution of item of lower rate resulted in over payment of Rs.1,627,850 to the contractor.”

**15-8-2002:** 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 31 January 2003 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 No.12: Page 40 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.70,040**

Audit had observed: “In a division, 8 metric ton Bitumen was issued through indents in December 1994 to a sub-divisional officer but recovery of cost of bitumen has not been made. Inefficiency of the departmental staff resulted in non-recovery of Rs.70,040.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken

shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**12. Para No.13: Pages 40-41 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.57,456**

Audit had observed: “An excess payment was made to the contractor by changing specification of the item already executed and entered in the measurement book. Change in specification resulted in an excess payment of Rs.57,456 to the contractor in March 1997.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**13. Para No.14: Page 41 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.62,062**

Audit had observed: “Tender for the work was accepted within the permissible limit in March 1996. Rates received were 11.90% above for roadwork and 35.75% below for road structure work against the estimated cost. But the scope of work was changed in May 1997 without getting approval from the Competent Authority for reduction in quantities of road structure and increase in quantities of roadwork. Increase/decreases in scope of work without approval of the Competent Authority who accorded administrative approval resulted in loss of Rs.62,062.”

**15-8-2002:** 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 31 January 2003 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 No.15: Pages 41-42 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.72,842**

Audit had observed: “Length of road crust items i.e. sub base, base course & triple surface treatment has been measured in excess as compared to the length of road embankment, provided in technical sanctioned estimate. Excess measurements resulted in an excess payment of Rs.72,842 to the contractor.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**15. Para No.17: Pages 42-43 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.215,354**

Audit had observed: “In a division the length of road crust item i.e. sub base, base and edging has been excessively measured and allowed to the contractor than the length of sub grade (embankment) item. As per laboratory report by the senior research officer, the execution of work was below specification. Excess measurements resulted in an excess payment of Rs.215,354 to the contractor.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation

of the directive of the PAC.

**16. Para No.19: Pages 43-44 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.115,214**

Audit had observed: “In a formation, a payment for sub base was made more than specified thickness after laying base course where as deficiency, if any, was to be removed before laying base course. Measurements of sub base more than specified thickness resulted in an excess payment of Rs.115,214 to the contractor.”

**15-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**17. Para No.20: Page 44 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.138,155**

Audit had observed: “Payment for providing & laying of an item “sub base course” was made after laying “base course” of road. Payment for execution of sub-base course after laying base course resulted in unjustified payment of Rs.138,155.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**18. Para No.21: Page 44 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.352,399**

Audit had observed: “In a division 100% area for laying sub base course was measured and paid

to the contractor on those soled location whereas only 25% quantity for laying sub base course was admissible as per provision in the technical sanctioned estimate. Laying of excessive measurements resulted in overpayment of Rs.352,399.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**19. Para No.23: Page 45 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.209,540**

Audit had observed: “Two bulldozer and one motor grader were declared out of order in the half yearly Status Reports of Machinery/Equipment for the period June 1996, December 1996 and June 1997 but an amount of Rs.209,540 was incurred on their operation during that period. Incurring expenditure on declared defective machinery resulted in a loss of Rs.209,540.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**20. Para No.24: Page 46 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.97,915**

Audit had observed: “A length of 2800 feet road was measured as 3800 feet as provided in the technically sanctioned Estimate and approved design and drawings. Excess measurements resulted in an excess payment of Rs.97,915 to the contractor.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**21. Para No.25: Page 46 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.85,463**

Audit had observed: “473247 cft earth work for making embankment was made against the actual work done for 295,200 cft. Excess measurements resulted in overpayment of Rs.85,463 to the contractor.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**22. Para No.26: Pages 46-47 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.180,792**

Audit had observed: “6200 rft quantity of item of work “providing/laying Bricks on end edging 3” wide and 9” deep recorded in measurement book was paid 62000 rft. Payment of excessive quantity resulted in an overpayment of Rs.180,792 to the contractor.”

**15-8-2002:** 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 31 January 2003 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 No.27: Page 47 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft**

**– Rs.333,638**

Audit had observed: “A division recorded excessive measurements for the item of sub base course 6” thick to the extent of 119500 cft while making running payment as compared to the final measurements of 90487.48 cft actually executed at site after abandonment of the work. Payment of excessive quantity resulted in an overpayment of Rs.333,638.”

**15-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**24. Para No.28: Pages 47-48 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.113,167**

Audit had observed: “Payment for laying base course triple surface treatment and road edging to the contractor without laying sub base course. Laying of base course, triple surface treatment and road edging without sub base course resulted in unjustified/over payment of Rs.113,167.”

**15-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**25. Para No.29: Page 48 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.410,487**

**30-1-2002:** The Department explained that the work had been executed as per measurements provided in technically sanctioned estimate and no excess payment was involved.

The Department was directed to get the record verified in support of its contention by Audit. **The para was settled** subject to verification.

**26. Para No.30: Pages 48-49 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.78,600**

**30-1-2002:** The Department explained that the quantity of brick aggregate obtained from dismantling of old brick soling had been adjusted in the last running bill of the contractor. As such no excess payment was involved. The Department was directed to get the record in support of its contention verified by Audit. **The para was settled** subject to verification.

**27. Para No.31: Page 49 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.406,380**

Audit had observed: “31.26 metric ton bitumen was not accounted for in July 1997. Non-accountal of bitumen resulted in misappropriation of Rs.406,380.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**28. Para No.33: Page 50 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.1,506,000**

Audit had observed: “A directorate made payments to various contractors for removal of 1506 trees but neither accountal nor cost was recovered from them. Non-accountal/recovery of cost of trees resulted in a loss of Rs.1,506,000.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The

action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**29. Para No.35: Pages 50-51 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.1,140,759**

**31-1-2002:** The Department explained that an amount of Rs.1,140,759 on account of shortage of bitumen had been ordered to be recovered from the concerned Sub Engineer who had since been removed from service and the recovery was being pursued as arrears of Land Revenue.

The Committee directed that the recovery should be made expeditiously and appropriate action should be taken against the officers who did not properly supervise the work of Sub Engineer at fault. With the above direction, **the para was settled.**

**30. Para No.36: Page 51 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.493,553**

Audit had observed: “Bitumen was issued to various Sub-Engineers/Road Inspectors for departmental works. The same was not properly handed over/taken over at the time of transfer of charge and was found short/pilferage during transit. Shortage of bitumen resulted in a loss of Rs.493,553 to the Government.”

**15-8-2002:** 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 31 January 2003 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.

**31. Para No.38: Page 52 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.1,435,700**

Audit had observed: “In a division empty tar drums of bitumen issued for annual/ special repair carried out departmentally, were neither taken back nor the disposal through public auction was



available on record. Non-accountal/disposal of empty tar drums resulted in a loss of Rs.1,435,700 to Government.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**32. Para No.39: Pages 52-53 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.92,250**

Audit had observed: “A division failed to produce the accountal/issue record of 8036 empty tar drums costing Rs.401,800. Non-production of record regarding accountal of 1845 empty tar drums costing Rs.92,250 has resulted in loss.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**33. Para No.40: Page 53 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.350,000**

Audit had observed: “A division issued 25 tons bitumen but its consumption/recovery was not forthcoming in any record of the Department. The non consumption/ adjustment of recovery of bitumen resulted in a loss of Rs.350,000 to the Government.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**34. Para No.41: Pages 53-54 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.78,486**

Audit had observed: “A formation purchased the tools and plants and stock worth Rs.78,486 and was stated as taken on consumption register/log book as per entry on the voucher but it was not taken on tools and plants/stock register for its issue utilization/consumption. This procedure was not followed. Non-accountal of material resulted misappropriation of Rs.78,486.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**35. Para No.42: Page 54 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.151,210**

Audit had observed: “A division purchased tents, sign boards, road side reflectors, Tarpals and carbon tatra chloride and these items were not taken to T&P/Stock Returns. Non-accountal of T&P articles in T&P/Stock Register has resulted in misappropriation of Rs.151,210.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be

reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**36. Para No.43: Page 54 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.488,210**

**29-1-2002:** The Department explained that as per record of the Department no stock item was missing or short as pointed out by the Audit. The Department was directed to get the record verified by Audit. **The para was settled** subject to audit verification.

**37. Para No.44: Page 55 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.1,643,048**

**30-1-2002:** The Department explained that the quantity of bitumen under observation in this Audit para had been duly accounted for in the record. **The para was settled** subject to verification by Audit

**38. Para No.45: Page 55 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.1,500,000**

**31-1-2002:** The Department explained that the total quantity of bitumen under observation in this para had been received and accounted for. **The para was settled** subject to verification by Audit

**39. Para No.46: Pages 55-56 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.100,000**

Audit had observed: “10 M. Ton bitumen was issued in March 1994 but the material was neither accounted for in the material at site account nor its recovery was effected from the contractor. In the absence of bonafide consumption as per technically sanctioned estimate and provision of agreement, the possibility of the misappropriation of bitumen costing Rs.100,000 cannot be ruled out. Non-accountal of 10 M.Ton bitumen resulted in misappropriation of Rs.100,000.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation

of the directive of the PAC.

**40. Para No.47: Page 56 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.820,540**

Audit had observed: “55 metric ton bitumen was issued to various repair works but its consumption was not on the record. Non availability of consumption of 55 metric ton bitumen on the relevant record resulted in misappropriation of Rs.820,540 during 1996-97.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**41. Para No.48: Pages 56-57 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.5,869,937**

Audit had observed: “A division procured 358.36 metric tones bitumen from June 1994 to February 1995 but its accountal/issue was not forthcoming from the record as the concerned Sub-Engineer failed to hand-over the Stock Register and other related documents to his successor. This leads to the apprehension that the bitumen in question was misappropriated. Shortage of stock resulted in loss of Rs.5,869,937.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**42. Para No.49: Page 57 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.1,735,868**

Audit had observed: “A division has shown closing balance of stock in June 1997 without any detail of stock material. Closing of stock account with out detail measurement has resulted in fictitious adjustment of Rs.1,735,868.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**43. Para No.54: Page 60 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.400,000**

Audit had observed: “A Road Roller was stolen in 1996 and FIR with the Police Department was lodged in April 1997. Neither the departmental inquiry was completed nor recovery of the cost of road roller effected from the person concerned. Due to negligence and carelessness of the department the Government was put to loss of Rs.400,000.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**44. Para No.55: Pages 60-61 – Overpayment – Rs.502,079**

Audit had observed: “A division measured and paid certain items in excess than the provision of revised estimate. Excessive measurements resulted in an excess payment of Rs.502,079 to the contractor.”

**17-8-2002:** 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 31 January 2003 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 No.56: Page 61 – Overpayment – Rs.165,547**

Audit had observed: “A division made payments to various contractors for providing and fixing of International Standard diversion steel boards on roads without any provision in the detailed technical sanctions accorded by the Competent Authority for construction of these roads. Fixing of these boards were the responsibility of the contractors to whom the construction of road work was awarded as per contract agreements. Payment made in violation of contract agreements and without provision in technical sanctioned estimates has resulted in Overpayment of Rs.165,547.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. The Finance Department shall monitor the implementation of the directive of the PAC.

**46. Para No.57: Pages 61-62 – Overpayment – Rs.139,136**

Audit had observed: “A division measured and paid 309192 cft. of earthwork in excess of those provided in the technically sanctioned estimate. Payment of quantities of earthwork more than the provision of technical sanctioned estimate resulted in Overpayment of Rs.139,136.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**47. Para No.58: Page 62 – Overpayment – Rs.229,680**

Audit had observed: “A division recorded excessive measurements for the item of “base course” to the extent of 136488 cft instead of the admissible quantity of 121176 cft provided in the technically sanctioned estimate and with recording exact location in measurement book. Payment of excessive quantity resulted in Overpayment of Rs.229,680.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**48. Para No.59: Pages 62-63 – Overpayment – Rs.176,000**



Audit had observed: “A division unauthorizedly measured and accepted 16000 cft sub base course “along Basi Binor” in the absence of any provision in the estimate technically sanctioned by the Chief Engineer. Payment of inadmissible quantity of per TST resulted in Overpayment of Rs.176,000.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**49. Para No.60: Page 63 – Overpayment – Rs.60,495**

Audit had observed: “A division recorded excessive measurements for the item of earthwork for making embankment than the quantity payable in the specific reaches as per technically sanctioned estimate by the Chief Engineer. Payment of Excessive quantity resulted in Overpayment of Rs.60,495.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**50. Para No.61: Pages 63-64 – Overpayment – Rs.90,769**

Audit had observed: “A division unauthorisedly measured and paid the quantities in approaches in mile 56 to the contractor without any provisions in the technically sanctioned estimate. Payment of quantity of item not provided in technically sanctioned estimate resulted in overpayment of Rs.90,769.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**51. Para No.62: Page 64 – Overpayment – Rs.1,078,325**

Audit had observed: “The authority granted by a sanction to an estimate has to be looked upon as strictly limited to the precise object for which estimate was intended to provide. A division measured and paid the entire length of a road from kilometer 3 to 7 instead of specified lengths provided in the estimate technically sanctioned by the Superintending Engineer. The portions to be uplifted as per estimate in kilometer 8,12,14,15,17 and 18 were not completed. Payment of quantity of unapproved scope of work resulted in unauthorized payment of Rs.1,078,325.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**



The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **52. Para No.63: Page 65 – Overpayment – Rs.62,133**

Audit had observed: “A division recorded and paid measurements of ‘base course’ in a width of 8.25 feet instead of designed width of 7 to 7.5 feet provided in the technically sanctioned estimate. Payment of inadmissible quantity as per technical sanctioned estimate resulted in Overpayment of Rs.62,133.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **53. Para No.65: Page 66 – Over Payment – Rs.398,472**

**31-1-2002:** The Department explained that the construction of ramps on the roads under observation in the audit para had been covered in the revised technically sanctioned estimate issued by the Superintending Engineer on October 5, 2001. The Department stated that revised administrative approval was not required as the expenditure was within the permissible limit. Audit pointed out that the Superintending Engineer was not competent to accord ex-post facto sanction. The Committee directed that ex-post facto sanction for revised technically sanctioned estimate be obtained with the approval of the Finance Department. With the above direction, **the para was settled.**

## **54. Para No.66: Page 66 – Overpayment – Rs.857,550**

Audit had observed: “Various non-schedule items were got executed without provision in technically sanctioned estimate, D.N.I.T. and Acceptance Letter and paid without approval by the Competent Authority. The Payment of un-authorized non schedule items resulted in excess payment of Rs.857,550.”

**17-8-2002:** 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 31 January 2003 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 No.67: Pages 66-67 – Overpayment – Rs.176,904**

Audit had observed: “Payment of lifting of slush etc. was made which was not provided for in the technical sanctioned estimate. Payment made beyond provision of contract agreement/TSE resulted in irregular payment of Rs.176,904.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**56. Para No.68: Page 67 – Overpayment – Rs.67,675**

Audit had observed: “Various items of annual maintenance work were paid whereas those had no provision in technical sanctioned estimate. The payment of item without provision in technical sanctioned estimate resulted in an excess payment of Rs.67,675.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**57. Para No.69: Pages 67-68 – Overpayment – Rs.317,347**

Audit had observed: “Item of work providing and laying bituminous premixed carpet 2 inches etc. was measured in excess of the provision of technical sanctioned estimate/without provision of technical sanctioned estimate and paid to the contractor. The excessive measurements recorded and paid, resulted in overpayment of Rs.317,347.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**58. Para No.70: Page 68 – Overpayment – Rs.129,824**

Audit had observed: “In a division the excess quantity of item “plain cement concrete (1:4:8)” has been allowed to the contractor in the foundation of wing walls and abutment walls of culverts instead

of admissible cross sectional quantity. Excessive measurements resulted in excess payment of Rs.129,824 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

**59. Para No.71: Pages 68-69 – Overpayment – Rs.97,140**

Audit had observed: “A formation got executed some items of work without provision in the DNIT/technical sanctioned estimate. Execution of work without provision in the technically sanctioned estimate resulted in unjustified payment of Rs.97,140 to contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**60. Para No.72: Page 69 – Over Payment – Rs.670,190**

**30-1-2002:** The Department explained that the work had been executed and payment was made in accordance with the technically sanctioned estimate. **The para was settled** subject to verification by Audit

**61. Para No.73: Page 69 – Overpayment – Rs.127,608**

Audit had observed: “In a division an item of work i.e. supplying and filling jute bags was paid as non-schedule without provision in DNIT/agreement and technical sanction. The payment without provision resulted unauthorized payment of Rs.127,608.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**62. Para No.74: Page 70 – Overpayment – Rs.78,750**

Audit had observed: “A division utilized contingency of Rs78,750 unauthorisedly towards executing of the work. Unauthorized utilization of contingency resulted in unauthorized expenditure of Rs.78,750.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**63. Para No.75: Page 70 – Overpayment – Rs.50,587**

Audit had observed: “A division measured and paid excessive quantities than those provided in the technical sanctioned estimate. The excessive measurements resulted in an excess payment of Rs.50,587 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**64. Para No.76: Pages 70-71 – Overpayment – Rs.261,155**

Audit had observed: “It was stipulated by the Superintending Engineer in condition No.1 of the acceptance letter that quantities exhibited therein were not to be executed without first arranging the revised administrative approval. A division measured and paid the quantities of 8669 cft and 132512 Kg instead of the admissible quantities of 5800 cft and 18400 Kg for reinforced cement concrete and deformed steel respectively in the final bill against the direction of the Superintending Engineer and even without technically sanctioned estimate. Payment made in violation of contract agreement and without technically sanctioned estimate resulted in overpayment of Rs.261,155.”

**17-8-2002:** 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 31 January 2003 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.

**65. Para No.77: Pages 71-72 – Overpayment – Rs.14,128,641**

Audit had observed: “A division allotted different works to various contractors without obtaining their technical sanction. The invitation of tenders and allotment of works in the absence of their technical sanction was in contravention of the orders/instructions issued by the Finance Department dated 27-3-1990 and June 1991. Award of works and incurring of expenditure without technically

sanctioned estimates resulted in irregular expenditure of Rs.14,128,641.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**66. Para No.78: Page 72 – Overpayment – Rs.82,500**

Audit had observed:” The tender for a work was called for when the estimate was under technically sanctioned Rates tendered were higher i.e. beyond 4.5% limit. To make the rate within the permissible limit, quantities of item of earth work/sub base course and base course were decreased for laying 4” thick layer against 6” on the old bricked soling road. But the payment for 6” thick sub base course has been made for the old brick sole road. The excess measurement of thickness of sub base resulted in excess payment of Rs.82,500 to the contractor.”

**17-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**67. Para No.79: Page 72 – Overpayment – Rs.51,495**

Audit had observed: Page “Item of portland cement concrete 1:4:8 in foundation and plinth was paid 12 inches thick against the payable thickness of 9 inches. Payment of excessive measurement resulted in overpayment of Rs.51,495.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**68. Para No.80: Page 73 – Overpayment – Rs.1,036,528**

Audit had observed: Page “In a division an item of earthwork was measured in excess ignoring the computed cross section provision in the technical sanction. The excess measurement resulted in excess payment of Rs.1,036,528 to the contractor.”



**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**69. Para No.82: Page 74 – Overpayment – Rs.137,370**

Audit had observed: Page “An excess payment to the contractor was made due to excessive measurement of quantity of “overlay” than provided in the technically sanctioned estimate. Execution of excess quantities resulted in excess payment of Rs.137,370.

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**70. Para No.83: Page 74 – Overpayment – Rs.132,150**

Audit had observed: Page “Measurement for laying sub base course of road was carried on 20 feet additional width against 5 feet approved width each side. No payment for base course/road edging was made on the said area. Incorrect measurements resulted in Overpayment of Rs.132,150.”

**17-8-2002:** 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 31 January 2003 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.

**71. Para No.84: Pages 74-75 – Overpayment – Rs.1,642,989**

Audit had observed: Page “The excess quantities of items carrying higher rates were paid than the provided in technical sanctioned estimate without obtaining the prior approval from authority who accorded sanction of estimate, in contravention of Para-2(ii) of Finance Department letter dated March 1990. Excess measurements resulted in overpayment of Rs.1,642,989.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such

verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **72. Para No.85: Page 75 – Overpayment – Rs.105,892**

Audit had observed: Page “Payment for construction of retaining wall was paid for 614 feet against the provision in the technical sanctioned estimate for 414 feet. Further the walls were constructed on location other than the location authorized as per technically sanctioned estimate. No sanction of the Competent Authority for the changed scope of work was obtained. Excess quantities than the provision in the technically sanctioned estimate as well as construction of retaining on unauthorized locations resulted in Overpayment Rs.105,892.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **73. Para No.86: Pages 75-76 – Overpayment – Rs.56,167**

Audit had observed: Page “In a division excess quantities were executed and paid against D.N.I. T. and acceptance letter quantities. Excess quantities resulted in Overpayment of Rs.56,167.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **74. Para No.87: Page 76 – Overpayment – Rs.484,000**

Audit had observed: Page “In a division the T&P articles were purchased at the excessive rates than provided in technically sanctioned estimate. The purchase of T&P articles at higher rate resulted in Overpayment of Rs.484,000.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.



**75. Para No.88: Pages 76-77 – Overpayment – Rs.1,091,640**

Audit had observed: Page “An item of work “C.R.Masonry 1:3” was executed and payment made at the rate of Rs.1,150 per rft. against the approved rate of Rs.323 per rft by the Chief Engineer in the technically sanctioned estimate. Incorrect application of higher rate resulted in excess payment of Rs.1,091,640.”

**17-8-2002:** 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 31 January 2003 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 No.89: Page 77 – Over Payment – Rs.50,922**

**31-1-2002:** The Department explained that the higher rate had not been paid where the dismantled material had been used in the work. **The para was settled** subject to verification by Audit

**77. Para No.90: Page 77 – Over Payment – Rs.149,739**

**31-1-2002:** The Department explained that the dismantled material was used in the work and payment had been made correctly. **The para was settled** subject to verification by Audit

**78. Para No.91: Page 78 – Over Payment – Rs.388,354**

**31-1-2002:** The Department explained that the whole dismantled material had been used in the work and payment was made accordingly. **The para was settled** subject to verification by Audit

**79. Para No.92: Page 78 – Over Payment – Rs.47,376**

**31-1-2002:** The Department explained that total recovery of Rs.47,376 pointed out by Audit had been made. The Committee observed that appropriate action should have been taken against persons responsible for over payment. **The para was settled** subject to verification by Audit

**80. Para No.93: Page 79 – Over Payment – Rs.94,932**

**31-1-2002:** The Department explained that both horizontal and vertical shuttering was necessary in this case and had been provided in the technically sanctioned estimate. No irregularity was involved. **The para was settled** subject to verification by Audit.

**81. Para No.94: Page 79 – Overpayment – Rs.225,743**

Audit had observed: “Sub-base was to be laid from the dismantled material available at site which was to be paid @ Rs.526 per % cft. But instead of it was paid @ Rs.2000 per % cft. Allowing of excess rate resulted in excess payment of Rs.225,743 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**82. Para No.95: Pages 79-80 – Overpayment – Rs.80,541**

Audit had observed: “In a division existed brick on edge was measured in the sub-base while widening and constructing of a road. Incorrect measurements resulted in overpayment of Rs.80,541 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**83. Para No.96: Page 80 – Overpayment – Rs.196,643**

Audit had observed: “A division paid excessive rate of Rs.21.05 per cft instead of permissible rate of Rs.15.70 for providing/laying of reinforced cement concrete 1:2:4 in bed plates, fish ladders and kerbs whereas no horizontal shuttering was involved therein. Payment of incorrect rate resulted in overpayment of Rs.196,643 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

**84. Para No.97: Pages 80-81 – Overpayment – Rs.1,152,849**

Audit had observed: “Incorrect rate of Rs.559.74 per rft was computed instead of admissible rate of Rs.232.14 per rft worked out on the basis of Composite Schedule of Rates, 1979 for providing and laying 39” concrete pile in the technical sanctioned estimate/bid schedule against which the contractor quoted/adjusted his bid price. Provision of incorrect rate in the technically sanctioned estimate/bid schedule resulted in loss of Rs.1,152,849.”

**17-8-2002: 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 31 January 2003 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.

**85. Para No.98: Page 81 – Overpayment – Rs.247,839**

Audit had observed: “Contractors were required to use sub-base course material to be carried from a distance of 17-miles for construction of road. Accordingly the contractor quoted his bid rates. Later on they used locally available sub base course material but the rate reduced was not correctly computed/worked out. Reduction of incorrect amount in tendered rate resulted in overpayment of Rs.247,839.”

**17-8-2002: 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 31 January 2003 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.

**86. Para No.100: Page 82 – Overpayment – Rs.1,709,237**

Audit had observed: “In a division the contractors were allowed excess rates as a item rate instead of schedule rates, provided in technical sanctioned estimate. Excess labour rates resulted in excess payment of Rs.1,709,237 to the contractors “

**17-8-2002: 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be

reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **87. Para No.101: Page 83 – Overpayment – Rs.1,668,000**

Audit had observed: “Item of work “providing/laying Plant Premixed Bitumen Carpeting 2 inch thick” was executed and bitumen was used @ 4.2 % of total value against 6 % as per Composite Schedule of Rates 1979 on the basis of which the contractor quoted his rates. Incorrect use of bitumen resulted in Overpayment of Rs.1,668,000.”

**17-8-2002:** 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 31 January 2003 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.

#### **88. Para No.102: Page 83 – Overpayment – Rs.137,587**

Audit had observed: “A division measured an item of work “coarse rubble masonry 1:6 cement sand mortar” against the admissible item of work “dry course rubble masonry” as per technically sanctioned estimate and thus higher rate of Rs.2,500 % cft was paid instead of admissible rate of Rs.1,300 % cft. Payment of higher rate resulted in an excess payment of Rs.137,587 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

#### **89. Para No.103: Page 84 – Over Payment – Rs.150,000**

**31-1-2002:** The Department explained that the payment on account of temporary site office in both the projects was made according to the rate quoted by the contractor as a result of a competitive tender. Moreover, the bid was financially controlled on overall cost and not on individual items. The Department further stated that the estimated cost of both the projects was different. The Department was directed to produce the relevant record to Audit in support of its contention. **The para was settled** subject to verification.

**90. Para No.104: Page 84 – Overpayment – Rs.365,026**

Audit had observed: “Surplus earth available at site was not deducted from the paid quantities of earth brought from outside sources for making embankment. Non-deduction of available earth from total earth resulted in excess payment of Rs.365,026 to contractor.”

**17-8-2002:** 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 31 January 2003 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.

**91. Para No.105: Pages 84-85 – Overpayments – Rs.61,688**

Audit had observed: “Sub-base course was not required to be laid and paid on the reinforced cement concrete slab of bridges and culverts while construction of road. Beside this edging was also not required in the culverts area. Excess measurement resulted in Overpayment of Rs.61,688 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**92. Para No.106: Page 85 – Overpayment – Rs.39,664**

Audit had observed: “In a division, deduction on account of road crust i.e. sub-base, base course etc. was not made in full from the overall measurements of earthwork. Beside this sub-base was paid on the reinforced cement concrete slab of the culverts. Non-deduction of road crust from earth work resulted in overpayment of Rs.39,664 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**93. Para No.107: Page 85 – Overpayment – Rs.72,160**

Audit had observed: “In a division an item of earth making embankment was measured as loose earth which was clearly indicated from the mode of measurement made in the measurement book.



Shrinkage @ 10% was not deducted. Non-deduction of shrinkage resulted in an excess payment of Rs.72,160 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**94. Para No.108: Page 86 – Overpayment – Rs.455,560**

Audit had observed: “A division failed to deduct the quantities of road crust from the paid quantities of earthen embankments. Non-deduction of the quantities of road crust resulted in overpayment of Rs.455,560.”

**17-8-2002:** 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 31 January 2003 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 No.109: Page 86 – Overpayment – Rs.83,280**

Audit had observed: “A division failed to deduct the quantity of road crust from paid quantities of earthen embankment. Non-deduction of the quantities of road crust resulted in overpayment of Rs.83,280.”

**17-8-2002:** 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 31 January 2003 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.

**96. Para No.110: Page 87 – Overpayment – Rs.144,730**

Audit had observed: “A division failed to deduct quantity of 3530 M<sup>3</sup> of earth received from road excavation from the total quantity of 133297 M<sup>3</sup> of borrow excavation in common material. Non-deduction of available earth from the paid quantity of earth from outside sources resulted in Overpayment of Rs.144,730.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such

verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**97. Para No.111: Page 87 – Overpayment – Rs.119,640**

Audit had observed: “In a division the area of 8 Nos. holes made in the reinforced cement concrete beams was not deducted. Non-deduction of area of holes resulted in overpayment of Rs.119,640 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**98. Para No.112: Pages 87-88 – Overpayment – Rs.52,640**

Audit had observed: “A division paid the item of work “earth work for making embankment” without deduction of earth quantity of existing embankment. Non-deduction of existing embankment from the earthwork resulted in an excess payment of Rs.52,640 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

**99. Para No.113: Page 88 – Over Payment – Rs.482,865**

**30-1-2002:** The Department explained that the recovery/adjustment of the amount in question had since been made from the subsequent (final) bills of the contractor. **The para was settled** subject to verification by Audit

**100. Para No.115: Page 89 – Overpayment – Rs.49,852**

Audit had observed: “An item of work “providing/laying Sub Base Course” in the widened portion of a road was executed but deduction of “Brick Edging” already existed in the widened portion was not deducted from the quantity of sub base laid. Non-deduction of the quantity of



existing pavement resulted in an excess payment of Rs.49,852.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**101. Para No.116: Pages 89-90 – Overpayment – Rs.51,939**

Audit had observed: “An item of work “Making Embankment’ was executed but deductions for culverts and vented causeway were not made from the quantities of sub base, base course and triple surface treatment paid to the contractor. Non-deduction of culverts and vented causeway resulted in excess payment of Rs.51,939 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**102. Para No.117: Page 90 – Overpayment – Rs.130,790**

Audit had observed: “An item of work “pit-run gravel sub-base course” was executed but deduction of the existing brick edging was not made from the quantity of sub base course laid on the widened portion of the road. Non-deduction of existing brick edging from the quantity of sub base course resulted in excess payment of Rs.130,790 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**103. Para No.118: Page 90 – Overpayment – Rs.205,147**

Audit had observed: “An item of work “course rubble masonry hammer dressed dry” was executed but while recording measurements quantity of the item of work “plain cement concrete 1:4:8 in bends” of 1282.66 cft was less deducted from the quantity of “course rubble masonry. Non-deduction of quantity of course rubble masonry resulted in an excess payment of Rs.205,147 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

**104. Para No.119: Page 91 – Overpayment – Rs.122,783**

Audit had observed: “An item of work “making embankment” was executed but deductions on account of road crust, road structure and vented causeway were not made from the payments made to the contractor. Non-deduction of road crust, structure and causeway resulted in excess payment of Rs.122,783 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**105. Para No.120: Page 91 – Overpayment – Rs.62,057**

Audit had observed: “A division failed to deduct areas of road crust, culverts, camber, slope and structure portion from total earthwork. Non-deduction of road crust culverts, camber and slope resulted in excess payment of Rs.62,057 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**106. Para No.121: Pages 91-92 – Overpayment – Rs.63,611**

Audit had observed: “Deductions of culverts were not made from the quantity of sub base course and also width of sub base was measured as 11 feet instead of admissible width of 10 feet. Non-deduction of culverts and excess measurement of sub base resulted in excess payment of Rs.63,611 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**107. Para No.122: Page 92 – Overpayment – Rs.96,578**

**31-1-2002:** The Department explained that the recovery of the total amount pointed out by Audit in this para had been made. **The para was settled** subject to verification.

**108. Para No.123: Pages 92-93 – Overpayment – Rs.92,255**

Audit had observed: “Item of earthwork “making embankment” was executed but deduction of area of road crust was not made from the earthwork paid to the contractor. Non-deduction of road crust from earthwork resulted in excess payment of Rs.92,255 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

**109. Page 125: Page 93 – Overpayment – Rs.63,487**

Audit had observed: “In a division the required quantity of road crust was not deducted from the quantity of embankment of road. Non-deduction of road crust resulted in excess payment of Rs.63,487 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**110. Para No.126: Pages 93-94 – Over payment of Rs.302,992**

**29-1-2002:** The Department explained that the amount of excess payment pointed out by Audit in this para had been adjusted in the final bill. **The para was settled** subject to verification by Audit

**111. Para No.127: Page 94 – Over Payment – Rs.82,891**

**30-1-2002:** The Department explained that the full amount of para had since been recovered. **The para was settled** subject to verification by Audit

**112. Para No.129: Page 95 – Over Payment – Rs.108,693**

**31-1-2002:** The Department explained that actual recovery of Rs.263,524 had been made. **The para was settled** subject to verification by Audit

**113. Para No.130: Page 95 – Over Payment – Rs.105,163**

**31-1-2002:** The Department explained that the recovery of Rs.21,220 had been effected in 1999 and the balance recovery would be made shortly.

The Committee directed that the balance recovery be made and action should be taken against the persons responsible for overpayment. The Finance Department was directed to monitor further action in the matter.

With the above direction, the **para was settled**, subject to the verification of full recovery by Audit.

**114. Para No.131: Pages 95-96 – Overpayment – Rs.125,125**

Audit had observed: “Items of sub base course were for 7 feet wide in the widen portion of road against the actual width of 6.75 feet giving allowance of area of bricks on edge of the existing road. Payment for inadmissible quantity resulted in Overpayment of Rs.125,125.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**115. Para No.132: Page 96 – Overpayment – Rs.437,115**

Audit had observed: “An item of work of providing & laying sub-base course etc. was measured and paid without deduction of area covered by brick edging. Non-deduction of areas of brick edging of road resulted in Overpayment Rs.437,115 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

**116. Para No.133: Pages 96-97 – Overpayment – Rs.62,216**

Audit had observed: “The sub base was laid on UCC bridge which was not admissible and crushed stone sub base was measured on those R.Ds. wherein the dismantled bricks were required to be reused as sub base course. Excessive measurements resulted in excess payment Rs.62,216 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

**117. Para No.134: Page 97 – Overpayment of Rs.60,902**

**30-1-2002:** The Department explained that final payment had been made according to the actual entries in the Measurement Book. **The para was settled** subject to verification by Audit

**118. Para No.137: Pages 98-99 – Overpayment – Rs.61,090**

Audit had observed: “A division recorded excessive measurements for the items of sub base course, base course and brick edging while paying 2<sup>nd</sup> running bill as compared to the overall measurements recorded after abandonment of work. Payment of excessive quantities resulted in overpayment of Rs.61,090 to the contractor.”

**17-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**119. Para No.138: Page 99 – Overpayment – Rs.66,185**

Audit had observed: “In a division the items up to sub-base and base course were measured and paid from reaches 0+00 to 270+00 in 6<sup>th</sup> running bill, while finalizing the contract in 7<sup>th</sup> and final bill. The quantity of item earth making embankment etc. was re-measured and increased from the reaches from 202550 cft. to 2700910 cft. where sub-base and base course was already measured and paid. Excess measurement resulted in overpayment Rs.66,185 to the contractor.”

**17-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

#### **120. Para No.139: Pages 99-100 – Overpayment – Rs.273,401**

Audit had observed: “Width of sub base was measured/paid for 11 inch against the admissible width of 10 inch as paid for in the item of base course and triple surface treatment. Payment of excess width of sub base resulted in loss of Rs.273,401.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **121. Para No.140: Page 100 – Overpayment – Rs.49,435**

Audit had observed: “A division measured the items, i.e. triple surface treatment, prime coat bitumen and plant mixed bituminous in excess 2`.6`` wide than required width 2` as per road cut and base course. Excess width of triple surface treatment, prime coat bitumen & plant mixed bituminous than road cut and base course width resulted in excess/unjustified payment of Rs.49,435.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **122. Para No.141: Pages 100-101 – Overpayment – Rs.73,830**

Audit had observed: “A division while recording measurements for the item of work “crush



stone ¼ bajri and stone dust” the 5% wastage was also measured which was not admissible. Unjustified measurements resulted in loss of Rs.73,830 to Government.”

**17-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **123. Para No.142: Page 101 – Overpayment – Rs.102,058**

Audit had observed: “Existing road was widened. Bricks on edge was not dismantled but included in the sub-base which was required to be deducted from the quantity of sub-base course. Similarly earth available from regular excavation was also not deducted from the paid quantity of earthwork for making embankment. Non dismantling of brick road edging & non deduction of earth resulted in Overpayment of Rs.102,058 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

### **124. Para No.143: Pages 101-102 – Overpayment – Rs.103,800**

Audit had observed: “An item of work “Re-dressing/Re-cambering” on laid base course i/c laying of stone servicing, screening, watering & compaction was paid which was not admissible because it was not required on an old surface/in original. Payment of inadmissible item resulted in overpayment of Rs.103,800 to a contractor.”

**17-8-2002:** 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 January 2003. 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.

### **125. Para No.146: Page 103 – Overpayment – Rs.123,700**

Audit had observed: “Separate payment for lifting of girde Rs.was made although the cost of lifting was included in the composite rate for providing & laying reinforced cement concrete (including pre stressed concrete) type ‘A’ 1:1:2 in girders. Separate payment for lifting and placing of girders in addition to composite rate resulted in overpayment of Rs.123,700.”

**17-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**126. Para No.147: Pages 103-104 – Overpayment of Rs.60,930**

**30-1-2002:** The Department explained that recovery of Rs.60,930 as pointed out by Audit on account of non-admissibility of payment for the item of regular excavation and compaction of earth for widening and improvement of road had been made from the contractor.

The Committee directed that action should be taken against the officers responsible for making excess payment and the relevant record should be got verified by Audit. In case the Administrative Department had any reservations about the contention of the Audit, the advice of the Standing Rates Committee should be obtained on the issue involved. **The para was settled subject to verification by Audit**

**127. Para No.149: Page 105 – Overpayment – Rs.104,292**

Audit had observed: “An item of work” compaction of earth work i/e ploughing, mixing and moisturizing etc.” for a quantity of 595956 cft was measured and paid whereas this item of work was not admissible because its cost was included in the item of work “making embankment”. Moreover no provision existed in DNIT and technically sanctioned estimate put to tender. Execution of inadmissible item of work resulted in an overpayment of Rs.104,292.”

**17-8-2002: 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**128. Para No.150: Pages 105-106 – Overpayment – Rs.300,000**

Audit had observed: “A division awarded a contract for road restoration work which includes an item of providing overlay 1.5` to 2` @ Rs.1000 per % sft whereas this item was in two components as providing overlay @ Rs.2400 per % cft and 3 coat of surface treatment @ Rs.500

per % sft. Payment made in violation of contract agreement/technically sanctioned estimate resulted in Overpayment of Rs.300,000.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**129. Para No.151: Page 106 – Overpayment – Rs.57,186**

Audit had observed: “Payment on account of escalation on the quantity of steel on which secured advance was allowed. No payment of escalation was due. Un-admissible payment of escalation resulted in an overpayment of Rs.57,186 in April 1996.”

**17-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**130. Para No.152: Pages 106-107 – Overpayment – Rs.765,040**

Audit had observed: “A division paid escalation on such quantities of Deformed/High tensile steel for which the contractor received secured advance in contravention of the rules/instructions issued by the Finance Department in this regard. Payment of escalation not admissible as per contract agreement resulted in Overpayment of Rs.765,040.”

**17-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**131. Para No.153: Page 107 – Over Payment – Rs.26,293**

**31-1-2002:** The Department explained that no excess payment had been made to the contractor on account of price variation of bitumen. **The para was settled** subject to verification by Audit

**132. Para No.155: Pages 107-108 – Over Payment – Rs.83,845**

**31-1-2002:** The Department explained that the price variation of cement had been correctly paid to the contractor. **The para was settled** subject to verification by Audit

**133. Para No.156: Page 108 – Over Payment – Rs.127,800**

**31-1-2002:** The Department explained that the recovery of Rs.127,800 pointed out by the Audit had been made.

The Committee decided to **settle the para** subject to verification by Audit

**134. Para No.157: Pages 108-109 – Overpayment – Rs.142,917**

Audit had observed: “In a division items of work “sub base course” and “triple surface treatment” was double measured for certain R.Ds of a work. Double measurements resulted in double payment of Rs.142,917 to the contractor.”

**17-8-2002:** 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 January 2003. 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.

**135. Para No.158: Page 109 – Overpayment – Rs.199,892**

Audit had observed: “In a division measurements for the item sub base and base course were recorded twice. Double measurements resulted in an excess payment of Rs.199,892 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

**136. Para No.160: Page 110 – Overpayment – Rs.55,773**

Audit had observed: “A division applied an incorrect conversion factor for converting the quantities of fabrication of steels from pounds to kilograms. Furthermore, an incorrect rate of Rs.21.05 per cft for reinforced cement concrete 1:2:4 instead of Rs.15.70 per cft was applied in cases of reinforced cement concrete laid in roundabouts, median, bed plates etc where no horizontal shuttering was involved. Payment of excessive quantity and rate resulted in Overpayment of Rs.55,773.”

**17-8-2002:** 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 31 January 2003 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.

**137. Para No.161: Pages 110-111 – Overpayment – Rs.85,000**

Audit had observed: “5000 sft quantity of item of triple surface treatment was double measured. Content of record entry for laying sub base course was incorrectly worked out for 9500 cft against the actual quantity of 4500 cft. Incorrect measurement resulted in Overpayment of Rs.85,000 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

**138. Para No.162: Page 111 – Over Payment – Rs.85,388**

**31-1-2002:** The Department explained that the overpayment of Rs.85,388 pointed out by Audit had been recovered/adjusted from the security deposit of the contractor on March 1, 1997. **The para was settled** subject to verification by Audit

**139. Para No.163: Page 111 – Overpayment – Rs.72,500**

Audit had observed: “A quantity of 2704 cft of item of “Pacca Brick 1:6 in F&P” was measured and paid twice. Double measurement resulted in an excess payment of Rs.72,500 in

February, 1998.”

**17-8-2002:** 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 January 2003. 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.

**140. Para No.165: Pages 112-113 – Negligence – Rs.2,929,331**

Audit had observed: “Bitumen was centrally procured through M.M. Division Lahore for use in all over Punjab Province. But advance of Rs.2,729,331 were made to Highway Department for supply of bitumen during the financial year 1995-96. The store has not been received. The advance payment was made only to utilize funds being lapsed. Negligence of the Officer(s) concerned resulted in an irregular payment of Rs.2,929,331.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**141. Para No.167: Pages 113-114 – Negligence – Rs.126,790**

Audit had observed: “In a division a contractor could not complete the work in time. The Department suspended his contract and finalized his account. The balance work was awarded to another contractor at higher rates. The contract of the original contractor should have been rescinded under clause 3(c) of the contract and work awarded to the second contractor at risk and cost of the original contractor recoverable from the original contractor. Non operating of clause 3 (c) of the agreement resulted in loss of Rs.126,790 to the Government.”

**17-8-2002:** 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 31 January 2003 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.

**142. Para No.169: Page 114 – Negligence – Rs.413,152**

Audit had observed: “A division recovered the cost of the old stone at a nominal rate instead of utilizing it in the item of work “C.R. Masonry”. Recovery of old stone at a nominal rate from the contractor resulted in a loss of Rs.413,152 to the Government.”

**17-8-2002:** 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 31 January 2003 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.

**143. Para No.170: Page 115 – Negligence – Rs.156,331**

Audit had observed: “In a division the cost of old stone was recovered at a nominal rate instead of utilizing it in the scheme. Recovery of old stone at a nominal rate resulted in an excess payment of Rs.156,331 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

**144. Para No.171: Page 116 – Negligence – Rs.1,289,418**

Audit had observed: “A division executed an item of work “C.R.Masonry” and cost of the old stone was recovered at very nominal rate instead of utilizing in the item of work “C.R. Masonry”. Recovery of old stone at a nominal rate from the contractor resulted in a loss of Rs.1,289,418 to the Government.”

**17-8-2002:** 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 31 January 2003 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.

**145. Para No.172: Pages 116-117 – Violation of Rules – Rs.155,545**

Audit had observed: “In a division the tenders were accepted beyond the admissible limit of 4.5% above estimated cost in violation of Delegation of Financial Powers and Rules 1990. Acceptance of tenders at higher rates resulted in loss of Rs.155,545 to the Government.”



**17-8-2002:** 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 31 January 2003 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.

**146. Para No.173: Page 117 – Violation of Rules – Rs.563,054**

Audit had observed: “In a division the tenders for two works were allotted beyond the permissible limit of 4.5% over estimated cost in violation of Delegation of Financial Powers and Rules 1990. Acceptance of tenders at higher rates resulted in loss of Rs.563,054 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**147. Para No.178: Page 119 – Violation of Rules – Rs.879,375**

Audit had observed: “A division allotted the work at 9.99% above the estimated cost instead of permissible limit of 4.5% as per Delegation of Financial Powers and Rules, 1990. Allowing higher rates resulted in loss of Rs.879,375 to the Government.”

**17-8-2002:** 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 31 January 2003 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.

**148. Para No.179: Pages 119-120 – Violation of Rules – Rs.511,835**

Audit had observed: “A division accepted tenders at 8.93% above the amount of technical sanction against permissible ceiling of 4.5% prescribed in the Delegation of Financial Powers & Rules, 1990. Acceptance of tender at higher rate resulted in loss of Rs.511,835 to the Government.”

**17-8-2002:** 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 31 January 2003 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.

**149. Para No.186: Page 124 – Violation of Rules – Rs.301,206**

Audit had observed: “Payment was made for an item of sub base/base course which was executed by the contractor below specification. The contractor left the work incomplete. No action was initiated against the contractor for execution of below specification work & leaving the work incomplete. Acceptance of work done below specification resulted in unjustified payment of Rs.301,206.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**150. Para No.187: Pages 124-125 – Violation of Rules – Rs.144,513**

Audit had observed: “ A division un-authorizedly allowed to lay the base course with thickness of 1`` to 3`` against the designed thickness 4`` as per provisions of specification for Roads and Bridge Construction (section 551-4 and 551-3-9) which lays down that the thickness of measured and acceptable base course may not be less than ¼`` of designed thickness and finalized the accounts of the contractor accordingly. This was obviously done to save the contractor from 10% interest on outstanding secured advance. Measurement/payment made for inadmissible quantity as per specification resulted in unauthorized payment of Rs.144,513.”

**17-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**151. Para No.188: Page 125 – Violation of Rules – Rs.312,662**

Audit had observed: “A division measured thickness of base course as 4” in a length of 6700

rft instead of 6” thickness as provided in the technically sanctioned estimate and also measured the item of triple surface treatment in a length of 400 rft (triple surface treatment) without first completing the designed thickness of base course. Execution of item of work below specification resulted in unjustified payment of Rs.312,662.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**152. Para No.189: Pages 125-126 – Violation of Rules – Rs.296,188**

Audit had observed: “A division executed 3 ½ inch thickness of base course instead of 4 inch designed thickness in contravention of permissible tolerance limit under section 551 of Book of Specification of Bridges and Roads. A quantity of 21875 cft base course was accepted below specification. Execution of a item of sub base more than the permissible tolerance limit resulted in unjustified payment of Rs.296,188.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**153. Para No.190: Page 126 – Violation of Rules – Rs.3,700,201**

Audit had observed: “In a division the results of testing team from regional laboratory highway circle, Multan for the quality control of works revealed the deficiencies and lapses in the works. It depicted the execution of work below specification. Defective execution of the works resulted in a loss of Rs.3,700,201 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**154. Para No.191: Page 126 – Violation of Rules – Rs.69,663**

**29-1-2002:** The Department explained that the Audit observation was not correct as the contractor had made up the thickness to base course to the designed thickness of 4 inch base TST and there was, therefore, no question of getting work executed below specification. **The para was settled** subject to audit verification.

**155. Para No.194: Pages 127-128 – Violation of Rules – Rs.1,450,293**

Audit had observed: “A formation failed to close the manufacture account as required under the rules. Non closing of manufacture account resulted in a loss of Rs.1,450,293 to the Government.”

**17-8-2002:** 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 31 January 2003 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.

**156. Para No.195: Page 128 – Violation of Rules – Rs.1,066,170**

Audit had observed: “A division failed to close the manufacture accounts of machinery/ vehicles in September 1989 as required under the rules. Majority of vehicles/machinery run into loss on account of recovery of operational charges but it was every likelihood of utilizing the profit towards loss on running of machinery and vehicles. Non closing of manufacture accounts of machinery resulted in a loss of Rs.1,066,170 to the Government.”

**17-8-2002:** 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 31 January 2003 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.

**157. Para No.197: Page 129 – Violation of Rules – Rs.490,988**

**30-1-2002:** The Department explained that out of total operation of Rs.490,988 the out turn

charges amounting to Rs.451,763 had been adjusted in the final account and the balance amount of Rs.79,224 had also been adjusted in the monthly account for June, 2000.

The Department was directed to get the relevant record verified by Audit. **The para was settled** subject to verification.

**158. Para No.198: Page 129 and 130 – Violation of Rules – Rs.98,979**

**30-1-2002:** The Department explained that in compliance with the audit observation, the R.D Nos. with measurements of the road work which had not been recorded in the Measurement Book due to omission had since been recorded.

The Department was directed to get the record verified by Audit. **The para was settled** subject to verification.

**159. Para No.200: Pages 130-131 – Violation of Rules – Rs.947,567**

Audit had observed: “A division made first running payment of a work of Rs.947,567 to a contractor without recording any measurements of work done stating reasons that measurements could not be recorded due to shortage of time. No payment to the contractor can be made without any record entry. Allowing payment to the contractor without recording any measurement resulted in a loss of Rs.947,567 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**160. Para No.201: Page 131 – Violation of Rules – Rs.148,794**

Audit had observed: “A division made payments to a firm for fixing cat/reflectable studs on a road from time to time but neither the reaches in which such studs were required to be fixed were mentioned nor detailed technical sanction accorded by the Competent Authority was produced. Payment to contractors without detailed measurement in measurement book and technically sanctioned estimate resulted in irregular payment of Rs.148,794.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the



PAC.

**161. Para No.202: Pages 131-132 – Violation of Rules – Rs.24,573,290**

Audit had observed: “A division procured bituman in excess of the funds provided under ‘Suspense Head of Account’ in contravention of the provision of Finance Department letter dated 19.3.1995 during 1994-95 and 1996-97. Expenditure incurred for purchase of stock more than the allotment of funds resulted in irregular payment of Rs.24,573,290.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**162. Para No.203: Page 132 – Violation of Rules – Rs.1,652,919**

Audit had observed: “A division made unauthorized payment on account of purchase of bitumen, work done by the contractor, by charging to the “Suspense” head, without provision of funds. Payment without availability of funds and placing it in suspense head resulted in irregular expenditure of Rs.1,652,919.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**163. Para No.204: Pages 132-133 – Violation of Rules – Rs.279,677**

Audit had observed: “A formation incurred expenditure to the tune of Rs.279,644 without allotment of funds in June 1990 in contravention of the code rules/instructions of Finance Department. Payment without allotment of funds resulted in irregular payment of Rs.279,677 to the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.



**164. Para No.205: Page 133 – Violation of Rules – Rs.394,000**

Audit had observed: “A division incurred expenditure in excess of allotment of funds provided for the year 1995-96. Expenditure incurred beyond allotment of funds resulted in excess over allotment of Rs.394,000.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**165. Para No.206: Page 133-134 – Violation of Rules – Rs.3,066,000**

Audit had observed: “A division made payments on various schemes in excess of the allotment during the year 1995-96 by changing the expenditure of Misc. P.W.Advances for want of funds. Incurring of expenditure without allotment of funds resulted in irregular payment of Rs.3,066,000.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**166. Para No.207: Page 134 – Violation of Rules – Rs.261,215**

Audit had observed: “A division made a payment on account of price variation on the running account whereas it should have been made after the final payment had been made to the contractor as required by Punjab Finance Departmental letter No.FD.RO(Tech)10-2/90 dated April 02, 1992. Price variation made to the contractor on the running account resulted in excess payment of Rs.261,215 to the contractor.”

**17-8-2002:** 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 31 January 2003 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.

**167. Para No.209: Page 135 – Violation of Rules – Rs.673,459**

Audit had observed: “The codal/financial rules provided that no expenditure on work/scheme would be charged unless it was administratively/technically sanctioned by the Competent Authority. Contrary to that provision, a division incurred expenditure of scheme in spite of the fact that the same was not got technically sanctioned by the Competent Authority. Incurring of excess expenditure without technically sanctioned estimate resulted in irregular payment for Rs.673,459.”

**17-8-2002:** 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 31 January 2003 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.

**168. Para No.211: Page 136 – Violation of Rules – Rs.1,460,000**

Audit had observed: “Departmental Financial Rules (7.36-B) authorized an officer to accept tenders more than 25 lacs, to allow a mobilization advance up to 10% of the tendered amount. Contrary to that, a division paid mobilization advance to a contractor more than 10% of his tendered amount. Payment of mobilization advance more than 10% of contract cost resulted in undue financial aid of Rs.1,460,000.”

**17-8-2002:** 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, if necessary. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**169. Para No.213: Page 137 – Violation of Rules. – Rs.232,000**

**31-1-2002:** The Department explained that the projects under observation were Foreign Aided Projects in which there was a provision of employment of a Graduate Engineer. The Department further explained that payment to the Graduate Engineer was made according to the rate quoted by the contractor.

The Department stated that the Projects stood completed well within prescribed limit and duly reimbursed.

However, Audit pointed out that the Graduate Engineer was paid by the Department and not by the contractor.

The Administrative Secretary assured the Committee that he would take action against the officers responsible for not furnishing correct reply in the working paper.

The Department was directed to seek the advice of the Finance Department and take action accordingly. With the above direction, **the para was settled.**

**170. Para No.216: Pages 138-139 – Violation of Rules – Rs.1,160,250**

Audit had observed: “A division made payment to Machinery Maintenance Division for procurement of bitumen for AM&R works in violation of the instructions of P&D Department dated 15.2.93 which required that bitumen would be procured only for emergent works to be carried out Departmentally. Purchase of bitumen in violation of laid down procedure resulted in irregular expenditure of Rs.1,160,250.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**171. Para No.217: Pages 139-140 – Violation of Propriety – Rs.792,000**

Audit had observed: “88 Non unifloats/boats for belly bridge were got manufactured from Pakistan Railway @ 178,000 against Departmental manufacturing cost at destination of Rs.169,000 each as per provision of technically sanctioned estimate. Manufacturing of unifloats/boats at a higher rates resulted in loss of Rs.792,000(88x9000).”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**172. Para No.221: Page 141 – Recoverables – Rs.78,249**

**29-1-2002:** Audit had pointed out that the Department had charged less hire charges of bulldozer than the prescribed rates. The Department explained that the bulldozer was used on departmental work and its hire charges were adjustable against the concerned division. However, the Sub Engineer had recorded less rates in the log book of the bulldozer during the said period which needed rectification.

The Committee directed that the recoverable amount should be got regularized by obtaining acceptance of the liabilities by the concerned client division and its adjustment. The Committee further directed that warning should be issued to the official who made incorrect entry in the log book. Copies of the relevant communications should be supplied to Audit also. With the above observation/ directions, **the para was settled.**

**173. Para No.223: Pages 142-143 – Recoverables – Rs.139,367**

Audit had observed: “In a division, mobilization advance was paid to a contractor. The interest on the mobilization advance was not recovered in full for the period the amount remained with the contractor. Non-recovery of interest on mobilization advance resulted in loss of Rs.139,367 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**174. Para No.224: Page 143 – Recoverables – Rs.716,325**

Audit had observed: “A division failed to recover mobilization advance from the contractor despite lapse of a period of almost 5 years. Recovery of mobilization advance not made in time as per provision of contract agreement resulted in non-recovery of Rs.716,325.”

**17-8-2002:** 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 31 January 2003 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.

**175. Para No.225: Pages 143-144 – Recoverables – Rs.681,720**

Audit had observed: “In a division, mobilization advance was paid to a contractor. The contractor left the work incomplete. The mobilization advance along with interest was not recovered up till now. Non-recovery of mobilization advance and interest thereof resulted in a loss of Rs.681,720 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and

the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**176. Para No.226: Page 144 – Recoverables – Rs.766,269**

Audit had observed: “In a division after recovery of two installments, the balance amount of mobilization advance for Rs.766,269 (i/c 10% interest) was still pending against the contractor. Delay in recovery resulted in a loss of Rs.766,269 to the Government.”

**17-8-2002:** 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 January 2003. 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.

**177. Para No.227: Page 144 – Recoverables – Rs.7,412,125**

**30-1-2002:** The Department explained that the mobilization/secured advance under observation in this para had since been adjusted/recovered. **The para was settled** subject to verification by Audit.

**178. Para No.228: Page 145 – Recoverables – Rs.421,940**

**29-1-2002:** As per latest Audit comments recovery of Rs. 368,000 had been verified and the recovery of Rs. 53,940 stated to have been made by the Department was yet to be verified. **The para was settled** subject to audit verification.

**179. Para No.229: Page 145 – Recoverables – Rs.116,184**

Audit had observed: “A division failed to recover the interest on the mobilization advance. The contractor subsequently became defaulter and the mobilization advance remained with the contractor for 308 days whereas recovery for only 3 days was made. Less recovery of interest on mobilization advance resulted in loss of Rs.116,184 to the Government.”

**17-8-2002:** 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 January 2003. 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.

**180. Para No.230: Pages 145-146 – Recoverables – Rs.687,730**

Audit had observed: “Secured advance was paid to a contractor in March 1996 but recovery



thereof was not made up to 7<sup>th</sup> running bill of the contractor. Non-recovery of secured advance resulted in an undue financial aid to a contractor and loss of Rs.687,730 to the Government.”

**17-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**181. Para No.232: Pages 146-147 – Recoverables – Rs.115,988**

Audit had observed: “In a division a contractor became defaulter but the interest amount of Rs.115,988 @ 12% on the secured advance given to him was not recovered from him as per clause No.7 of the indenture bond. Non-recovery of interest on secured advance resulted in a loss of Rs.115,988 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**182. Para No.233: Page 147 – Recoverables – Rs.97,508**

Audit had observed: “A division allotted a rescinded work to the second contractor without recovering the secured advance given to the original contractor. Non recovery of secured advance from the original contractor resulted in loss of Rs.97,508 to the Government.”

**17-8-2002:** 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 January 2003. 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.



**183. Para No.235: Page 148 – Recoverables – Rs.3,124,699**

**31-1-2002:** The Department explained that Rs.2,348,291 had been recovered and efforts were being made to recover the balance amount of Rs.776,408. The Department was directed to expedite the recovery.

The Committee further directed that the defects pointed out in the NESPAK observation in one work should be attended to by getting the cost associated with defects quantified and debited to the contractor. **The para was settled** subject to verification by Audit.

**184. Para No.236: Page 148 – Recoverables – Rs.2,923,190**

**31-1-2002:** The Department explained that recovery of Rs.2,722,099 had been made and the balance recovery of Rs.201,109 was being pursued. The Committee directed that balance recovery should be effected expeditiously and got verified by Audit. Moreover, appropriate action should be taken against the officers responsible for not making the recovery of secured advance at the proper time. With the above directions, **the para was settled** subject to verification of the recovery by Audit.

**185. Para No.237: Pages 148-149 – Recoverables – Rs.801,691**

Audit had observed: “In a division, secured advance was allowed to the contractor on supply of material. Due to abundance and non completion of works, the secured advance was pending against the contractor for recovery. Non recovery of the secured advance resulted in a loss of Rs.801,691 to the Government.”

**17-8-2002:** 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 January 2003. 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.

**186. Para No.238: Page 149 – Recoverables – Rs.273,751**

Audit had observed: “In a division the contract of work was rescinded whereas the secured

& mobilization advances were still to be recovered. Non recovery of risk and cost charges, secured and mobilization advance resulted in a loss of Rs.273,751 to the Government.”

**17-8-2002:** 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 January 2003. 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.

**187. Para No.239: Page 149 and 150 – Recoverables – Rs.533,519**

**30-1-2002:** The Department explained that the secured advance under observation in this para had since been adjusted and recovered. **The para was settled** subject to verification by Audit.

**188. Para No.240: Page 150 – Recoverables – Rs.305,860**

Audit had observed: “A division failed to recover secured advance made to the contractors on abandoned/completed work. Non recovery of secured advance resulted in a loss of Rs.305,860 to the Government.”

**17-8-2002:** 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 January 2003. 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.

**189. Para No.241: Pages 150-151 – Recoverables – Rs.289,575**

Audit had observed: “Earthwork of making embankment for 43500 cft. was double measured and recovery of secured advance together with interest @ 12% thereon was also not effected despite the fact that the contractor had abandoned the work. Excess measurements and non-recovery of secured advance resulted in loss of Rs.289,575 to the Government.”

**17-8-2002:** 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 31 January 2003 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.

**190. Para No.242: Page 151 – Recoverables – Rs.942,660**

Audit had observed: “A division awarded a contract in May 1994 and paid secured advance for Rs.636,500 in June 1994 to the contractor. But the contractor failed to start the work. Neither any action under clause 60 of contract agreement was initiated nor the amount of secured advance

together with interest thereon was recovered. Non initiating the action of recovery etc. against contractor as per clause 60 of contract agreement resulted in non-recovery of Rs.942,660.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**191. Para No.243: Pages 151-152 – Recoverables – Rs.701,444**

Audit had observed: “Security deposit @ 5% of work done cost was deducted from the contractors claim against the rate of 10% as per of contract agreement. Deduction of security deposit at less rate in violation of contractual provision resulted in undue financial aid to contractor for Rs.701,444 and non-recovery of interest thereon.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**192. Para No.244: Page 152 – Recoverables – Rs.369,321**

Audit had observed: “A division deducted less security @ 5% instead of 10% as required under clause 48 of agreement and clause (D) of memorandum of work which was clear violation of agreement. Violation of the agreement resulted in less recovery of Rs.369,321 from the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**193. Para No.245: Page 152 – Recoverables – Rs.109,750**

**31-1-2002:** The Department explained that full recovery of Rs.109,750 had been made. **The para was settled** subject to verification by Audit.

**194. Para No.246: Page 153 – Recoverables – Rs.796,824**

Audit had observed: “A contractor dismantled the reinforced cement concrete work/beam & railing of abridge & extracted 423,355 kg dismantled steel. A quantity of 34435 kg dismantled steel was consumed on the work and recovered cost of 189714 kg from the contractor at a very nominal rate of Rs.4 per kg. The balance quantity of 199206 Kg dismantled steel was neither got consumed on the work nor cost thereof recovered. Delay in recovery of cost of dismantled steel resulted in a loss of Rs.796,824.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**195. Para No.247: Page 153 – Recoverables – Rs.81,144**

Audit had observed: “Brick ending of a road for 25004 cft was dismantled out of which 16012 cft was reused as brick edging/sub-base course material. But failed to reuse the balance quantity of 8992 cft. Non-use of dismantled material resulted in non-recovery of Rs.81,144.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**196. Para No.248: Page 154 – Recoverables – Rs.141,866**

Audit had observed: “Recovery of Rs.461,967 was made on account of cost of dismantled material against the sanctioned amount of Rs.603,833 in the technically sanctioned estimate by the Chief Engineer concerned. Non-recovery of dismantled material resulted in loss of Rs.141,866 in February 1998.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after

such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**197. Para No.249: Page 154 – Recoverables – Rs.75,733**

Audit had observed: “In a division reinforced cement concrete item of work was dismantled. The value of steel available from dismantling was neither recovered from the contractor nor value of the same credited to the work. Non-recovery of dismantled material resulted in loss of Rs.75,733 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**198. Para No.250: Page 154 – Recoverables – Rs.162,300**

**31-1-2002:** The Department explained that recovery of Rs.110,000 had been made and the recovery of balance amount of Rs.52,300 was not due as the dismantled material was utilized in the same work. **The para was settled** subject to verification by Audit.

**199. Para No.251: Page 155 – Recoverables – Rs.68,251**

**31-1-2002:** The Department explained that as against the amount of Rs.68,251 pointed out by Audit, a recovery of Rs.85,822 had been made. **The para was settled** subject to verification by Audit.

**200. Para No.252: Page 155 – Recoverables – Rs.218,253**

Audit had observed: “A division failed to effect the recovery of cost of stone obtained as a result of rock blasting of 436505 cft. Non-recovery of cost of stone obtained as a result of rock blasting resulted in a loss of Rs.218,253 including the amount of Rs.218,253 shown as recovered, the accountal of which was yet to be verified.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after



such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**201. Para No.253: Page 156 – Recoverables – Rs.57,350**

Audit had observed: “A division laid brick edging with new bricks in place of old bricks edging but not made recovery for 229400 rft @ Rs.0.25 per rft of the cost of old/damaged bricks of old existing road edging. Non-recovery of the cost of old bricks resulted in an excess payment of Rs.57,350 to the contractor in 1994.”

**17-8-2002:** 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 January 2003. 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.

**202. Para No.254: Page 156 – Recoverables – Rs.1,727,676**

Audit had observed: “A division of failed to recover the risk and cost money from the defaulter contractor. Non recovery of amount of risk & cost from the defaulter contractor resulted in loss of Rs.1,727,676.”

**17-8-2002:** 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 31 January 2003 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.

**203. Para No.255: Pages 156-157 – Recoverables – Rs.1,891,528**

Audit had observed: “A division allotted the left over work to another contractor at the risk and cost of the original contractor but excess amount paid to the second contractor was not recovered from the original contractor. Non recovery of excess amount of risk and cost from original contractor resulted in loss of Rs.1,891,528 to the Government.”

**17-8-2002:** 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 31 January 2003 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.

**204. Para No.256: Page 157 – Recoverables – Rs.389,086**

Audit had observed: “A division failed to recover an extra expenditure incurred on the risk and cost of the original contractor till June 1993. Delay in recovery of risk and cost charges resulted in non-recovery of Rs.389,086.”

**17-8-2002:** 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 31 January 2003 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.

**205. Para No.257: Page 157 – Recoverables – Rs.487,373**

Audit had observed: “A division failed to recover Government dues incurred on the risk and cost of the defaulting contractor till April 1994. Delay in recovery of risk and cost charges resulted in non-recovery of Rs.487,373.”

**17-8-2002:** 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 31 January 2003 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.

**206. Para No.258: Page 158 – Recoverables – Rs.1,614,815**

Audit had observed: “A division allotted the balance work of a defaulting contractor in September 1993 to another contractor at his risk & cost but failed to recover the differential cost from the original contractor. Delay in recovery of risk and cost from defaulting contractor resulted in non-recovery of Rs.1,614,815.”

**17-8-2002:** 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 31 January 2003 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.

**207. Para No.259: Page 158 – Recoverables – Rs.5,737,660**

Audit had observed: “A division declared various contractors as defaulter and awarded the remaining works to other contractors at their risk & cost but failed to recover/adjust the differential cost from the defaulting contractors in spite of lapse of a considerable period. Delay in recovery of risk and cost resulted in non-recovery of Rs.5,737,660.”

**17-8-2002:** 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 31 January 2003 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.

**208. Para No.260: Pages 158-159 – Recoverables – Rs.775,058**

Audit had observed: “A division failed to recover the amount on account of risk and cost from the original contractor. Delay in recovery of risk and cost charges resulted in non-recovery of Rs.775,058.”

**17-8-2002:** 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 31 January 2003 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.

**209. Para No.261: Page 159 – Recoverables – Rs.232,063**

Audit had observed: “A division re-allotted a balance work to other contractors on risk & cost of defaulting contractors but the differential cost of Rs.232,063 was not recovered from the original contractors. Delay in recovery of Government dues resulted in non-recovery of Rs.232,063.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**210. Para No.262: Pages 159-160 – Recoverables – Rs.1,111,007**

Audit had observed: “A division re-allotted the balance work of Rs.702,949 of a defaulting contractor in March 1995 at his risk & cost under clause 3(c) of the contract agreement for Rs.1,813,956. Amount of risk and cost was not recovered. Delay in recovery of Government dues resulted in non-recovery of Rs.1,111,007.”

**17-8-2002:** 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 January 2003. 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.

**211. Para No.263: Page 160 – Recoverables – Rs.744,987**

Audit had observed: “In a division, a contractor failed to complete the work. The balance work was got completed partly by the Department itself and partly through contractors at the risk and cost of the defaulting contractor but the differential cost thereof was not recovered from him. Delay in recovery of Government dues resulted in non-recovery of Rs.744,987.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**212. Para No.264: Page 161 – Recoverables – Rs.1,198,767**

Audit had observed: “A division failed to make good the differential cost of work done from a defaulting contractor whose remaining work was allotted to another contractor at his risk and cost. Delay in recovery of Government dues resulted in non-recovery of Rs.1,198,767.”

**17-8-2002:** 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 31 January 2003 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.

**213. Para No.265: Pages 161-162 – Recoverables – Rs.59,954**

Audit had observed: “A division procured certain laboratory/testing material. The cost thereof was charged to various schemes as recoverable from the contractors but the same had not been recovered. Similarly, P.O.L. was purchased by the sub-divisional officers/sub-engineers unauthorizedly but the same could not be made good. Delay in recovery of Government dues resulted in non-recovery of Rs.59,954.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**214. Para No.266: Page 162 – Recoverables – Rs.450,368**

**29-1-2002:** The Department explained that the material against which the secured advance had been given was consumed in the work and adjusted in the bill. **The para was settled** subject to audit verification.

**215. Para No.268: Page 163 – Recoverables – Rs.120,920**

**31-1-2002:** The Department explained that the actual recoverable amount of Rs.30,496 on account of risk and cost had been recovered. **The para was settled** subject to verification by Audit.

**216. Para No.269: Page 163 – Recoverables – Rs.325,068**

**31-1-2002:** The Department explained that the civil suit filed by the contractor against the recovery pointed out in this para had been decided in favour of the Department. The recovery was being pursued as arrears of Land Revenue through DCO, Layyah. The Department was directed to follow up the case at appropriate level. **The para was settled** subject to verification by Audit.

**217. Para No.270: Page 164 – Recoverables – Rs.125,340**

Audit had observed: “In a division rent of petrol pumps was recovered at lower rates although rent was to be recovered at revised rates as per orders of the Government of the Punjab. Less-recovery of rent resulted in non-recovery of Rs.125,340 from the owners of petrol pumps.”

**17-8-2002:** 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 January 2003. 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.

**218. Para No.271: Page 164 – Recoverables – Rs.470,000**

**31-1-2002:** The Department explained that efforts were being made to recover the amount of the rent of approach roads to the petrol pumps from the oil supplying companies. The Committee desired that the progress on recovery should be monitored by the Finance Department. With this direction, **the para was settled.**

**219. Para No.272: Pages 1641-65 – Recoverables – Rs.506,600**

**29-1-2002:** The Department explained that the para related to the recovery of lease money at the revised rates from the Oil Companies. The Court case had been decided against the Oil Companies and the Department was pursuing the recovery from them.

The Committee directed that the Finance Department should monitor the recovery. With the above observation, **the para was settled.**

**220. Para No.273: Page 165 – Recoverables – Rs.235,000**

Audit had observed: “In a division the rent of petrol pumps was not recovered since July 1990 to June 1993 according to the notification of Government of Punjab No.SOH-I/C&W/1-2/8-85 dated 9.6.1990. Delay in recovery resulted in non-recovery of Rs.235,000.”

**17-8-2002:** The Committee **settled the para** with the direction that subject to the decision of the court, the recovery shall be effected and reported to the Audit for verification, the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**221. Para No.274: Page 165 – Recoverables – Rs.180,000.**

**29-1-2002:** The Department explained that the para related to the recovery of lease money at

the revised rates from the Oil Companies. The Court case had been decided against the Oil Companies and the Department was pursuing the recovery from them.

The Committee directed that the Finance Department should monitor the recovery. With the above direction, **the para was settled.**

## **222. Para No.275: Page 166 – Recoverables – Rs.66,099**

Audit had observed: “An officer failed to vacate the official residence on his transfer to other sub division by violating the orders of the Government. Non-recovery of penal rent from the officer concerned resulted in a loss of Rs.66,099 during March 1995 to October 1997.”

**17-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## **223. Para No.276: Page 166 – Recoverables – Rs.844,627**

Audit had observed: “In a division a contractor failed to complete the work in time and thus was liable to pay compensation at 10% of the estimated cost. No action was taken by the Department. Non-imposition of penalty resulted in non-recovery of compensation of Rs.844,627 from the contractor.”

**17-8-2002:** 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, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **224. Para No.277: Page 167 – Recoverables – Rs.1,313,923**

Audit had observed: “In a division a contractor was liable to pay the compensation for delay in completion of work but no compensation was recovered. Non-imposition of penalty resulted in non-recovery of compensation of Rs.1,313,923 from the contractor.”



**17-8-2002:** 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, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**225. Para No.278: Page 167 – Recoverables – Rs.97,060**

Audit had observed: “In a division the contractor failed to complete the work within stipulated period. Neither action was taken to penalize the contractor for delay as per agreement nor time extension was granted. Violation of agreement resulted in non-recovery of Rs.97,060.”

**17-8-2002:** 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, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**226. Para No.279: Pages 167-168 – Recoverables – Rs.3,012,670**

Audit had observed: “In a division compensation charges for delay in completion of works were not recovered according to agreement clause. Non-recovery of compensation charges for delay resulted in loss of Rs.3,012,670.”

**17-8-2002:** 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 31 January 2003 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.

**227. Para No.280: Page 168 – Recoverables – Rs.1,975,968**

Audit had observed: “A division failed to recover the cost of 267.60 metric tons bitumen

issued in 1991 from a contractor. Delay in recovery of cost of bitumen issued to the contractor resulted in non-recovery of Rs.1,975,968.”

**17-8-2002:** 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 January 2003. 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.

**228. Para No.281: Pages 168-169 – Recoverables – Rs.911,319**

Audit had observed: “The Communications & Works Department disallowed issuance of bitumen by the Department to the contractors. Contrary to that a division issued 70.60 metric tons bitumen to various contractors during 1994-95 & 1995-96 but recovery of cost of bitumen along with storage/supervision charges was not made. Delay in recovery of Government dues resulted in non-recovery of Rs.911,319.”

**17-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**229. Para No.283: Page 169 – Recoverables – Rs.1,004,200**

Audit had observed: “A division issued bitumen to the contractors but recovery of bitumen was not made from them. Non-recovery of bitumen resulted in loss of Rs.1,004,200 to the Government.”

**17-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**230. Para No.284: Page 170 – Recoverables – Rs.56,938**

Audit had observed: “In a division a quantity of 8 metric ton bitumen was issued to the contractor for construction of road but the cost thereof has not been recovered. Delay in recovery of the cost of bitumen resulted in non-recovery of Rs.56,938 from the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**231. Para No.285: Page 170 – Recoverables – Rs.61,800**

Audit had observed: “A division left 4 metric ton unconsumed bitumen with defaulting contractor. Moreover, 6 metric ton bitumen was also issued to him in addition. Neither unconsumed material was taken back nor recovery thereof was made at the current market rate plus supervision/storage charges etc. Delay in recovery of unconsumed material resulted in non-recovery of Rs.61,800 from the contractor.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**232. Para No.286: Pages 170-171 – Recoverables – Rs.105,248**

Audit had observed: “A division failed to recover the cost of bitumen issued from the Divisional Store for the construction of roads to the contractor. Delay in recovery of the cost of bitumen resulted in non-recovery of Rs.105,248 from the contractors.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**233. Para No.287: Page 171 – Recoverables – Rs.1,229,535**

Audit had observed: “A division failed to make adjustment/recovery of cost of bitumen, hire/crew charges of machinery and income tax from a contractor. Similarly, in another cases the Department not adjusted/recovered the amount of a minus bill and risk & cost of a contractor. Delay in recovery of Government dues resulted in non-recovery of Rs.1,229,535.”

**17-8-2002:** 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 31 January 2003 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.

**234. Para No.288: Pages 171-172 – Recoverables – Rs.109,200**

Audit had observed: “A division failed to recover the cost of 10.00 metric ton bitumen issued to a contractor in November 1995 although the contractor was paid thirteen running bills up to June 1996. Delay in recovery of Government dues resulted in non-recovery of Rs.109,200.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**235. Para No.289: Page 172 – Recoverables – Rs.77,222**

Audit had observed: “A division failed to recover the cost of bitumen, empty tar drums from a contractor who failed to complete his work within stipulated period mentioned in the agreement. No action for recovery of compensation for delay in the completion of work was initiated. Delay in recovery of Government dues resulted in non-recovery of Rs.77,222.”

**17-8-2002:** 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 31 January 2003 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.

**236. Para No.290: Pages 172-173 – Recoverables – Rs.236,964**

Audit had observed: “A division received 26 metric tons bitumen short against advance payment made to procurement sub-division, Karachi in May 1994. Short receipt of bitumen against advance payment resulted in a loss of Rs.236,964 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para**

**subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**237. Para No.291: Page 173 – Recoverables – Rs.544,174**

Audit had observed: “A division made recovery of income tax at the rate of 3 percent instead of 5 percent during 1995-96. Less deduction of income tax resulted in less-recovery of Rs.544,174 from the contractors “

**17-8-2002: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**238. Para No.292: Page 173 – Recoverables – Rs.244,647**

Audit had observed: “A division effected recovery of income tax at 3% instead of admissible rate of 5% after 1<sup>st</sup> July 1995. Less deduction of income tax resulted in short recovery of Rs.244,647 from the contractor in June 1996 and June 1997.”

**17-8-2002: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**239. Para No.293: Page 174 – Recoverables – Rs.1,072,854**

Audit had observed: “A division failed to recover the income tax at the enhanced rate of 5% on payments made after 30.06.1995 in accordance with the Income Tax Ordinance. Less deduction of income tax resulted in non-recovery of income tax Rs.1,072,854 during 1996-97.”

**17-8-2002: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-



deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**240. Para No.294: Page 174 – Recoverables – Rs.199,471**

Audit had observed: “A division made deductions of income tax at 3% instead of 5% after 1<sup>st</sup> July 1995. Non-deduction of income tax at full rate resulted in less-recovery of Rs.199,471 from the contractors.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**241. Para No.295: Pages 174-175 – Recoverables – Rs.178,686**

Audit had observed: “A division failed to recover the full cost of stone obtained from medium rock excavation as required under the provisions of technical sanction accorded by the Competent Authority. Non-recovery of Government dues resulted in non-recovery of Rs.178,686.”

**17-8-2002:** 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 January 2003. 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.

**242. Para No.296: Page 175 – Recoverables – Rs.115,624**

Audit had observed: “A division failed to recover the hire charges of machinery along with its crew charges for the period May 1991 to August 1991, cost of certain materials and cost of such dismantled material not re-used as sub base from a contractor. Delay in recovery of Government dues resulted in non-recovery of Rs.115,624.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and



the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**243. Para No.297: Pages 175-176 – Recoverables – Rs.73,546**

Audit had observed: “A division failed to recover the hire charges of machinery issued to different sister divisions from 1991 to date. Non-recovery of hire charges of machinery resulted in loss of Rs.73,546 to Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**244. Para No.298: Page 176 – Recoverables – Rs.231,916**

Audit had observed: “A division failed to recover the hire charges of different kinds of machinery from the contractors. Slackness of the Department resulted in non-recovery of Rs.231,916 from the contractors “

**17-8-2002:** 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 January 2003. 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.

**245. Para No.299: Page 176 – Recoverables – Rs.2,238,095**

Audit had observed: “A division supplied machinery to other sister divisions but recovery of hire charges was not effected from them. Delay in recovery of hire charges of machinery resulted in non-recovery of Rs.2,238,095 from the contractors.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**246. Para No.300: Page 177 – Recoverables – Rs.90,951**

Audit had observed: “A division failed to recover hire charges of machinery from contractors. Non-deduction of hire charges of machinery resulted in non-recovery of Rs.90,951 to public exchequer.”

**17-8-2002:** 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 January 2003. 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.

**247. Para No.301: Page 177 – Recoverables – Rs.587,998**

Audit had observed: “A division failed to deduct hire/rental charges of machinery from various contractors Delay in recovery of Government dues resulted in non-recovery of Rs.587,998.”

**17-8-2002:** 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 January 2003. 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.

**248. Para No.302: Pages 177-178 – Recoverables – Rs.214,351**

Audit had observed: “A division failed to recover hire charges of machinery from its sister divisions. Delay in recovery of Government dues resulted in non-recovery of Rs.214,351.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**249. Para No.303: Page 178 – Recoverables – Rs.61,956**

**31-1-2002:** The Department explained that full recovery of Rs.61,956 had been made from the contractors on account of hire charges of machinery and the record was under verification. **The**

**para was settled** subject to verification by Audit.

**250. Para No.304: Pages 178-179 – Recoverables – Rs.96,483**

Audit had observed: “A formation lent out a road roller on hire to a sister formation up to 31<sup>st</sup> July, 1997. Hire charges at the rate of Rs.1,109 per day amounting to Rs.96,483(likely to increase) were neither recovered nor the road roller was received back. Non-recovery of hire charges resulted in loss of Rs.96,483 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**251. Para No.309: Pages 180-181 – Others – Rs.403,312**

Audit had observed: “In a division empty tar drums were not auctioned since long. Non auction of empty tar drums resulted in loss Rs.403,312 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**252. Para No.310: Page 181 – Others – Rs.110,500**

**31-1-2002:** The Department explained that the record relating to the empty bitumen drums under observation in this para had since been traced out.

The Department was directed to auction the empty bitumen drums at the earliest and take disciplinary action against the persons responsible for delay in taking necessary action in the matter. The Committee desired that the Finance Department should monitor progress in the case. With the above directions, **the para was settled.**

**253. Para No.312: Page 182 – Others – Rs.329,040**

Audit had observed: “In a division empty tar drums were not auctioned since long. Non auction of empty tar drums resulted in loss of Rs.329,040 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para**

**subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**254. Para No.313: Page 182 – Others – Rs.446,250**

Audit had observed: “A division failed to auction 3070 Nos empty tar drums. Non-auction of surplus available stock resulted in loss of Rs.446,250 to the Government.”

**17-8-2002: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**255. Para No.314: Pages 182-183 – Others – Rs.376,625**

Audit had observed: “A division failed to dispose off 3013 empty tar drums through public auction. Non auction of available surplus stock of empty tar drums resulted in loss of Rs.376,625 to the Government.”

**17-8-2002: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**256. Para No.315: Page 183 – Others – Rs.349,600**

Audit had observed: “A division issued bitumen of 554.87 metric ton on various repair works but cost of the empty bitumen drums was not credited to Government revenue nor these were consumed/disposed of through auction. Non disposal/ auction of the empty tar drums resulted in loss of Rs.349,600 to the Government.”

**17-8-2002: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the

PAC.

**257. Para No.317: Page 184 – Others – Rs.385,200**

Audit had observed: “A division issued 401.21 metric tons bitumen on various maintenance works but empty drums were neither taken on RMR/MAS account nor these were disposed off through auction. Non auction of empty bitumen drums resulted in loss of Rs.385,200 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**258. Para No.318: Page 184 – Others – Rs.2,205,106**

Audit had observed: “Lapsed deposits on accounts of security deposits of contractors were not credited to the Government revenue. Non lapsing and crediting the outstanding security deposit to Government revenue resulted in loss of Rs.2,205,106.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**259. Para No.319: Page 185 – Others – Rs.1,982,551**

Audit had observed: “A division allotted the balance work of a defaulting contractor in December 1993 at his risk & cost. The second contractor also failed to complete the work in question but the security deposit of contractor was released without completion of work, besides finalization of accounts. No recovery of risk and cost from the defaulting contractor was made. Non implementation of clauses 50, 60 and 61 of the contract agreement resulted in irregular release of security deposit and non-recovery of risk and cost.”

**17-8-2002:** 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 31 January 2003 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.

**260. Para No.320: Page 185 – Others – Rs.109,114**

**29-1-2002:** The Department explained that the deposit in question was available in the deposit register of the concerned division which could be credited to revenue.

The Committee directed that the amount should be got adjusted with the approval of the competent authority and the Finance Department should monitor the case. With the above direction, **the para was settled.**

**261. Para No.321: Page 186 – Others – Rs.280,000**

Audit had observed: “In a division unserviceable machinery was not auctioned. Non auction of unserviceable machinery resulted in loss of Rs.280,000 to the Government.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**262. Para No.323: Page 187 – Others – Rs.314,723**

Audit had observed: “Bitumen was issued to various contractors in excess of that actually required for resurfacing works. The balance quantity was neither taken back from the contractors nor cost thereof was got recovered from them. Issue of bitumen quantities in excess of requirement resulted in non-recovery of Rs.314,723.”

**17-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**263. Para No.324: Page 187 – Others – Rs.457,866**



**29-1-2002:** The Department explained that the unclaimed deposits pointed out by Audit in this para had since been adjusted. **The para was settled** subject to audit verification.

**264. Para No.327: Page 189 – Others – Rs.558,900**

Audit had observed: “A division purchased the steel wire rope worth Rs.558,900 and charged for the maintenance of 2 Boat Bridges by taking the steel wire rope on “Consumption Register”. The steel wire rope was required to be taken on the stock register as it was a item of stock and could be used in more than one seasons while erecting the boat bridge after rainy season. Non-accountal of steel wire rope resulted in unjustified expenditure of Rs.558,900 during 1996-97.”

**17-8-2002:** 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 31 January 2003 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.

## Pended Paras Buildings Department Works Audit

**1. Para No.1.1: Page 29 – Misappropriation of – Rs.132,850**

**23-1-2002:** The Department explained that articles of furniture etc. were found missing from 3 residences in GOR-I when vacated by ex-Ministers/Advisors. Efforts were being made to recover the missing articles or their cost from them.

The Committee directed that the recovery of the missing articles/cost should be pursued expeditiously at the level of Administrative Department, which should, of course, follow the prescribed procedure, and copies of the communications sent to the ex-Ministers/Advisors should also be forwarded to the National Accountability Bureau and the Election Commission of Pakistan for information. **The para was kept pending.**

**2. Para No.1.2: Page 29 – Misappropriation of Rs.2,986,065**

**23-1-2002:** The Department explained that articles of furniture etc. were found missing from 12 residences in GOR-I when vacated by ex-Ministers. Efforts were being made to recover the missing articles or their cost from them.

The Committee directed that the recovery of the missing articles/cost should be pursued expeditiously at the level of Administrative Department which should, of course, follow the prescribed procedures, and copies of the notices of the recovery sent to the ex-Minister should also be forwarded to the National Accountability Bureau and the Election Commission of Pakistan for information. **The para was kept pending.**

### **3. Para No.2.4: Page 31 – Overpayment – Rs. 52,878**

**17-4-2002:** The Department explained that two independent bills of the same contractor were paid by two different Sub-Divisions for execution of the portion of the work related to each Division. Thus no double payment was involved.

However, the payment of Rs. 93,528 had been made against the agreement amount of Rs. 50,000.

The Committee directed that an inquiry should be held into the matter for taking appropriate action against all the responsible officers/officials including the Divisional Accountant. The Committee also directed that delay in taking appropriate action in this matter should also be probed and disciplinary action initiated against these responsible for the delay. The relevant record should be shown to Audit. **The para was kept pending.**

### **4. Para No.2.5: Page 32 – Overpayment of – Rs.2,176,267**

**23-1-2002:** The Department explained that an inquiry in the matter had been finalized according to which a sum of Rs.728,520 had been found recoverable from three officers/officials and one contractor. An amount of Rs.399,258 had since been recovered and efforts were being made to recover the balance amount from the persons concerned. The Department was directed to effect the balance recovery expeditiously and get the record verified by Audit. **The para was kept pending.**

**5. Para No.2.7: Page 33 – Excess payment – Rs.43,587**

**22-1-2002:** The Department explained that the amount excess paid as pointed out in the para had been placed in the P.W. Miscellaneous Advance to be recovered from the concerned SDO and Sub Engineer. An Enquiry in the matter was also under process and they would also be proceeded against under the Punjab Removal from Service (Special Powers) Ordinance 2000. The Department was directed to complete the recovery/action expeditiously. **The para was kept pending.**

**6. Para No.2.10: Page 34 – Overpayment – Rs.95,731**

**22-1-2002:** The Department explained that the length of brick edging had been reduced as per actual site requirement as compared to the quantities of sub base, base and T.S.T. and no excess payment was involved. The Department was directed to get the record verified by Audit. **The para was kept pending.**

**7. Para No.2.25: Page 40 – Overpayment – Rs. 382,402**

**17-4-2002:** Audit pointed out that the item of work was put to tender for Rs. 62.65 per RFT and contractor tendered its rates as 64.5% above. Hence revision of rates after award of work was incorrect.

The Department explained that the item paid was MS pipe 6” dia including flanges, nuts and bolts, rubber joints, and also the item stands duly approved by the competent authority as non scheduled items. The item was also provided in the revised technical sanction.

The Committee directed that relevant record should be produced to Audit for scrutiny, verification and comments. **The para was kept pending.**

**8. Para No.2.26: Page 41 – Overpayment – Rs. 154,000**

**17-4-2002:** Audit had pointed out that certain accessories which formed part of KSB/Turbine Pump and were inclusive in the total cost had also been paid separately. The reply of the Department was not convincing.

The Committee directed that an inquiry should be held into the matter and necessary action taken expeditiously. **The para was kept pending.**

**9. Para No.2.31: Page 43 – Overpayment – Rs.142,288**

**3-5-2002:** The Department explained that the item pointed out by Audit was regarding painting with emulsion paint applied on new surface but he actual item paid was painting of the old surface which involved scraping, clearing, brushing, smoothing the surface with pumic stone and the rate was duly approved by the competent authority.

The Department was directed to produce the relevant record to Audit for scrutiny and comments. **The para was kept pending.**

**10. Para No.2.35: Page 45 – Overpayment – Rs.57,515**

**3-5-2002:** The Department explained that in the present case of boring for tube well the strata consisted of rock and gravel where direct rotary drilling was required since this item was not provided in CSR 1979, an item rate for it was got approved by the competent authority. Audit, however, contended that the item “Boring of tube well in Shingle Gravel and Rock” was provided in CSR 1979.

The Committee directed that this para should be referred to the Standing Rates Committee for appropriate decision. **The para was kept pending.**

**11. Para No.2.38: Page 46 – Over payment of Rs.102,090**

**21-1-2002:** The Department explained that the audit para comprised 4 advance Paras. The amount of 3 advance paras (Rs.50,681) had been recovered. The Department further stated that with regard to the 4th advance para (No.501) the rate of Rs.21.05 had been correctly applied.

The Department was directed to get the recovery verified and to produce the record to Audit in support of its contention that correct rates were applied. **The para was kept pending.**

**12. Para No.2.39: Page 46 – Overpayment of Rs.2,181,869**

**23-1-2002:** Audit had pointed out that the Buildings Department substituted an item of work “fabrication of mild steel” with another item ‘fabrication of grade 60 steel’ and paid higher rate to the contractor @ Rs.33 per Kg instead of Rs.23/39 per Kg after acceptance of tenders.

The Department explained that the tenders were called and accepted on the basis of “tender drawings” without detailed specifications. The quality of steel was worked out on yard stick given by the consultants. After approval and allotment of work, the consultant (M/s NESPAK) supplied the detailed structural and working drawings in which the use of steel of grade 60 was specified. This item was not covered in CSR 1979 so the item rate was got approved from the Competent Authority and the Technical Sanction was revised.

The Department was directed to provide the revised technical sanction and revised administrative approval to Audit for verification. **The para was kept pending.**

**13. Para No.2.40: Page 70 – Overpayment – Rs.81,383**

**3-5-2002:** Audit had pointed out that the Department had paid item rate for an item of work for which the rate could be derived from CSR 1979.

The Department explained that the item under observation was not provided in CSR 1979. The Department also provided the rate analysis and stated that the item had been got approved in the original technically sanctioned estimate by the competent authority.

The Committee directed that the case should be referred to the Standing Rates Committee for appropriate decision. **The para was kept pending.**

#### **14. Para No.2.42: Pages 47-48 – Overpayment – Rs.2,142,252**

Audit had observed: “A formation as per composite schedule of Rates, 1979 made payment for steel at much high rates than admissible. Payment of high rate of steel resulted in excess payment of Rs.2,142,252 in January 1998.”

**15-8-2002:** On consideration of the facts, **the Committee pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

#### **15. Para No.2.43: Page 48 – Overpayment – Rs.105,486**

**16-4-2002:** Audit had pointed out that rates were approved for 20 SWG in steel chowkat which was a scheduled item @ Rs.45 Per Sft, but it was changed to 16 SWG and paid as non scheduled item @ Rs.101.55 per Sft.

The Department explained that steel chowkat with 16 SWG had been provided in the revised technical sanction. The original and the revised technical sanction had been approved by the Chief Engineer. The rate analysis of the non scheduled item had also been approved by the Competent Authority.

The Committee directed that a probe should be held into the necessity and justification for substituting the scheduled item with a non-schedule item and genuineness of the rate analysis of the non-scheduled rate – the excess payment if established, should be recovered. The relevant papers should also be shown to Audit for comments. **The para was kept pending.**

#### **16. Para No.2.44: Pages 48 & 49 – Overpayment – Rs.78,179/96**

**16-4-2002:** Audit had pointed out that instead of CI pipe 5” at scheduled rate of 79.12 per Rft as provided in the DNIT/TS, payment had been made for G.I. Pipe 4” Dia at the non-scheduled rate of Rs.194/60.

The Department explained that the deviation from the DNIT had been made keeping in view the architectural drawings wherein it was clearly mentioned that concealed 4” Dia G.I. pipe would be used for rain water disposal. Necessary provision had also been made in the technically sanctioned

estimate approved by the Chief Engineer. Moreover the non-scheduled rate had been derived from item 20/191 of CSR.

The Committee observed that if the drawings had been received before the issue of the DNIT, the subsequent substitution had apparently effected the competitive bidding. The Committee directed that a probe should be held into the necessity and justification for substituting a scheduled, item with a non scheduled item and genuineness of the rate analysis of the non schedule rate – the excess payment if established should be recovered. The relevant papers should be shown to Audit for comments. **The para was kept pending.**

**17. Para No.2.52: Page 52 – Overpayment – Rs.262,970**

**3-5-2002:** The Department stated that this Draft **Para** No.was based on two Advance Paras and explained as under:-

**(i) AP No.4908 for Rs.85,040**

The Department explained that excess payment of Rs.85,040 had since been recovered from the contractor concerned.

**(ii) AP No.4907 for Rs.177,930**

The Department explained that the Chief Engineer had ordered a probe into the matter on 16 January 2002.

The Committee directed that the probe/action should be completed, at the earliest and further action initiated against officers found at fault. **The para was kept pending.**

**18. Para No.2.53: Page 52 – Overpayment – Rs.165,272**

**3-5-2002:** Audit had pointed out that the item of work was paid to the first contractor at the rate of Rs.38 per sft but the same item was subsequently allotted to another contractor at the rate of Rs.105 per sft. The Department explained that the first rate was paid on the basis of competitive bidding in 1990 whereas the second rate was also based on competitive bidding held in 1993 i.e. after 3 years.

The Department further stated that both the items also had different specifications.

The Department was directed to produce all the relevant record to Audit for scrutiny and comments. **The para was kept pending.**

**19. Para No.2.54: Page 53 – Over Payment of Rs.148,985**

**21-1-2002:** The Department explained that recoveries of Rs.30,898 and Rs.30,697 involved in both parts of the para had been made. The Department stated that action would be taken against the officials responsible for excess payment, including the treasury officer. The Department was directed



to get the recovery verified by Audit and take disciplinary action against the persons responsible for excess payment. **The para was kept pending.**

## **20. Para No.2.58: Page 55 – Overpayment – Rs.167,800**

**22-1-2002:** The Department contended that Audit observation that change in rates of cement during the month was applicable from the first day of the next month was not correct, as was clear from clause 55(4) of the contract agreement.

The Committee directed that full facts of the case (with dates and quantities involved) and the provision of the agreement should be referred to the Finance Department for comments before a decision is taken in the matter. **The para was kept pending.**

## **21. Para No.3.1: Page 56 – Negligence – Rs.65,763**

**17-4-2002:** The Department explained that the actual problem was not that of non-auction of the unserviceable articles as pointed out by Audit. But an inquiry revealed that most of the articles were serviceable and there was shortage of articles worth Rs.963,200 and a comprehensive inquiry into the matter was in process.

The Committee directed that the detailed inquiry/disciplinary action/recovery, if established, should be completed at the earliest. **The para was kept pending.**

## **22. Para No.3.2: Page 56 – Negligence – Rs.9,405,130**

**15-4-2002:** Audit had pointed out that an amount of Rs.9,405,130 was paid to the Principals/ Headmasters of various institutions during the year 1995-96 for executing the repair works but the amount was still lying unadjusted under Misc. P.W. Advances.

The Department explained that the para related to the defunct Civil Engineering Cell of Education Department. The Director of Schools/Colleges, D.G. Khan had been advised to obtain vouched accounts of the expenditure from the concerned Heads of the Institutions.

The Committee directed that the Finance Department should call both Departments to a meeting and resolve the issue. **The para was kept pending.**

## **23. Para No.4.1: Page 58 – Violation of rules – Rs. 378,880**

**17-4-2002:** The Department explained that the work had been technically sanctioned for Rs. 4,156,786 against the lowest tender of Rs. 4,331,371. The excess of Rs. 174,585 over the technically sanctioned estimate was 4.2% which was within permissible limit. The para was kept pending for want of Audit comments.

**2-5-2002:** Audit had pointed out that excess expenditure had been incurred beyond the revised technically sanctioned estimate. The Department explained that the expenditure was less than the 2nd revised technical sanction. The Department was directed to get the 2nd revised technical sanction regularized by the Finance Department. **The para was kept pending.**

#### **24. Para No.4.2: Page 59 – Violation of Rules – Rs.168,949**

**(A) AP No.4785 for Rs.52,011**

**17-4-2002:** The Department explained that the quantity of steel provided in the technically sanctioned estimate was 5 lbs./cft. However, as per structural design of the work, the quantity of steel used was 6.57 lbs./cft which was approved in the revised technical sanction.

The Committee was not satisfied with the explanation of the Department and directed that an inquiry should be held and necessary action/recovery, if warranted, should be completed at the earliest. **The item was kept pending.**

**(B) AP No.4786 for Rs.74,296**

**17-4-2002:** The Department explained that the increased quantity brick work had been incorporated in the revised technically sanctioned estimate before the execution of work. **The item was settled.**

**(C) AP No.4788 for Rs.42,642**

**17-4-2002:** The Department explained that the excess quantity of RCC was approved by the Competent Authority in the variation statement.

The Committee decided to **settle the item** subject to verification by Audit.

**25. Para No.4.9: Pages 61-62 – Violation of Rules – Rs.51,513**

**16-4-2002:** The Department explained that the quantity of doors was increased on the requirement of the client department. The revision of technical sanction was in process.

The Committee directed that an inquiry should be held for fixing the responsibility of execution of excessive quantity of work without technical sanction and action/recovery if established, should be completed at the earliest. **The para was kept pending.**

**26. Para No.4.15: Page 64 – Violation of Rules – Rs. 2,687,939**

Audit had observed: “A formation measured and paid for non schedule items which were neither provided in original bid schedule/agreement, nor estimate. Execution of non schedule items without approval resulted in irregular payment of Rs.2,687,939 in December 1997.”

**15-8-2002:** On consideration of the facts, **the Committee pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**27. Para No.4.19: Page 66 – Violation of Rules – Rs. 6,604,814**

Audit had observed: “A formation made payment for different items of works more than provided in technically sanctioned estimate/agreement. Payment of work beyond estimate/agreement resulted in irregular payment to contractors for Rs.6,604,814.”

**15-8-2002:** On consideration of the facts, **the Committee pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**28. Para No.4.20: Page 66 – Violation of Rules – Rs. 1,165,504**

Audit had observed: “A formation executed an item of work “Ribbed Round Reinforcement Bars etc.” and quantity of 743887 Kg was paid against the admissible quantity of 690906 Kg. Payment of excessive quantity resulted in over payment of Rs.1,165,604.”

**15-8-2002:** On consideration of the facts, **the Committee pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**29. Para No.4.23: Page 68 – Violation of Rules – Rs.83,908**

**17-4-2002:** The Department explained that this para pertained to defunct Civil Engineering Cell of Education Department. The payment on account of earth filling at site under observation in audit para had been made to the contractor as per revised estimate sanctioned by the competent authority. **The para was kept pending** for want of Audit comments.

### **30. Para No.4.24: Page 68 – Violation of rules – Rs.411,831**

**15-4-2002:** Audit had pointed out that certain items of work had been paid in excess of the provision of the agreement and estimate without the prior approval of the competent authority.

The Department explained that the items under observations in this para had been provided in the revised estimate. During discussion the Department stated that technical sanction had not yet been revised. The Committee directed that disciplinary action should be taken against the officer responsible for executing the work without the revised technical sanction. Moreover, technical sanction should be got revised by the competent authority. **The para was kept pending.**

### **31. Para No.4.27: Page 70 – Violation of Rules – Rs.1,444,597**

**23-1-2002:** The Department explained that the work at Rawalpindi Cricket Stadium was taken in hand on a war footing basis and completed in minimum time through day and night shifts. The Department further explained that during the execution of work the Chairman World Cup Committee and District Administration visited the Stadium and desired for the execution of certain works which were not included in the original scope. A separate estimate for such additional work was approved and Technically Sanctioned for a sum of Rs.3,847,000.

Audit pointed out that the Department had prepared a separate estimate instead of a revised estimate and separate payment made to contractor which resulted in excess payment of Rs.1,447,597 on account of the additional items.

The Department further stated that the original administrative approval of the work was given by the Commissioner and the second administrative approval was also granted by him. Audit stated that the combined administrative approval should have been obtained from the Provincial Development Working Party (PDWP).

The Committee observed that it appeared to be a case of procedural lapse and directed that the matter should be referred to the Finance Department for regularization. **The para was kept pending.**

### **32. Para No.4.29: Page 71 – Violation of Rules – Rs.1,588,347**

**23-1-2002:** Audit had pointed out that item of work ‘steel grade 40 and 60’ was paid in excess of the quantity provided in the technically sanctioned estimates.

The Department explained that the tenders were called and accepted on the basis of the

general yardstick but after approval and allotment of work the consultant (M/S NESPAK) supplied the detailed structural and working drawing in which the use of steel of grade 60 was specified. This item was not covered in CSR 1979 so the item rate was got approved from the Competent Authority and the technical sanction was revised.

The Department was directed to provide the revised technical sanction and revised administrative approval to Audit for verification. **The para was kept pending.**

### **33. Para No.4.30: Page 71 – Violation of Rules – Rs.681,125**

**3-5-2002:** The Department explained that the item “steel grade 60” was provided in technically sanctioned estimate as the item was not available in CSR, its rates were sanctioned as per rate analysis prepared by the Department on the basis of quotation obtained from M/s Capital Steel Industries, Islamabad.

Audit, however, pointed out that the rate obtained from M/s Capital Steel Industries was on the higher side as compared to the rates of M/s Tar Steel.

The Committee directed that Audit should produce the rate of “steel grade 60” notified by CDA at that particular time. **The para was kept pending.**

### **34. Para No.4.31: Page 71 – Violation of Rules – Rs.61,822**

**16-4-2002:** The Department explained that Audit para comprised two advance para involving amounts of Rs.24,022 and Rs.37,800 and explained as under:-

#### **(i) Rs.24,022**

The Department explained that in the sanctioned estimate, the depth of tubewell bore and pipe had been provided as 180 feet. But during actual execution boring upto 270 feet was required. The variation had been covered in the revised estimates.

Audit pointed out that technical sanction had been revised after completion of work which was irregular. The Department was directed to get the expenditure regularized by the Finance Department. **This part of the para was kept pending.**

#### **(ii) Rs.37,800**

The Department explained that this advance para had been settled by the SDAC on 2 December 1998. Audit had verified the position in the meeting. **This part of the para was settled.**

### **35. Para No.4.33: Page 72 – Over Payment of Rs.53,405**

**21-1-2002:** The Department explained that the recovery of Rs.14,093 involved in advance para

No.502/10 had been made. As regards advance para No.502/9, the Department contended that the actual amount of excess paid was Rs.24,670 instead of Rs.39,312 as pointed out by Audit.

The Department was directed to reconcile the recoverable amount and get the recovery verified by Audit. **The para was kept pending.**

### **36. Para No.4.34: Pages 72-73 – Violation of Rules-Excess Payment of Rs.341,785**

**22-1-2002:** The Department stated that Audit para comprised six Advance paras and explained as under:-

(i) **Advance Para No.6.7.1 Rs.108,906**

(ii) **Advance Para No.6.7.8 Rs.16,814**

**22-1-2002:** The Department explained that the paras had been settled by the SDAC on December 2-4, 1998. Audit had verified the same. **These Advance Paras were settled.**

(iii) **Advance Para No.6.7.11 Rs.55,413**

**22-1-2002:** The Department explained that the matter was under inquiry. The Department was directed to complete the inquiry/action expeditiously. **This Advance Para was kept pending.**

(iv) **Advance Para No.577 Rs.13,330**

**22-1-2002:** The Department stated that the item of work in question was covered in the revised technical sanction. Audit had verified the same. **This Advance Para was settled.**

(v) **Advance Para No.24 Rs.112,422**

**22-1-2002:** The Department explained that the date of completing contractual commitment by the Public Works Department was extended by the Finance Department upto 25th June 1997. Accordingly, the work was got executed through 11 separate work orders. Audit had verified the position. **This Advance Para was settled.**

(vi) **Advance Para No.580 Rs.34,900**

**22-1-2002:** The Department explained that the amount of Rs.34,900 paid in excess of Technical Sanction had been placed in P.W. Advance to be recovered from the concerned SDO and Sub Engineer. If the amount was not paid by them, action against them would be taken under the Punjab Removal from Service (Special Powers) Ordinance 2000. The Department was directed to complete recovery/ action expeditiously. **This Advance Para was kept pending.**

### **37. Para No.4.36: Page 73 – Violation of Rules – Rs.98,250**



**15-4-2002:** The Department explained that the work had been executed but the technical sanction had not so far been approved regarding excess payment of Rs.98,250.

The Committee directed that the Department should initiate disciplinary action and effect the recovery from the officers responsible for the irregularity. **The para was kept pending.**

**38. Para No.4.37: Page 74 – Violation of Rules-Excess Payment – Rs.74,348**

**22-1-2002:** Audit had pointed out that quantity of 2616 sft of flush door shutter had been paid against the provision of 1755 sft in the technical sanction. The Department explained that the excess quantity in question had been covered in the revised technical sanction. However, it was observed that technical sanction had been issued as late as February 21, 2001. The Department was directed to produce the relevant record to Audit for scrutiny and comments. **The para was kept pending.**

**39. Para No.4.39: Page 74 & 75 – Violation of Rules-Excess Payment of Rs. 136,037**

**22-1-2002:** The Department explained that the height of the boundary wall had been adjusted in accordance with the topography of the site. However, the relevant record was in the custody of the Anti Corruption Establishment in connection with the enquiry against the XEN (Malik Mehr Muhammad). **The para was kept pending.**

**40. Para No.4.48: Page 78 – Violation of Rules – Rs.313,827**

**15-4-2002:** Audit had pointed out that certain repair works costing Rs.313,827 had been got executed through work order without calling tenders.

The Department explained that the concerned officers/officials had been asked to explain above mentioned irregularity.

The Committee directed that the Divisional Accountant should also be included in the list of officers/officials responsible for the irregularity and appropriate action should be completed at the earliest. **The para was kept pending.**

**41. Para No.4.55: Page 81 – Violation of Rules – Rs.205,600**

**16-4-2002:** The Department explained that the tender accepted was 2.01% above the revised technically sanctioned estimate. Audit, however, pointed out that there were indications in the record produced by the Department that tenders had been invited without technically sanctioned estimates of the work.

The Department was directed to produce the record to Audit to substantiate its contention. **The para was kept pending.**

#### **42. Para No.4.56: Pages 81-82 – Violation of Rules – Rs.372,772**

**17-4-2002:** The Department explained that the excess expenditure over technically sanctioned estimate was within permissible limit of 4.5%. **The para was kept pending** for want of Audit comments.

#### **43. Para No.4.72: Page 88 – Violation of Rules-Loss of Rs.73,500**

**22-1-2002:** The Department explained that contingencies amounting to Rs.69,117 had been used in group No.II of the work in view of the consideration that re-tendering for the work would have resulted in higher rates as the premium had been revised in the meantime. The Superintending Engineer was competent to divert the contingencies to the cost of the work. The tender so accepted amounted to 7.57% above the technical sanction instead of the permissible limit of 4.5%.

The Committee directed that the office noting on which the Superintending Engineer had made the decision should be produced to Audit and if that noting was not available, the considered opinion of the Administrative Secretary should be submitted to the Committee that a deliberate decision against the rules had been taken in the public interest. **The para was kept pending.**

#### **44. Para No.4.73: Page 89 – Violation of Rules-Irregular Payment of Rs.368,115**

##### **(i) PDP No.107**

**22-1-2002:** The Department stated that the payment of price variation was made in the running bill and no entry of consumption of cement was made thereafter. There was no loss in the case. The Committee directed the Department to warn the officer at fault. With the above direction, **the item was settled.**

##### **(ii) PDP No.108 & (iii) P.D.P. No.109**

**22-1-2002:** The Department explained that the relevant record was with the Anti-Corruption Department. **These items were kept pending.**

**45. Para No.4.76: Page 90 – Violation of Rules – Rs.611,549**

**2-5-2002:** Audit had pointed out that the Department had called piece meal tenders for certain items of a work and awarded to the same contractor who was executing the original work. The Department explained that action against officers/officials had been initiated for the following irregularities:-

- (i) Execution of work without sanction of splitting.
- (ii) Change of specification without approval of competent authority.
- (iii) Execution of works without technical sanction.
- (iv) Enhancement without approval of competent authority.
- (v) Calling of piece meal tenders instead of getting NS rates approved or calling tenders through advertisement in press.

The Committee directed that necessary inquiry/action should be completed within two months. **The para was kept pending.**

**46. Para No.4.78: Page 91 – Violation of Rules – Rs.1,595,434**

**23-1-2002:** The Department explained that the enhancement of work under observation in this para had been approved by the Superintending Engineer. However, Audit contended that Superintending Engineer was not competent to enhance the contract – the approval for enhancement should have been obtained from the Finance Department.

The Committee directed that Administrative Department and Audit should jointly sort out the matters involved and submit a report in the next meeting. **The para was kept pending.**

**47. Para No.4.85: Page 94 – Violation of Rules – Rs.55,808**

**2-5-2002:** The Department explained that the expenditures on work charged establishment required for the supervision of the work exceeded 2% as pointed out by Audit. But the actual excess expenditure was Rs.35,298 instead of Rs.55,808 as pointed out by Audit. The Department stated that the work comprised many buildings scattered in the area and for close supervision of the work, enhanced work charged establishment was needed. The Committee noted that the Administrative Secretary had not so far accorded ex-post-facto approval in the matter.

The Committee directed that the excess expenditure should be recovered from the persons at fault. **The para was kept pending.**

**48. Para No.4.86: Page 94 – Violation of Rules – Rs.359,200**

**22-1-2002:** The Department explained that Audit contention that saving of certain sub heads was utilized towards construction of work was not correct. The work was executed as per site conditions

and requirements of the client department in accordance with the revised technically sanctioned estimate.

Moreover, all items were executed and no item was left out. The Department was directed to get the record verified by Audit. **The para was kept pending.**

#### **49. Para No.4.88: Page 95 – Violation of Rules – Rs.974,074**

**23-1-2002:** The Committee observed that Audit **Para** No.Nos. 4.27, 4.88 and 4.93 related to the construction of Rawalpindi Cricket Stadium. These Paras should be jointly considered by Administrative Department, Audit and Finance Department. **The para was kept pending.**

#### **50. Para No.4.90: Page 96 – Violation of Rules – Rs.98,972**

**2-5-2002:** Audit had pointed out that tenders had been accepted at 6.20% above the amount of the technically sanctioned estimate.

The Department explained that in the instant case the total cost of tenders approved by the Chief Engineer for Rs.6,322,187 by including WAPDA charges, Sui Gas charges, Ceiling fans, roads contingencies charges of Rs.799,410, it became as Rs.7,121,597 which was within the permissible limit of 4.5%.

Audit however, pointed out that 3% contingencies could not be included in the technically sanctioned estimate for the purpose of acceptance of tenders, as clarified by the Finance Department.

The Committee directed that the irregular expenditure should be got regularized by the Finance Department, failing which the loss should be recovered from the persons at fault. **The para was kept pending.**

#### **51. Para No.4.91: Page 97 – Violation of Rules – Rs.354,730**

**16-4-2002:** The Department explained that Audit observation was not based on facts. The tender accepted was only 3.63% over the amount of DNIT and as such was within permissible limit.

Audit pointed out that the record produced by the Department was under verification. **The para was kept pending.**

#### **52. Para No.4.93: Pages 97-98 – Violation of Rules – Rs.3,158,994**

**23-1-2002:** The Committee observed that Audit **Para** No.Nos. 4.27, 4.88 and 4.93 related to the construction of Rawalpindi Cricket Stadium. These Paras should be jointly considered by Administrative Department, Audit and Finance Department. **The para was kept pending.**

#### **53. Para No.4.94: Page 98 – Violation of Rules – Rs.1,141,486**

**3-5-2002:** The Department explained that the item of “providing and fixing stone cladding fine dressing” was got executed as per recommendation of the consultant.

The Competent Authority had approved the rate of the item. However, technical sanction of

detailed estimate was under process.

Audit commented that the work had been executed without provision in the agreement and without technical sanction. The Department was directed to probe into the matter and take appropriate action and also produce the relevant record for scrutiny and comments. **The para was kept pending.**

#### **54. Para No.4.99: Page 100 – Violation of Rules – Rs.1,659,242**

**3-5-2002:** Audit pointed out that the Department paid for quantities in excess of those provided in sanctioned estimates and in some cases specifications were changed without sanction of the competent authority.

The Department explained that this para was based on 9 Advance Paras. In two Advance Para No.12 and 4641, the work had been completed and finalized, there was no variation in quantities.

In the remaining 7 Advance Paras i.e AP No.4556, 4659, 4663, 4664, 4673, 4676 and 38, the work was still in progress.

The Department was directed to complete the necessary action including recovery of excess payments, if any and disciplinary action, if called for in all the cases, at the earliest. **The para was kept pending.**

#### **55. Para No.5.2: Page 103 – Violation of Propriety – Rs.637,43 lac**

**17-4-2002:** The Department explained that the hospital had been completed in December, 2000. Explaining the extra-ordinary delay in the construction of the hospital, the Department stated that:-

(i) The scheme was approved for Rs.198.44 lacs in 1985. Keeping in view the availability of funds the scheme was split up in 8 Groups. The work was started in January 1986 but was stopped on 11 May 1986 due to intervention of political leadership who wanted to shift the site of hospital from Jauharabad to Khushab.

(ii) In 1989, it was decided that the hospital would be built at its present site viz, Jauharabad. However, the Contractor of Group 4 & 5 refused to complete the work on old rates and filed a civil suit for arbitration on 3 July 1990. The Court ordered for arbitration, restrained the Department from taking action against the Contractor and allowed the Department to re-allocate the work.

(iii) In June 1990, the Scheme was revised to Rs.349.18 lacs and work was allotted in 9

Groups according to the available allocation.

(iv) The scheme was again revised to Rs.523.10 lacs in March, 1993.

(v) The Contractor of Group 1 and 2 stopped work in May 1994 and also lifted the material from the site for which he had received partial payment. A theft case was registered against him and he was declared defaulter by the Competent Authority on 21 June 1994. He filed a civil suit. The Lahore High Court, Lahore had granted stay order till the decision of his case by the Civil Court. The Department had filed an appeal in the Supreme Court vide CPLA No.2505 which was pending for hearing.

(vi) The balance work of Group 1 was allocated to other Contractor on 13 December 1994. The balance work of group 2 was re-allocated to other contractor in 1999.

(vii) The scheme was again revised to Rs.691.40 lacs in August 1999.

(viii) The officers responsible for making un-authorized payment to contractor Group 1 and 2 were proceeded against and a recovery of Rs.20 lacs were imposed on them. Their appeal was pending in the Punjab Service Tribunal.

The Committee directed that all the relevant record including the inquiry reports and disciplinary proceedings should be produced to Audit for scrutiny and verification. **The para was kept pending.**

## **56. Para No.6.1: Pages 105-106 – Recoverables – Rs.8,222,347**

Audit had observed: “Various P.B Divisions did not make recovery of rented houses, telephone and gas charges and cost of T&P taken away by the MPA, MNA, Senators and Officers. Non implementation of rules for reservation/maintenance rest houses etc. at the time of allotment etc. resulted in loss of Rs.8,222,397.”

**15-8-2002:** On consideration of the facts, **the Committee pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

## **57. Para No.6.2: Page 106 – Violation of Rules – Rs.145,614**

**2-5-2002:** This para was considered alongwith **Para No.6.22/97-98.**



The Committee directed that Finance Department should monitor the recovery/ adjustment of the outstanding amounts in the PW advance. **The para was kept pending.**

**58. Para No.6.3: Page 106 – Recoverables – Rs.68,200**

**15-4-2002:** The Department explained that the amount of Rs.10,600 had been effected from the XEN, WAPDA who stayed in the rest house of the Department for 6 days. Audit however, pointed out that the XEN had stayed there for six months.

The Committee directed that the Department should probe into the matter to establish facts and take action accordingly. **The para was kept pending.**

**59. Para No.6.4: Page 107 – Recoverables – Rs.522,036**

**3-5-2002:** The Department explained that the amount of outstanding dues was of Punjab House Islamabad as pointed out by Audit were recoverable from 21 Ex-MNAs, Senators, MPAs and Government Officers. An amount of Rs.81,086 had since been recovered and efforts were being made to recover the balance amount of Rs.440,950.

The Committee observed that the Department should also consider referring the case to the National Accountability Bureau.

The Department should also introduce and enforce strict rules and procedures for prompt recovery of charges in such cases. **The para was kept pending.**

**60. Para No.6.5: Page 107 – Recoverables – Rs.184,020**

**3-5-2002:** The Department explained that the outstanding amount of rent of Rest House, as pointed out by Audit was recoverable from 7 persons including officers of the Government and judges of Special Courts etc. An amount of Rs.10,600 had been recovered and efforts were being made to recover the balance amount.

The Committee observed that the Department should also consider referring the case to NAB. **The para was kept pending.**

**61. Para No.6.21: Page 113 – Recoverables – Rs.3,635,070**

**15-4-2002:** The Department explained that a sum of Rs.5,172,787/50 had been recovered from different contractors out of total amount of Rs.5,352,787/50 on account of 15 different works. The balance amount of Rs.180,000 had not so far been recovered as the schemes became unfunded. The Department further explained that the funds had been released now, the work had been allotted to the same contractor and the secured advance would be adjusted.

The Committee directed that the Department should make the recovery/ adjustment of Rs.180,000 at the earliest. **The para was kept pending.**

## **62. Para No.6.22: Page 113 – Recoverables – Rs.2,429,136**

**2-5-2002:** The Department explained that out of the total amount of Rs.2,420,136 placed in Misc: PW Advance an amount of Rs.1,027,526 related to the period from 1946 to 1979 and its recovery/ adjustment at this belated stage was not possible. Efforts were being made to clear the balance recoverable of Rs.1,392,610 from the concerned and an amount of Rs.7,791 had so far been recovered.

The Committee directed that Finance Department should monitor the recovery/ adjustment of the outstanding amounts in the PW Advance. **The para was kept pending.**

## **63. Para No.6.24: Page 114 – Recoverables – Rs.1,602,739**

**15-4-2002:** Audit had pointed out that an amount of Rs.1,602,739 placed in the Miscellaneous P. W. Advance had not been adjusted/recovered since long.

The Department explained the para in four parts as under:-

### **A – Rs.790,251**

The Department explained that this amount was spent on essential services like electricity bills, water supply and waste disposal charges of various government buildings, salaries of work charged employees, advertisement charges etc. The P.W. Advance would be cleared on receipt of funds from the quarters concerned i.e. District Coordination Officer, Multan.

### **B – Rs.75,599**

The Department explained that Audit had provided no clue about the details of this amount. The matter was being sorted out.

### **C – Rs.670,452**

The Department explained that the scheme entitled construction of “Hostel for working women at Multan” was executed by the Department on behalf of Social Welfare Department as a deposit work.

The scheme was administratively approved for Rs.1,838,460. A deposit of Rs.1,733,927 was received for this purpose. During execution the scheme was amended and approved by Provincial Development Working Party at a cost of Rs.2,380,000 on 13 March 1988. Subsequently, the scheme was again revised to Rs.2,735,000 on the basis of plinth area rate on 2 August 1988. However, the Client Department intimated in a meeting held on 28 April 1994 under the chairmanship of Member Technical, Planning & Development Department that the Federal Ministry of Women Development had refused to make any extra payment over and above the released cost. In the said meeting, it was decided that “ the Client Department may submit a summary to Chief Minister Punjab with a request that additional funds amounting to Rs.10 lac may be provided by Punjab Government as fait accompli on the plea that although some irregularities have been committed by both the Social Welfare Department and Buildings Department. The matter was accordingly being pursued with the Client Department for the provision of additional funds.

#### **D – Rs.66,437**

The Department explained that this amount related to non-adjustment of out turn of vehicles, which was placed in Misc: Advances on closure of manufacture account in 1986.

The Committee directed that the Department should take appropriate action under the relevant law/rules against the officers who incurred above-mentioned expenditures without provision of funds by the Federal Government and placed the amounts in the suspense head (Misc: P.W. Advance) of the Provincial Government. Moreover, the case should be referred to Finance Department for regularization of the expenditure and the direction given by the Finance Department should be acted upon. Further, Audit should provide the requisite clarification regarding B – Rs.75,599 above.

**The para was kept pending.**

#### **64. Para No.6.26: Page 115 – Recoverables – Rs.59,104**

**16-4-2002:** The Department explained that POL for two vehicles used by the SDOs concerned had been placed in Misc: PW Advance and would be adjusted on receipt of funds. The representative of the Finance Department remarked that the expenditure should have been charged to the funded schemes.

The Committee directed the Department to investigate the particulars and purposes of the journeys and produce the log books and other relevant record to Audit for scrutiny and comments.

**The para was kept pending.**

## 65. Para No.7.11: Page 127 – Others – Rs. 850,000

Audit had observed: “A formation made payment of a electric tube fitting @ Rs. 5000 each on abnormal higher rate. Moreover against the provision of 30 number tube lights in agreement/ technically sanctioned estimate, the payment was made for 200 number without any enhancement of agreement or approval of Competent Authority. Payment at higher rate and execution of excess quantity resulted in unauthorized payment of Rs.850,000 in November 1997.”

**15-8-2002:** On consideration of the facts, **the Committee pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

## Highways Department

### **1. Para No.10: Page 39 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.887,978**

**31-1-2002:** Audit had contended that the contractor had not executed the item of work, which had lesser rates. On the other hand the Department explained that the work had been left incomplete due to non-receipt of funds. The Department was directed to probe the matter and consider initiating disciplinary action. **The para was kept pending.**

### **2. Para No.16: Page 42 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.105,887**

**30-1-2002:** Audit had pointed out that the Department had paid for excessive measurement of Sub Base course as compared to the measurement of earth work. The Department explained that the “overall” measurement of earth work and other items i.e. Sub Base, Base and T.S.T were equal and within the provision of technically sanctioned estimate. Audit pointed out that excess measurement of Sub Base course could not be covered up with “overall measurement” which was not provided in the rules. The Committee directed that a high level inquiry should be held into the matter which should report after physical verification – action be initiated accordingly. The Committee further directed that a separate report about the legality and justification for “overall measurement” should also be submitted to the Committee. **The para was kept pending.**

### **3. Para No.18: Page 43 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.115,500**

**30-1-2002:** Audit had pointed out that the Department had paid for excessive measurement of Sub Base course as compared to the measurement of earth work. The Department explained that the “overall” measurement of earth work and other items i.e. Sub Base, Base and T.S.T were equal and within the provision of Technically Sanctioned Estimate. Audit pointed out that excess measurement of Sub Base course could not be covered up with “overall” measurement which was not provided in the rules. The Committee directed that a high level inquiry should be held into the matter which should report after physical verification – action be taken accordingly. The Committee further directed that a separate report about the legality and justification for “overall measurement” should also be submitted to the Committee. **The para was kept pending.**

**4. Para No.22: Page 45 – Suspected Corruption – Frauds, Misappropriation, Misuse and Theft – Rs.461,299**

Audit had observed: “A division executed the items of work “providing/laying “Base Course” and “triple surface treatment” and the lowest contractor reduced his rates further vide his undertaking to Rs.3048 per % cft and Rs.600 per % cft respectively but while evaluating the rates the same were changed to Rs.3799 per % cft and Rs.800 per % cft. Payment at higher rates resulted in an excess payment of Rs.461,249 to the contractor.”

**15-8-2002:** On consideration of the facts, **the Committee pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**5. Para No.32: Page 49 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.16,855,521**

**30-1-2002:** The Department explained that the account of all the quantity of bitumen received from Karachi was available.

The Department was directed to show the record to Audit for comments. **The para was kept pending.**

**6. Para No.37: Pages 51-52 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.1,581,227**

**31-1-2002:** The Department explained that after detailed inquiry recovery of Rs.1,079,785 had been imposed upon Mr Abdul Jabbar, SDO (retired) vide order dated July 22, 1999. He had retired on superannuation on December 31, 1995, but he had not yet been paid/sanctioned the pension. The Deputy Commissioner, Sahiwal had been requested vide letter dated September 28, 2000 to effect the recovery from the defaulter as arrears of Land Revenue.

The Department was directed to complete the recovery expeditiously and also examine the role of supervisory officers in this case and take appropriate action against them. **The para was kept pending.**

**7. Para No.50: Page 58 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft**

**– Rs.1,309,522**

Audit had observed: “A Mortar Grader transferred to another sister division in April 1995 did not reach at the actual destination but was misused by private person(s) up to November 1996. The machine was repaired for Rs.487,422 on return. No criminal proceeding i.e. lodge of FIR with police etc. was initiated for this criminal act, recovery of repair cost and hire charges of Rs.822,100 as per provision of manufacture estimate of 1997-98. No disciplinary action was intimated against the officer/official(s) responsible. Negligence on the part of the Departmental officer(s)/official resulted in a loss of Rs.1,309,522 (822,100+487,422).”

**15-8-2002:** On consideration of the facts, **the Committee pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**8. Para No.51: Page 58 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.147,696**

**31-1-2002:** The Department explained that the recovery of private calls from government telephones amounting to Rs.82,827 had been made and remaining amount would also be recovered from the officers/officials who had made the calls. The Committee directed that notices of recovery should also be issued to the officers including the Divisional Accountant who were responsible for not recovering the government dues at the proper time. **The para was kept pending.**

**9. Para No.52: Page 59 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.131,332**

**30-1-2002:** Audit had pointed out that the Department had made payment of private trunk call charges made by official and officers and placed the amount in “Misc: P.W. Advance” which was still recoverable.

The Department explained that an amount of Rs.110,983 had since been adjusted and the remaining amount was being recovered. The Committee was not satisfied with the explanation of the Department and directed that:-

- (i) Disciplinary action should be taken against the officers who did not deposit their private trunk call charges promptly;
- (ii) Disciplinary action should also be taken against the officer who placed these amounts in “P.W. Misc: Advance” and utilized the receipts towards expenditure including XEN, Divisional Accountant and the District Accounts Officer concerned.

**The para was kept pending.**

**10. Para No.53: Pages 59-60 – Suspected Corruption, Frauds, Misappropriation, Misuse and Theft – Rs.1,532,098**



Audit had observed: “8 Nos. P.W.cheques were stolen, out of which 6 Nos. cheques amounting to Rs.1,532,098 were encashed by an accused sub-engineer. Cash amounting to Rs.831,951 was recovered by the Police/Department leaving the balanced amount and 2 Nos cheques., No Departmental inquiry was conducted to fix the responsibility against the concerned Sub Divisional Officer/Sub Divisional Clerk/Chowkidar and accused sub-engineer. The amount recovered has not been accounted for. Due to inefficiency of the Departmental officials loss of 8 Nos. cheques & cash of Rs.1,532,098 was occurred.”

**15-8-2002:** On consideration of the facts, **the Committee pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

#### **11. Para No.64: Page 65 – Overpayment – Rs.2,215,468**

Audit had observed: “In a division an amount of Rs.2,215,468 was incurred on construction of road in excess over estimated cost of Rs.2,000,000 without execution of contract agreement. Excess over estimated cost resulted in irregular/unauthorized expenditure of Rs.2,215,468....The matter was also discussed in the DAC meeting held in July 1993 but no progress was reported.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

#### **12. Para No.114: Page 88 – Over Payment – Rs.260,282**

**31-1-2002:** The Department explained that an amount of Rs.29,976 had been made and efforts were biding made to effect the balance recovery of Rs.230,306.

The Committee directed that the balance recovery should be completed expeditiously and disciplinary action should be taken against the officer responsible for the overpayment. **The para was kept pending.**

#### **13. Para No.124: Page 93 – Over Payment – Rs.258,950**

**31-1-2002:** The Department explained that the recovery pointed out by Audit would be made from the securities of the contractors. The Department was directed to make the recovery expeditiously. **The para was kept pending.**

#### **14. Para No.128: Page 94 – Over Payment – Rs.357,401**

**31-1-2002:** The Department explained that the deduction of earth work of regular excavation was made from the total earth required for embankment as pointed out by Audit.

The Department further stated that despite recovery, the Department was not convinced with the observation of Audit and the issue had been referred to the Standing Rates Committee for clarification.

The Committee directed that action should be taken in the light of the decision of the Standing Rates Committee. **The para was kept pending.**

#### **15. Para No.135: Page 97 – Overpayment of Rs.228,233**

**30-1-2002:** The Department explained that during the course of overall measurement, a quantity of 350 Sft T.S.T had been paid in excess of provision of the technically sanctioned estimate which had been recovered. During course of discussion, Audit pointed out that the formation had opened more than one Measurement Book for the same work which was in violation of the provision of a circular letter of Communications and Works Department itself.

The Department was directed to hold an inquiry into the matter of excess payment and maintaining two Measurement Books for the same work and get the record verified by Audit. **The para was kept pending.**

#### **16. Para No.136: Page 98 – Overpayment of Rs.122,915**

**30-1-2002:** The Department explained that in the overall measurements the quantity of work executed at the chowks of the road were paid which had not been previously paid.

The Committee was not satisfied with the explanation of the Department for increase of quantity at the time of overall measurement. The Department was directed to hold a high level inquiry, take action accordingly and provide the relevant record to Audit for verification. **The para was kept pending.**

#### **17. Para No.144: Page 102 – Over Payment – Rs.85,849**

**31-1-2002:** The Department explained that the case for payment of regular excavation had been referred to the Standing Rates Committee for clarification.

The Committee directed that action should be taken in the light of the clarification by the Standard Rates Committee. **The para was kept pending.**

**18. Para No.145: Page 102 – Over Payment – Rs.265,640**

**31-1-2002:** The Department explained that the case for payment of earth work for regular excavation had been referred to the Standing Rates Committee for clarification.

The Committee directed that action should be taken in the light of the clarification of the Standing Rates Committee. **The para was kept pending.**

**19. Para No.148: Pages 104-105 – Overpayment – Rs.2,535,109**

Audit had observed: “Specification No.411.2 of Book of Specifications for construction of Bridges & Road provided that all materials excavated from road excavation would be unclassified & paid for as regular excavation regardless of the material encountered. It further provided (specification No.412-2.2.1) that regular excavation shall consist of the excavation/satisfactory disposal of all materials necessary for the construction of the roadway & shall also include the excavation/disposal of mud, clay, rock or any other material that was unsuitable in its original position within the limits of a road way etc. Contrary to that a division specifically provided excavation of soft rock instead of regular excavation in the detailed technical sanctioned estimate/bid schedule of a construction of a road for which the contractor quoted his bid/rate accordingly. Provision of incorrect rate in the technically sanctioned estimate/bid schedule resulted in loss of Rs.2,535,109 to the Government.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**20. Para No.154: Page 107 – Overpaymnet – Rs.121,822**

**31-1-2002:** The Department explained that Rs.61,893 had been recovered but the recovery of Rs.59,923 was yet to be made from another contractor who had been black listed. The Committee directed that disciplinary action should be initiated against the officers responsible in this case. **The para was kept pending.**

**21. Para No.159: Page 109 – Overpayment of Rs.116,129**

**30-1-2002:** The Department explained that overpayment had been made in the running bills but the excess payment had been recovered in the final bill. The Department further stated that action would be taken against the officer responsible for excess payment in the running bills.

The Committee observed that the written reply of the Department given in the working paper was different from the oral explanation.

The Committee directed that the Department should consider to take action under the Punjab Removal from Service (Special Powers) Ordinance 2000 against the officers including XEN, SDO, Sub Engineer and Divisional Accountant responsible for excess payment. This action should be finalized before the next meeting.

The Committee observed that the Administrative Secretary should take suitable action for submitting a misleading explanation in the working paper. **The para was kept pending.**

## **22. Para No.164: Page 112 – Negligence – Rs.3,510,000**

Audit had observed: “The administrative secretary sustained loss due to delay in communicating administrative approval. Non accordance of administrative approval in time resulted in loss of Rs.3,510,000.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

## **23. Para No.168: Pages 114-115 – Negligence – Rs.3,000,209**

Audit had observed: “In a division, the contractors quoted their rates for laying of brick edging on a road according to the scope/design of brick edging envisaged in their contract agreements. Later on the Department reduced/changed the scope/design of brick edging but no proportionate reduction in their tendered rates was made. Non reduction of BOQ rate according to changed scope of item of work resulted in Overpayment of Rs.3,000,209.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

## **24. Para No.175: Page 118 – Violation of Rules – Rs.892,530**

**30-1-2002:** The Department explained that the tender accepted was within 4.5% of the technically sanctioned estimate.

The Department was directed to get the record verified by Audit. **The para was kept pending.**

## **25. Para No.176: Page 118 – Violation of Rules – Rs.4,261,866**

**31-1-2002:** Audit had pointed out that tenders were accepted beyond the permissible limit of 4.50% of technically sanctioned estimate. The Department explained that it was a work of extraordinary nature for which estimates had been prepared by the consultants (M/s NESPAK). Therefore, special premium was allowed by the Chief Engineer. The Department could not explain whether the permissible limit of 4.50% could be exceeded and whether Chief Engineer was competent to exceed this limit. The Committee was not satisfied with the explanation of the Department and directed that an inquiry should be held and necessary action/recovery should be completed within three months. **The para was kept pending.**

**26. Para No.177: Page 119 – Violation of Rules – Rs.4,434,831**

Audit had observed: “A division allotted the works to the contractors for excess over amount than that of DNIT and technical sanctioned estimate. Allotment of works on higher rates against the admissible rate resulted in loss of Rs.4,434,831 to the Government.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**27. Para No.180: Page 120 – Violation of Rules – Rs.347,339**

Audit had observed: “A contract was awarded to a contractor for Rs.8,987,648 against the estimated cost for work done put to tenders of Rs.8,268,238 and after including the permissible limit of 4.5% the work was required to be allotted for Rs.8,640,309 as per provision of Delegation of Financial Powers and Rules, 1990. Acceptance of tender at higher rates resulted in loss of Rs.347,339 to the Government.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**28. Para No.181: Page 121 – Violation of Rules – Rs.276,967**

Audit had observed: “Two items of a work included in the technically sanctioned estimate and DNIT approved by the Chief Engineer concerned in August 1994 were not put to tender. These items of work were awarded separately in June 1996 at higher rates for Rs.672,500 against the estimated cost of Rs.378,500. Rates accepted were beyond the limit of 4.5% of the estimated cost as per provision of Delegation of Financial Powers and Rules, 1990. Calling of separate tenders against the provision of technically sanctioned estimate/DNIT and acceptance of higher tender rates resulted in loss of Rs.276,967 to the Government.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**29. Para No.182: Page 121 – Violation of Rules – Rs.160,700**

Audit had observed: “A division approved a scheme of cost of Rs.19,241,000 Draft notice inviting tenders were prepared in groups and approved by the Chief Engineer concerned as the splitting of the schemes was not allowed by him. The DNIT and tenders of the 3<sup>rd</sup> group costing Rs.5,556,369 were received by a Superintending Engineer himself at a cost of Rs.6,717,345 being



20.90% above the administrative approval cost of Rs.5,556,369. In order to keep the tendered cost within the prescribed ceiling of 15% above administrative approval cost the bitumen cost of Rs.278,989 was added. Acceptance of tenders beyond limit of 15% and irregular acceptance by the Superintending Engineer resulted in an extra payment of Rs.160,700.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

### **30. Para No.183: Pages 122-123 – Violation of Rules – Rs.1,250,256**

Audit had observed: “Excessive rate of premium on items of Composite Schedule of Rates, 1979 for stone pitching was provided in the technical sanctioned estimate/bid schedule and accordingly the contractors quoted/adjusted their rates. Had the current rate/premium been taken into account while preparing technically sanctioned estimate, the higher rates quoted by the contractor would have not been accepted. Provision of incorrect rate of premium in the technically sanctioned estimate resulted in loss of Rs.1,250,256 to the Government.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

### **31. Para No.184: Page 123 – Violation of Rules – Rs.1,066,171**

Audit had observed: “A division made payment during June 1997 for the “supply of Bajri and Stone dust” at the rate of Rs.992 to Rs.999 per % cft and Rs.523 to 527 per % cft respectively through local quotations without advertisement through press. When during September 1997 the tenders for the same work were called for, the rate to the lowest contractor was paid as Rs.500 % cft and Rs.210 % cft respectively. Payment of higher rates resulted in an excess payment of Rs.1,066,171 to the contractor.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

### **32. Para No.185: Pages 123-124 – Violation of Rules – Rs.42.905 Million**

Audit had observed: “A division called tenders on 3<sup>rd</sup> October, 1993 for construction of a high level bridge costing Rs.24 millions through a short tender notice instead of pre-qualifying certain firms for such a huge project. Later on the scope of work was revised and cost of scheme enhanced from Rs.24 millions to Rs.42.905 millions by the Competent Authority on 12<sup>th</sup> June 1994. But the Department again, instead of pre-qualifying firms and giving wide publicity for calling of tenders for such a big/enhanced scheme, called fresh rates through a special letter dated 5<sup>th</sup> May 1994 even before the approval of revised scheme from those 4 firms which submitted their tenders in October



1993. Accordingly, the work was awarded to one of those 4 firms, which quoted the lowest rates. Thus the award of work costing Rs.42.905 million without proper competition and observing codal requirements was irregular. Award of tenders without pre-qualification of contractors resulted in an irregular award of work costing Rs.42.905 million.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

### **33. Para No.192: Page 127 – Violation of Rules – Rs.1,110,774**

Audit had observed: “A huge amount of Rs.1,110,774 was spent on the operation of machinery without any out turn, whereas in most of the cases, it was certified that the contractors used their own roller/machinery. Incurring of heavy expenditure without out turn resulted in loss of Rs.1,110,774 to the Government.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

### **34. Para No.193: Page 127 – Violation of Rules – Rs.1,080,096**

**29-1-2002:** Audit had pointed out that an expenditure of Rs.1,080,096 incurred on the running of 41 vehicles had not been adjusted.

The Department explained that an expenditure of Rs. 364,441 had since been adjusted and for adjustment of the remaining amount of Rs.715,655 funds had been demanded from the higher authorities.

The Committee was not satisfied with the explanation of the Department and directed that full explanation should be provided for the incurrence of expenditure without budget allocation. Moreover, disciplinary action should be taken against the officer responsible for incurrence of the expenditure as well as the officers responsible for delay in recovery/adjustment of the amount. **The para was kept pending.**

### **35. Para No.196: Page 129 – Violation of Rules – Rs.1,429,145**

**30-1-2002:** Audit had pointed out that out turn of the vehicles was not adjusted according to the codal rules and suggested that adjustment of operation and out turn should be completed and got verified.

The Department explained that a demand for allocation of funds for the requisite adjustments had been made to the Finance Department.

The Committee directed that the outstanding amounts should be got adjusted without delay. Moreover, disciplinary action should be taken against the officer responsible for delay in initiating necessary action in the matter. **The para was kept pending.**

### **36. Para No.199: Page 130 – Violation of Rules – Rs.945,000**

Audit had observed: “Payment of Rs.945,000 was made to the contractor in June 1996 without recording any measurements of work done, stating reasons that measurements could not be recorded due to shortage of time. The payment appears to be fictitious because actual work done was not carried out measured up to September 1997. Payment to the contractor without recording any measurement in measurement book resulted in fictitious payment of Rs.945,000.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

### **37. Para No.212: Pages 136-137 – Violation of Rules – Rs.17.634 Million**

Audit had observed: “Payment of Rs.51.023 million was made to a contractor against his contracted amount of Rs.33.389 millions. Neither any sanction for enhancement of the agreement nor prior approval for change/enhancement in the scope of work from the Competent Authority, who originally accorded the technical sanction, was obtained as required under Rules. Payment made than the provision of the contract agreement/ technically sanction estimate resulted in irregular payment of Rs.17.634 million.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

### **38. Para No.214: Pages 137-138 – Violation of Rules – Rs.169,000**

Audit had observed: “A division paid certain amount to Commissioner Sargodha Division during March and September 1996 for maintenance of machinery, purchase of stationery and repair of Car No.SGD-9999 pertained to his office and charged the expenditure to the various schemes being executed under Sugar Cane Development Cess Fund. Further more, no vouched account was produced to verify the authenticity of the expenditure. Payment made to the Commissioner Sargodha Division for his office expenditure out of the sugar cane development cess fund resulted in mis-utilization of funds of Rs.169,000.”

**17-8-2002:**On consideration of the facts, the Committee **pended the para** with the direction that

the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

### **39. Para No.215: Page 138 – Violation of Rules – Rs.833,145**

**31-1-2002:** Audit pointed out that issuance of bitumen at lesser rate resulted in a loss of Rs.833,145 to the government.

The Department explained that actual recoverable amount was Rs.255,080 out of which Rs.189,738 had been recovered and efforts were being made to recover the balance amount. The Committee directed that reduction in the recoverable amount should be reconciled and the recovery be got verified by Audit. The balance recovery should be completed expeditiously. Moreover, appropriate action should be taken against the officers responsible for not recovering the cost of bitumen from the contractors at the proper time. **The para was kept pending.**

### **40. Para No.222: Page 142 – Recoverables – Rs.4,050,000**

Audit had observed: “Two contracts of a project were awarded in October 31, 1996 and mobilization advances of Rs.4,050,000 was granted on the same day. No work was got executed. The scheme was deferred/stopped under the orders of the higher authorities in April 1997 due to change in alignment of road. No action for recovery of mobilization and re-allotment of work on changed scope of work was initiated. Mismanagement in preparation of project and payment of mobilization advance resulted in a loss of Rs.4,050,000 to the Government.”

**17-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

### **41. Para No.234: Page 147 – Recoverables – Rs.1,860,575**

**31-1-2002:** The Department explained that the para related to 10 schemes which became unfunded in 1996-97. The material against which the secured advance was paid had been partly used and partly was lying at site. As no further payment had been made to the contractors, the cost of the material had remained unadjusted. The list of incomplete schemes had been provided to the authorities concerned for necessary action. **The para was kept pending.**

### **42. Para No.267: Page 162 – Recoverables – Rs.2,371,968**

**29-1-2002:** The Department explained that the para related to the recovery of risk and cost charges from the contractors. The matter was subjudice in the Civil Court, Lahore. **The para was kept pending.**

### **43. Para No.282: Page 169 – Recoverables – Rs.959,479**

**31-1-2002:** Audit had pointed out that the cost of bitumen issued to the contractors was

outstanding since 1988. The Department explained that recovery of Rs.96,489 had been made and the balance recovery was being pursued and the explanation of officers concerned had also been called for. The Department was directed to complete recovery/action expeditiously and to initiate disciplinary action against the officers held responsible for the delay in effecting recoveries. **The para was kept pending.**

#### **44. Para No.311: Pages 181-182 – Others-Loss of Rs.280,800**

**30-1-2002:** Audit had pointed out that the 1872 empty bitumen drums had neither been auctioned nor their cost credited to the Government. The Department explained that 418 drums had been auctioned for Rs.61,864 on 9-7-1997, 783 drums were auctioned for Rs.74,385 on 16-5-2001, 403 drums were auctioned for Rs.38,285 on 29-5-2001 and 268 drums were auctioned for Rs.25,460 on 29-5-2001.

The Department could not explain as to why the record of auction made on 9-7-1997 was not shown at the time of audit. The Committee was not satisfied with the explanation and directed that the Administrative Secretary should hold a probe in the matter and ascertain why the reserve price was changed during auction. The amount less realized should be recovered from the person held responsible and the record got verified by Audit. **The para was kept pending.**

#### **45. Para No.316: Pages 183-184 – Others – Rs.123,282**

**30-1-2002:** The Department explained that the bitumen issued from the departmental store included the cost of empty tar drums, and therefore empty drums were not required to be returned by the contractors.

The Committee directed that the agreements referred to in this para should be produced to Audit for verification as to whether or not the drums were required to be returned in all the agreements, and was there any difference in the issue price in each case. **The para was kept pending.**

#### **46. Para No.325: Page 188 – Others – Rs.33,388,963**

**30-1-2002:** The Department explained that the requisite quantity of bitumen had since been received by the concerned division against the payments made during the period February 1994 to October 1997.

The Department was directed to show the record to Audit for comments. **The para was kept pending.**

#### **47. Para No.326: Page 188 – Non accountal of receipts – Rs.78,888**

**29-1-2002:** As per latest comments, Audit had verified the receipt of Rs.27,688 on account of hire charges of the machinery. Regarding the balance amount, the Department explained that a cheque of the amount of Rs.50,000 given by a contractor was not honoured by the Bank. However, the contractor was still in business with the Department and the said amount would be recovered

from him.

Audit had pointed out that the cheque had not been entered in the cash book. The Committee directed that disciplinary action should be taken against the officers responsible for non-recovery of the government dues at the proper time and a detailed report should be submitted in the next meeting. **The para was kept pending.**

# Education Department

## Overview

Total Paras	Civil	Commercial
198	197	1

## Abstract

Status	Decision	Para Nos.	Total	Page Nos.
<b>Paras Finally Settled</b>  <b>104</b>	Paras finally settled as the requisite action had been taken.	<b>Civil-Vol-I-(a):</b> 1, 2, 8, 12, 13, 15, 17, 19, 20, 27, 28, 29, 30, 31, 32, 33, 37, 39, 40, 42, 43, 44, 46, 47, 48, 50, 51, 52, 53, 56, 57, 65, 66, 68, 69, 72, 75, 76, 79, 80, 83, 85, 86, 87, 88, 89, 90, 91, 94, 96, 99, 103, 104, 105, 106, 117, 119, 120, 121, 124	<b>60</b>	<b>271-282</b>
		<b>Vol-I-(b):</b> 1, 2, 3, 4, 5, 6, 8, 9, 10, 12, 13, 15, 16, 20, 22, 23, 24, 28, 30, 31, 32, 33, 36, 37, 38, 41, 42	<b>27</b>	<b>282-288</b>
		<b>Vol-I-(i):</b> 7, 9, 14, 17, 20	<b>5</b>	<b>289</b>
		<b>Vol-I-(ii):</b> 2, 3, 4, 5, 7, 8, 9, 10, 13, 14, 15 (Para Nos. 7, 11, 17, 18, 19, 21, 27, 34, 35 & 39 of TEVTA transferred to Industries & Mineral Development Department)	<b>11</b>	<b>290-294</b>
		<b>Commercial:</b> 3(xi)	<b>1</b>	<b>294</b>
<b>Paras Conditionally Settled</b>  <b>50</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil Vol-I-(a):</b> 3, 5, 6, 9, 14, 16, 18, 22, 23, 24, 25, 34, 38, 41, 45, 54, 55, 58, 59, 60, 61, 62, 70, 77, 78, 82, 92, 93, 95, 97, 114, 122, 125	<b>33</b>	<b>295-307</b>
		<b>Vol-I-(b):</b> 14, 25, 26, 29, 40	<b>5</b>	<b>307-309</b>
		<b>Vol-I-(i):</b> 2, 4, 5, 6, 10, 12, 15, 18, 19, 21, 22	<b>11</b>	<b>309-311</b>
		<b>Vol-I-(ii):</b> 6	<b>1</b>	<b>312</b>
<b>Paras Pended</b>  <b>44</b>	Paras pended because the Department had not taken satisfactory action.	<b>Civil Vol-I-(a):</b> 4, 7, 10, 11, 21, 26, 35, 36, 49, 63, 64, 67, 71, 73, 74, 81, 84, 98, 100, 101, 102, 107, 108, 109, 110, 111, 112, 113, 115, 116, 118, 123, 126, 127, 128	<b>35</b>	<b>313-325</b>
		<b>Vol-I-(i):</b> 1, 3, 8, 11, 13, 16	<b>6</b>	<b>326-327</b>



		Vol-I(ii): 1, 11, 12	3	328-330
	Special Audit Report was pended with the direction that the SDAC should consider the report first and submit its report for consideration by the Committee.	<b>Special Audit Report:</b> Procurement of Education and Learning Material Education Department of Punjab (Multan, D.G.Khan and Rawalpindi Divisions during 1993-95)		330

Discussed on 10-13-24 December 2001, 11-13 March and 8-11 July 2002

## Paras Finally Settled

### Civil Audit

### Volume – 1 (a)

### Other than Colleges

#### **1. Para No.1: Page 19 – Fraudulent, Unauthorized Expenditure of Rs.1,643,807 – Over and Above the Sanctioned Budget**

**13-12-2001:** Audit pointed out that expenditure on pay and allowances was incurred over and above the budget during 1996-97 by drawing bills of promoters and arrears were paid without budget provision.

The Department explained that the budgetary provision was available and no excess expenditure was involved. The Department added that the para had been discussed and settled in the meeting of SDAC held in February 1999. On Audit's confirmation, **the para was settled.**

#### **2. Para No.2: Pages 19-20 – Fraudulent Drawal of pay amounting to Rs.34,729 and non-production of record**

**11-3-2002:** In its latest comments, Audit had stated that this para was discussed and settled by the Special DAC in its meeting held on 19 February 2002. **The Committee decided to settle the para.**

#### **3. Para No.8: Page 34 – Irregular purchase of books amounting to Rs.100,000**

**12-3-2002:** In its latest comments, Audit had accepted the contention of the Department and verified the deposit of Income Tax Rs.2,500. **The para was settled.**

#### **4. Para No.12: Page 36 – Misappropriation of Rs.48,778**

**12-3-2002:** In its latest comments, Audit had accepted the contention of the Department. **The para was settled.**

**5. Para No.13: Page 36 – Unauthorized drawal of conveyance allowance during summer vacation – recovery of Rs.40,735**

**12-3-2002:** The Department explained that the actual recoverable amount of Rs.41,342 had been recovered. The Committee settled the para subject to verification of record by Audit.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that actual recoverable amount of Rs.41,341 had been recovered. Audit had verified the recovery. **The para was settled.**

**6. Para No.15: Page 37 – Refund of undisbursed pay of Rs.140,440**

**12-3-2002:** As per its latest comments, Audit had verified the disbursement of Rs.140,440 to the staff concerned. **The para was settled.**

**7. Para No.17: Page 38 – Recovery of interest of Rs.116,079**

**12-3-2002:** Audit had verified the contention of the Department that no interest was recoverable in this case. **The para was settled.**

**8. Para No.19: Page 39 – Recovery of Rs.37,563 due to un-authorized drawal of house rent allowance and C.A. by A.E.O. posted at rural area**

**12-3-2002:** The Department explained that the amount of Rs.5,482/34 had been recovered and the recovery of the balance from the officers concerned was being effected.

The Department was directed to get the actual recovery verified by Audit, effect the balance recovery at the earliest, produce the orders for recovery to Audit and take disciplinary action against the officers who made the overpayment. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the entire amount of Rs.37,563 had been recovered. Moreover, EDO (Education) Lahore had been directed on 25 April 2002 to initiate disciplinary action against the officers responsible for the overpayment. Audit had verified the departmental contention and **the para was settled.**

**9. Para No.20: Page 40 – Non deduction of Income tax-Rs.27,089**

**12-3-2002:** The Department explained that probe into the matter had been initiated and at the same time, efforts were being made to recover the amount on account of Income tax from the contractor.

The Committee directed that the name of defaulting firms should also be advised to the Income Tax Department for necessary action. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that a detailed case had been referred on 11 May 2002 to the Income Tax Department for effecting the recovery of income tax from the defaulting firm.

The Committee observed that Administrative Department and Accountant General Punjab should take action against the DDO and DAO concerned for not deducting income tax at source and Finance Department should monitor further action in the matter. With the above observation, **the para was settled.**

#### **10. Para No.27: Page 43 – Payment of Rs.742,500 to Promoters without Work**

**13-12-2001:** Audit pointed out that payment of Rs.742,500 was made to 45 promoters without any work done by them.

The Department explained that the posts of promoters were abolished on 30.6.1996. It was also stated that the para had been settled in the meeting of SDAC on 16.4.1998. On Audit's confirmation, **the para was settled.**

#### **11. Para No.28: Page 44 – Irregular and unjustified payment of salaries – Rs.84,792**

**12-3-2002:** In its latest comments, Audit had pointed out that the departmental contention that the salary drawn had been disbursed to the teachers and the school remained functional was verified from the record produced by the Department. **The para was settled.**

#### **12. Para No.29: Page 44 – Irregular award of running scale and selection grade amounting to Rs.30,502**

**12-3-2002:** In its latest comments, Audit had verified the total recovery of Rs.30,502. **The para was settled.**

#### **13. Para No.30: Page 45 – Irregular purchase of stationery amounting to Rs.169,980**

**12-3-2002:** The Department explained that the Director of EE, Gujranawala was competent to accord sanction for the purchase of stationery item up to Rs.150,000 under the relevant rules.

The contention of the Department had been verified by Audit. **The para was settled.**

**14. Para No.31: Page 45 – Recovery of Rs.229,000 – Unauthorized payment of pay and allowances**

**12-3-2002:** The Department explained that both the teachers under Audit observation had acquired the requisite qualification prior to their recruitment. Audit had verified the same. **The para was settled.**

**15. Para No.32: Page 46 – Recovery of Rs.325,740 due to un-authorized payment of pay and allowances**

**13-12-2001:** Audit pointed out that untrained teachers were appointed with the condition that they would pass PTC within three years otherwise their services would be terminated on completion of 3 years but some teachers had not passed the prescribed examination within 3 years and their pay had been drawn beyond this period. The Department explained that the said condition of passing PTC examination was applicable to the untrained teachers appointed under the policy letter No.SOR-III 2-12/90(b) dated 14-8-1990. It was added that since the three teachers under observation in this para had been appointed in 1983-1984, the said condition was not applicable to them and no irregularity had been committed. One of the teachers had since retired and the services of two were terminated in June, 1998. The para was settled subject to audit verification.

**12-3-2002:** The Department explained that all the three untrained teachers were paid for the period during which they remained in service and performed their duties. The relevant record had been shown to Audit during SDAC meeting. However, the para could not be considered on 19 and 20 February 2002 for want of time.

The Committee reiterated its previous decision for settlement of para, subject to verification by Audit.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

In its latest comments, Audit had verified that the three untrained teachers under observation in this para had been appointed prior to coming into force of the new policy about recruitment of untrained teachers and that two of them had since been removed from service and one had retired. On the recommendation of Audit, **the para was settled.**

**16. Para No.33: Page 46 – Irregular purchase of stationery Rs.107,970**

**12-3-2002:** The Department explained that the purchase in question was made without obtaining sanction from the competent authority. The case for regularization and disciplinary action was in process.

The Department was directed to complete the appropriate action expeditiously. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the officer responsible for making purchase beyond his competence was being proceeded against under the Punjab Removal from Service (Special Powers) Ordinance, 2000. Moreover, the case for regularization of the above mentioned irregularity had been referred to the Finance Department.

The Committee **settled the para** with the direction that the Finance Department should monitor further action in the case.

**17. Para No.37: Page 48 – Recovery of Rs.230,590 excess paid due to irregular un-economical purchase of teaching material**

**12-3-2002:** In its latest comments, Audit had verified that Audit para No.7 at page 23 had been repeated as Audit para No.37 at page 48 of the same Audit Report. Accordingly, **Audit para No.37 was deleted.**

**18. Para No.39: Page 49 – Recovery of interest – Rs.116,079**

**12-3-2002:** The Department explained that Audit had verified in the SDAC meetings held on 19 and 20 February 2002 that Audit Para No.39 was duplication of Audit Para No.17. The Committee, therefore, **decided to drop Audit para No.39.**

**19. Para No.40: Page 50 – Overpayment of Rs.55,284 due to irregular award of advance**

**12-3-2002:** The Department explained that SDAC in its meeting held on 13 December 2001 observed that Audit Para No.40 was duplication of Audit Para No.108. The Committee decided that **Para No.40 shall be treated as dropped.**

**20. Para No.42: Page 51 – Loss of Government due to less realization of tuition fee amounting to Rs.54,095**

**12-3-2002:** The Department explained that the actual recoverable amount was Rs.1,620 which had been recovered and deposited into Government Treasury on 2 October 2001. The para was settled subject to verification by Audit.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

In its latest comments, Audit had verified the recovery of actual recoverable amount of Rs.1,620. On the recommendation of Audit, **the para was settled.**

**21. Para No.43: Page 51 – Non Receipt of Stationery from Government Press Worth Rs.2,174,766**

**13-12-2001:** The Department explained that material was received in October 1997 which had been verified by Audit. On the recommendation of Audit, **the para was settled.**

**22. Para No.44: Page 52: Non-recovery of Rs.43,197 on account of contract money**

**12-3-2002:** In its latest comments, Audit had pointed out that the total recovery of Rs.43,197 had been verified and the Special DAC had recommended the para for settlement. The Committee decided to **settle the para.**

**23. Para No.46: Page 52 – Less realization of tuition fee amounting to Rs.82,850 – Recovery thereof**

**12-3-2002:** The Department explained that whole recoverable amount of Rs.82,850 had been recovered, deposited into Government Treasury and verified by Audit. The Committee **settled the para.**

**24. Para No.47: Page 53 – Recovery of Rs.27,829 on account of misappropriation of store items – Recovery thereof**

**12-3-2002:** The Department explained that entries in the stock register and log books had been made. The cost of missing entries regarding POL amounting to Rs.838 had been recovered. Audit had verified the departmental contention from the record. **The para was settled.**

**25. Para No.48: Page 53 – Misappropriation of Rs.133,801 record not produced – Recovery thereof**

**12-3-2002:** The Department explained that the amount of Rs.133,801 drawn on account of remuneration of the staff engaged in the Middle Standard Examination in February, 1996 was duly disbursed to payees. Audit stated in the meeting that the position had been verified. **The para was settled.**

**26. Para No.50: Page 54 – Fraudulent drawal of Rs.110,335 on account of electricity bill**

**12-3-2002:** The Department explained that the electricity bills were initially paid from the college fund on loan basis. On receipt of budgetary grant the amount was drawn from Government Treasury and refunded to the college fund. However, an amount of Rs.2,742 was found overdrawn and was deposited into Government Treasury. The Special DAC held on 19 February 2002 had recommended the para for settlement after Audit verification. **The para was settled.**

**27. Para No.51: Page 55 – Irregular contingent expenditure amounting to Rs.334,581**

**12-3-2002:** The Department explained that Audit had verified in the Special DAC meeting held on 19 February 2002 that purchases had been made according to the prescribed procedure and no splitting of expenditure was involved. **The para was settled.**

**28. Para No.52: Page 55 – Recovery of Rs.15,309 on account of irregular payment of dress allowance**



**12-3-2002:** In its latest comments, Audit had verified the recovery of Rs.9,303. The Department explained that the balance recovery of Rs.6,006 was being recovered from the pay of officials concerned. **The para was settled.**

**29. Para No.53: Page 56 – Recovery of Rs.69,346 – Irregularly paid as conveyance allowance**

**12-3-2002:** The Department explained that total amount of Rs.69,346 on account of conveyance allowance had been recovered and verified by Audit. **The para was settled.**

**30. Para No.56: Page 57 – Over payment of Rs.21,997 on account of conveyance allowance**

**12-3-2002:** As per latest Audit comments, the total recovery of Rs.21,997 had been verified. **The para was settled.**

**31. Para No.57: Page 58 – Recovery of Rs.86,763 on account of overpaid house rent allowance and non-deduction of 5% House rent**

**24-12-2001:** The Administrative Secretary verbally stated that an amount of Rs.43,285 had been paid by the officer concerned and he had assured the balance amount will also be paid by him shortly. On the assurance of the Secretary the para was settled subject to total recovery to be verified by Audit and monitored by Finance Department.

**13-3-2002:** In its latest comments, Audit had stated that recovery of the actual recoverable amount of Rs.83,829 had been seen and verified. **The para was settled.**

**32. Para No.65: Page 62 – Recovery of Rs.109,963 – Drawn Irregularly as Conveyance Allowance**

**13-12-2001:** The Department explained that the recoverable amount works out to Rs.102,894 instead of Rs.109,963 which had been recovered and verified by Audit. **The para was settled** on the recommendation of Audit.

**33. Para No.66: Page 62 – Recovery of Rs.48,230 due to an irregular appointment**

**12-3-2002:** The Department explained that the Junior Clerk in question had drawn his salary in BS-5 against the higher post of Senior Clerk which was vacant. **The para was settled.**

**34. Para No.68: Page 63 – Loss of Rs.109,205 on account of irregular expenditure on the repair of Jeep No. LHV-776**

**12-3-2002:** The Department explained that the expenditure incurred on the repair of the jeep was within the competency of the District Education Officer and the repairs had been verified by the Government Workshop.

**The para was settled.**

**35. Para No.69: Pages 63-64 – Irregular Payment of Conveyance Allowance amounting to Rs.60,712**

**12-3-2002:** The Department explained that recoveries of Rs.41,330 and Rs.19,452 had been verified by Audit and the Special DAC had recommended the para for settlement in its meeting held on 19 February 2002. **The para was settled.**

**36. Para No.72: Page 65 – Irregular expenditure of Rs.295,224 out of Farogh-e-Taleem/Union Fund**

**12-3-2002:** The Department explained that an amount of Rs.295,224 was spent out of school funds by the Head Master over a period of 13 years on account of miscellaneous items to keep the school functional. The Special DAC had recommended the para for settlement on 19 February 2002. **The para was settled.**

**37. Para No.75: Page 66 – Undue Liability on Government Exchequer Amounting to Rs.98,244**

**13-12-2001:** Audit verified that the school in question was recognized/registered and the students were entitled to the benefits of scholarships. **The para was settled** as recommended by Audit.

**38. Para No.76: Page 67 – Irregular expenditure of Rs.99,625 and non-deduction of income-tax of Rs.1,800**

**12-3-2002:** The Department explained that as per recommendation of the departmental inquiry report the case had been referred to the Government for regularization.

The Committee directed that further action should be taken as per directions of the Finance Department. With the above direction, **the para was settled.**

**39. Para No.79: Page 69 – Irregular Expenditure of Rs.246,336**

**13-12-2001:** The Department explained that the 34 purchases involved in this para had been made during the period of 10 years (1982-92). The purchases had been made within the competency of the Competent Authority from the allocation available in the budget. Moreover, open tenders were not necessary as per Finance Department letter No.SOS-4(9)77 dated 15 August 1977. The para was settled subject to verification by Audit.

**12-3-2002:** The Department explained that as per previous directive of the PAC the relevant record had been got verified by Audit and the Special DAC had recommended the para for settlement on 19 February 2002. **The para was settled.**

**40. Para No.80: Page 70 – Irregular purchase of stationery worth Rs.247,019**

**12-3-2002:** The Department explained that the probe officer had reported that total amount of Rs.247,019 had been utilized by splitting up in 29 installments on account of irregular purchase of stationery.

The Committee directed that disciplinary action against the officers responsible for financial irregularities and the irregular expenditure should be got regularized by the Finance Department. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that against the total allocation of Rs.250,000 Audit had made three Audit Paras of irregular purchase i.e. Para No.70, amounting to Rs.157,757, Para No.80, amounting to Rs.247,019 and Para No.96 amounting to Rs.97,622 which was not understandable.

In its latest comments, Audit had commented that the departmental contention was tenable. On the recommendation of Audit, **the Committee settled the para.**

**41. Para No.83: Page 71 – Wasteful Expenditure of Rs.1,290,000 Plus Rs.2,000,000 – Approximately on Account of Payment of Pay and Allowances**

**13-12-2001:** The Department explained that necessary funds were provided by the Government to impart vocational training to the handicapped children enabling them to become self-supporting and useful members of the society. The explanation of the Department was accepted and **the para was settled.**

**42. Para No.85: Page 72 – Irregular Appointments and Recovery of Rs.75,802**

**12-3-2002:** As per working paper submitted by the Department, the Special DAC in its meeting held on 19 February 2002 had observed that NOC from S&GAD was not required for the appointment of Chowkidar. **The para was settled.**

**43. Para No.86: Page 73 – Loss of Rs.81,200 due to non surrendering of electricity funds**

**12-3-2002:** Audit had pointed out that the saving under the budgetary allocation meant for electricity had not been surrendered by the Administrative Department to Finance Department at the appropriate time. The Committee observed that the matter would be dealt with during discussion of the Appropriation Accounts. **The para was settled.**

**44. Para No.87: Page 73 – Unauthorized expenditure of Rs.95,445 on purchase of stationery**

**12-3-2002:** The Department explained that the probe officer reported that the purchase was made in accordance with the rules observing all formalities, rules and regulations except a procedural irregularity of splitting up of expenditure – there was no *mala fide* intention. The inquiry officer had recommended to get the expenditure regularized from the Finance Department.

**The para was settled** with the direction that the Finance Department should monitor further action in the case.

**45. Para No.88: Page 74 – Irregular purchase of stationery amounting to Rs.220,000**

**12-3-2002:** The Department explained that the local purchase of stationery was made after obtaining the sanction from the competent authority, through a fully competent Purchase Committee.

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

**46. Para No.89: Page 74 – Irregular purchase of books – Rs.100,000**

**12-3-2002:** Audit verified that Para No.89 was duplication of Audit Para No.8 (1997-98). Therefore, **Audit Para No.89 was dropped.**

**47. Para No.90: Page 75 – Local purchase and also beyond competency of stationery amounting to Rs.199,440**

**12-3-2002:** The Department explained that the para No.90 was duplication of Para No.78 (1997-98). Therefore, **Para No.90 was dropped.**

**48. Para No.91: Page 75 – Unjustified Recruitment in a School without Student and Recurring Expenditure Amounting to Rs.456,146**

**13-12-2001:** The Department explained that staff was paid their salary as they had performed their duties. The explanation of the Department was accepted and **the para was settled.**

**49. Para No.94: Page 77 – Irregular expenditure on the purchase of books amounting to Rs.150,000**

**12-3-2002:** The Department explained that the purchase of library books amounting to Rs.150,000 had been made with proper sanction of the competent authority. Audit had verified the position. **The para was settled.**

**50. Para No.96: Page 78 – Expenditure of Rs.97,622 beyond competency**

**12-3-2002:** The Department explained that the purchase of stationery was made according to market rates and there was no loss to the Government. However, the expenditure had been split up which required regularization and the regularization was in process.

The Finance Department was directed to monitor the case. **The para was settled.**

**51. Para No.99: Page 79 – Irregular payment of rent of office building Rs.57,000**

**12-3-2002:** The Department explained that building for the office of Deputy DEO Alipur was hired on monthly rent of Rs.3,000 after obtaining non-availability of building certificate from the XEN Buildings and assessment of rent certificate from the Excise and Taxation Department. However, sanction of the expenditure had not been obtained from the competent authority. Therefore, a case for getting regularization of expenditure from the Finance Department was in process.

The Committee directed the Finance Department to monitor the case. **The para was settled.**

**52. Para No.103: Page 85 – Disbursement not made amounting to Rs.78,491 – Recovery thereof**

**12-3-2002:** In its latest comments, Audit had verified the disbursement of the amount of Rs.78,491. **The para was settled.**

**53. Para No.104: Page 85 – Excess payment on account of house rent allowance amounting to Rs.58,384**

**12-3-2002:** The Department explained that the actual recoverable amount of Rs.55,662 had been deposited into Government Treasury. The para was settled subject to verification by Audit.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

In its latest comments, Audit had verified the recovery of actual recoverable amount of Rs.57,776. On the recommendation of Audit, **the para was settled.**

**54. Para No.105: Page 86 – Non-Refund of the amount overpaid through the computer mistake – Recovery of Rs.80,183**

**12-3-2002:** The Department explained that actual recoverable amount of Rs.95,183 had been recovered. The para was settled subject to verification by Audit.

**11-7-2002:** Audit had verified the recoveries of Rs.70,583 and Rs.24,600. On the recommendation of Audit, **the para was settled.**

**55. Para No.106: Page 86 – Unauthorized payment of pay and allowances – Recovery of Rs.65,408**

**12-3-2002:** The Department explained that out of the two lady teachers under observation in this para one had acquired PTC Certificate prior to her appointment, while the other lady teacher had since retired after completion of 25 years' qualifying service, which shows that she had been appointed much earlier than the issuance of S&GAD Notification dated 14 August 1990. The position had been verified by Audit. **The para was settled.**

**56. Para No.117: Page 91 – Non deposit of school funds – Rs.59,140**

**12-3-2002:** The Department explained that on the basis of its calculations, the amount of para comes to Rs.59,087 instead of Rs.59,140 which had been deposited into respective accounts. Audit had verified the deposit. **The para was settled**

**57. Para No.119: Page 92 – Irregular Confirmation of Appointments – Recovery Rs.212,141**

**13-12-2001:** The Department pointed out that this para was duplication of Para No.36 Page No.48 of Audit Report 1997-98. Audit had verified the repetition pointed out by the Department. **Para No.119 was, therefore, dropped.**

**58. Para No.120: Page 92 – Irregular Unauthorized PTC Teachers – Recovery Amounting to Rs.2,248,541**

**13-12-2001:** The Department explained that Para No.120 was duplication of Para No.35 Page No.47 of Audit

Report 1997-98. Audit had verified the duplication. Para No.120 was, therefore, dropped.

**12-3-2002:** The Department explained that it had been verified in the Special DAC meeting dated 19 and 20 February 2002 that Para No.120 was duplication of Para No.35 (1997-98) **Para No.120 was, therefore, dropped.**

**59. Para No.121: Page 93 – Irregular and unauthorized appointments/adjustments without approval of the District Recruitment Committees**

**12-3-2002:** The Department explained that para No.121 had been repeated as para No.67 as the texts of both the paras were the same. On the recommendation of Audit, **the para No.121 was dropped.**

**60. Para No.124: Page 94 – Loss of Rs.32,718 due to excess rates on purchase of stationery**

**12-3-2002:** The Department explained that the record pertaining to purchase of stationery worth Rs.149,995 was shown to Audit. Audit observation had not been clearly established. Moreover, the expenditure had already been regularized by the Finance Department vide letter No.SO(Audit)1-217/99 dated 23 June 1999. **The para was settled.**

## Volume – 1 (b)

### Civil Audit

### Colleges

**61. Para No.1: Page 12 – Loan not Refunded Misappropriation of Rs.113,757**

**10-12-2001:** Audit reported that an amount of Rs.113,757 was drawn out of fine fund but the same was not paid back to the fund.

The Department explained that the amount was drawn as a loan due to non-availability of funds in the relevant head.

The para was discussed in detail. The Department was directed to give up-to-date position of the fine fund in respect of Zamindar College, Gujrat as up to 30 September 2001. The Committee further observed that it was possible that other colleges in the Province have also utilized their fine fund towards college expenditure. The Department explained that draft rules for operation of college funds have been prepared. The Committee directed that said rules may be got approved by the Competent Authority and in the meantime a copy of the said draft rules may be submitted to the PAC Secretariat. The Department was also directed to explain how the expenditure was justified when there was no allocation in the budget, and why it has not been possible to refund the balance of Rs.66,215 so far. The para was kept pending.

**13-3-2002:** The para was considered in the light of PAC direction dated 10 December 2001.

The Department explained that permission of the Finance Department was being sought to pay the WAPDA dues from the current year budget and the amount of loan drawn from the college fine fund would be



recouped.

The Department further explained that as per direction of the Committee given in the previous meeting, draft rules for maintenance and use of college fund had been made and circulated to Principals of all the Colleges for their comments and the finalized draft rules would be got approved by the competent authority. In view of the above, **the para was settled.**

#### **62. Para No.2: Page 14 – Irregular purchase of furniture amounting to Rs.214,635**

**13-3-2002:** The Department explained that the Director of Education (Colleges) being an officer of category-I had full powers to issue sanctions under Serial No.3 (a) (ii) of Delegation of Power Rules. As such the expenditure in question was regular.

The Committee accepted the explanation of the Department and the para was settled subject to verification by Audit.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

In its latest comments, Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, **the Committee settled the para.**

#### **63. Para No.3: Page 14 – Irregular uneconomical expenditure amounting to Rs.86,210**

**13-3-2002:** In its latest comments, Audit had verified that an amount of Rs.37,000 had been refunded to government and the expenditure of Rs.49,210 had been verified.

Audit had recommended the para for settlement. **The para was settled.**

#### **64. Para No.4: Page 15 – Irregular expenditure of Rs.231,190 on the local purchase of furniture, science material and library books**

**13-3-2002:** Audit commented that the contention of the Department had been verified from the record produced to it along with deposit of Rs.682 on account of Income Tax and its credit verification from the District Officer concerned. **The Committee settled the para.**

#### **65. Para No.5: Page 15 – Retention of Government Money of Rs.1,415,750 in Unauthorized Bank Account**

**10-12-2001:** Audit pointed out that an amount of Rs.1,415,750 realized from the students was deposited in the Bank of Punjab instead of Government Treasury in violation of rule 9(1) of the Punjab Treasury Rules.

The Department explained that the said amount had since been deposited in the National Bank of Pakistan, Saidpur Branch Multan Road, Lahore. The explanation of the Department was accepted and **the para was settled.**

**66. Para No.6: Page 16 – Doubtful Drawal/Disbursement of Pay – Rs.139,756**

**24-12-2001:** In the latest comments Audit had pointed out that a sum of Rs.99,991 was expended out of matching grant of Rs.100,000 allocated for the purchase of sports articles. It was without adding an equal matching component from students' fund which was contrary to the concept of the scheme of Matching Grant.

The Committee observed that the Matching Grant should be utilized in its true spirit. With the above observation, **the para was settled.**

**67. Para No.8: Page 17 – Wasteful Expenditure on Pay and Allowances Amounting to Rs.12,213,119**

**24-12-2001:** Audit pointed out that as the Government had discontinued PTC and CT classes, the salary drawn by the teachers of Government Elementary Teachers Training College (W) Multan amounting to Rs.12,213,119 was wasteful expenditure.

The Department explained that the said staff was utilized for in-service training to the teachers during the period under observation. The Committee accepted the explanation of the Department and **settled the para.**

**68. Para No.9: Page 17 – Irregular expenditure of Rs.146,206**

**13-3-2002:** The Department explained that this para had already been settled in DAC meeting held on 10 February 1998. **The Committee settled the para.**

**69. Para No.10: Page 18 – Irregular expenditure on account of purchase of chemicals amounting to Rs.84,451**

**13-3-2002:** The Department explained that only an amount of Rs.8,000 out of allocation for purchase of Machinery and Equipment had been utilized for purchase of science material and chemicals in the best interest of the students.

The Committee observed that this practice should not be repeated in future. With the above observation, **the para was settled.**

**70. Para No.12: Page 24 – Overpayment of Rs.33,140 on account of pay and allowances**

**13-3-2002:** The Department explained that total recovery of overpayment of Rs.36,198 as worked out by the Accounts Officer had been effected and deposited into Government Treasury (NBP, Kasur) and had also been duly verified by the District Accounts Officer concerned. The para was settled subject to verification by Audit.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

In its latest comments, Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, **the Committee settled the para.**

**71. Para No.13(i-ii): Pages 24-25 – Unauthorized drawl of house rent allowance and non deduction of rent @ 5% of Government accommodation amounting to Rs.331,630**

**24-12-2001:** Audit had pointed out that there was a designated house for the Principal but he had not occupied it and had drawn house rent allowance which was irregular as per instructions of the Finance Department.

The Department explained that a Professor of equivalent grade occupied the house and did not draw the house rent allowance, and paid the prescribed house rent. Audit commented that the difference of amount paid by the Professor who occupied the house and the amount which would have been paid by the Principal should be recovered.

The Committee settled the para subject to the recovery of difference, if any, of amount as pointed out by the Audit.

**13-3-2002:** The Committee reiterated its previous decision dated 24 December 2001. The para was kept pending.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

In its latest comments, Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, **the Committee settled the para.**

## **72. Para No.15: Page 25 – Recovery of Rs.106,814 on Account of Irregular Drawal of House Rent and Conveyance Allowance**

**24-12-2001:** Audit pointed out that there was a designated house for the Principal but he had not occupied it and had drawn house rent allowance which was irregular as per instructions of the Finance Department.

The Department explained that there was no water connection in the said house from 1987 to 1994. Therefore one room was utilized as staff room and other rooms as store of the college. The Committee was not satisfied with the explanation of the Department and directed that Administrative Department should enquire into the matter (including the circumstances under which the house was taken over without water connection) and take appropriate action before the next meeting. The para was kept pending.

**13-3-2002:** The Committee reiterated its previous decision dated 24 December 2001. The para was kept pending.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

The Department explained that an inquiry was ordered into the matter by the Administrative Department vide order dated 24 May 2002 through an Inquiry Committee comprising Principals of 3 colleges. According to the findings of the inquiry report dated 10 June 2002, the Principal's residence in the college had not been handed over by the Buildings Department officially to the college administration in 1987 and it was not possible for the

Principal to occupy the residence without basic utilities.

The Principal had later on got the water supply, electricity and Sui Gas connections by his own efforts and paying the necessary charges from his own pocket.

As such no recovery on account of house rent allowance or conveyance allowance was due from the Principal. After some discussion, the Committee accepted the explanation of the Department and **settled the para.**

### **73. Para No.16: Page 26 – Overpayment of pay and allowances for Rs.34,620**

**13-3-2002:** The Department explained that the AG office had been informed that a sum of Rs.34,620 was recoverable from the concerned Assistant Professor. She was on ex-Pakistan leave and was due back in April 2002. After her joining, the recovery process would be pursued.

The Committee desired that apart from reporting progress in actual recovery, the Department should also ask the AG's office to explain reasons for failure of pre-audit in this case. The para was kept pending.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

The Department explained that the entire amount of Rs.34,620 on account of overpayment of pay and allowances had been effected and verified by Audit. A reference had also been made to the Accountant General, Punjab regarding the failure of pre audit in this case. **The Committee settled the para.**

### **74. Para No.20: Page 28 – Recovery of house rent allowance amounting to Rs.50,439**

**13-3-2002:** The Department explained that the total amount had been recovered and record was available for verification by Audit. The Committee settled the para subject to verification of record by Audit.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

The Department explained that an amount of Rs.33,412.80 had been effected on account of house rent allowance from teachers/officers. The said amount had been verified by Audit. However, in the case of Mrs Zahida Hammed, Lecturer an amount of Rs.13,995 was not recoverable from her. The Committee accepted the explanation of the Department and **settled the para.**

### **75. Para No.22: Page 29 – Less realization of tuition fee amounting to Rs.46,200**

**13-3-2002:** The Department explained that the whole recoverable amount had been realized and deposited into Government Treasury through various bank challans. The record was available for verification by Audit. The Committee **settled the para subject to** verification of record by Audit.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

The Department explained that the total recoverable amount of Rs.46,200 regarding tuition fee had been recovered, deposited into Government Treasury and got verified by Audit. On the recommendation of Audit, the Committee **settled the para.**

**76. Para No.23: Page 29 – Less/Non Deposit of Admission Fee – Recovery of Rs.117,710 on Account of Tuition Fee**

**24-12-2001:** Audit pointed out that dues had been deposited and recommended that para may be settled. The Committee agreed to **settle the para.**

**77. Para No.24: Page 30 – Recovery of Rs.72,625 on account of less realization of tuition fee**

**13-3-2002:** The Department explained that the entire recoverable amount had been realized and deposited into Government Treasury through various challans. The relevant record was available for verification by Audit. The Committee **settled the para subject to** verification of record by Audit.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

In its latest comments, Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, **the Committee settled the para.**

**78. Para No.28: Page 32 – Recovery of Rs.85,507 on account of loss of 300 library books**

**13-3-2002:** The Department explained that with the help of the ex-Librarian, the new Librarian recovered all the missing books as pointed out by Audit. The said books now physically were available in the Library for verification by Audit. The Committee accepted the explanation of the Department and **the para was settled.**

**79. Para No.30: Pages 32-33 – Recovery of Rs.24,000 on account of non deposit of nursery income**

**13-3-2002:** In its latest comments, Audit had accepted the departmental contention that no recovery was due. **The para was settled.**

**80. Para No.31: Page 33 – Recovery of Rs.51,060 due to non refund of loans given out of students' fund**

**13-3-2002:** The Department explained that the amount of advance had since been adjusted.

**The para was settled** with the direction that the Department might take suitable action against persons responsible for over-writing in the vouchers for Rs.4,322 as pointed out by Audit.

**81. Para No.32: Page 33 – Recovery of Rs.251,596 – Owing to doubtful purchase**

**24-12-2001:** The Department explained that said para was discussed in SDAC meeting held on June 19, 2001 at Bahawalpur and kept pending for verification of record. The requisite record had been submitted to Audit on December 13, 2001. The Committee settled the para subject to verification of record by Audit.

**13-3-2002:** The Department explained that missing articles as pointed out by Audit had been recovered and the cost of unavailable articles of Rs.14,108 had been recovered and deposited into Government Treasury. The relevant record was available for verification by audit. Audit had accepted the contention of the Department and **the Committee settled the para.**

**82. Para No.33: Page 34 – Loss of Public revenue amounting to Rs.56,000 due to illegal possession of college canteen**

**13-3-2002:** The Department explained that the college canteen had been got vacated on 2 October 1996. Furthermore, the occupant of the canteen had died and no further action was possible now in this matter. **The para was settled.**

**83. Para No.36: Page 35 – Non Deduction of Interest on House Building Advance from Gazetted Officers of the College Amounting to Rs.138,960**

**24-12-2001:** In its latest comments Audit had pointed out that total recovery of Rs.138,960 on account of interest of house building advance had been recovered and verified by Audit. The Committee observed that suitable action should be taken against the staff of the accounts officer for their negligence. With this observation, **the para was settled.**

**84. Para No.37: Pages 35-36 – Recovery of Rs.45,306 on account of electricity charges**

**13-3-2002:** The Department reported that the recoverable amounts had been recovered, deposited into Government Treasury and verified by Audit. **The para was settled.**

**85. Para No.38: Page 36 – Non accountal of items costing Rs.56,353 – Recovery thereof**

**13-3-2002:** The Department explained that according to the findings of the departmental inquiry report the articles in question were actually purchased but were inadvertently not entered in the log book and stock register. The Committee directed that log book should be maintained properly. With the above observation, **the para was settled.**

**86. Para No.41: Page 37 – Recovery of Rs.38,295 Due to Unauthorized Journeys**

**24-12-2001:** Audit pointed out that the authorization of the journey and recovery of Rs.1,275 and Rs.8,980 had been verified. **The para was settled.**

**87. Para No.42: Page 38 – Recovery of Rs.28,200 on Account of Non-Deduction of Income Tax at Source**

**24-12-2001:** The Department explained that the amount of income tax had since been recovered and deposited. The para was settled subject to verification by Audit.



**11-7-2002:** In its latest comments, Audit had verified the recoveries of Rs.14,916 and Rs.13,284. On recommendation of Audit, **the para was settled.**

## **Volume – 1 (i)**

### **Civil Audit**

### **Universities of the Punjab**

### **University of the Punjab**

**88. Para No.7: Page 7 – Rs.1,309,464 due from various persons on account of inadmissible payment of Washing & Dress allowances**

**8-7-2002:** In its latest comments, Audit had verified the departmental contention that the Syndicate of the University had approved the grant of Washing allowance and Dress allowance to D-Class employees in BPS-1-4. On the recommendation of Audit, **the Committee settled the para.**

**89. Para No.9: Page 8 – Rs.594,312 recoverable on account of inadmissible conveyance allowance**

**8-7-2002:** The Department explained that the Education Department vide Notification No.SO(EF)2-89/78 dated 28 June 1979 had granted permission to the staff residing on the campus to draw conveyance allowance in view of its vast area. The Committee **settled the para** after some discussion.

**90. Para No.14: Page 10 – Loss of Rs.504,000 due to non receipt of rent of quarters situated in Hostel No.10**

**8-7-2002:** The Department explained that rent @ Rs.600 per month was fixed by the Syndicate. Electricity and other charges were being recovered from the allottees of 21 bachelor quarters in Hostel No.10. Audit had verified the position. **The para was settled.**

**91. Para No.17: Page 12 – Recovery of Rs.85,009 on account of shortage of 143 ream of paper from ex-store keeper**

**8-7-2002:** The Department explained that in departmental inquiry the actual shortage of items worth Rs.43,008 was found and the same had been recovered from the persons responsible for shortage. Audit had verified the recovery. **The para was settled.**

**92. Para No.20: Pages 13-14 – Loss of Rs.192,500 due to non return of computer IBM PC/At 286 20-MHZ**

**8-7-2002:** The Department explained that the computer in question which had been lent to the High Energy Physics Department had been received back, and the Treasurer Office had duly entered it in the stock register. Audit had verified the position. **The para was settled.**

## **University of Engineering & Technology, Lahore**

**93. Para No.2: Page 18 – Theft of University Suzuki Car No.LHN-8325 Costing Rs.150,000**

**24-12-2001:** The Department explained that FIR for the stolen vehicle was got registered with the Police Station, Civil Lines, Lahore on January 29, 1996. On receiving inquiry report from the Inquiry Officer and report from the Police Authorities regarding their inability to recover the stolen vehicle, the loss had been written off by the Vice Chancellor, University of Engineering and Technology, Lahore.

The Committee was not satisfied with the explanation of the Department and directed that the Administrative Department should take appropriate action in the matter and complete facts and figures of the case in chronological order should be given in the working paper for the next meeting. The para was kept pending.

**13-3-2002:** The Department explained that the Suzuki car Model 1983 was stolen on 29 January 1996. FIR was registered on the same day but the vehicle was not traced. A departmental inquiry was also held. In view of the departmental inquiry report and the inability of the Police to recover the stolen vehicle the loss was written off by the Vice Chancellor on 15 December 2001 and the same was approved by the Syndicate on 12 January 2002. **The para was settled.**

**94. Para No.3:Page 19 – Recovery of Rs.2,798,002 on Account of Non-Deduction of House Rent @ 5% from the Staff Residing in University Accommodation**

**24-12-2001:** The Department explained that according to Statute 44 of the University of Engineering and Technology Employees, (General Conditions of Service) Statutes 1971, approved by the Governor/Chancellor through the Education Department, the Syndicate was competent to grant rent free houses to its employees. The Syndicate granted rent free accommodation to the University employees.

The Committee was not satisfied with the reply of the Department and directed that Administrative Department should examine the case and take appropriate action in the matter. Moreover, the whole record should also be produced to Audit for scrutiny and comments. The para was kept pending.

**13-3-2002:** In its latest comments, Audit had verified the contention of the University that the Syndicate was competent to grant rent free accommodation to the University employees according to the statute of the University. The Department explained that there were no designate houses in the University. **The para was settled.**

**95. Para No.4: Pages 19-20 – Irregular payments of orderly allowance amounting to Rs.2,810,542 to University Teachers and also to retired teachers**

**24-12-2001:** Audit had pointed out that the drawal of orderly allowance by employees of the University in grade 20 and above both serving and retired was illegal. The Department explained that the matter was pending decision with the Governor/Chancellor. The Committee desired to know whether the summary to the Governor was routed through Education Department and Finance Department and what were their observations expressed on the said case and when was the summary submitted to the Governor. The para was kept pending.

**13-3-2002:** The Department explained that the matter had been referred to the Chancellor/Governor for a decision which was still awaited. The Committee observed that as the matter had considerable financial implications, it would be in the fitness of things if a decision could be taken without further delay. With the above observation, **the para was settled.**

**96. Para No.5: Page 20 – Recovery of Rs.1,219,791 on Account of Conveyance Allowance Paid to University Staff Residing Within the Premises of the University and During Summer Vacation**

**24-12-2001:** Audit pointed out that certain employees of the University residing within the University Campus had been illegally drawing the conveyance allowance. The Department explained that this was being done with the approval of the Government of Punjab, Education Department.

The Committee directed that Audit should examine whether the said sanction was issued by the Education Department with the concurrence of the Finance Department. The para was kept pending.

**(i) Rs.942,442**

**13-3-2002:** The Department explained that the conveyance allowance was granted to the employees of

the university residing in the Campus of the University with the prior approval of the Government of the Punjab, as a special case, in view of its sprawling nature. Audit accepted the contention of the Department. The Committee settled this part of the para.

**(ii) Rs.230,095**

The Department explained that the whole University was not closed during summer vacations. The Committee enquired whether any orders had been issued by the University requiring the employees to remain on duty during vacations.

The University was directed to produce relevant record to Audit for necessary verification. This part of the para was kept pending.

**(iii) Rs.47,254.50**

Audit pointed out that the contention of the Department in respect of Mr Tanveer Iqbal Qayyum had been verified from the record. The Department explained that the recovery of Rs.8,784 would be effected from Mr Tariq Javed Cheema (dismissed from service) at the time of final payment to him. This part of the para was settled.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

The Department explained that two parts of the para relating to the amounts of Rs.942,442 and Rs.47,254 had already been settled by the PAC in the last meeting. Regarding the outstanding part of the para, the Department explained that amounts of Rs.191,483 and Rs.10,156 related to the conveyance allowance of the teaching staff who had been required to remain on duty during the summer vacations by the heads of the Teaching Departments and the administrative staff respectively. Rs.996 represented a calculation mistake and the balance amount of Rs.27,460 had been recovered from the persons who had unduly drawn the conveyance allowance during the vacations. Audit had verified the position. **The para was settled.**

**97. Para No.7: Page 21 – Recovery of Rs.367,970 on Account of Misuse of University Vehicles**

**24-12-2001:** The Committee was not satisfied with the explanation given by the Department for the free use of official vehicles by students/employees for recreation and ceremonial purposes. The Administrative Department was directed to examine the matter and take appropriate action. The para was kept pending.

**13-3-2002:** It was explained that the University authorities were helpless in recovering the charges for the use of vehicles by students' organizations for the period July 1995 to June 1997.

However, fuel consumption charges had been recovered from the employees to whom vehicles were hired. The Committee directed that the matter should be placed before the Syndicate of the University for a

decision. The desirability of recovering the amount from the Union Funds might also be examined. The para was kept pending.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

The Department explained that an amount of Rs.323,135 due against the defunct Students Union on account of recovery of fuel charges during 1995-96 and 1996-97 had been written off by the Syndicate of the University on 1 June 2002. Audit had verified the position. **The para was settled.**

**98. Para No.8: Page 21 – Non-Deduction of Income Tax at Source from the Firms and Suppliers Amounting to Rs.62,892**

**24-12-2001:** The Committee was not satisfied with the explanation given by the Department for not deducting income tax at source from the payments made to the suppliers/contractors. The Administrative Department was directed to examine the matter and take necessary action. The para was kept pending.

**13-3-2002:** In its latest comments, Audit had pointed out that the actual recoverable amount was Rs.27,373. The Department explained that Rs.4,873 had already been recovered and efforts were being made to recover the balance amount.

The Committee directed that the particulars of suppliers from whom income tax was recoverable should also be sent to the Income Tax Department for appropriate action. With the above direction, **the para was settled.**

**99. Para No.9: Page 22 – Excess Payment of Commutation and Pension and Irregular Payment Made on Contract Basis Amounting to Rs.541,441**

**24-12-2001:** The Committee was not satisfied with the explanation of the Department regarding the action taken in respect of the excess payment of commutation and pension and irregular payment made to employees on contract basis. The Administrative Department was directed to examine the matter and take necessary action. The para was kept pending.

**13-3-2002:** In its latest comments, Audit had verified the contention of the Department in the cases involved in this para. **The para was accordingly settled.**

**100. Para No.10: Page 22 – Miscellaneous Recoveries of Rs.379,999**

**24-12-2001:** The Department explained that no such objection was contained in the Audit Report/ Advance Paras for the year 1997-98 sent by the Director General, Audit.

The Department was directed to consult Audit for further information/ clarification and give its explanation accordingly. The para was kept pending.

**13-3-2002:** The Department explained that all the cases pointed out by Audit in this para had been examined. The overpayment was involved only in two cases amounting to Rs.8,509 and Rs.2,444 which had been noted for recovery. Audit had recommended settlement of parts of the para. **The para was settled.**

**101. Para No.13: Page 24 – Misappropriation of Rs.284,148 due to non-entry of POL in the relevant log books**

**24-12-2001:** The Committee was not satisfied with the explanation given by the Department for non-maintenance of the P.O.L Consumption Registers and Log Books of the official vehicles during the period under observation and directed the Administrative Department to examine the matter and take necessary action. The para was kept pending.

**13-3-2002:** The Department explained that during the period under Audit, the vehicles were controlled by the students' organization and no record of POL/Maintenance and repair expenditure of the vehicles had been maintained. The Committee directed that the matter should be placed before the Syndicate for appropriate decision. The para was kept pending.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

The Department explained that the amount of Rs.284,148 had been written off by the Syndicate of the University. Audit had verified the same. **The para was settled.**

**102. Para No.14: Page 25 – Library Books About 16000 Nos. Worth Rs.0.5 Million (Approx) Found Missing/Stolen and Lost During the Stocktaking upto 1995**

**24-12-2001:** The Department explained that efforts were being made to recover the outstanding Library Books. The Department was directed to make the recovery and take necessary action in the matter expeditiously. The para was kept pending.

**13-3-2002:** The Department explained that the loss of 9455 books found missing in the stock-taking of 1974 and loss of 13013 books found missing in the stock-taking of 1995 had been written off by the Syndicate on 28 June, 1997.

The para was settled subject to verification of write off sanction issued by the competent authority.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

In its latest comments, Audit had verified the write off sanction accorded by the Syndicate of the University on 28 June 1998. On the recommendation of Audit, **the Committee settled the para.**

**103. Para No.15: Page 26 – Misappropriation of Rs.1,407,059 due to non-accountal/carried forward of costly items from old register to new register**

**24-12-2001:** The Department explained that record of stores was upto date and there was no discrepancy. The Department was directed to get the record verified by Audit. The para was kept pending.



**13-3-2002:** The Department explained that necessary action on all the cases involved in this para had been taken. The para was settled subject to verification by Audit.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

In its latest comments, Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, **the Committee settled the para.**

## Commercial Audit Punjab Education Foundation

### **104. Para No.3(xi): Page 3 – Non-submission of accounts**

**11-3-2002:** The Department had not submitted the working papers. However, the Deputy Director Commercial Audit stated that the accounts of the Punjab Education Foundation for the year 1997-98 had since been received and Audit would give its comments on the same in a subsequent Audit Report. **The para was settled.**

## Paras Conditionally Settled Civil Audit Volume – 1 (a) Other than Colleges

### **1. Para No.3: Page 20 – Embezzlement of Rs.51,570 on account of non deposit of tuition fee and recovery thereof**

**12-3-2002:** The Department explained that after disciplinary proceedings the accused Junior Clerk Mr Abdul Latif was dismissed from service on 25 January 19`99. A case was registered against him with Anti-corruption Establishment, Multan vide FIR dated 8 March 2001.

The recovery as arrears of Land Revenue was also being pursued and District Education Officer (SE), Multan had intimated that an amount of Rs.25,000 had been deposited by the accused.

The Committee directed that Administrative Department should pursue the balance recovery and Finance Department should monitor the same. With the above directive, **the para was settled.**

**2. Para No.5: Page 21 – Loss of Rs.101,126 due to embezzlement of excess drawal of posts**

**12-3-2002:** The Department explained that probe into the matter had been initiated and action would be taken in the light of the facts revealed by the probe.

The Department was directed to complete the inquiry and the necessary action, at the earliest. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that as per findings of the departmental inquiry report, two posts of EST had been sanctioned for each school, but the Deputy District Education Officer, Bahawalpur in the letter dated 2 March 1992 mistakenly showed one post of EST against one school and three posts against another school instead of showing two posts against each school. This mistake was later on rectified vide letter dated 25 January 1993, as such no overpayment was involved. **The Committee settled the para** subject to verification of record by Audit.

**3. Para No.6: Page 21 – Fraudulent drawal of pay/allowances after death of teacher recovery of Rs.113,411**

**12-3-2002:** The Department explained that the total recoverable amount had been effected.

The Committee directed that the recovery should be got verified by Audit and disciplinary action should be taken against the DDO responsible for fraudulent drawal of pay and allowances after death of the teacher.

The Finance Department was directed to monitor further action in the case. Subject to the above direction, **the para was settled.**

**4. Para No.9: Page 34 – Irregular appointment without approval of Departmental Recruitment Committee and payment of Rs.65,322 recovery thereof**

**12-3-2002:** The Department explained that probe into the matter had been initiated to find out factual position regarding appointment of officials.

The Department was directed to complete the inquiry and necessary action, at the earliest. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that as per findings of the departmental inquiry report, the recruitment of the persons under observation in this para had been made on the recommendation of Departmental Recruitment Committee. A copy of the inquiry report was sent to Audit but it had been returned with the remarks that inquiry report should be got vetted by the Administrative Secretary.

The Department further explained that the SDAC in its meeting held on 19 February 2000 had recommended the para for settlement.

The Committee observed that Audit should not insist on getting each and every inquiry report approved by the Administrative Secretary before its submission to Audit because it is the respective competent authority in respect of the accused officers or officials who had to decide the matter.

The Committee suggested that Audit should offer its comments on the inquiry reports, officially submitted to it by the departmental officers.

The Committee directed the Department to produce a copy of the inquiry report and minutes of the SDAC meeting to Audit. **The para was settled** subject to verification by Audit.

#### **5. Para No.14: Page 37 – Excess drawal of house rent allowance and C.A. recovery of Rs.224,965**

**13-12-2001:** The Department explained that out of total recoverable amount of Rs.224,965, a sum of Rs.80,369.75 had been recovered from the teachers concerned. Efforts were being made to recover an amount of Rs.15,856 from the teachers who have retired or resigned.

The Committee directed that a probe should be made and action taken against those responsible for not making recovery at the appropriate time. Moreover, the recovery already made should be got verified by Audit and balance recovery should be effected expeditiously. The para was kept pending.

**12-3-2002:** The Department explained that out of total recoverable amount Rs.224,965, an amount of Rs.85,273/75 had been recovered. The teachers from whom the recovery of Rs.15,856 was due, had either retired or resigned from service and efforts were being made to recover the balance amount of Rs.139,692.

The Department was directed to get the recovery verified by Audit and effect the balance recovery expeditiously. In the case of teachers who had retired or resigned, the recovery should be made from the officers who made payment of house rent allowance and conveyance allowance to the employees who were not entitled to it. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that recovery of Rs.85,273 and Rs.30,654 had been made and the balance recovery was being pursued.

The Committee **settled the para** subject to recovery of the balance and its monitoring by the Finance Department.

#### **6. Para No.16: Page 38 – Overpayment of Rs.26,625 on account of house rent allowance**

**12-3-2002:** The Department explained that the officer had actually been residing in a single room. The assessment was made by SDO Building Sheikhpura at a rate of Rs.450 per month. The amount had been paid by the concerned officer.

The Committee was not satisfied with the explanation and directed that the case should be referred to Finance Department with full particulars of the accommodation, for decision in the light of relevant rules. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that in compliance with the PAC directive the case regarding admissibility of house rent allowance had been referred, with full particulars of the accommodation, to the Finance Department on 7 June 2002 and a decision was awaited.

The Committee **settled the para** subject to the decision of the Finance Department and the recovery, if so decided.

#### **7. Para No.18: Page 39 – Overpayment of pay and allowances amounting to Rs.102,072**

**12-3-2002:** The Department explained that out of total recoverable amount of Rs.102,072, an amount of Rs.39,374 had been effected. An amount of Rs.17,493 had been paid against genuine claim and was not recoverable. Two teachers from whom an amount of Rs.5,532 was recoverable, had expired. Efforts were being made to recover the balance amount of Rs.39,773. The Department was directed to get the recovery verified by Audit and effect the balance recovery at the earliest. The cases in which payment had been made against genuine claim should be explained to Audit. The amount outstanding against the deceased teachers should be made from the officers who made overpayment of pay and allowances to them. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that an amount of Rs.17,493 was paid against a genuine claim and was not recoverable. However, the directions had been issued for recovery of Rs.55,532 from the officers who made the overpayment of pay and allowances. Efforts were being made to effect the recovery of the balance. The Committee **settled the para subject** to recovery of the balance and the Finance Department was directed to monitor the same.

#### **8. Para No.22: Page 41 – Excess rates charged while purchasing store items. Loss to Government amounting to Rs.79,415**

**12-3-2002:** The Department explained that the para had been discussed and settled in a meeting of the SDAC held on 15 December 1998. The para was kept pending for verification of departmental contention by Audit.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

Audit had pointed out that purchase had been made at higher rates. The Department explained that according to the minutes of the SDAC meeting held on 15 December 1998, Audit should have included authentic documentary evidence to substantiate their contention of higher rates. Since open tenders were called by the competent authority and bid was also held, objection regarding purchase at higher rate was difficult to ascertain. The SDAC had settled the para. However, on verification of record Audit had pointed out that the supply order No.546 dated 18 September 1995 appeared to be fictitious as two supply orders had been issued with the same number and date with different articles.

The Committee directed that the point now raised by Audit should be examined by the Department, and the matter should be resolved by the SDAC. The Committee decided to **settle the para** subject to the above directive.

#### **9. Para No.23: Page 41 – Recovery of misappropriated/embezzled amount of Rs.51,600**

**12-3-2002:** The Department explained that as per findings of the departmental inquiry report, Mr Muhammad Hussain, Assistant Education Officer drew a sum of Rs.51,600 on account of arrears of pay bill of six PTC teachers fraudulently as the whereabouts of PTC teachers could not be traced out. The amount of Rs.51,600 had been recovered from him and disciplinary action against him was in process. The Special DAC in its meeting held on 20 February 2002 also recommended recovery of interest from May, 1997 to November, 2001. The Department was directed to get the recovery with interest effected and verified by Audit and to complete the disciplinary action expeditiously. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the entire amount on account of misappropriation/embezzlement had been recovered/verified from the AEO concerned. Moreover, the recovery of interest on the said amount had also been ordered. However, the proceedings under the Punjab Removal from Service (Special Powers) Ordinance 2000 were held up because no 'Authority' had since been designated after abolishing of the divisional offices.

The Department was directed to examine whether it was mandatory for the Department to lodge an FIR on account of embezzlement with the Police or Anti-Corruption Establishment. If so action should be taken accordingly besides completing the proceedings under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee accepted the Department's request to **settle the para** subject to finalization of action by the Department and its monitoring by the Finance Department and further subject to recovery of interest and its credit verification.

#### **10. Para No.24: Page 42 – Overpayment of Rs.48,199 due to irregular award of regular grade**

**12-3-2002:** The Department explained that the recovery of overpayment of Rs.48,199 had already been started from the regular salary bill of the lady teacher.

The Committee **settled the para subject** to verification of record by Audit and monitoring of recovery by the Finance Department.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002. The Committee re-iterated its previous directive.

#### **11. Para No.25: Page 42 – Misappropriation of Government money amounting to Rs.30,500**

**12-3-2002:** The Department explained that according to the findings of the departmental inquiry report, Malik Anwar Ali, Deputy DEO and Mr Muhammad Aslam, Junior Clerk had misappropriated Rs.30,500. The recovery and disciplinary proceedings were in process.

The Department was directed to complete the recovery and disciplinary proceedings at the earliest. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that according to the findings of the departmental inquiry, the concerned AEO and Junior Clerk were jointly held responsible for drawing the amount but not spending the same on repair works. However, the AEO had died on 17 February 2002 and disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance, 2000 against the co-accused Junior Clerk was held up for want of notification of the Authority after abolishing of the divisional offices.

The Department was directed to refer the case to the Finance Department for write off sanction/advice.

The Committee **settled the para** subject to the decision/advice of the Finance Department regarding write off and action against the Junior Clerk.

#### **12. Para No.34: Page 47 – Irregular purchase of stationery Rs.169,994**

**12-3-2002:** The Department explained that the SDAC in its meeting held on 20 February 2002 recommended that reference should be made to Finance Department for regularization of irregularities and those responsible for lapses should be warned.

The **para was settled subject** to regularization by the Finance Department and verification by Audit.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002. The Committee re-iterated its previous decision.



**13. Para No.38: Page 49 – Irregular and unjustified payment of salaries to untrained teachers Rs.215,693**

**12-3-2002:** The Department explained that out of four un-trained lady teachers involved in this Audit para, two lady teachers obtained the prescribed qualification within the prescribed period of three years from the date of appointment while two lady teachers acquired the prescribed qualification after five months and seven months of the expiry of the prescribed period of three years. The SDAC in its meeting held on 19 and 20 February 2002 had observed that “As regards delay in acquiring required PTC qualification, the Competent Authority may decide it according to rules”.

The para was settled subject to appropriate action by the Competent Authority and verification of record by Audit.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that out of four untrained lady teachers, two lady teachers obtained the prescribed qualification within the prescribed period and the remaining two lady teachers had been removed from service.

The Committee **settled the para subject** to regularization by the Finance Department of the irregular expenditure paid as salary to both the lady teachers.

**14. Para No.41: Page 50 – Non-recovery of rent of old scouts building occupied by Pakistan Broadcasting Corporation, Bahawalpur amounting to Rs.213,000**

**12-3-2002:** The Department explained that the SDAC in its meeting held on 19 February 2002 had observed that Pakistan Broadcasting Corporation vide its letter dated 20 April 1983 addressed to the Chief Secretary Punjab had stated that it was not possible for the Corporation to make payment of the claim of Rs.213,000 for the period from 1 January 1975 to 31 December 1980.

The Committee directed that the matter should be referred to the Finance Department for deciding the most appropriate course of action about the recovery or its write off. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the case for write off sanction had been referred to the Finance Department. The Committee **settled the para** subject to the decision of the Finance Department.

**15. Para No.45: Page 52 – Misappropriation of Rs.10,168 for less deposit of tuition fee**

**12-3-2002:** The Department explained that entire recoverable amount of Rs.10,168 on account of tuition fee had been recovered and deposited into Government Treasury. The Committee observed that disciplinary action should have been initiated against persons responsible for the misappropriation. With this observation, **the para was settled** subject to verification by Audit.

**16. Para No.54: Page 56 – Recovery of Rs.44,733 on account of irregular drawal of computer allowance**

**12-3-2002:** As per written explanation of the Department, the Special DAC in its meeting held on 19 February 2002 had observed that the SST Teacher was not entitled to the Computer Allowance but at the same time stated that as he had been teaching computer education to students of 9<sup>th</sup> and 10<sup>th</sup> classes his case might be considered sympathetically.

The Committee observed that if the Department felt that the payment should be regularized as a special case, the case should be referred to the Finance Department and unless so regularized, the recovery should be effected. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the case for regularization had been referred to the Finance Department on 28 May 2002. The Committee **settled the para** subject to the decision of the Finance Department.

**17. Para No.55: Page 57 – Recovery of Rs.27,723 on account of Special Pay**

**12-3-2002:** In its latest comments, Audit had verified the recovery of Rs.20,571 leaving a balance of Rs.7,152. The Committee observed that the AG's Office should also investigate how the overpayments were made.

With the above observation, the para was settled subject to balance recovery and its verification by Audit.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the balance amount of Rs.7,152 had also been recovered. The Committee **settled the para** subject to its verification by Audit.

**18. Para No.58: Page 58 – Overpayment of Rs.49,630 on account of allowance and recovery thereof**

**13-3-2002:** In the case of drawal of orderly allowance by Sheikh Abdur Rahim, Additional Secretary, the Department explained that he had been working against the up-graded post of BS-20. Therefore, no irregularity was involved.

The Committee directed that the recovery as pointed out by Audit should be enforced, if he was not holding a post substantively in BS-20.

The Department explained that the overpayment pointed out by Audit in the case of Mr Anwaar Ahmad Khan and Dr. Ijaz Ahmad, Additional Secretaries had been recovered.

The Department further stated that the overpayment pointed out by Audit in the cases of other officials was being recovered from their pay.

The Committee directed that the recoveries under this para should be monitored by the Finance Department.

The **para was settled subject** to balance recovery and its verification by Audit.

#### **19. Para No.59: Page 59 – Excess expenditure of Rs.50,414 on residential telephones recovery thereof**

**24-12-2001:** The Administrative Secretary assured that recovery order will be issued to the concerned accounts office from where the officer concerned is drawing his pay. The PAC directed that recovery may be effected by Administrative Department and monitored by Finance Department – a copy of the recovery order may be supplied to Audit. With the above directions, **the para was settled.**

**13-3-2002:** In its latest comments, Audit had stated that an amount of Rs.44,632 was still outstanding against 7 officers. The Committee re-iterated its previous decision.

#### **20. Para No.60: Page 59 – Recovery of Rs.95,864 on account of non deduction of interest on house building advances**

**13-3-2002:** The Department explained that the recovery of interest on the House Building Advance drawn by Mr. Zulfiqar Ali, Deputy Secretary was being made from his salary. The Department further explained that no interest was involved on the House Building Advance drawn by Mr. Khyzer Ahmad Khan and Mr. Munawar Najam, Section Officers who were sanctioned the advance when they were non-gazetted employees. The Committee directed that Finance Department should monitor the balance recovery in the para. The **para was settled subject** to balance recovery and its verification by Audit.

#### **21. Para No.61: Page 60 – Overpayment of Rs.37,950 on account of Secretariat/ personal allowance and recovery thereof**

**24-12-2001:** The Department explained that the officer concerned had been asked to deposit the requisite amount in the Government Treasury. The Committee directed that Administrative Department should pursue the recovery and Finance Department to monitor the same. With the above direction, **the para was settled.**

**13-3-2002:** In its latest comments, Audit had stated that an amount of Rs.34,428 was still outstanding.

The Committee observed that if in the case of any officer/officials, the audit objection was contested by the concerned officers/officials appropriate action should be taken after establishing the facts. The Committee reiterated its previous decision.

#### **22. Para No.62: Page 60 – Recovery of Rs.23,912 on Account of Excess Telephone Calls**

**13-12-2001:** The Department explained that retired Director Education, Sargodha Division, Sargodha who

had reportedly made excess telephone calls had expired on 21 January 2000. The case for write off of Rs.23,912 was in process. It was further explained that AG Punjab was requested to recover the amount of Rs.23,912 out of the dues of the deceased officer but the AG did not recover the same.

The Committee directed that Administrative Department should write to AG/DAO concerned, with a copy to the PAC Secretariat, to enquire as to why action had not been taken on the above mentioned letter of the Department for deduction of government dues from the pension during his life time. The para was kept pending.

**12-3-2002:** The Department explained that in compliance with the PAC directives dated 13 December 2001 the matter had been taken up with the AG as to why the recovery of Rs.23,912 was not made from the pension during the life time of the pensioner but no reply had been received. The Special DAC had observed in its meeting held on 19 February 2002 that as the retired officer had died on 21 January 2001, recovery was not possible at this stage.

The Committee directed that as per recommendation of Special DAC, the matter should be referred to Finance Department for regularization on its merits. With the above direction, **the para was settled.**

### **23. Para No.70: Page 64 – Expenditure beyond competency and irregular purchase of stationery worth Rs.149,757**

**12-3-2002:** The Department explained that according to the findings of the departmental inquiry report, the purchase had been made on competitive rates, but the expenditure had been split up to avoid sanction of the higher Authority.

The Department was directed to take appropriate action against the officers at fault and get the expenditure regularized by the Finance Department. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the case for regularization of expenditure had been referred to the Finance Department.

The Committee **settled the para** subject to regularization, finalization of action against those held responsible, and its monitoring by the Finance Department.

### **24. Para No.77: Page 68 – Wasteful expenditure amounting to Rs.105,000 on accounts of pay and allowances**

**13-12-2001:** The Department explained that probe into the matter had been ordered on 6-12-2001.

The Committee directed that a responsible Audit officer should be associated with the probe and appropriate action should be completed expeditiously. The para was kept pending.

**12-3-2002:** The Committee observed that its previous directive dated 13 December 2001 for holding a joint inquiry into the matter had not yet been complied with by the Department and Audit. The reasons for which an Audit Officer had not been deputed for the inquiry despite reminders had not been explained.

The Committee reiterated its previous directive. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that all the relevant record had been produced to the Joint Inquiry Committee comprising representative of the Department and Audit. As per record of Tehsil Ferozewala, no excess payment had been drawn.

The Department was directed to produce the relevant record to Audit. The Committee directed that this para should be considered and decided by SDAC and decision of SADC should be communicated to PAC by 30 September 2002. Subject to the above, **the para was settled.**

**25. Para No.78: Page 69 – Local purchase of stationery amounting to Rs.199,440 beyond competency**

**12-3-2002:** The Department explained that local purchase of stationery amounting to Rs.199,440 was made beyond competency by Deputy DEO Ferozewala by obtaining case-to-case sanction from DE Lahore in 10 installments.

The Department further explained that the case for regularization from the Finance Department had already been initiated and no loss was sustained.

The Department was directed to take disciplinary action against the officers responsible for the financial irregularities and get the irregular expenditure regularized by the Finance Department. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the case of irregular purchase of stationery had been referred to the Finance Department for regularization.

The Committee **settled the para subject** to regularization and its monitoring by the Finance Department.

**26. Para No.82: Page 71 – Expenditure beyond competency Rs.112,000**

**12-3-2002:** Audit had pointed out that expenditure of Rs.112,000 had been incurred on the purchase of stationery without sanction of the Competent Authority, on the basis of defective quotations and the distribution of the material was also not on record. The Department explained that an FIR No.5 dated 9 June 1999 had been got registered with Anti-Corruption Establishment, Multan.

The Department was directed to complete the appropriate action/recovery expeditiously and to submit a revised working paper giving full particulars of the case. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that action had been initiated against the officers responsible for sanction beyond competence. Moreover, Finance Department had been moved for regularization of the expenditure.

The Committee **settled the para** subject to action against the officers responsible for the sanction beyond competence and regularization by the Finance Department.

**27. Para No.92: Page 76 – Local Purchase of Stationery Amounting to Rs.298,855 which was Beyond Competency**

**13-12-2001:** The Department explained that codal formalities were observed in the purchase of stationery articles amounting to Rs.298,855. However, ex post facto sanction regarding purchases was being obtained from the Competent Authority.

The para was settled with the direction that the Department may finalize the requisite action expeditiously and the Finance Department may monitor the same.

**12-3-2002:** The para was considered in the light of PAC directive dated 13 December 2001. The Department explained that the case for ex post facto sanction was under process. The Committee re-iterated its previous directive.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the case of irregular purchase of stationery had been referred to the Finance Department for regularization.

The Committee **settled the para** subject to decision of the Finance Department and regularization.

**28. Para No.93: Page 76 – Local purchase of stationery beyond competency amounting to Rs.299,381**

**12-3-2002:** The Department explained that the probe officer reported that the purchase amounting to Rs.299,381 was made in accordance with the rules observing all formalities. However, the expenditure had been split up.

The Department was directed to get the irregular expenditure regularized by the Finance Department. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the case of irregular purchase of stationery had been referred to the Finance Department for regularization.

The Committee **settled the para subject** to the decision of the Finance Department for regularization.

**29. Para No.95: Page 77 – Wasteful expenditure of Rs.32,406**

**12-3-2002:** The Department explained that according to the findings of the departmental inquiry, the building of Kamalpur Jatyal School was under illegal occupation of a local landlord. Moreover, the Assistant Education Officer was responsible for un-necessary drawal of salaries of staff of two closed Primary Schools, namely GG P/S Mohana Centre, Makhdoom Ali and GG P/S, Jad Wala.

The Special DAC in its meeting held on 19 and 20 February 2002 had recommended that the school



building under illegal occupation should be got vacated through the District Government and the Assistant Education Officer responsible for fraudulent drawal of salaries of staff should be proceeded against under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Department was directed that action on the recommendation of the Special DAC should be completed expeditiously. The para was kept pending

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the school building in question had been got vacated from the illegal possession. Moreover, action had been initiated against the persons responsible for unlawful drawal of pay of the staff. The Committee directed that the relevant record should be produced to Audit and disciplinary action should be completed and the subject matter should be brought before the SDAC for consideration and decision. Subject to the above, **the para was settled.**

### **30. Para No.97: Page 78 – Local purchase of stationery amounting to Rs.199,923 beyond competency**

**12-3-2002:** The Department explained that the local purchase of stationery of Rs.199,440 was made by the Dy. DEO beyond his competency, and was made by splitting the grant in 10 installments. The SDAC recommended for the regularization of the expenditure by the Finance Department and calling of explanation of the officer responsible for irregular expenditure.

The Department was directed to get the irregular expenditure regularized by the Finance Department and take disciplinary action against the officer responsible for irregular expenditure. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the case of irregular purchase of stationery had been referred to the Finance Department for regularization.

The Department was directed to get the expenditure regularized from the Finance Department and take action against the persons responsible for irregular expenditure. The Committee **settled the para** subject to regularization by the Finance Department.

### **31. Para No.114: Page 90 – Misappropriation of store articles amounting to Rs.50,362 recovery thereof**

**12-3-2002:** The Department explained that entire stationery articles had been distributed to the schools concerned. The Committee **settled the para subject** to verification of record by Audit.

### **32. Para No.122: Page 93 – Unlawful Reinstatement After Retirement and Drawal of Pay Amounting to Rs.232,886**

**13-12-2001:** The Department explained that the case was *sub judice* in the Lahore High Court.

The **para was settled** with the direction that the Department may take further action in the light of the decision of the High Court. The Finance Department may monitor the same.

**33. Para No.125: Page 95 – Irregular purchase of teaching material recovery of Rs.181,514**

**12-3-2002:** The Department explained that the probe officer reported that the purchase of teaching material had been made after observing codal formalities. The record of complete receipt and distribution was available. The Committee **settled the para subject to verification** of record by Audit.

## Volume – 1 (b)

### Civil Audit Colleges

**34. Para No.14: Page 25 – Recovery of Rs.67,408 due to unjustified drawal of house rent allowance**

**13-3-2002:** The Department explained that the representation of the concerned retired Principal against this Audit observation was pending decision in the Finance Department. The para was kept pending.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

The Department explained that the Principal concerned did not reside in the so called Principal's residence during her posting in the college from 1 April 1996 to 25 June 2001 as the residence in question was a D-type residence as per certificate of the Architecture Department, Bahawalpur. As such no recovery was due from her.

The Committee directed that this para should be considered and decided by the SDAC and decision of the SDAC should be reported to the PAC by 30 September 2002. Subject to above, **the para was settled.**

**35. Para No.25: Page 30 – Recovery of Rs.52,980 on account of loss of tuition fees**

**13-3-2002:** The Department explained that Para No.25 and Para No.26 (amounting to Rs.52,980 + Rs.40,610 = Rs.93,590) related to the same accused person. In departmental inquiry the accused Mr. Muhammad Ashraf, Junior Clerk was held responsible for the embezzlement and total recovery of Rs.94,587 was imposed on him besides other punishment.

An amount of Rs.52,980 had since been recovered from him and the balance amount was being recovered from his pay at the rate of Rs.2,000 per month.

The Committee observed that the Department might also consider appointing the clerk in a position where he does not have to deal with cash. The para was kept pending.

**8-7-2002:** Paras No.25 and 26 were considered jointly in the light of PAC directive dated 13 March 2002.

The Department explained that the recovery from the accused Junior Clerk from his pay was being made

as explained in the last meeting. Moreover, he had been transferred and posted on a job where dealing of cash was not involved.

The Committee **settled the paras subject** to recovery of the balance and its verification by Audit and also subject to the condition that the official should not be given any assignment involving dealing with the cash.

### **36. Para No.26: Page 31 – Recovery of Rs.40,610 due to less realization of tuition fee**

**13-3-2002:** The Department explained that Para No.25 and Para No.26 (amounting to Rs.52,980 + Rs.40,610 = Rs.93,590) related to the same accused person. In departmental inquiry the accused Mr. Muhammad Ashraf, Junior Clerk was held responsible for the embezzlement and total recovery of Rs.94,587 was imposed on him besides other punishment.

An amount of Rs.52,980 had since been recovered from him and the balance amount was being recovered from his pay at the rate of Rs.2,000 per month.

The Committee observed that the Department might also consider appointing the clerk in a position where he does not have to deal with cash. The para was kept pending.

**8-7-2002:** Paras No.25 and 26 were jointly considered, in the light of PAC directive dated 13 March 2002.

The Department explained that the recovery from the accused Junior Clerk from his pay was being made as explained in the last meeting. Moreover, he had been transferred and posted on a job where dealing of cash was not involved.

The Committee **settled the paras subject** to recovery of the balance and its verification by Audit and also subject to the condition that the official should not be given any assignment involving dealing with the cash.

### **37. Para No.29: Page 32 – Recovery of Rs.61,011 due to shortage of library books**

**13-3-2002:** The Department explained that out of total recovery of Rs.61,011, an amount of Rs.1,316 had been realized and deposited into Government Treasury.

The case for write off of the balance amount was in process. The para was settled subject to verification of recovery or write off the balance amount.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

The Department explained that an amount of Rs.1,316 had been recovered and deposited into Government Treasury. The remaining loss of 394 missing/untraceable Library Books worth Rs.13,474 had been written off by the competent authority vide order dated 15 May 2002. In view of the above, **the para was settled** subject to verification of record by Audit.

### **38. Para No.40: Page 37 – Recovery of Heavy Outstanding Government Dues Amounting to Rs.215,307**

**24-12-2001:** Audit had pointed out that Government Institute for Blind, Lahore had not realized the amount due from other institutions on account of work done by it relating to repair and caning of chairs.

The Department explained that such payments are received from other institutions in due course and the total amount had since been recovered. The para was settled subject to verification by Audit.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

In its latest comments, Audit had verified that the actual recoverable amount was Rs.209,807 instead of Rs.215,307. The recovery of the amounts of Rs.46,818 and Rs.43,963 had been verified by Audit, leaving an outstanding balance of Rs.119,026.

The Department explained that the departments concerned had promised to deposit outstanding bills upto 30 June 2002. **The para was settled** subject to recovery of the balance and its verification by Audit.

## Volume – 1 (i)

### Civil Audit

### Universities of the Punjab

### University of the Punjab

#### **39. Para No.2: Page 4 – Misappropriation of Rs.361,177 due to non-carry over of the store items to the new register**

**8-7-2002:** The Department explained that the store items in question had not been carried over to the new register because they had either been auctioned or written off. Audit commented that the auction documents and sanction to write off had not been produced.

The Department was directed to produce the requisite record to Audit. **The para was settled** subject to verification of record by Audit.

#### **40. Para No.4: Page 5 – Rs.5,437,503 recoverable on account of double benefit allowed to teachers for holding Ph.D. Degree**

**8-7-2002:** The Department explained that the audit observation of double benefit for Ph. D allowance/ advance increments was not valid. The increments were given to the teachers not under the Revision of Pay

Rules, 1983 but much before in 1983 under the University Service Rules. The advance increments were also given under the said rules to some other categories of teachers as well. However, grant of advance increments of teachers on the basis of Ph. D had been discontinued after 1983. In view of the above explanation, **the para was settled** subject to verification of record by Audit.

**41. Para No.5: Page 6 – Rs.3,876,184 due for non-deduction of 5% house rent from occupants of university residential accommodation**

**8-7-2002:** The Department explained that the Syndicate of the University in its meeting held on 17 February 1994 approved stoppage of deduction of 5% basic pay as rent from the residents of University Colony. The recommendations of the Syndicate were confirmed by the Senate of the University in its meeting held on 15 April 1999. The Department was directed to produce the relevant record to Audit. **The para was settled** subject to verification of record by Audit.

**42. Para No.6: Page 6 – Rs.2,212,495 recoverable as standard rent of residences plus penal rent from unauthorized occupant, of university residences**

**8-7-2002:** The Department explained that out of seven cases under observation in this para a recovery of Rs.38,703 had been made in one case while no amount was recoverable in other six cases of Professor Emeritus and widows of deceased Professors. The Department was directed to produce the relevant record to Audit. **The para was settled** subject to verification of record by Audit.

**43. Para No.10: Page 8 – Non-deduction of income-tax amounting to Rs.119,965 at source from the supplier/contractor, etc.**

**8-7-2002:** The Department explained that the income tax had already been deducted at source from the suppliers/contractors. The Committee **settled the para subject to verification** of record by Audit.

**44. Para No.12: Page 9 – Non-recovery of outstanding dues against tenants of shops/khokhas amounting to Rs.65,300**

**8-7-2002:** The Department explained that amount of the para (Rs.65,300) had been recovered and verified by Audit. **The para was settled** subject to verification of total recovery by Audit.

**45. Para No.15: Page 11 – Loss of Rs.2,445,429 on account of over time remuneration to staff of the university**

**8-7-2002:** The Department explained that under the rules the over time was only admissible to the drivers but the same was also granted by the competent authority to the time keepers and mechanics as they were part of the Transport Wing and accompanied the students on study tours as well.

Audit had commented that no record had been produced to Audit in support of the contention of the Department.

The Department was directed to produce the relevant record to Audit. The nomenclature of the posts to whom overtime allowance was admissible should be specified in the rules. **The para was settled** subject to verification of record by Audit.

**46. Para No.18: Page 13 – Misappropriation of Rs.144,324 on account of shortage of store at Khanpur, Ayubia, and non-accounting of P.O.L./Mobil Oil etc.**

**8-7-2002:** The Department explained that the petrol accounts and log books under observation in this para were available and there was no shortage of Mobil Oil.

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

(The Committee noted that in this case, too, nearly 40 sheets of photocopied record had been unnecessarily added to the working paper. The Department should exercise care and economy in the use of paper.)

**47. Para No.19: Page 13 – Shortage of store, equipment/appliances and furniture items worth Rs.380,487**

**8-7-2002:** The Department explained that all stock entries of equipment/appliances and furniture items were available and no misappropriation was involved as pointed out by Audit in its observation. The Committee **settled the para** subject to verification of record by Audit.



**48. Para No.21: Page 14 – Rs.202,173 recoverable on account of shortage/missing of library books**

**8-7-2002:** The Department explained that all the missing/untraceable books relating to 16 libraries had been written off with the approval of competent authority.

The Committee accepted the explanation of the Department and **settled the para** subject to verification by Audit of the approvals.

**49. Para No.22: Page 15 – Misappropriation of Rs.506,598 due to non-receipt pasted voucher in guard file**

**8-7-2002:** The Department explained that the vouched accounts of the expenditure in question were available. **The para was settled** subject to verification of record by Audit.

## University of Engineering & Technology, Lahore

**50. Para No.6: Page 20 – Non-receipt of Dues from the Students of Various Departments Amounting to Rs.648,984**

**24-12-2001:** The Committee was not satisfied with the explanation of the Department for not recovering the outstanding dues from the students and directed that the matter should be examined by the Administrative Department and details may be given in the working papers for the next meeting. The para was kept pending.

**(i) Rs.576,854**

**13-3-2002:** As per latest Audit comments, the actual recoverable amount was Rs.547,430. Recovery of Rs.181,242 had been verified by Audit. The Department was directed to get the forfeited amount of Rs.224,800 verified from Audit and also to recover the balance amount of Rs.141,388 or get it written off by the competent authority. **This part of the para was settled** subject to recovery and its verification by Audit.

**(ii) Rs.58,740**

**13-3-2002:** The Department explained that out of recoverable amount of Rs.58,740, an amount of Rs.44,140 had been recovered. The rest of the amount was being recovered. **The Committee settled this part of the para** subject to recovery and its verification by Audit.

**(iii) Rs.13,390**

**13-3-2002:** The Department explained that the tenant of the shop had been ejected by force during 1991. The Department was directed to pursue the outstanding recovery. This part of the para was kept pending.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

### **Part-I Rs.576,854**

The Department explained that the balance amount of Rs.141,388 was written off by the Syndicate on 1 June 2002 and record had been shown to Audit. **This part was settled.**

### **Part-II Rs.58,740**

The Department explained that the balance amount of Rs.10,660 would be recovered as soon as whereabouts of the shopkeepers were traced out. The Committee **settled this part subject** to recovery of the balance and its verification by Audit.

### **Part-III Rs.13,390**

The Department explained that the allottee of the shop was a retired university employee and the balance recovery was being deducted from his pension @ Rs.980 p.m. The Committee **settled this part subject** to recovery of the balance and its verification by Audit.

## **Paras Pended Civil Audit Volume – 1 (a) Other than Colleges**

### **1. Para No.4: Page 20 – Fraudulent drawal of salaries amounting to Rs.190,499 on bogus L.P.Cs**

**12-3-2002:** The Department explained that out of 11 bogus appointments 10 teachers had been removed from service and one PTC Teacher namely Mr Muhammad Ajmal who was appointed during ban on leave arrangement was regularized by an officer who was not competent.

The Department was directed to hold an inquiry for fixing the responsibility of the irregularity and take appropriate action under the Punjab Removal from Service (Special Powers) Ordinance 2000/pension rules. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

In its last meeting, the Committee had directed that the Department should hold an inquiry to

fix the responsibility for bogus appointments under observation in this para. The Department however, explained that the appointing authorities had been identified and they would be proceeded against under the Punjab Removal from Service (Special Powers) Ordinance 2000 or the Punjab Pension Rules in case of those who had retired from service.

The Committee was not satisfied with the explanation of the Department. The Committee observed that according to the Audit Para, the bogus appointments had been made on bogus transfer orders, bogus LPCs, bogus appointment orders, bogus service books, bogus medical certificates etc. and salaries had been drawn unlawfully. The Committee directed that a broad based inquiry should be held into all aspects of the Audit Para and involving all the persons concerned (including the DAO), in addition to the appointing authorities. **The para was kept pending.**

## **2. Para No.7: Page 23 – Irregular/un-economical purchase of teaching material and excess payment of Rs.230,590**

**12-3-2002:** The Department explained that according to the findings of the departmental inquiry report, tenders were invited through advertisement in a newspaper. However, the first lowest bidder in different items, refused to supply items “as per norm”. Therefore, the rates of Tehsil Fateh Jang were adopted with the permission of the Director. However, initially the CDR amounting to Rs.20,700 was not confiscated but now the amount of CDR had been recovered.

The Committee desired that the case should be re-examined by the Administrative Secretary and a report submitted to the Committee. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

In the previous meeting, the Committee had directed that the case should be re-examined by the Administrative Secretary. However, the Department explained that a probe was conducted by Deputy DEO and gave the same facts of case as had been given in the last meeting.

The Committee was not satisfied with the explanation of the Department and re-iterated its previous direction for review of the case by the Administrative Secretary. It should, *inter alia*, be seen under what authority the rates of some other Purchase Officer were adopted and from whom the purchases were made. The revised working papers with full facts should be submitted by 15 September 2002. **The para was kept pending.**

## **3. Para No.10: Page 35 – Misappropriation on account of pay and allowances amounting to Rs.102,411 – recovery thereof**

**12-3-2002:** The Department explained that probe into the matter had been initiated to find out factual position regarding misappropriation/embezzlement.

The Department was directed to complete the inquiry and necessary action at the earliest. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the probe into the matter was held by EDO (Education), Multan but this inquiry report was inconclusive and a fresh inquiry was required to be held. The Committee re-iterated its previous directions and further directed that the Administrative Secretary should review the case and obtain the explanation of the officer who had not conducted the inquiry in a satisfactory manner. **The para was kept pending.**

**4. Para No.11: Page 35 – Misappropriation of Rs.96,262 due to purchase of stationery items at higher rates**

**12-3-2002:** The Department explained that the inquiry committee had been constituted to probe into the matter regarding misappropriation of Rs.96,262.

The Department was directed to complete the inquiry and necessary action at the earliest. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that according to the findings of the first inquiry report conducted by a Committee headed by DEO Rawalpindi, the procedure adopted for the purchase was defective and doubtful. However, on the second inquiry report the Executive District Officer (Education), Rawalpindi had commented that the purchase had been made through Purchase Committee on competitive rates.

The Department stated that a fresh inquiry into the matter would be held at the Secretariat level. The Committee re-iterated its previous direction **and kept the para pending.**

**5. Para No.21: Page 40 – Recovery of over payment amounting to Rs.124,852**

**12-3-2002:** The Department explained that a probe into the matter had been initiated to find out the factual position of the case. The Department was directed to take action against the officers who sanctioned leave in contravention of the leave rules and also get the irregularity regularized from the Finance Department. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that after a probe into the matter, it had been revealed that the lady PTC Teacher herself managed bogus sanction orders for extra ordinary leave without pay for 1461 days in contravention of the leave rules. The EDO concerned had been directed to proceed against her under the Punjab Removal from Service (Special Powers) Ordinance 2000. Moreover, the names of the concerned DDOs who had accepted the bogus sanction orders, were being traced out. The Committee directed that inquiry/action should be completed, at the earliest. **The para was kept pending.**

**6. Para No.26: Page 43 – Recovery of Rs.231,120 due to irregular grant of extension to PET (Untrained Teachers)**

**12-3-2002:** The Department explained that as per findings of the departmental inquiry, two Ex-DEOs (EEW) since retired, were responsible for irregular appointments and un-authorized extension to 9 teachers.

The Department was directed to take appropriate action in the matter as warranted by law/rules. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the grant of extension in the period of employment of the untrained teachers and change of their cadre were illegal. Action was, therefore, being taken against the officers responsible for the illegal appointments under the pension rules as they had since retired. Moreover, the cases of illegal appointees would be decided as per the government policy along with other illegal appointees.

The Department was directed to complete the necessary action, at the earliest. **The para was kept pending.**

#### **7. Para No.35: Page 47 – Recovery of Rs.2,248,541 due to irregular unauthorized appointment of P.T.C. Teachers**

**13-12-2001:** The Department explained that out of 41 untrained PTC teachers, 34 had been removed from service being bogus appointments, 3 had acquired requisite qualification within the stipulated period while 3 lady teachers acquired requisite qualification after the prescribed period of 3 years. One lady teacher had not acquired the professional certificate. It was further explained that action had been initiated against the appointing authority for making bogus appointments.

The Committee directed the Department to—

- (a) explain as to why criminal case was not lodged against the applicants who produced bogus documents;
- (b) make a probe into the matter to fix responsibility for the irregularity/bogus appointments; and
- (c) give full details of the case in the working paper for the next meeting.

The Committee also directed that the total number of untrained teachers in the Province appointed prior to the issue of policy letter dated 14-8-1990 imposing the condition of passing the PTC examination within 3 years, which was stated to be not applicable on them may be given in the working paper for the next meeting. The para was kept pending.

**12-3-2002:** The Department had not completed action on the PAC's previous directive.

The Committee reiterated its previous decision dated 13 December 2001. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directives dated 13 December 2001 and 12 March 2002.

The Department explained that Audit had framed this para in November 1995 and pointed out irregular appointment of 42 untrained teachers, while the Army survey was conducted in 1997 wherein 132 cases of irregular appointments were pointed out. 22 cases under observation in this para were also included in the Army Survey Report leaving a balance of 20 cases. The services of all the 132 irregular appointees pointed out in the Army Survey had been terminated and the then appointing authorities had been penalized i.e. Mrs Safia Sajida was removed from service vide order dated 30 October 1998 and ¼ pension of Mrs Zahida Bokhari was forfeited.

The Department further explained that out of 20 cases in this para which were not covered in the Army survey, 14 irregular appointees had been removed from service, one case involved duplication of name and 5 untrained teacher were still in service but action against each of them was at different stages.

The Department further pointed out that a case of corruption against Mrs. Safia Sajida ex-Deputy DEO (already removed from service) was under investigation with NAB and the record was also with NAB. Moreover, two FIRs against her were also pending with Anti-Corruption Establishment, Multan. So far as the total number of untrained teachers working in the Education Department was concerned, the Department explained that necessary information was being collected. They were appointed before 1990 and were still drawing fixed pay.

The Committee observed that the said untrained teachers might be motivated to get training in order to improve their professional efficiency.

The Committee directed that the cases of disciplinary action against the irregular appointees, the NAB case and Anti-Corruption cases against the then appointing authorities should be pursued/finalized without delay. **The para was kept pending.**

#### **8. Para No.36: Page 48 – Irregular confirmation of appointments recovery Rs.212,141**

**13-12-2001:** The Department explained that this para consisted of two parts and explained as under:-

##### **Part (A)**

The Department explained that on investigation of cases of teachers mentioned in the Audit para, 7 out of 8 bogus appointees have been removed from service and disciplinary action has been initiated against the remaining PTC teacher which was in process. One of the removed teachers had been re-instated by the Punjab Service Tribunal. All the teachers have been paid their salaries for the period they had actually served.

##### **Part (B)**

The Department explained that 3 bogus appointees were involved in this case. One was removed from service but had been re-instated by the Punjab Service Tribunal. The case of an other teacher was under inquiry and the case of the 3rd teacher had been cleared by the Implementation Committee headed by the then Deputy Commissioner, D.G. Khan and was still in service.

The Department was directed to get the relevant record verified by Audit. The para was settled subject to verification by Audit.

**12-3-2002:** The Department had not completed action on the PAC's previous directive.

The Committee reiterated its previous decision dated 13 December 2001. A revised working paper with Audit comments is to be submitted to PAC. The para was kept pending.



**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

### **Part-A**

The Department explained that 7 ad-hoc appointees out of 8 were removed from service but one of them (Mr. Abdul Hafeez) had been reinstated by the Punjab Service Tribunal. The Department stated that one ad-hoc appointee (Mr. Tariq Iqbal) escaped action because he had been transferred to some other Tehsil. The two inquiries conducted into the continuation in service of Mr Tariq Iqbal, ad-hoc appointee, were being considered. Qazi Muhammad Akbar the then Deputy DEO was being proceeded against under the pension rules for regularizing the services of ad-hoc appointees beyond his competence.

The Department also stated that the case for initiating disciplinary action against the then AEO under the Punjab Removal from Service (Special Powers) Ordinance, 2000 was also being considered.

### **Part-B**

The Department explained that out of 3 PTC teachers under observation in this part, one (Mr Ijaz Ahmad) was removed from service on 6 November 1998 but his appeal was accepted by Punjab Service Tribunal on 20 April 2001. The appointment of Mr Ehsan-ur-Rehman had been cleared by the Implementation Committee. The case of Mr Nazir Ahmad was similar to that of Mr Tariq Iqbal mentioned in Part-A.

The Department was directed to complete the necessary action, at the earliest and get the record verified by Audit. **The para was kept pending.**

## **9. Para No.49: Page 54 – Misappropriation of stationery worth Rs.165,737 recovery thereof**

**12-3-2002:** The Department explained that the Special DAC in its meeting held on 19 February 2002 had directed the EDO (Education), Sargodha to check the record relating to the quantity of inventory purchased, actually issued and balance brought forward to ascertain any discrepancies.

The Committee directed that the report submitted by EDO should be produced to Audit for scrutiny and comments. **The para was kept pending.**

## **10. Para No.63: Page 61 – Loss of Rs.116,000 due to non return of 1000 empty bags**

**12-3-2002:** As per working paper submitted by the Department, the Special DAC in its meeting held on 19 February 2002 had directed EDO Education to check the quantity of cloth purchased, number of bags prepared,

issued, received back and the balance.

The Committee directed that the above mentioned inquiry should be completed expeditiously and action taken accordingly. **The para was kept pending.**

**11. Para No.64: Page 61 – Recovery of Rs.45,785 on account of irregular drawal of house rent allowance and conveyance allowance**

**12-3-2002:** As per working paper submitted by the Department, the Special DAC in its meeting held on 19 February 2002 had recommended the para for settlement on the basis of Finance Department letter No.FD-SR-I-9-8/80 dated 21 February 1981. However, the representatives of the Finance Department and Audit contended that the Finance Department's letter referred to above might have been superseded by some subsequent letter. The Committee directed the Finance Department to produce the latest instructions on the subject. **The para was kept pending.**

**12. Para No.67: Page 63 – Loss of Rs.43,852 due to irregular recruitments appointments/adjustments**

**12-3-2002:** The Department explained that as per probe conducted by the Department, the then DEO Pakpattan and Deputy DEO Pakpattan had been found responsible for irregular appointments pointed out in this para and disciplinary action against them was being initiated. The Department was directed to complete disciplinary action at the earliest and the competent authority may take appropriate decision under the relevant rules in respect of the appointments not made in the prescribed manner. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that disciplinary action against the officers found responsible was still under process.

The Department was directed to complete the action, at the earliest and get the record verified by Audit.

The Department had stated that DEO (W-EE)/EDO (Education) Pakpattan had not responded to instructions issued to him vide Department's letter dated 11 May 2002 in this case. The Committee directed that suitable action should be taken against him under advice to the Assembly Secretariat. **The para was kept pending.**

**13. Para No.71: Pages 64-65 – Sanction to write off loss amounting to Rs.489,112 not obtained**

**12-3-2002:** The Department explained that a sum of Rs.489,112 relating to the salary of the staff being claimed by lady Assistant Education Officer, Khanqah Dogran was looted by unknown robbers during transit from Sheikhpura to Khanqah Dogran. In the departmental inquiry she was exonerated from the responsibility for the loss. The Department stated that case for writing off of the looted amount was in process.

The Department was directed to complete the necessary action expeditiously. The fate of the FIR lodged in the Police Station about the incident should also be explained in the next meeting. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that as per Police investigation it was a dacoity and the culprits could not be traced out. No officer/official was found involved in the said dacoity.

The Department further explained that the matter was taken up with the Finance Department for issuance of salaries of staff but the Finance Department wanted investigation report authenticated by the SSP instead of SHO.

The Committee was informed that as a result of the said dacoity, the salary had still not been paid to the concerned staff.

The Special Secretary (Secondary Education) assured that he would personally look into the matter. **The para was kept pending.**

#### **14. Para No.73: Pages 65-66 – Misappropriation of Rs.146,250 in purchase of stores**

**12-3-2002:** The Department explained that a detailed inquiry into the matter had been ordered on 7 March 2002. The Department was directed to complete the inquiry/action at the earliest. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that according to the findings of the inquiry report, the expenditure had been split up, open tenders were not called for purchase, necessary codal formalities were not fulfilled and the stock registers were fabricated. Disciplinary action against the persons held responsible had been initiated under the Pension Rules and was in progress.

The Department was directed to complete the necessary action, at the earliest. **The para was kept pending.**

#### **15. Para No.74: Page 66 – Irregular expenditure on purchase of Maps Register, and on printing amounting to Rs.155,100**

**12-3-2002:** The Department explained that a detailed inquiry into the matter had been ordered on 7 March 2002. The Department was directed to complete the inquiry/action at the earliest. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that according to the findings of the inquiry report, the expenditure had been split up, open tenders were not called for purchase, necessary codal formalities had not been fulfilled and the stock registers were fabricated. Disciplinary action against the persons held responsible had been initiated under the Pension Rules and was in progress.

The Department was directed to complete the necessary action, at the earliest. **The para was kept pending.**

**16. Para No.81: Page 70 – Irregular drawal of pay and allowance of Learning Coordinators amounting to Rs.2,490,920**

**12-3-2002:** The Department explained that the pay and allowances of the Learning Coordinators were drawn from Treasury and disbursed to them by Deputy Education Officer, Rahim Yar Khan with the concurrence of the District Accounts Officer who had not objected to the exercising of the powers of DDO by Deputy Education Officer instead of Assistant Education Officer. The Committee directed that Accountant General Punjab and Finance Department should be addressed to call the explanation of the District Accounts Officers concerned and take appropriate action. Comments of Audit should be obtained on the explanation submitted by the Department and as well as the explanation submitted by the District Accounts Officer through the Accountant General and Administrative Department. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the case had been referred to the AG Punjab and the Finance Department for taking action against the District Accounts Officer/Treasury Officer who released payment to Deputy Education Officer who was not the DDO. The replies were still awaited.

The Committee directed that the necessary action should be completed by 15 September 2002. **The para was kept pending.**

**17. Para No.84: Page 72 – Doubtful payment of Rs.82,074**

**12-3-2002:** The Department explained that the arrears bill of pay and allowances in respect of teachers/ employees had been drawn on the valid orders of the Competent Authority.

The Department was directed to produce the relevant record to Audit for verification as per latest Audit comments.

The Department was also directed to obtain sanction of the Competent Authority for entertaining the arrear claims at the belated stage. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

In its latest comments, Audit pointed out that neither the DDO attended the meeting with Audit on the scheduled date nor the Department produced the record for verification.

The Department was directed to produce the relevant record to Audit for verification.

The Department was also directed to obtain the sanction of the competent authority for entertaining the claim for the arrears at a belated stage.

The Administrative Secretary was asked to expedite action on the various points in this para, especially that regarding the probe against the officer who did not take any action. **The para was kept pending.**

**18. Para No.98: Page 79 – Illegal Appointments without Recommendation of Recruitment Committee-loss of Rs.4,818,684**

**13-12-2001:** The Department sought time to take necessary action on the matter and submit a revised working paper. The para was kept pending.

**12-3-2002:** The Department explained that a probe into the matter was in process. The Department was directed to complete the probe and necessary action, at the earliest. The Committee's directive of 13 December 2001 was reiterated. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that the probe into the matter had been completed and was under consideration with the competent authority.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

**19. Para No.100: Page 80 – Irregular repair amounting to Rs.27,500**

**12-3-2002:** Audit had pointed out that a sum of Rs.260,000 had been drawn on 29 June 1995 on account of repairs of various school buildings. The amount was placed in a Commercial Bank and expended in the subsequent year and an amount of Rs.27,500 was still lying in the bank unutilized. The Department did not explain the facts of the case in the working papers but stated that para was settled by SDAC on 25 January 1999. The Committee was not satisfied with the explanation of the Department and directed that full facts of the case should be explained in revised working paper and submitted to the Committee with Audit comments. **The para was kept pending.**

**20. Para No.101: Page 84 – Misappropriation of Rs.108,237 and recovery thereof**

**12-3-2002:** The Department explained that a probe had been ordered to find out the factual position. The report of the same was awaited.

The Department was directed to complete the inquiry/necessary action at the earliest. A revised working paper containing full facts of the case and Audit comments should be submitted to the Committee. **The para was kept pending.**

**21. Para No.102: Page 84 – Overpayment of Rs.95,209 due to wrong fixation recovery thereof**

**12-3-2002:** In its latest comments, Audit had stated that recovery of overpayment amounting to Rs.27,642

from 13 employees had been verified. Another sum of Rs.970 had been deposited and Audit had further verified that an amount of Rs.6,371 was not recoverable from the employees.

The Department was directed to effect the balance recovery and to get the record verified by Audit expeditiously. **The para was kept pending.**

**22. Para No.107: Page 87 – Excess drawal of posts than sanctioned strength overpayment of Rs.187,114**

**12-3-2002:** The Committee directed that this para should be considered by the Special DAC. Revised Working Papers with the recommendations of the Special DAC should be submitted to the Committee. **The para was kept pending.**

**23. Para No.108: Page 87 – Overpayment of Rs.55,284 due to irregular award of advance increments**

**12-3-2002:** After considering the explanation of the Department and the comments of Audit thereon, the Committee directed that the Department should comply with Audit observation given in the latest Audit comments. A revised working paper with audit comments should be prepared for the Committee's next meeting. **The para was kept pending.**

**24. Para No.109: Page 87 – Misappropriation of Government Grant – Rs.246,250**

**12-3-2002:** The Department explained that probe into the matter was under process.

The Department was directed to complete inquiry and action at the earliest. **The para was kept pending.**

**25. Para No.110: Page 88 – Embezzlement of Rs.289,500 for purchase of stationery recovery thereof**

**12-3-2002:** The Department explained that a fresh indepth probe had been ordered in this case. The inquiry report was awaited.

The Department was directed to complete the inquiry at the earliest. **The para was kept pending.**

**26. Para No.111: Page 88 – Irregular/uneconomical purchase of stationery loss to Government amounting to Rs.80,672 due to purchase at exorbitant rates and recovery thereof**

**12-3-2002:** After considering the explanation of the Department and comments of Audit thereon, the Committee directed that the Department should comply with the Audit observation. **The para was kept pending.**

**27. Para No.112: Page 89 – Misappropriation of Rs.103,182 by fraudulent drawal recovery thereof**



**12-3-2002:** The Department explained that DPI(EE) Punjab constituted a Probe Committee headed by DEO (MEE) Rawalpindi to probe into the matter. The report of the said Committee was awaited.

The Department was directed to complete the inquiry/action at the earliest. **The para was kept pending.**

**28. Para No.113: Page 89 – Irregular/un-economical purchase of stationery loss to Government amounting to Rs.78,807 due to purchase at exorbitant rates. Recovery thereof**

**12-3-2002:** The Department explained that DPI(EE) Punjab Lahore had constituted a probe Committee headed by DEO(MEE) Rawalpindi, to look into the matter. The inquiry report was still awaited.

The Department was directed to complete the inquiry/action at the earliest. **The para was kept pending.**

**29. Para No.115: Page 90 – Doubtful drawal/disbursement of pay Rs.59,676**

**12-3-2002:** The Department explained that the probe officer in this case had reported that 8 officers had been found responsible for doubtful drawal/disbursement of salary amounting to Rs.59,676. The case for action against the responsible officers had been initiated.

The Committee expressed its displeasure over the delay on the part of the Department and directed to finalize the necessary action at the earliest. The para was kept pending.

**11-7-2002:** The para was considered in the light of PAC directive dated 12 March 2002.

The Department explained that disciplinary action against the officers found responsible was still under process.

The Department was directed to complete the action, at the earliest and get the record verified by Audit.

The Department had stated that DEO (W-EE)/EDO (Education) Pakpattan had not responded to the instructions issued to him vide the Department's letter dated 11 May 2002. The Committee directed that suitable action should be taken against him under advice to the Assembly Secretariat. **The para was kept pending.**

**30. Para No.116: Page 91 – Doubtful expenditure amounting to Rs.38,402 due to non-production of actual payee receipts recovery thereof**

**12-3-2002:** The Department explained that fact finding inquiry into the matter had been initiated.

The Department was directed to complete the inquiry/action at the earliest. **The para was kept pending.**

**31. Para No.118: Page 92 – Unauthorized appointment of unqualified English teachers loss to public exchequer – Rs.1,665,043**

**13-12-2001:** The Department explained that inquiry into the matter was in process.

The para was kept pending with the direction that the Department may finalize inquiry/appropriate action expeditiously.

**12-3-2002:** The para was considered in the light of PAC directive dated 13 December 2001. The Department explained that as per findings of the inquiry report the then DEO Mandi Baha-ud-Din was held responsible for making irregular appointments of unqualified English Teachers and action was being initiated against him under

the pension rules.

The Committee directed that besides taking action against the appointing authority, the competent authority should also take appropriate decision under the rules about irregular appointments. **The para was kept pending.**

### **32. Para No.123: Page 94 – Misappropriation of POL worth Rs.82,168**

**12-3-2002:** As per latest Audit comments, the log book of vehicle No.KW 3488 regarding consumption of POL worth Rs.48,592 had been verified. However, the log book of Vehicle No.MNK-8214 regarding consumption of POL worth Rs.33,576 was found fabricated.

The Department was directed to enquire into the matter, recover the irregular expenditure of POL amounting to Rs.33,576 besides action for fabricating the log book as pointed out by Audit. **The para was kept pending.**

### **33. Para no. 126: Page 95 – Embezzlement of Rs.74,480**

**12-3-2002:** The Department explained that in the departmental probe three officers had been identified for drawing the salaries of the teachers who had been transferred and disciplinary case was in process.

The Committee directed that as per latest Audit comments, the relevant record should be produced to Audit. It should be seen that no double drawal of the salary of the concerned teachers was involved for the period in question. **The para was kept pending.**

### **34. Para No.127: Page 97 – Non production of vouchers for purchases, repair – Rs.3,810,000**

**13-12-2001:** The Department explained that an amount of Rs.3,810,000 was allocated through PLA of Deputy Commissioner out of which Rs.3,543,500 were distributed to School Management Committees (SMCs) through cheques for the purchase of teaching material and petty works of institutions. Complete vouchers were not available in the office. The concerned DEO (M-EE), D.G. Khan had since retired.

The Committee directed that the Department should collect the relevant record of the expenditure through the concerned headmasters. Proper action should be taken against them for not producing the record required by Audit. Audit should also coordinate with the Department for tracing their relevant record from Audit Office where the bills were passed for payment.

The para was kept pending for production of record and its verification by Audit.

**12-3-2002:** The para was considered in the light of PAC directive dated 13 December 2001.

The Department was directed to complete action on the said directive at the earliest. **The para was kept pending.**

### **35. Para No.128: Page 97 – Non-production of record relating to fraud of Rs.13,771,884**

**13-12-2001:** The Department explained that action against the persons at fault under the Punjab Removal

from Service (Special Powers) Ordinance 2000 was in process.

The para was kept pending with the direction that the Department should complete the appropriate action expeditiously.

**12-3-2002:** The para was considered in the light of PAC directive dated 13 December 2001.

The Department explained that in the departmental probe conducted by DEO (SE) Sialkot, M/s Ijaz Ahmad Nagra and Muhammad Riaz Ex-AEO Pasrur had been found guilty of misappropriation/embezzlement of Rs.512,766/88 and Rs.68,993/08 respectively.

The Department further stated that disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 was being initiated.

The Department was directed to complete the disciplinary action/recovery at the earliest and to provide a copy of the inquiry/probe report to Audit. **The para was kept pending.**

## Volume – 1 (i)

### Civil Audit

### Universities of the Punjab

#### University of the Punjab

#### **36. Para No.1: Page 4 – Loss to University amounting to Rs.550,000 due to forgery/tempering in letter of credit maintained in accounting cell**

**8-7-2002:** The para was considered on 8<sup>th</sup> & 10<sup>th</sup> July 2002.

The Department had not given full facts of the case in the working paper. It was verbally stated that the case related to import of chemical material by the University. Some advance payment was made to a clearing agent but he did not execute his job. Another advance payment was made to a second clearing agent but only one item out of 11 items was cleared and the remaining items were auctioned.

The Committee directed that the Department should re-examine the whole record including that of tampering and forgery in the letter of credit as pointed out by Audit. An inquiry should also be held against the persons who made the payments to the first and second clearing agents and requisite action/recovery should be completed, at the earliest and a revised

working paper giving full facts of the case be submitted before 15 September 2002. **The para was kept pending.**

**37. Para No.3: Page 5 – Irregular payment on account of orderly allowance amounting to Rs.13,749,600**

**8-7-2002:** The para was considered on 8<sup>th</sup> & 10<sup>th</sup> July 2002.

The Department explained that the Finance and Planning Committee of Punjab University in its meeting held on 26 April 2002 had decided that a summary of the case should be submitted to the Chancellor. The representative of the Finance Department informed that the summary had been sent by the Finance Department to the Governor.

The Committee directed that the Finance Department should get the decision expedited by sending a reminding summary to the Governor's Secretariat with reference to the recommendations of the PAC. **The para was kept pending.**

**38. Para No.8: Page 7 – Rs.1,289,478 recoverable on account of income from cultivation of university land**

**8-7-2002:** The Department explained that out of Rs.1,289,478, an amount of Rs.880,260 had been recovered. The DCO Lahore had been requested to effect the balance recovery of Rs.409,218 under the Land Revenue Act.

The Department was directed to get the recovery verified by Audit, effect recovery of the balance expeditiously and take action against the officers responsible (under the Pension Rules, if necessary) for not making the recovery of University dues at proper time. **The para was kept pending.**

**39. Para No.11: Page 9 – Rs.1,053,537 recoverable on account of rent, electricity, Sui Gas charges etc. from employees and different organizations**

**8-7-2002:** The para was considered on 8<sup>th</sup> & 10<sup>th</sup> July 2002.

The Department explained that an amount of Rs.926,439 had been deducted from the residents of the colony. The balance amount of Rs.127,198 was recoverable from the tenants and the case was pending in the Civil Court. It appeared that the University had not been properly represented in the Court. The Department was directed to pursue the court case on proper lines.

The details of the court case and its latest position should be given in the working paper for the next meeting. **The para was kept pending.**

**40. Para No.13: Page 10 – Rs.2,977,876 recoverable on account of outstanding fees from students upto 6/97**

**8-7-2002:** The Department explained that out of actual recoverable amount of Rs.2,950,496, a sum of Rs.301,135 had been recovered and the balance amount of Rs.2,649,361 was still recoverable on account of issuance of roll number slips to the candidates for various examinations like B.A., B.Sc., B.Ed., M.B.B.S., B. Com. M.A. and M.Sc. examinations after due date by depositing “single fee” instead of “double fee”. The number of such defaulting candidates was over 3000.

The Committee directed that action should be taken against the officers/officials responsible for issuing roll number slips to the candidates who had not deposited the prescribed amount of examination fee and the outstanding amount should be recovered expeditiously.

The Department was directed to hold an inquiry at the Secretariat level, take action against the responsible persons and ensure recovery of the amounts due, if necessary from the officials held responsible for negligence. **The para was kept pending.**

**41. Para No.16: Pages 11-12 – Non submission of account of advance of Rs.29,635,736 paid to various Departments of the Punjab University**

**8-7-2002:** The Department explained that out of the total amount of Rs.29,635,736 as pointed out by Audit, an amount of Rs.27,256,796 had been adjusted. An amount of Rs.2,182,640 had been repeated by Audit. Therefore, the actual balance amount was Rs.196,300 only. All the heads of departments had been directed to get the advance adjusted at the earliest.

The Department was directed to get the recovery/adjustment verified by Audit, effect the balance recovery expeditiously and take action against those responsible for not getting the advance adjusted within the prescribed time.

The Department was also advised to set up a proper mechanism for monitoring the accountal/adjustment or recovery of such advances. **The para was kept pending.**

# University of Engineering & Technology, Lahore

## **42. Para No.1: Page 18 – Theft of Rs.714,611 Computers and Equipment**

**24-12-2001:** Audit had pointed out that FIRs for the theft of computers worth Rs.714,611 had been lodged with the Police without any positive result. The Committee directed that the Department should hold inquiry, fix responsibility of the loss, make recovery and take disciplinary action against the persons responsible for the loss – the details of the case and action taken should be given in detail in the working paper for the next meeting. The para was kept pending.

**13-3-2002:** The Department explained that an Inquiry Committee comprising the Resident Officer and the Security Officer had been appointed to enquire into the matter on 7 March 2002. The Committee observed that the level of Inquiry Committee was not appropriate. The inquiry should be held at the appropriate higher level and the terms of reference of the inquiry should cover all the matters pointed out by Audit, including why FIR was not lodged on each occasion of theft – why departmental inquiry was not held on each occasion – and fixation of responsibility for the loss and taking of disciplinary action and recovery from the persons found responsible. The para was kept pending.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

The Department explained that in compliance with PAC directive an inquiry was conducted by Dr. A.K. Sularia, Chairman, Chemical Engineering Department. Inquiry Report had been received which was under consideration of the competent authority.

The Committee expressed its concern over the delay in implementation of the directive of the PAC.

The Department was directed to complete the action/recovery, at the earliest and get it verified by Audit.

**The para was kept pending.**

## **43. Para No.11: Page 23 – Non-Recovery of Temporary Advances of Rs.3,671,140 Drawn by the University Employees up to 6/1997**

**24-12-2001:** The Department explained that an amount of Rs.1.881 Million has since been adjusted and efforts were being made for recovery of balance amount.

The Committee observed that a substantial amount was still outstanding and the Department was directed to effect the balance recovery expeditiously and initiate action on the lines indicated in respect of a similar audit para in the Audit Report for 1996-97. The para was kept pending.

**13-3-2002:** The Department explained that the amount of the para related to the period from 1965 to 1998. An amount of Rs.2,420,079 had been adjusted. An amount of Rs.252,687 had been written off by the Vice-Chancellor and the balance amount of Rs.998,374 was being recovered from the salaries of the officers/officials. Audit pointed out that the emergency power of the Vice Chancellor could not be used for writing off the losses. The Committee directed that the officers/officials who had not got the advances adjusted within reasonable time



were apparently guilty of misconduct. They should be proceeded against under the Punjab Removal from Service (Special Powers) Ordinance 2000. Moreover, the list of defaulters and the amount outstanding against each should be provided to Audit. The Committee further directed that the issue raised by Audit regarding the use of emergency powers by the Vice Chancellor for writing off the losses should also be re-examined. The para was kept pending.

**8-7-2002:** The para was considered on 8 and 10 July 2002 in the light of PAC directive dated 13 March 2002.

The Department explained that the write off sanction of Rs.252,687 accorded earlier by the Vice Chancellor had also been vetted by the Syndicate. The latest outstanding balance was Rs.925,674 and all possible efforts were being made to get the same recovered/adjusted.

It was explained that the grant of temporary advances to the Heads of the Teaching Departments for research work were not covered in the Punjab Financial Rules. However, certain powers had been delegated in the University rules but comprehensive procedure had not been provided anywhere. The Committee directed that proper procedures for regulating such advances should be prescribed and effective mechanisms installed for monitoring their accountal/adjustment or recovery. A suitable period should be indicated for their recovery, preferably within the same financial year and those not sending complete accounts should be subjected to disciplinary action. **The para was kept pending.**

#### **44. Para No.12: Pages 23-24 – Recovery of Rs.6,318,208 on account of non-return of teachers proceeded abroad for higher study**

**24-12-2001:** The Department explained that the teachers proceeding abroad for higher studies had been allowed full pay for 4 years as per decision of the Syndicate and no other payment had been made to any teacher. The Department was directed to make detailed reply/information and also attach complete list of the defaulting teachers. The para was kept pending.

**13-3-2002:** The Department explained that an amount of Rs.392,383 had been recovered from the defaulters on account of Bond Money. An amount of Rs.1,577,000 had been mistakenly shown by Audit. Bonds worth Rs.850,000 had been redeemed. The outstanding balance was Rs.3,898,825.

The Legal Cell of the University was vigorously trying to recover the amount from the defaulters/granters.

The Department was directed that the recovery should be completed expeditiously. The list of the defaulters and amount due from each should be produced to Audit and the Committee. The para was kept pending.

**8-7-2002:** The para was considered in the light of PAC directive dated 13 March 2002.

The Department explained in the working paper that out of the total amount of Rs.6,318,208 as pointed out by Audit, Rs.1,100,000 related to Taxila University, Rs.650,000 was due to calculation errors, Rs.1,570,000 was deleted due to resumption of duty by the teachers after completion of studies. An amount of Rs.1,485,208 had been wrongly taken by Audit. An amount of Rs.695,000 had been recovered and an amount of Rs.989,000 was not due because the teachers had been removed/dismissed from the University as a major penalty. Thus only an amount of Rs.39,000 was outstanding.

The Committee observed that the Department had failed to effect the necessary recoveries from the defaulters in time.

The Committee expressed its concern over the delay in taking action for recovery of the bond money.

The Department was directed to hold an inquiry at the Secretariat level to fix responsibility for the lapse and effect the balance recovery from the defaulters or their guarantors at the earliest. **The para was kept pending.**

**SPECIAL AUDIT REPORT ON PROCUREMENT OF EDUCATION AND LEARNING MATERIAL IN  
EDUCATION DEPARTMENT OF PUNJAB (MULTAN, D.G. KHAN AND RAWALPINDI DIVISIONS  
DURING 1993-95)**

**Special Audit Report Series PB.(5)**

**10-7-2002:** The Education Department had submitted a voluminous working paper (comprising 211 pages) on the Special Audit Report on Procurement of Education remarked that there was repetition of the same material in almost all the paras included in the Special Report.

After a detailed discussion, the Committee decided that the Special Report should be considered by SDAC first. The Committee directed that Audit and the Department should assign priority of this work. The report of the SDAC should be submitted to the PAC by 15 September 2002. **The Report was kept pending.**

# Excise and Taxation Department

## Overview

Total Paras	Revenue Receipts	Commercial
<b>52</b>	<b>51</b>	<b>1</b>

## Abstract

Status	Decision	Para Nos.	Total	Page No.
Paras Finally Settled  <b>47</b>	Paras finally settled as the requisite action had been taken.	<b>Commercial:</b> 3(x)	<b>1</b>	<b>335</b>
		<b>Revenue Receipts:</b> 1.1(4828, 4890, 4721, 4763, 4729, 4750, 4931, 4924, 4794), 1.2(4791), 1.3 (4891, 4836, 4758, 4727, 4733, 4911, 4751, 4880), 1.4(4737, 4724, 4739, 4861, 4793), 1.6 (4762, 4725, 4834, 4732, 4925, 4928, 4756, 4892, 4903, 4897, 4687), 1.7(4759), 1.8(4835, 4926, 4888), 2.1(4913, 4914, 4789, 4829, 4905, 4852, 4767)	<b>46</b>	<b>335-342</b>
Paras Conditionally Settled  <b>1</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Revenue Receipts:</b> 1.6(4910)	<b>1</b>	<b>343</b>
Paras Pended  <b>4</b>	Paras pended because the Department had not taken satisfactory action	<b>Revenue Receipts:</b> 1.5(4684, 4849, 4863), 2.2(4766)  (Para Nos. 4896, 4895, 4869, 4868 and 4898 transferred to LG & RD Deptt.)	<b>4</b>	<b>344</b>

Discussed on 10 January and 8 April 2002

## Paras Finally Settled

### Commercial Audit

#### **1. Para No. 3(x): Page 6 – Non-Submission of Accounts Government Opium and Alkaloid Factory, Lahore 1993-94 to 1997-98**

**10-1-2002:** Audit pointed out that the accounts of the organization for the year 1993-94 to 1999-2000 had been received on January 3, 2002.

The Department assured that there would be no delay in submission of Accounts in future. **The para was settled.**

### Revenue Receipts Audit

#### **1. Para No. 1.1: Page 16 and 17 – Non-realization of arrears of property tax – Rs.3,849,498**

##### **DP No.4828 ETO, Bahawalpur – Rs.410,284**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.121,980).

**8-4-2002:** The Department had explained the latest position of recovery in the 10 cases covered in the working paper.

The Committee observed that the progress of the recovery was very slow. The Department was directed to adopt suitable measures in order to speed up the pace of recovery. The Finance Department was directed to monitor the recovery. With the above directions, **the para was settled.**

##### **DP No.4890 ETO, Gujrat – Rs.599,626**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.297,943).

**8-4-2002:** The Department had explained the latest position of recovery in the 10 cases covered in the working paper.

The Committee observed that the progress of the recovery was very slow. The Department was directed to adopt suitable measures in order to speed up the pace of recovery. The Finance Department was directed to monitor the recovery. With the above directions, **the para was settled.**

##### **DP No.4721 ETO Zone-I, Multan – Rs.215,412**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.28,192).

**8-4-2002:** The Department had explained the latest position of recovery in the 10 cases covered in the working paper.

The Committee observed that the progress of the recovery was very slow. The Department was directed to adopt suitable measures in order to speed up the pace of recovery. The Finance Department was directed to monitor the recovery. With the above directions, **the para was settled.**

**DP No.4763 ETO-II, Rawalpindi – Rs.107,051**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.32,565).

**8-4-2002:** The Department had explained the latest position of recovery in the 10 cases covered in the working paper.

The Committee observed that the progress of the recovery was very slow. The Department was directed to adopt suitable measures in order to speed up the pace of recovery. The Finance Department was directed to monitor the recovery. With the above directions, **the para was settled.**

**DP No.4729 ETO-II, Multan – Rs.111,360**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.30,297).

**8-4-2002:** The Department had explained the latest position of recovery in the 10 cases covered in the working paper.

The Committee observed that the progress of the recovery was very slow. The Department was directed to adopt suitable measures in order to speed up the pace of recovery. The Finance Department was directed to monitor the recovery. With the above directions, **the para was settled.**

**DP No.4750 ETO-I, Rawalpindi – Rs.675,000**

**10-1-2002:** The para was kept pending for recovery of the total amount (Rs.675,000).

**8-4-2002:** The Department had explained the latest position of recovery in the 10 cases covered in the working paper.

The Committee observed that the progress of the recovery was very slow. The Department was directed to adopt suitable measures in order to speed up the pace of recovery. The Finance Department was directed to monitor the recovery. With the above directions, **the para was settled.**

**DP No.4931 ETO Zone-XII, Lahore – Rs.762,008**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.409,002).

**8-4-2002:** The Department had explained the latest position of recovery in the 10 cases covered in the working paper.

The Committee observed that the progress of the recovery was very slow. The Department

was directed to adopt suitable measures in order to speed up the pace of recovery. The Finance Department was directed to monitor the recovery. With the above directions, **the para was settled.**

**DP No.4924 ETO Zone-X, Lahore – Rs.901,242**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.282,704).

**8-4-2002:** The Department had explained the latest position of recovery in the 10 cases covered in the working paper.

The Committee observed that the progress of the recovery was very slow. The Department was directed to adopt suitable measures in order to speed up the pace of recovery. The Finance Department was directed to monitor the recovery. With the above directions, **the para was settled.**

**DP No.4794 ETO-II, Gujranwala – Rs.230,879**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.48,876).

**8-4-2002:** The Department had explained the latest position of recovery in the 10 cases covered in the working paper.

The Committee observed that the progress of the recovery was very slow. The Department was directed to adopt suitable measures in order to speed up the pace of recovery. The Finance Department was directed to monitor the recovery. With the above directions, **the para was settled.**

**2. Para No.1.2: Pages 17-18 – Non-realization of provincial government share of property tax from Cantonment Boards – Rs.771,791**

**DP No.4791 ETO, Gujranwala/Multan-I – Rs.771,791**

**10-1-2002:** Total recovery had been verified by Audit. **The para was settled.**

**3. Para No.1.3: Pages 18-19 – Short realization of tax due to non levy of additional tax – Rs.1,047,468**

**DP No.4891 ETO Zone-I, Lahore – Rs.412,446**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.266,481).

**8-4-2002:** The Committee reviewed the latest position of recoveries in all the three cases given by the Department in the working paper and directed that Administrative Department should pursue the recovery and Finance Department should monitor further action/recovery. With the above direction, **the para was settled.**

**DP. No.4836 ETO Bahawalpur – Rs.49,554**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.40,201).



**8-4-2002:** The Committee reviewed the latest position of recoveries in all the three cases given by the Department in the working paper and directed that Administrative Department should pursue the recovery and Finance Department should monitor further action/recovery. With the above direction, **the para was settled.**

**DP. No.4758 ETO Zone-II, Rawalpindi – Rs.455,066**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.9,300).

**8-4-2002:** The Committee reviewed the latest position of recoveries in all the three cases given by the Department in the working paper and directed that Administrative Department should pursue the recovery and Finance Department should monitor further action/recovery. With the above direction, **the para was settled.**

**D.P. No.4727 ETO Zone-I, Multan – Rs.14,494**

**10-1-2002:** Audit pointed out that the entire amount stood recovered and verified. The Committee decided **to settle the para.**

**DP. No.4733 ETO Zone-II, Multan – Rs.12,589**

**10-1-2002:** Audit pointed out that the entire amount stood recovered and verified. The Committee decided **to settle the para.**

**D.P. No.4911 ETO Gujrat – Rs.42,574**

**10-1-2002:** The Department explained that the entire amount had since been recovered and verified by Audit. **The para was settled.**

**D.P. No.4751 ETO Zone-I, Rawalpindi – Rs.26,396**

**10-1-2002:** Audit pointed out that the entire amount had been recovered and verified. **The para was settled.**

**D.P. No.4880 ETO Sialkot – Rs.53,350**

**10-1-2002:** Audit pointed out that the entire amount had been recovered and verified. **The para was settled.**

**4. Para No.1.4: Page 19 – Non-realization of property tax due to omission in carrying forward of arrears – Rs.555,759**

**D.P. Nos.4737 ETO Zone-III Multan – Rs.124,340**

**10-1-2002:** Para No.4737 was kept pending for recovery of balance (Rs.58,068).

**8-4-2002:** The Committee directed that Administrative Department should take action against the persons who had failed to carry forward the outstanding arrears pointed out in this para.

The Finance Department was directed to monitor further action/recovery in the cases. With the above direction, **the para was settled.**

**D.P. No.4724 ETO Zone-I Multan – Rs.10,082**

**10-1-2002:** The Department explained that amount involved in the para had been recovered and verified by Audit. The Committee **settled the para**, as suggested by Audit.

**D.P. No.4739 ETO Zone-II Multan - Rs.10,082**

**10-1-2002:** The para was settled as the entire amount had verified.

**D.P. No.4861 ETO Zone-VII Lahore – Rs.49,521**

**10-1-2002:** The Department explained that the entire amount had been recovered and verified. The para was settled.

**D.P. No.4793 ETO Zone-II Gujranwala – Rs.49,354**

**10-1-2002:** Audit pointed out that entire amount had been recovered and verified. **The para was settled.**

**5. Para No.1.6: Page 22 – Short-realization of property tax due to non-consolidation of property units owned by same person – Rs.1,066,491**

**DP. No.4762 ETO-II, Rawalpindi – Rs.162,503**

**10-1-2002:** Audit pointed out that all the amount had been recovered and verified. **The para was settled.**

**D.P. No.4725 ETO-I, Multan – Rs.17,412**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.9,362).

**8-4-2002:** The Department explained that full recovery had been effected in Draft Para Nos.4725, 4928, 4756 and 4892. Audit had verified these. These paras were settled.

In case of DP No.4925, the Department explained that only an amount of Rs.58,929 was outstanding.

The Department was directed to pursue the recovery and Finance Department was directed to monitor the same. With the above direction, **the para was settled.**

**D.P. No.4834 ETO, Bahawalpur – Rs.91,314**

**10-1-2002:** Audit pointed out that a balance of Rs.28,385 was recoverable.

The Committee observed that the balance amount should be recovered expeditiously by the Administrative Department and monitored by Finance Department. With this observation, **the para was settled.**

**D.P. No.4732 ETO-II, Multan – Rs.20,865**

**10-1-2002:** The Department explained that an amount of Rs.6,957 was recoverable.

The Committee observed that the amount should be recovered expeditiously and Finance Department should monitor the recovery. With this observation, **the para was settled.**

**D.P. No.4925 ETO Zone-X, Lahore – Rs.90,194**

**10-1-2002:** The Department explained that an amount of Rs.17,208 had been recovered and the balance (Rs.72,986) was not due. The para was settled, subject to Audit verification.

**8-4-2002:** The Department explained that full recovery had been effected in Draft Para Nos.4725, 4928, 4756 and 4892. Audit had verified these. These paras were settled.

In case of DP No.4925, the Department explained that only an amount of Rs.58,929 was outstanding.

The Department was directed to pursue the recovery and Finance Department was directed to monitor the same. With the above direction, **the para was settled.**

**D.P. No.4928 ETO Zone-XII, Lahore – Rs.83,147**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.57,925).

**8-4-2002:** The Department explained that full recovery had been effected in Draft Para Nos.4725, 4928, 4756 and 4892. Audit had verified these. These paras were settled.

In case of DP No.4925, the Department explained that only an amount of Rs.58,929 was outstanding.

The Department was directed to pursue the recovery and Finance Department was directed to monitor the same. With the above direction, **the para was settled.**

**D.P. No.4756 ETO-I, Rawalpindi – Rs.408,142**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.30,980).

**8-4-2002:** The Department explained that full recovery had been effected in Draft Para Nos.4725, 4928, 4756 and 4892. Audit had verified these. These paras were settled.

In case of DP No.4925, the Department explained that only an amount of Rs.58,929 was outstanding.

The Department was directed to pursue the recovery and Finance Department was directed to monitor the same. With the above direction, **the para was settled.**

**D.P. No.4892 ETO Zone-I, Lahore – Rs.49,692**

**10-1-2002:** The Department stated that an amount of Rs.32,848 had been recovered and verified. The para was kept pending for recovery of balance and its verification.

**8-4-2002:** The Department explained that full recovery had been effected in Draft Para Nos.4725, 4928, 4756 and 4892. Audit had verified these. These paras were settled.

In case of DP No.4925, the Department explained that only an amount of Rs.58,929 was outstanding.

The Department was directed to pursue the recovery and Finance Department was directed to monitor the same. With the above direction, **the para was settled.**

**D.P. No.4903 ETO Zone-III, Lahore – Rs.32,719**

**10-1-2002:** As pointed out by Audit the total amount had been recovered and verified. **The para was settled.**

**D.P. No.4897 ETO Zone-II, Lahore – Rs.20,879**

**10-1-2002:** Audit pointed out that total amount had been recovered and verified. **The Committee decided to settle the para.**

**D.P. No.4687 and 4688 ETO-III, Faisalabad – Rs.57,519**

**10-1-2002:** As per report of the Audit the entire amount had been recovered. **The para was settled.**

**6. Para No. 1.7: Page 23 – Short-realization of property tax due to non-enhancement of annual rental value – Rs.243,132**

**D.P. No.4759 ETO-II, Rawalpindi – Rs.243,132**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.46,432).

**8-4-2002:** The Department explained that only an amount of Rs.13,359 was outstanding. The amount related to one property and the case was subjudice.

The Committee directed that the officer who was responsible for not revising annual rental value of the properties under observation in this para should be proceeded against. Moreover, the system of revision of the annual rental value should be streamlined. With the above direction, **the para was settled.**

**5. Para No. 1.8: Page 23 & 24 – Short-realization of property tax due to computational error – Rs.190,767**

**D.P. No.4835 ETO, Bahawalpur – Rs.88,506**

**10-1-2002:** The para was settled with the direction that the Administrative Department should effect the recovery of balance (Rs.35,630) and Finance Department should monitor the same.

**8-4-2002:** The Department explained that only the amounts of Rs.24,875 and Rs.4,320 were outstanding in Draft Paras No.4835 and 4926 respectively.

The Committee directed that appropriate action should be taken against the persons responsible for computational errors mentioned in this para.

The Finance Department was directed to monitor the further action/recovery. With the above direction, **the para was settled.**

**D.P. No.4926 ETO Zone-X, Lahore – Rs.33,616**

**10-1-2002:** The para was settled with the direction that the recovery of balance (Rs.8,222) should

be effected by Administrative Department and monitored by Finance Department.

**8-4-2002:** The Department explained that only the amounts of Rs.24,875 and Rs.4,320 were outstanding in Draft Paras No.4835 and 4926 respectively.

The Committee directed that appropriate action should be taken against the persons responsible for computational errors mentioned in this para.

The Finance Department was directed to monitor the further action/recovery. With the above direction, **the para was settled.**

**D.P. No.4888 ETO, Gujrat – Rs.60,514**

**10-1-2002:** The para was settled with the direction that the recovery of balance (Rs.46,706) should be effected and **monitored by Finance Department.**

## **Motor Vehicle Tax**

**7. Para No.2.1: Page 25 – Non-recovery of token tax – Rs.2,352,956**

**D.P. No.4913 & 4914 ETO Gujrat – Rs.150,490**

**10-1-2002:** Audit pointed out that total amount of the paras had been recovered and verified. The Committee decided to **settle the paras.**

**D.P. No.4789 ETO-(i), Gujranwala – Rs.52,216**

**10-1-2002:** Audit pointed out that total amount of the para had been recovered and verified. The Committee decided to **settle the para.**

**D.P. No.4829 ETO Bahawalpur – Rs.316,204**

**10-1-2002:** The para was kept pending for recovery of outstanding amount (Rs.316,204).

**8-4-2002:** The Committee reviewed the latest position of recovery on the six draft paras included in this para and directed that Finance Department should monitor the recovery of the balance amounts. With the above direction, **the para was settled.**

**D.P. No.4905 ETO (MV) Tie up, Lahore – Rs.276,776**

**10-1-2002:** The para was settled with the direction that the recovery of balance (Rs.268,586) should be made by Administrative Department and monitored by Finance Department.



**D.P. No. 4852 ETO, Sheikhpura – Rs.128,694**

**10-1-2002:** The para was kept pending for recovery of balance (Rs.86,986) and its verification by Audit.

**8-4-2002:** The Committee reviewed the latest position of recovery on the six draft paras included in this para and directed that Finance Department should monitor the recovery of the balance amounts. With the above direction, **the para was settled.**

**D.P. No.4767 ETO-III, Rawalpindi & ETO-III, Multan – Rs.1,461,020**

**10-1-2002:** The para was settled with the direction that the recovery of balance (Rs.1,289,486) should be effected by Administrative Department and monitored by Finance Department.

## Comparative Statement of Receipts

### Pages 51 to 62

**10-1-2002:** All the charts showing the comparative statement of Receipts were noted by the Committee.

Pending Audit Inspection Report, Page 65 of Audit Report for the year 1997-98. **The para was seen and settled by Committee.**

## Paras Conditionally Settled

### Revenue Receipts Audit

**4. Para No.1.6: Page 22 – Short-realization of property tax due to non-consolidation of property units owned by same person – Rs.1,066,491**

**D.P. No.4910 ETO Gujrat – Rs.41,545**

**10-1-2002:** The Department explained that the entire amount had been recovered and verified. **The para was settled subject to Audit verification.**

# Paras Pended

## Revenue Receipts Audit

### **1. Para No. 1.5: Page 20 – Non-realization of tax due to allowing unlawful exemptions Rs.590,514**

#### **Para Nos. 4684 & 4849 – Rs.458,559**

**10-1-2002:** The Department explained that these Paras related to the recovery of Property Tax from the Market Committees. The Honourable Lahore High Court had decided that the Market Committees were local authorities and they were exempted from levy of Property Tax.

The Department was directed to inform the Committee about the latest position of litigation and the matter should be examined further at its own level. The paras were kept pending.

**8-4-2002:** The Department explained that the matter of recovery of property tax from Market Committees was still *sub judice* in Lahore High Court.

The Committee re-iterated its previous directive dated 10 January 2002. **The paras were kept pending.**

#### **D.P. No.4863 ETO Zone-VII Lahore – Rs.81,000**

**10-1-2002:** The Department explained that the amount was not due because of tax holiday. The Department was directed to examine whether the tax holiday was effective from the year 1998. The para was kept pending.

**8-4-2002:** The para was discussed in the light of the PAC's directive dated 10 January 2002.

The Department explained that according to the orders of the Rent Controller dated 26 February 1998 the tax was not due.

The Department, however, added that there was some confusion about the property number. The concerned Inspector informed the Committee that an Inspector had incorrectly made a wrong entry about tax holiday but the money had been deposited by the assessee subject to decision of the court.

The Committee directed that the relevant record should be produced to Audit and action should be taken against the person who had made the wrong entry. **The para was kept pending.**

**2. Para No.2.2 Page 26 Non/short realization of Token Tax due to application of incorrect rate – Rs.748,356**

**Para 4766 MVT ETO III Rawalpindi**

**10-1-2002:** The Department explained that the whole outstanding amount had been recovered. The Department was directed to get the record verified by Audit. **The para was kept pending.**

# Finance Department

## Overview

Total Paras	Civil
10	10

## Abstract

Status	Decision	Para Nos.	Total	Page Nos.
<b>Paras Finally Settled</b>  <b>7</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 3.3, 3.4, 3.5, 3.7, 3.8, 3.9, 3.10	<b>7</b>	<b>349-351</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 the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 3.1,3.2	<b>2</b>	<b>351-352</b>
<b>Para Pended</b>  <b>1</b>	The para was pended either because the Department had not taken satisfactory action	<b>Civil:</b> 3.6	<b>1</b>	<b>352</b>

Discussed on 8 November 2001, 18 February and 21 May 2002

## Paras Finally Settled Civil Audit

### 1. Para No.3.3: Page 93 – Irregular payment of pension and commutation-recovery of Rs.175,733

**8-11-2001:** The Department explained that the pension of a lady teacher was commuted on the basis of total service of 16 years 3 months and 12 days and the District Accounts Office issued the PPO. Audit pointed out that the rate applied for commutation was incorrect and the Department was required either to get the EOL of more than six years, regularized from the Finance Department, or effect recovery from the officers at fault. It was observed that the Education Department was not competent to sanction EOL for 6 years.

The Committee directed that a show cause notice be issued to the DAO concerned for recovery and

taking action against him. The officer concerned in the Education Department should also be called upon to explain and clarify his position. The para was kept pending.

**18-2-2002:** The para was considered in the light of the directive of PAC dated 8 November 2001. It was observed that the Department had not complied with the direction of the Committee. The Department offered its regrets over the omission. The Committee reiterated its previous decision and also directed that action should be taken against the officers who were responsible for not following the direction of the Committee. The para was kept pending.

**21-5-2002:** The para was considered in the light of the PAC directive dated 18 February 2002.

In its latest comments, Audit pointed out that the Finance Department had regularized the payment of pension dues made to ex-PTC Teacher by sanctioning EOL for the period from 5 May 1995 to 30 June 1996. This had been seen and verified by Audit. On the recommendation of Audit during the meeting, the Committee **settled the para.**

## **2. Para 3.4: Page 94 – Non recovery of interest on house building advance for Rs.153,564**

**8-11-2001:** The para was settled subject to issue of the recovery order and verification of balance recovery by Audit.

**18-2-2002:** The para was considered in the light of the PAC directive dated 8 November 2001.

Audit reported that an amount of Rs.22,065 was still outstanding. The para was settled subject to recovery and its verification by Audit.

**21-5-2002:** The para was considered in the light of the PAC directive dated 18 February 2002.

In its latest comments, Audit pointed out that recovery on account of interest on house building advance was being made from the pay of the Headmistress in regular installments of Rs.416 per month which had been verified. On the recommendation of Audit, **the para was settled.**

## **3. Para 3.5: Page 94 – Loss of Rs.1,116,468 due to excess drawal of posts**

**8-11-2001:** The para had been discussed in a meeting of the SDAC and settled on the basis of confirmation of sanctioned strengths. **The Committee decided to settle the para.**

#### **4. Para No.3.7: Page 95 – Recovery of Rs.122,934 from S.M.O. due to theft of Suzuki jeep**

**8-11-2001:** The Department explained that the recovery was being made at source.

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

**18-2-2002:** The para was considered in the light of the directive of PAC dated 8 November 2001. The para was settled subject to recovery and its verification.

**21-5-2002:** The para was considered in the light of the PAC directive dated 18 February 2002.

The Department explained that out of the recovery of Rs.122,934 imposed on Dr Obaid-ur-Rehman, S. M.O. Khyaban-e-Sir Syed Hospital by Health Secretary, an amount of Rs.72,875 had been recovered upto April 2002 and the remaining amount was being recovered from him in monthly installments of Rs.2,915 – the recovery would be completed by October 2002. On the recommendation of Audit during the meeting, **the para was settled.**

#### **5. Para No.3.8: Page 95 – Less deduction of Income Tax amounting to Rs.64,670**

**8-11-2001:** The Committee directed that Audit and the Department may sort out the actual recoverable amount and recovery may be effected accordingly. The Finance Department may monitor the case. The para was kept pending.

**18-2-2002:** The para was considered in the light of directive of the PAC dated 8 November 2001.

The Department explained that the recoverable amount had already been recovered and verified by Audit. On the recommendation of the Audit, **the para was settled.**

#### **6. Para No.3.9: Page 96 – Recovery of Rs.132,683 (Rs.43,639) + (Rs.89,044) due to wrong fixation and overpayment**

**8-11-2001:** The para was settled subject to verification of record and recovery by Audit.

**18-2-2002:** The para was considered in the light of the directive of PAC dated 8 November 2001.

Audit pointed out that recovery of Rs.132,683 had been verified before the DAC meeting held on 17 to 19 January 2000. On the recommendation of Audit, **the para was settled.**

#### **7. Para No.3.10: Page 96 – Non/Less deduction of Income Tax at source Rs.44,406**

**8-11-2001:** The explanation of the department was accepted and **the para was settled.**



# Paras Conditionally Settled

## Civil Audit

### 1. Para No.3.1: Page 91 – Overpayment of Commutation for Rs.72,753

**8-11-2001:** The para was settled subject to verification of record by Audit.

**18-2-2002:** The para was considered in the light of the directive of the PAC dated 8 November 2001. Audit reported that the recovery of an amount of Rs.19,516 was still outstanding. The para was settled subject to balance recovery and its verification by Audit.

**21-5-2002:** The para was considered in the light of the PAC directive dated 18 February 2002.

The para had already been settled subject to the recovery of the balance amount and verification of record by Audit.

The Committee directed that further action in the matter should be watched by the Special DAC. With the above direction, **the para was settled.**

### 2. Para No 3.2: Page 93 – Non-recovery of Government dues on account of electricity charges – Rs.160,500

**8-11-2001:** The Department explained that the SDAC had decided to shift the para to the Health Department to recover the electricity charges from the doctors who were residing in government accommodation. The amount of Rs.56,500 had been recovered from 15 doctors out of 48 and 9 doctors had been transferred to other districts.

The para was settled with the direction that the Department may pass on instructions to the respective DAOs to recover the charges at source from the doctors transferred to other districts. The recovery may be monitored by Finance Department and be verified by Audit.

**18-2-2002:** The Para was considered in the light of directive of the PAC dated 8 November 2001.

The Department explained that the concerned Accounts Officers had been requested to make recovery of the outstanding electricity dues from the salaries of the officers concerned. The Department was directed to complete the recovery expeditiously. The para was settled subject to verification of recovery by Audit.

**21-5-2002:** The para was considered in the light of the PAC directive dated 18 February 2002.

The Committee reiterated its previous decision for settlement of the para subject to recovery of the balance amount and its verification by Audit. Secretary Finance would issue necessary instructions to ensure early recovery and verification. With the above direction, **the para was settled.**

## Paras Pended Civil Audit

### **1. Para No.3.6: Page 94 – Non-collection of audit fee and annual contribution/ audit cess for Rs.6,292,688**

**8-11-2001:** The Committee directed that Audit and the Department may sort out the actual recoverable amount and the recovery may be effected accordingly. The Finance Department may monitor the case. The para was kept pending.

**18-2-2002:** The para was considered in the light of the directive of the PAC dated 8 November 2001. Audit reported that an amount of Rs.3,416,821 was still recoverable from various bodies/corporations on account of Audit fee and annual contribution etc. The Finance Department apprised the Committee that all arrears of local bodies have become the liability of the Provincial Government. Moreover, the issue of Audit was also being re-examined in the light of devolution of powers to the district governments. The Department was directed to complete necessary action expeditiously. The para was kept pending.

**21-5-2002:** The para was considered in the light of the PAC directive dated 18 February 2002.

In its latest comments, Audit pointed out that out of total recoverable amount of Rs.341,682,100 a sum of Rs.12,579,200 had been recovered from various Local Bodies, Corporations on account of Audit fee and annual contribution/Audit cess.

The Department was directed to effect the recovery of the balance from all the concerned parties at the earliest. **The para was kept pending.**

# Food Department

## Overview

Total Paras	Civil	Revenue Receipts
<b>94</b>	<b>84</b>	<b>10</b>

## Abstract

Status	Decision	Para Nos.	Total	Page Nos.
<b>Paras Finally Settled</b>  <b>35</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 3.3, 3.4, 3.5, 4.5, 4.6, 4.10, 5.1, 5.3, 6.1, 6.2, 6.4, 8.1, 8.8, 8.9, 8.10, 9.1, 13, 14, 16.1, 16.4, 16.5, 18, 19, 21, 23, 25.2, 25.3, 25.11, 26.1, 29, 30	<b>31</b>	<b>357-366</b>
		<b>Revenue Receipts:</b> 8.11, 8.14, 8.19, 8.20	<b>4</b>	<b>366-367</b>
<b>Paras Conditionally Settled</b>  <b>27</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 1.2, 3.6, 3.9, 4.2, 4.3, 4.11, 4.12, 5.4, 5.5, 6.3, 7, 8.2, 8.6, 9.2, 16.2, 16.3, 17, 25.4, 25.5, 25.7, 25.8, 25.9, 27, 28	<b>24</b>	<b>368-377</b>
		<b>Revenue Receipts:</b> 8.12, 8.13 and 8.17	<b>3</b>	<b>377-378</b>
<b>Paras Pended</b>  <b>32</b>	Paras pended either because the Department had not taken satisfactory action or the Committee decided to have working papers for consideration.	<b>Civil:</b> 1.1, 3.1, 3.2, 3.7, 3.8, 4.1, 4.4, 4.7, 4.8, 4.9, 5.2, 8.3, 8.4, 8.5, 8.7, 10, 11, 12, 15.1, 15.2, 15.3, 15.4, 20, 22, 24, 25.1, 25.6, 25.10 and 26.2	<b>29</b>	<b>379-393</b>
		<b>Revenue Receipts:</b> 8.15, 8.16 and 8.18	<b>3</b>	<b>393-394</b>

**Discussed on 26-27 December 2001, 18-20 March and 29-30 July 2002**

## Paras Finally Settled

## Civil Audit

**1. Para No.3.3: Pages 18-22 – Loss of Rs.12,428,075 due to godown shortage of wheat****District Food Controller-II, Lahore – Rs.259,776**

**18-3-2002:** The Department explained that five officials, namely M/s Arif Ali Shah, AFC, Sheikh Mahmood Parvez, FGI, Aftab Ahmad Yousfi, Muhammad Iqbal and Zafar Iqbal, FGS were proceeded against under the Efficiency and Discipline Rules. As per recommendations of the inquiry report and the Authorized Officer, the Authority i.e. Deputy Director, Food Lahore exonerated all the accused officials and decided that the loss may be got written off by the competent authority. However, after examination of the case, all the accused officials had been directed to deposit the total loss sustained by the government on account of godown shortage. The Department, however, pointed out that an amount of Rs.111,833 had been deposited into Government Treasury vide T.C. No.G-16 dated 16 January 1996 leaving a balance of Rs.148,913.

On a query, the Department stated that the recovery was being made under administrative orders and not under the Efficiency & Discipline Rules.

The Department was directed to produce the whole record and the inquiry report to Audit.

In the meantime, the recovery as determined by the Department should be effected at the earliest and got verified. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 18 March 2002.

In its latest comments, Audit had pointed out that the actual total loss amounting to Rs.259,777 had been recovered and verified by Audit. On recommendation of Audit, **the para was settled.**

**2. Para No. 3.4: Page 5 – Godown shortage of wheat valuing Rs.823,423**

**26-12-2001:** The Department explained that the recovery had been made before Audit was conducted. Audit had verified the recovery. **The para was settled.**

**3. Para No. 3.5: Pages 18-22 – Loss of Rs.12,428,075 due to godown shortage of wheat****District Food Controller Jhang – Rs.182,753**

**30-7-2002:** The Department explained that 846 bags of wheat had been recovered and the accused officials had been compulsorily retired from service. The Department further stated that the Special DAC had settled the para on 20 December 2000. The Committee agreed to **settle the para.**

**4. Para No. 4.5: Pages 22-23 – Loss of Rs.32,080,245 due to enroute shortage of wheat****District Food Controller, Khanewal – Rs.92,979**

**30-7-2002:** The Department explained that the entire amount of Rs.92,979 had been deposited into Government Treasury. The same had been verified by Audit. The Committee agreed to **settle the para.**

**5. Para No. 4.6: Pages 19-22 – Loss of Rs.32,080,245 due to enroute shortage of wheat**

**District Food Controller Khanewal – Rs.105,706**

**19-3-2002:** The Department explained that actual recoverable amount of Rs.103,647 had been recovered and got verified by Audit. Audit sought justification for reduction in amount by Rs.2,059. The para was settled subject to verification by Audit.

**30-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

In its latest comments, Audit had verified that reduction in recoverable amount to the extent of Rs.2,059 had also been deposited into Government Treasury. On recommendation of Audit, **the para was settled.**

**6. Para No. 4.10: Pages 19-23 – Loss of Rs.32,080,245 due to enroute shortage of wheat**

**District Food Controller Sheikhpura – Rs.289,210**

**18-3-2002:** The Department explained that the recovery of Rs.2,869,420 as worked out by the Department on account of shortage of wheat had been recovered and deposited into Government Treasury. The para was settled subject to verification of record by Audit.

**30-7-2002:** The para was considered in the light of PAC directive 18 March 2002.

Audit pointed out that the Departmental contention had been verified through examination of record produced by the Department. On recommendation of Audit, **the para was settled.**

**7. Para No. 5.1: Pages 19-23 – Loss of Rs.1,293,153 due to misappropriation & store articles**

**District Food Controller Jhang – Rs.626,945**

**30-7-2002:** The Department explained that the actual recoverable amount of Rs.580,167 had been

recovered and deposited into Government Treasury on 27 March 1996. Audit had verified the position. On recommendation of Audit, **the para was settled.**

#### **8. Para No. 5.3: Pages 19-23 – Loss of Rs.1,293,153 due to misappropriation shortage of bardana and store articles**

##### **District Food Controller Gujranwala – Rs.121,825**

**19-3-2002:** The Department explained that the total amounts of Rs.51,520 and Rs.14,405 included in this para had been recovered. The Committee settled the para subject to verification of record by Audit.

**29-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

After verification of record Audit had recommended all the four components of the para for settlement. The Committee agreed to **settle the para.**

#### **9. Para No. 6.1: Page 20 – Likely misappropriation of 112257 B-class bags valuing Rs.2,806,425 @ Rs.25 per bag**

**26-12-2001:** Audit had pointed out that a quantity of Bardana was dispatched from Kasur to Rahimyar Khan but the acknowledgement of the recipient was not shown to Audit. The Department explained that the acknowledgement of the recipient was available. The Committee directed that the relevant record should be produced to Audit. The para was settled subject to verification by Audit.

**20-3-2002:** The para was considered in the light of PAC directive dated 26 December 2001.

Audit had verified the stock valuing Rs.2,806,425 and had demanded original Inventory Register of the recipient centre. The para was settled subject to verification by Audit.

**30-7-2002:** The para was considered in the light of PAC directive dated 20 March 2002.

Audit pointed out that the Departmental contention had been verified through examination of record. On recommendation of Audit, the Committee **settled the para.**

#### **10. Para No.6.2 Pages 20-23 – Loss of Rs.47,707,722 due to misappropriation of bardana/stock articles**

##### **District Food Controller Mianwali – Rs.82,679**

**18-3-2002:** As per latest Audit comments, the record relating to 1044 B-Class Bags had been verified while the record relating to 1737 B-Class bags was yet to be verified. The para was settled subject to verification by Audit.

**30-7-2002:** The para was considered in the light of PAC directive dated 18 March 2002.



In its latest comments, Audit pointed out that the Departmental contention had been verified through examination of record. On recommendation of Audit, **the para was settled.**

**11. Para No. 6.4: Page 7 – Doubtful dispatch of bardana – recovery of Rs.43,844,635**

**26-12-2001:** The acknowledgement of bardana had been verified by Audit. **The para was settled.**

**12. Para No. 8.1: Pages 27-29 – Loss of Rs.7,315,239 due to de-classification/damage of bags tarpaulines and store articles**

**District Food Controller, Jhang – Rs.464,200**

**19-3-2002:** The Department explained that the articles under observation were declared unserviceable by the Competent Authority and disposed of through public auction. The Department further stated that according to the finding of the inquiry report, the articles had deteriorated due to long use and negligence of any official was not found.

The Department was directed to produce the inquiry report to Audit for scrutiny and comments. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Department explained that on a survey report, the Deputy Director Food as competent authority had declared the stock articles in question as unserviceable and the same had been disposed of through open auction.

Audit stated in the meeting that survey report had been seen. On recommendation of Audit, **the para was settled.**

**13. Para No. 8.8: Pages 27-29 – Loss of Rs.7,315,239 due to De-Classification/Damage of bags, tarpaulins and store articles**

**District Food Controller, Gujranwala – Rs.295,800**

**30-7-20002:** The Department explained that the amounts of Rs.3,828 and 3,878 on account of auction money of the condemned gunny bags in respect of Gujranwala-I and Ali Pur Chatha respectively had been deposited into Government Treasury.

Audit verified credit verification certificate during the meeting. **The para was settled.**

**14. Para No. 8.9: Page 9 read with 29 – Loss of Rs.7,315,239 Due to De-Classification/Damage of Bags, Tarpaulines and store articles**

**District Food Controller, Mianwali – Rs.374,779**

**20-3-2002:** The Department explained that the approval for de-classification of bags mentioned in the para had been accorded by the competent authority which could be verified by Audit.

The Committee directed that record should be got verified by Audit and observed that the Department had not given a full explanation in the working paper. A detailed working paper should be submitted for the next meeting. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 20 March 2002.

In its latest comments, Audit pointed out that the Departmental contention had been verified through examination of record.

On recommendation of Audit, **the para was settled.**

**15. Para No.8.10: Pages 27-29 – Loss of Rs.7,315,239 due to de-classification/damage of bags tarpaulines and store articles**

**District Food Controller, Multan – Rs.63,000**

**9-3-2002:** The Department explained that this para had already been settled by Special DAC in its meeting held on 27 November 1999 as advance para/AIR Para No.6. The Committee **settled the para.**

**16. Para No.9.1: Page 27 – Loss of Rs.618,039 due to non imposition of penalty from contractors**

**District Food Controller Sheikhpura – Rs.52,468**

**18-3-2002:** In its latest comments, Audit had stated that total recovery amounting to Rs.52,468 had been verified. **The para was settled.**

**17. Para No.13: Page 32 – Non Disposal of Useless Machinery Worth Rs.2,265,000**

**27-12-2001:** The Department stated that all the machinery under observation in this para was in serviceable condition and being used during procurement every year except for one Jeep. The Department further stated that the para was discussed in the SDAC meeting held on December 22, 2000 and was settled. The Committee agreed with the recommendations of the SDAC and **settled the para.**

**18. Para No. 14: Page 28 – Loss of Rs.178,649 due to exchange of A-class bardana with inferior quality**

**18-3-2002:** The Department explained that the bags in question had been issued/sold to the floor mills at the notified price and in accordance with the Government policy. The para was settled subject to verification by Audit.

**30-7-2002:** The para was considered in the light of PAC directive 18 March 2002.

Audit pointed out that the Departmental contention had been verified through examination of record produced by the Department. On recommendation of Audit, **the para was settled.**

**19. Para No.16.1: Pages 34-35 – Irregular drawal of salaries of contingent paid staff amounting to Rs.9,028,699**

**District Food Controller Jhang – Rs.905,465**

**18-3-2002:** The Department explained that the contingent paid staff was appointed with the approval of the competent authority to meet the urgency of watch and ward requirements at the concerned centers.

The Department further explained that the said appointments were made by the competent authority and were not made during the ban on recruitments. The explanation of the Department was accepted and **the para was settled.**

**20. Para No.16.4: Page 34 – Irregular drawal of salaries of contingent paid staff amounting to Rs.9,028,699**

**District Food Controller Gujranwala – Rs.451,706**

**19-3-2002:** The Department explained that temporary chowkidars were engaged during the year 1994-95 and 1995-96 against the posts sanctioned by the Competent Authority for the period of 3 months at the rate of Rs.68 per day. No irregular expenditure was involved. **The para was settled.**

**21. Para No.16.5: Pages 34-35 – Irregular drawal of salaries of contingent paid staff amounting to Rs.9,028,699**

**District Food Controller, Sheikhupura Rs.431,981**

**18-3-2002:** The Department explained that 210 chowkidars were required whereas 72 chowkidars were engaged at the flag centres on temporary basis for a period of not more than 90 days at one time to safeguard the Government wheat stored in the godowns and open places.

The Department was directed to produce the relevant letters of the Food Department and Finance Department to Audit in support of their contention. **The para was settled.**

**22. Para No. 18: Page 13 – Unjustified hiring of private godowns-loss of Rs.8,031,913 District Food Controller, Gujranwala**

**27-12-2001:** The Department explained that the godowns were constructed under a duly approved scheme and were rented with prior approval of the government. No deviations of rule were made at any level.

The Committee accepted the explanation of the Department and the **para was settled** on the

analogy of the identical paras included in the Audit Report for the year 1996-97.

**23. Para No. 19: Page 14 – Excess payment due to the acceptance of tenders at higher rates – Rs.285,820 District Food Controller, Gujranwala**

**27-12-2001:** The Department stated that the lowest bids were accepted on centre to centre basis and by observing the codal formalities. The explanation of the Department was accepted and **the para was settled.**

**24. Para No.21: Page 41 – Irregular Expenditure of Rs.1,195,784 on Transportation Charges**

**27-12-2001:** The Department explained that there was no irregularity in the transportation/ transaction of wheat under observation in this para and the whole record was available.

The Committee was satisfied with the explanation of the Department and **settled the para.**

**25. Para No. 23: Page 14 – Irregular expenditure of transportation charges worth Rs.546,471**

**26-12-2001:** The Department explained that the transaction under observation in this para had been made in accordance with the standing instructions and approved procurement and storage plan, and no irregularity was involved.

The Department was directed to produce the relevant record to Audit in support of its contention. The para was kept pending.

**30-7-2002:** The para was considered in the light PAC directive dated 26 December 2001.

In its latest comments, Audit pointed out that the Departmental contention had been verified through examination of record produced by the Department. On recommendation of Audit, **the para was settled.**

**26. Para No. 25.2: Page 15 – Non/less deposit of Rs.759,172 on account of sale of wheat**

**26-12-2001:** The contention of the Department had been verified by Audit. **The para was settled.**

**27. Para No.25.3: Pages 44 and 46 – Loss of Rs.6,561,138 due to non-recovery of cost of wheat/ bardana**

**District Food Controller, Gujranwala – Rs.273,885**

**19-3-2002:** In its latest comments, Audit had stated that Para No.25.3 (1997-98) was duplication of Para No.57.3 (1984-85). **Hence Para No.25.3 (1997-98) was deleted.**

**28. Para No.25.11: Pages 44 and 46 – Loss of Rs.6,561,138 due to non-recovery of cost of wheat/ bardana**

**District Food Controller Faisalabad – Rs.61,025**

**19-3-2002:** In its latest comments, Audit had stated that the total recoverable amount of Audit para No.25.11 (1997-98) and Audit Para No.11.35 (1994-95) was Rs.109,100. The recovery of Rs.84,193 had also been verified by Audit. The Committee settled the para subject to verification of record by Audit.

**30-7-2002:** The para was considered in the light PAC directive dated 19 March 2002.

In its latest comments, Audit pointed out that the total recoverable amount of Rs.109,100 had since been recovered by the Department and verified by Audit. On recommendation of Audit, **the para was settled.**

**29. Para No.26.1: Page 45 and 47 – Loss of Rs.137,452 due to non deduction of income tax**

**District Food Controller, Bahawalpur Rs.65,830**

**18-3-2002:** The Department explained that the payment of transportation charges was made to the growers/sellers in accordance with the policy followed by the Department and no income tax was leviable on the wheat growers. **The para was discussed and settled.**

**30. Para No.29: Page 48 – District Food Controller-II Lahore Record not Produced PR Centre Badami Bagh**

**27-12-2001:** The Department explained that the Chief Secretary as the Authority in this case imposed the penalty of dismissal from service on 12 officers. The record was available in damaged condition and as such its verification was difficult.

The Committee directed that the Administrative Department should hold a probe into the matter of not providing the record to Audit and take action against responsible persons under the law/ rules. The para was kept pending.

**19-3-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

Audit explained that after verification of record 10 Audit observations had been framed and sent to the Department which would be further dealt with as per Audit procedure. This para had been complied with and was **dropped from here.**

**31. Para No. 30: Page 50 – Non-Production of Record Regarding Store/Issue of Wheat Costing Rs.93,504,846**

**27-12-2001:** The Department stated that at the time of audit complete record was not traced out by the Center Incharge as the wheat procurement operation was in progress. The staff responsible for not producing the record to Audit was proceeded against under the Efficiency & Discipline Rules. The Department stated that all the record was now available for verification by Audit.

The Committee directed that the record of procurement and action taken against the accused officials may be produced to Audit for scrutiny and comments. The para was kept pending.

**(i) OAD Para No.7: Doubtful Storage of 6354.200 MT Wheat Valuing Rs.7,853,222.00 PRC Mari Indus**

**27-12-2001:** The Department stated that at the time of audit complete record was not traced out by the Center Incharge as the wheat procurement operation was in progress. The staff responsible for not producing the record to Audit was proceeded against under the Efficiency & Discipline Rules. The Department stated that now all the record was available for verification by Audit.

The Committee directed that the record of procurement and action taken against the accused officials may be produced to Audit for scrutiny and comments. The para was kept pending.

**19-3-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

The Committee reiterated its previous decision. The para was kept pending.

**(ii) OAD Para No.8: Fictitious Issue of Wheat-Recovery of Rs.4,717,933.00 PRC Mari Indus**

**27-12-2001:** The Department stated that at the time of audit complete record was not traced out by the Center Incharge as the wheat procurement operation was in progress. The staff responsible for not producing the record to Audit was proceeded against under the Efficiency & Discipline Rules. The Department stated that now all the record was available for verification by Audit.

The Committee directed that the record of procurement and action taken against the accused officials may be produced to Audit for scrutiny and comments. The para was kept pending.

**19-3-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

The Committee reiterated its previous decision. The para was kept pending.



**(iii) OAD Para No.10: Doubtful Payment of Rs.2,171,120.00 PRC Mari Indus**

**27-12-2001:** The Department stated that at the time of audit complete record was not traced out by the Center Incharge as the wheat procurement operation was in progress. The staff responsible for not producing the record to Audit was proceeded against under the Efficiency & Discipline Rules. The Department stated that now all the record was available for verification by Audit.

The Committee directed that the record of procurement and action taken against the accused officials may be produced to Audit for scrutiny and comments. The para was kept pending.

**19-3-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

The Committee reiterated its previous decision. The para was kept pending.

**(iv) OAD Para No.13: Fictitious Despatch of 705.200 MT Wheat Valuing Rs.4,407,500.00 (PRC Mari Indus)**

**7-12-2001:** The Department stated that at the time of audit complete record was not traced out by the Center Incharge as the wheat procurement operation was in progress. The staff responsible for not producing the record to Audit was proceeded against under the Efficiency & Discipline Rules. The Department stated that now all the record was available for verification by Audit.

The Committee directed that the record of procurement and action taken against the accused officials may be produced to Audit for scrutiny and comments. The para was kept pending.

**19-3-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

The Committee reiterated its previous decision. The para was kept pending.

**(v) OAD Para No.22: Irregular & Unacknowledged Despatch of 9685.800 MT Wheat Valuing Rs.25,957,944.00 at PRC Piplan**

**27-12-2001:** The Department stated that at the time of audit, complete record was not traced out by the Center Incharge as the wheat procurement operation was in progress. The staff responsible for not producing the record to Audit was proceeded against under the Efficiency & Discipline Rules. The Department stated that now all the record was available for verification by Audit.

The Committee directed that the record of procurement and action taken against the accused officials may be produced to Audit for scrutiny and comments. The para was kept pending.

**19-3-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

The Committee reiterated its previous decision. The para was kept pending.

**(vi) OAD Para No.23: Doubtful Issue of 462.500 MT Wheat Recovery of Rs.1,236,820.00 PRC Piplan**

**27-12-2001:** The Department stated that at the time of audit complete record was not traced out by the Center Incharge as the wheat procurement operation was in progress. The staff responsible for not producing the record to Audit was proceeded against under the Efficiency & Discipline Rules. The Department stated that now all the record was available for verification by Audit.

The Committee directed that the record of procurement and action taken against the accused officials may be produced to Audit for scrutiny and comments. The para was kept pending.

**19-3-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

The Committee reiterated its previous decision. **The para was kept pending.**

**(vii) OAD Para No.26: Unauthorized Issue of 100.800 MT Wheat Valuing Rs.183,360.00 PRC Piplan**

**27-12-2001:** The Department stated that at the time of audit complete record was not traced out by the Center Incharge as the wheat procurement operation was in progress. The staff responsible for not producing the record to Audit was proceeded against under the Efficiency & Discipline Rules. The Department stated that now all the record was available for verification by Audit.

The Committee directed that the record of procurement and action taken against the accused officials may be produced to Audit for scrutiny and comments. The para was kept pending.

**19-3-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

The Committee reiterated its previous decision. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

In its latest comments, Audit stated that this para was scrutinized in detail in April 2002 and two Audit observations were issued for enroute shortages and temporary embezzlement. Subsequently two advance paras had been conveyed to the Department for compliance.

**The Committee accepted the recommendation of Audit for deletion/settlement of the para.**

## Revenue Receipts Audit

### **1. Para No.8.11: Pages 44-45 – Short-realization of sugar cane (Development) cess on price lower than that paid to cane suppliers – Rs.263,382,617**

**19-3-2002:** The Department explained that the matter had been referred to the Law Department for clarification whether the cess was to be levied on the price fixed by the Government or it was also to be recovered on the additional amount paid in the shape of subsidy by the mills to the growers.

The Law Department had upheld the view point of the Administrative Department.

The Committee directed that both the view points of Audit and Administrative Department along with the opinion of the Law Department and the precedent of the case law based on the judgements of the High Court or Supreme Court should be referred to the Finance Department for advice, and action should be taken accordingly. The para was kept pending.

**29-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002. The para was considered on 29 and 30 July 2002.

The Department explained that as per directive of the PAC the matter had been referred to the Finance Department for advice. The representative of the Finance Department informed the Committee on 30 July 2002 that Finance Department had agreed to the viewpoint of the Law Department that Sugar Cane Cess would be realized on the support price only. **The para was accordingly settled.**

### **2. Para No.8.14: Page 46 – short-realization due to non-deposit of mills share of sugar-cane cess – Rs.22,280,437**

**19-3-2002:** The Department explained that the Department had taken into account the working of the entire season. According to the record, both the mills had cleared their entire dues for the said season. Nothing was outstanding against the mills. The Committee settled the para subject to verification of record by Audit.

**29-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

In its latest comments, Audit pointed out that the departmental contention had been verified from record produced by the Department. The Committee accepted the recommendation of Audit and **settled the para.**

### **3. Para No.8.19: Page 49 – Short-realization of sugar-cane cess – Rs.572,237**

**19-3-2002:** The Department explained that United Sugar Mills had deposited the entire outstanding amount into the Government Treasury which had been verified by audit. **The para was settled.**

### **4. Para No.8.20: Page 49 – Findings**

**19-3-2002:** Audit observation, made in this para and the departmental reply was noted by the Committee. **The**

**para was settled.**

## **Paras Conditionally Settled Civil Audit**

### **1. Para No.1.2: Pages 4-21 – Misappropriation amounting to Rs.956,276**

#### **District Food Controller, Gujranwala – Rs.49,301**

**19-3-2002:** The Department explained that the Audit observation in this para had arisen out of a mathematical error which had been subsequently rectified.

The Committee directed that appropriate action should be taken against the officials responsible for the error. The para was settled subject to verification by Audit.

**29-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

After seeing the record, Audit had not agreed to the plea of the Department that it was simply a mathematical error and demanded that the amount should be recovered.

The Department explained that the pension of the officer concerned had been withheld since 31 January 2001 and further action would be taken according to the suggestions of Audit.

The Committee directed that the Finance Department should monitor further action in the matter. With the above direction, **the para was settled.**

### **2. Para No.3.6: Page 5 – Misappropriation of Rs.2,800,680 – District Food Controller Jhang**

**27-12-2001:** The Department stated that as a result of departmental proceedings the accused official had been dismissed and recovery of Rs.2,817,818 had been imposed upon him and efforts were being made to recover the same as arrears of Land Revenue. The case had also been registered with the Anti-corruption Establishment.

The Committee directed that the Department should pursue the recovery/criminal case and the Finance Department should monitor the same. With the above directions, **the para was settled.**

### **3. Para No.3.9: Page 6 – Godown shortage of 41.907 M.T wheat recovery of Rs.111,694/76 – District Food Controller, Mianwali – Rs.1,046,747**

#### **OAD Para No.11**

**27-12-2001:** As per latest comments of Audit given in working paper the total amount of OAD Para Nos.11 & 14 was Rs.151,894 which had been recovered and verified. As regards OAD Para No.24, a sum of Rs.450,000

had been recovered and verified and an amount of Rs.444,852 was still recoverable. Subject to the balance recovery and its verification, **the para was settled.**

**District Food Controller Mianwali – Rs.111,694 (OAD No.14)**

**27-12-2001:** As per latest comments of Audit given in working paper the total amount of OAD Para Nos.11 & 14 was Rs.151,894 which had been recovered and verified. As regards OAD Para No.24, a sum of Rs.450,000 had been recovered and verified and an amount of Rs.444,852 was still recoverable. Subject to the balance recovery and its verification, **the para was settled.**

**18-3-2002:** The Department explained that the cost of godown shortage of Rs.104,806 had already been got deposited and verified by Audit. **This part of the para was settled.**

**OAD No.17 for Rs.40,200**

**18-3-2002:** The Department explained that the cost of entire quantity of 15.000 MT worked out by Audit had been recovered from the official concerned and deposited into Government Treasury. The record was available for verification by Audit. The part of **the para was settled** subject to verification of record by Audit.

**OAD Para No.24**

**27-12-2001:** As per latest comments of Audit given in working paper the total amount of OAD Para Nos.11 & 14 was Rs.151,894 which had been recovered and verified. As regards OAD Para No.24, a sum of Rs.450,000 had been recovered and verified and an amount of Rs.444,852 was still recoverable. Subject to the balance recovery and its verification, **the para was settled.**

**OAD No.38 for Rs.894,852**

**18-3-2002:** The Department explained that out of Rs.894,852 an amount of Rs.450,000 was recovered from the compulsorily retired officers. The rest of the recovery process under the Land Revenue Act was under way.

The Department was directed to effect the recovery and the Finance Department was directed to monitor the case. This part of the **para was settled** subject to the above direction.

**4. Para No.4.2: Page 6 – Enroute Shortage 76.800 M.T. Wheat Rs.1,177,575 District Food Controller R. Y. Khan**

**(i) OAD Para No.10: Embezzlement of Wheat 4249.500 M.T. – Rs.665,103.36**

**27-12-2001:** The Committee directed that the record in support of the explanation given by the Department in the working paper regarding the total amount recoverable should be produced to Audit. The amount recovered so far and the amount still recoverable should be got verified by Audit and the balance recovery should be pursued by the Department and monitored by the Finance Department.

With the above direction, the para was settled, subject to verification by Audit.

**20-3-2002:** The para was considered in the light of the PAC directive dated 27 December 2001.

The Committee reiterated its previous decision. **The para was settled** subject to verification of record by Audit.

**(ii) OAD Para No.11: Embezzlement of Wheat of 31.200 M.T. Costing Rs.274,878.24-264/P Centre Scheme 1994-95**

**27-12-2001:** The Department explained that after proceedings under E&D Rules recovery of Rs.4,085,114 including the amount of this para was imposed on Mr Abdul Khaliq, FGI (Retired) and the case for recovery as arrears of Land Revenue had been referred to District Collector, Rahimyar Khan. The Department further stated that whole record of the case was under investigation by the Regional Accountability Bureau and the accused had absconded.

The Committee directed that recovery/case should be pursued by the Administrative Department and monitored by the Finance Department. With the above direction, the para was settled, subject to verification by Audit.

**20-3-2002:** The para was considered in the light of the PAC directive dated 27 December 2001.

The Committee reiterated its previous decision. **The para was settled** subject to verification of record by Audit.

**(iii) OAD Para No.16: Enroute Shortage 25.650 M.T. Centre thus Hamza Scheme 1994-95 – Rs.225,974.13**

**27-12-2001:** The Department explained that total amount had been recovered from contractor/official concerned and disciplinary action against the official concerned was also in process.

The Committee directed that recovery/disciplinary action should be got verified by Audit. The para was settled subject to verification by Audit.

**20-3-2002:** The para was considered in the light of the PAC directive dated 27 December 2001.

The Committee reiterated its previous decision. **The para was settled** subject to verification of record by Audit.

**5. Para No. 4.3: Page 6 – Enroute Shortage of 175.00 M.T. Wheat Rs.1,559,285 Recoverable Amount Rs.1,308,685 D.F.C. Rahim Yar Khan**

**27-12-2001:** The Department explained that Mr Ghulam Nazik Abbasi FGI was held responsible for misappropriation of wheat in connivance with the carriage contractor and recovery of Rs.1,295,644 was imposed upon him. He was retired from service in some other case. The Department further stated that a case had also been registered with the Anti-corruption Establishment, Multan against the concerned official and the contractor.

The Department was directed to pursue the recovery/criminal case and the Finance Department was directed to monitor the same. Moreover, the Department was also directed to produce the record to Audit for verification. **The para was settled** subject to verification by Audit.

**6. Para No. 4.11: Page 6 – Enroute shortage of wheat recovery of Rs.3,724,852**



**26-12-2001:** The Department explained that the verification of record except the portion relating to the claim with the Railways had been made by Audit. The Committee directed the Department to get deposit of the amount of Rs.688,939 verified by Audit. The Department was also directed to take disciplinary action against the persons responsible for delay in making the recovery. The Finance Department was advised to monitor this case. With the above direction, **the para was settled.**

**7. Para No. 4.12: Page 6 read with 22 – Loss of Rs.32,080,245 Due to enroute shortage of wheat**

**District Food Controller, Mianwali – Rs.523,770**

**20-3-2002:** The Department stated that an inquiry had been ordered into the matter a week ago for fixing the responsibility and to make the recovery. The Department was directed to complete the inquiry/action/recovery at the earliest and full detail should be given in the working paper for the next meeting. A copy of the enquiry report should be provided to Audit also. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 20 March 2002.

The Department explained that the adjustment of the quantity of wheat in kind was a procedural matter which was allowed by the Food Director, Punjab. However, differential price amounting to Rs.3,895 had been recovered and deposited into Government Treasury. **The para was settled** subject to verification of record by Audit.

**8. Para No.5.4: Page 20 and 23 – Loss of Rs.1,293,153 due to misappropriation shortage of bardana and store articles**

**District Food Controller Khanewal – Rs.125,000**

**19-3-2002:** The Department explained that the inventory register of the recipient centre was available for verification. There was no misappropriation as pointed out by Audit. The Committee settled the para subject to verification by Audit.

**30-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Committee reiterated its earlier decision for **settling the para** subject to verification of record by Audit.

**9. Para No.5.5: Page 7 – Misappropriation of Rs.311,725 District Food Controller Jhang**

**27-12-2001:** The Department stated that as a result of departmental proceedings the accused official had been dismissed and recovery of Rs.385,598 had been imposed upon him and efforts were being made to recover the same as arrears of Land Revenue.

The Committee directed that the Department should pursue the recovery case and the Finance Department should monitor the same. With the above directions, **the para was settled.**

**10. Para No. 6.3: Pages 20 and 23 – Loss of Rs.47,707,722 due to misappropriation of bardana/stock articles****District Food Controller, Gujranwala – Rs.973,983**

**19-3-2002:** The Department explained that the record of the recipient centres was available for verification. The Committee **settled the para** subject to verification of record by Audit.

**29-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Committee re-iterated its earlier decision for settling the para subject to verification of original record by Audit.

**11. Para No. 7: Page 8 – Loss of Rs.24,540,512 due to damage of wheat stock at P.R. Centre, Badami Bagh**

**26-12-2001:** The Department explained that in the departmental proceeding decided by the Chief Secretary as the Authority, 13 officers were dismissed from service and recovery on account of the loss was also imposed on them. Their appeal was dismissed by the Punjab Service Tribunal and the appeals filed by some of them were pending in the Supreme Court.

The Committee directed the Department to give full facts and figures of the case in the working paper for the next meeting and the relevant record should also be got verified by Audit. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 26 December 2001.

The Department explained that the case was dismissed by the Supreme Court of Pakistan but some officials had filed review petition in the Supreme Court of Pakistan which was pending. However, demand of recovery had been created with the concerned quarters which would be effected at the earliest. Audit had verified that the demands of recovery had been created.

The Committee **settled the para** subject to balance recovery and its monitoring by Finance Department.

**12. Para No.8.2: Pages 27 and 29 – Loss of Rs.7,315,239 due to de-classification/ damage of bags tarpaulins and store articles****District Food Controller Jhang – Rs.174,000**

**19-3-2002:** The Department explained that although the centre incharge had considered that 8 tarpaulins under observation were unserviceable – the same were subsequently got repaired with the approval of the

Competent Authority and were brought in serviceable condition. The tarpaulins had deteriorated due to long use and not due to negligence of any official. The Committee **settled the para** subject to verification of record by Audit.

**13. Para No. 8.6: Page 27 – Un-authorized D-classification of 45 tarpaulins value Rs.2,250,000**

**26-12-2001:** The Department explained that 6 tarpaulins were issued to District Administration Kasur for Flood Relief measures which had not been returned. The District Administration had held one Lambardar of Chanda Singhwala responsible for the loss and case was in litigation.

The Committee directed that Administrative Department should pursue the recovery and Finance Department should monitor the same. With the above observation, **the para was settled.**

**14. Para No.9.2: Pages 27 & 29 – Loss of Rs.618,039 due to non imposition of penalty from contractors**

**District Food Controller, Khanewal – Rs.565,571**

The Department explained that the contractor had filed a writ petition in the Lahore High Court, Multan Bench against the imposed recovery on less transportation of wheat.

The Committee **settled the para** with the direction that subject to the decision of the court, the recovery shall be effected and disciplinary action taken. The action taken shall be referred to the Finance Department, the Assembly Secretariat and Audit by 31 January 2003. Finance Department shall monitor the implementation of this directive.

**15. Para No. 16.2: Page 34 – Irregular payment of temporary Chowkidars amounting to Rs.5,212,200**

**26-12-2001:** The Department explained that the case for the regularization of the appointments of Chowkidars had been referred to the Finance Department. The Committee directed the Department to refer this matter again to Finance Department within 2 days and the Finance Department was asked to take a decision within 15 days. The Department was also directed to produce the relevant record to Audit for verification. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 26 December 2001.

The Department explained that the matter had been referred to the Finance Department for regularization of appointments of chowkidars along with details of expenditure involved in this audit para. The Committee **settled the para** subject to regularization by competent authority.

**16. Para No. 16.3: Page 12 – Doubtful Drawal of Salaries of Contingent Paid Staff Rs.20,27,347**

**26-12-2001:** The Department explained that the case for the regularization of the appointments of Chowkidars had been referred to the Finance Department. The Committee directed the Department to refer this matter again to Finance Department within 2 days and the Finance Department was asked to take decision within 15 days. The Department was also directed to produce the relevant record to Audit for verification. The para was kept pending.

**20-3-2002:** The Committee reiterated its previous directive dated 26 December 2001. The information required by the Finance Department should be supplied without delay. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 20 March 2002.

The Department explained that the matter for regularization of the expenditure on account of daily wages Chowkidars was referred to the Finance Department but the Finance Department had refused to regularize the same. However, the case had again been referred to the Finance Department. **The para was settled** subject to regularization by the Finance Department.

**17. Para No.17: Page 36 – Excess payment of Rs.223,630 on account of transportation charges of wheat**

**19-3-2002:** The Department explained that the first lowest bidder failed to execute the agreement with the Department. The second lowest bidder had also refused to undertake the work. The call deposit/earnest money of the first lowest bidder was forfeited. Ultimately, the contract was granted at 10% above the rate approved for the previous year. **The para was settled**, subject to verification by Audit.

**18. Para No. 25.4: Page 16 – A class 6745 and 3775 B class gunny bags not recovered amounting to Rs.384,410**

**26-12-2001:** The Department explained that the official responsible for the loss was proceeded against and a recovery of Rs.267,010 was imposed on him and a demand for this recovery as arrears of Land Revenue had been created with the District Collector. Moreover, the accused official had since been dismissed from service in some other cases.

Audit pointed out that the amount of recovery of the loss should have been calculated on the basis of the rates applicable to the year of audit which comes to Rs.352,848.

The Committee directed that a reference may be made to the Finance Department for calculation of the correct amount of recovery. The recovery should be pursued by the Administrative Department and monitored by the Finance Department. With the above direction, **the para was settled.**

**19. Para No. 25.5(4): Pages 44-46 – Loss of Rs.6,561,138 due to non recovery of cost of wheat/bardana**

**(i) District Food Controller, Khanewal – Rs.660,508**

**30-7-2002:** Audit had pointed out that after verification of record the para had been recommended for settlement vide comments dated 15 March 2002. On recommendation of Audit, **this part was settled.**

**(ii) District Food Controller, Khanewal – Rs.660,508**

**26-12-2001:** The Department explained that as a result of disciplinary proceedings, the Authority imposed the recovery on the officials responsible for the loss. The recovery was calculated on the basis of the rate applicable during the year of shortage. Audit was conducted later and insisted that the amount of recovery should have been calculated on the basis of the rate during the Audit year. During discussion, it transpired that the order of recovery passed by the competent authority had not been implemented during the last three years.

The Committee directed that besides making the recovery without further delay, the persons responsible for not promptly implementing the order of recovery should be proceeded against under the Punjab Removal from Service (Special Powers) Ordinance, 2000. The para was kept pending.

**20-3-2002:** The para was considered in the light of PAC directive dated 26 December 2001.

As per latest Audit comments, only the amounts of Rs.40,752 and Rs.95,800 pertaining to PR Centre Abdul Hakeem and Moosa Virk Centre were outstanding.

The Department stated that efforts were being made to effect recovery of the balance. The para was settled subject to recovery of the balance and its verification by Audit.

**30-7-2002:** The para was considered in the light of PAC directive 20 March 2002.

In its latest comments, Audit pointed out that the Department had made no progress towards recovery of the balance amount of Rs.136,552 (Rs.40,752 + Rs.95,800).

The Department explained that both the accused namely, Mehdi Shah, AFC and Muhammad Irshad, Food Grain Inspector were behind bars in some other case with Anti-Corruption Establishment.

The case of Mehdi Shah had been decided by the Special Judge, Anti-Corruption, Multan awarding him 10 years imprisonment. **This part was settled** subject to monitoring of necessary action in the matter by the Finance Department.

**20. Para No.25.7: Page 44 – Loss of Rs.6,561,138 due to non recovery of cost of wheat/bardana**

**District Food Controller Rahim Yar Khan (Procurement) – Rs.69,960**

**19-3-2002:** The Department explained that the amount of Rs.8,000 recoverable from Mr Abdul Khaliq, Food Grain Inspector (Retd) had been recovered. The Department further stated that the balance amount of Rs.61,500 was recoverable from Mr Shah Nawaz, Assistant Food Controller who had since died. Rs.20,400 had been recovered from his 180 days leave pay while the balance would have to be written off. **The para was settled** subject to verification of record by Audit.

**21. Para No.25.8 Page 44 – Loss of Rs.6,561,138 due to non recovery of cost of wheat/bardana**

**District Food Controller, Multan – Rs.162,345**

**18-3-2002:** The para was considered on 18 and 20 March 2002.

The Department explained that the recovery of Rs.89,541 on account of cost of bardana in question had been imposed upon Mr Jamal Nasir Shah, Food Grain Inspector (Retd) and Azhar Ali Shah Retired (deceased) and the recovery was being pursued as arrears of Land Revenue. Audit, however, pointed out that amount of recovery had not been correctly calculated. The directive given by the PAC on 19 February 1999 had not been followed. The Department was directed to hold an inquiry in the matter and to explain the position in the light of latest Audit comments. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 18 March 2002.

In its latest comments, Audit had pointed out that the Department had revised its recovery order and imposed recovery of Rs.70,575 and Rs.91,770 upon Mr. Jamil Nasir Shah, ex-Food Grain Inspector and Mr. Azhar Ali Shah, ex-Food Grain Inspector respectively (Total amount –



Rs.162,345).

The Committee **settled the para** subject to recovery, its verification by Audit and its monitoring by the Finance Department.

**22. Para No.25.9 Pages 46-47 – Loss of Rs.6,561,138 due to non recovery of cost of wheat/bardana**

**District Food Controller, Multan – Rs.193,585**

**18-3-2002:** The Department explained that 600 A-class bags had been traced out and accounted for. The cost of the remaining 4931 A-Class bags amounting to Rs.98,620 was imposed upon Mr Gulzar Ahmad Faridi, Food Grain Inspector who had been dismissed in some other case. The recovery was being pursued as arrears of Land Revenue. The **para was settled** subject to recovery and its verification by Audit.

**23. Para No. 27: Page 17 – Non-production of record regarding storage/issue of wheat Rs.27,882,207**

**26-12-2001:** The Department explained that action had been initiated on December 6, 2001 against the official responsible for not producing the record. The Committee observed that the matter was reported by Audit to the Administrative Secretary in April 1998 and an explanation was due for the delay in taking appropriate action promptly in the matter. The Committee also directed that necessary action in the matter should be completed expeditiously. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 26 December 2001.

The Department explained that two officials namely, Muhammad Yar Chughtai FGI and Muhammad Aslam Shah, FGI were responsible for not producing the record to Audit. The former was proceeded against under the Punjab Removal from Service (Special Powers) Ordinance 2000 and was awarded minor penalty of censure, while the latter had been compulsorily retired from service in some other cases and proceedings under Rule 1.8 of the Pension Rules had been initiated against him. The Department further explained that all the record was now available for Audit scrutiny.

**The para was settled** subject to verification of record by Audit and its monitoring by the Finance Department.

**24. Para No. 28: Page 49 – Acquittance Rolls for Rs.12,756,933 not produced**

**OAD-2, District Food Controller, Rahim Yar Khan – Rs.71,622**

**27-12-2001:** The Department explained that acquaintance roll of temporary Chowkidars as pointed out in the para was available. The Committee directed that the record as per Audit comments recorded on the working paper should be produced to Audit for verification. The para was kept pending.

**20-3-2002:** Audit pointed out that in compliance with the PAC directive dated 26 December 2001, the Department had desired spot verification of the record which would be carried out after the PAC meeting. An officer had been deputed for the assignment. The Committee settled the para subject to verification by Audit.

**30-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Committee reiterated its previous decision for **settling the para** subject to verification of record by Audit.

## Revenue Receipts Audit

### **1. Para No.8.12: Page 45 – Non-realization of cess due to inadequate efforts for recovery – Rs.797,812,293**

**19-3-2002:** The Department explained that the total amount of cess recoverable from the Mills for the period under observation was Rs.822,741,542 out of which an amount of Rs.456,516,564 had been recovered leaving a balance of Rs.366,224,978.

The Department further explained that the Provincial Cabinet in its meeting held on 21 January 2002, authorized the Cane Commissioner to settle the cases of default on merit of each. The defaulted amount should be recovered through installments spreading over 12 to 36 months. Accordingly, agreements with the individual mills were signed. The amount would be cleared as per schedule of agreement.

The Department was directed that a copy of the policy formulated in the light of Cabinet decision dated 21 January 2002 should be produced to Audit and the balance recovery should be completed, at the earliest. The para was kept pending.

**29-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Department explained that an amount of Rs.80 million had been recovered from the defaulting Sugar Mills up to 15 July 2002 and the balance would be recovered in the light of the decision of the Cabinet.

The Department verbally stated that two mills had not accepted the liabilities while the other had agreed to make payment in installments as per Cabinet decision.

The Committee directed that the recovery of Rs.80 million should be got verified by Audit, copies of the agreement executed with the defaulting mills for payment on installments should be produced to Audit and decisions on the disputed cases should be expedited.

The Committee directed that the Finance Department should monitor further action in the matter. With the above direction, **the para was settled.**

## **2. Para No.8.13: Page 46 – Non-realization of cess after expiry of court stay orders – Rs.34,175,265**

**19-3-2002:** The Department explained that Adam Sugar Mills, Chishtian had so far deposited a sum of Rs.5,987,381. The Government had allowed to recover the outstanding arrears through 24 installments.

The Department was directed that a copy of the Policy formulated in the light of the Cabinet decision dated 21 January 2002 should be produced to Audit and the balance recovery should be completed at the earliest. The para was kept pending.

**29-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Department explained that an amount of Rs.5,184,126 had been recovered from the concerned sugar mills and balance was being recovered in installments on monthly basis as per Cabinet decision.

The Committee directed that the recovery of Rs.5,184,126 should be got verified by Audit, copies of the agreement executed with the defaulting mills for payment in installments should be produced to Audit.

The Committee directed that the Finance Department should monitor further action in the matter. With the above direction, **the para was settled.**

## **3. Para No.8.17: Page 48 – Cess-deposit wrongly credited to Federal receipts Rs.1,224,018**

**19-3-2002:** The Department explained that the cess had been collected but deposited in the wrong head which needed to be rectified.

The Committee directed that necessary action should be completed, at the earliest. The para was settled subject to verification by Audit.

**29-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Department explained that the Sugar-Cane Cess deposited by M/s Kashmir Sugar Mills had since been transferred from the Central Excise Duty to the Sugar Cane Cess paid in June 1998. Moreover, DAO Rajanpur had been requested to transfer other amount of the sugar cane cess relating to M/s Indus Sugar Mills from Central Excise Duty to Sugar-Cane Cess Funds. **The para was settled** subject to monitoring by the Finance Department and verification of record by Audit.

# **Paras Pended**

# Civil Audit

## **1. Para No. 1.1: Page 4 – Temporary Embezzlement of Government Money Loss to Government Rs.174,878 District Food Controller Kasur**

**27-12-2001:** Audit pointed out that a PLS Account was opened in the name of District Food Controller, Kasur in National Bank of Pakistan in 1982 in violation of Government instructions. A cheque amounting to Rs.964,462.62 was collected from XEN Buildings Department on account of unspent money for repair of godown and was deposited in the said PLS Account instead of depositing into Government Treasury. Audit further pointed out that the PLS Account had been misused. Certain amounts were drawn from the account but had not been accounted for in the official record.

The Department explained that the officer who opened and operated the unauthorized bank account was proceeded against under Efficiency & Discipline Rules and was awarded penalty of recovery of the amount involved. He had filed an appeal in the Punjab Service Tribunal where the recovery had been stayed. During discussion it transpired that there was also connivance of the XEN of the Buildings Department, the Bank Manager and the Treasury Officer.

The Committee directed that an inquiry should be held into the matter at the secretariat level and completed within one month. The Communication and Works Department should also explain the issuance of cheques by the XEN to the District Food Controller by name in this case as well as in other cases of this nature. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

The Department explained that the amount drawn from the PLS Account of District Food Controller, Kasur had been recovered from the concerned officers/officials and deposited into Government Treasury on 9 December 1997. Moreover, as a result of disciplinary action under the Efficiency and Disciplinary Rules 1975 major penalty of dismissal/removed from service and recovery of interest was imposed vide order dated 26 February 2001 on Sheikh Shahid Rasheed, ex-DFC, Ghulam Mustafa Zaki, ex-DFC, Malik Muhammad Akram, ex-Head Clerk and Mr Ehsan Elahi ex-Senior clerk. Their appeals in the Punjab Service Tribunal had also been dismissed. The recovery of interest imposed by the Authority was being pursued as arrears of Land Revenue.

The Department further explained that in compliance with the PAC directive, Section Officer (G) Food Department had been appointed as Inquiry Officer against the then DFC for opening PLS Account in the name of DFC Kasur vide order dated 19 February 2002 and the inquiry report was still awaited.

The Department was directed to complete the above mentioned recovery as well as inquiry/appropriate action, at the earliest. **The para was kept pending.**

## **2. Para No.3.1: Page 5 read with 22 – Loss of Rs.770,011/48 Due to godown shortage of wheat**

### **(i) OAD No.6 District Food Controller, Rahim Yar Khan (Procurement) Rs.770,011**

**20-3-2002:** The Department stated that as a result of proceedings under Efficiency and Discipline Rules, recovery of Rs.432,634 was imposed on Malik Mumtaz Ahmad, FGI since retired.

Audit pointed out that reduction in the amount of recovery from Rs.770,011 to Rs.432,634 should be explained.

The Department was directed to investigate the matter and fix responsibility for not taking timely action before the retirement of the accused official and effect recovery of the amount pointed out by Audit or justify the reduction in amount. A copy of the Inquiry Report in this case should be supplied to Audit. **The para was kept pending.**

### **(ii) OAD No.7 Rs.323,589**

**20-3-2002:** The Department explained that FIR No.55/96 dated 30 August 1996 was registered with Anti-corruption Establishment against Mian Muhammad Qasim, FGI (dismissed). The case was under trial and the next date of hearing was 20 March 2002.

The Department further stated that record had been taken up by RAB also for investigation. **The para was kept pending.**

## **3. Para No. 3.2: Page 5 – Misappropriation of wheat and Bardana valuing Rs.1,222,902**

**26-12-2001:** The Department explained that in departmental proceeding a recovery of Rs.1,222,902 had been imposed on the concerned Food Grain Inspector and Food Grain Supervisor on September 17, 1996 and demand for recovery of the amount as arrears of Land Revenue had also been created with District Collector. The FIR was also lodged with the Police. It was further stated that the Deputy Commissioner, Hafizabad had again been requested on November 26, 2001 that as there was no stay order from any court, the recovery should be effected.

The Department was directed to complete the appropriate action/recovery expeditiously. The para was kept pending.

**29-7-2002:** The para was considered in the light of PAC directive dated 26 December 2001.

The Department explained that the defaulters filed a petition in the Supreme Court of Pakistan for stay order against the recovery imposed upon them. The petition was decided in favour of the Department. Accordingly, all the concerned quarters had been directed to effect the recovery, at the earliest.

The Department was directed to complete the action/recovery and got it verified, at the earliest. **The para was kept pending.**

**4. Para No.3.7: Page 5 read with 22 – Loss of Rs.12,428,075 Due to godown shortage of wheat**

**(i) District Food Controller, Rahim Yar Khan (Procurement) – Rs.1,389,203 (OAD-3-1994-95)**

**27-12-2001:** The Committee directed that the record showing the total amount recoverable, the amount recovered so far and the amount still recoverable as per departmental explanation should be produced to Audit for verification. The para was kept pending.

**20-3-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

In its latest comments, Audit pointed out that the net amount still recoverable was Rs.2,132,500 and not Rs.1,278,384.

The Committee directed that further recovery should be got verified by Audit, the difference in the recoverable amount should be explained and recovery of the balance be expedited. The Department should prepare a revised working paper to give a complete picture of the cases. **The para was kept pending.**

**(ii) District Food Controller, R.Y.Khan (Procurement) – Rs.2,262,852 (OAD-4-1996-97)**

**27-12-2001:** The Department explained that Rs.1,823,005 had been recovered and the balance amount would be recovered soon. The para was settled, subject to verification by Audit.

**20-3-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

In its latest comments, Audit pointed out that the net amount still recoverable was Rs.2,132,500 and not Rs.1,278,384.

The Committee directed that further recovery should be got verified by Audit, the difference in the recoverable amount should be explained and recovery of the balance be expedited. The Department should prepare a revised working paper to give a complete picture of the cases. **The para was kept pending.**

**5. Para No. 3.8: Page 6 – Shortage of 261,000 MT wheat recovery of Rs.402,160/40 (PRC Mari Indus) District Food Controller, Mianwali – Rs.2,660,040**

**(i) OAD Para No. 9**

**27-12-2001:** The Department explained that the deposit challans were available for verification and there was no shortage. The Department was directed to explain the latest position to Audit in the form of a revised working paper. Subject to verification by Audit, **the para was settled.**

**(ii) OAD Para No.19**

**27-12-2001:** As per latest Audit comments given in the working paper, the record had been verified by Audit and there was no shortage. **The para was settled.**

**(iii) OAD No.27, District Food Controller, Mianwali.**



**19-3-2002:** Audit pointed out that the disposal of 28.000 MT wheat had already been verified by Audit. The Committee settled the para.

**30-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

In its latest comments, Audit pointed out that the Departmental contention had been verified through examination of record. On recommendation of Audit, **the para was settled.**

(iv) **OAD No.12, District Food Controller, Mianwali Rs.2,660,040**

**19-3-2002:** In its latest comments, Audit had stated that disposal of 2434 filled in wheat bags had been verified. The Department explained that the record relating to the disposal of the remaining 176 filled in bags were also available. The para was settled, subject to verification by Audit.

**20-3-2002:** The Department had explained in the working paper that the relevant Inventory Register was available at the time of Audit but was now untraceable. However, during the meeting, it was verbally stated that the said register was again available.

The Committee directed that an inquiry into the matters contained in this Audit Para should be conducted at the Secretariat level and action taken accordingly. **The para was kept pending.**

**6. Para No. 4.1: Page 6 – Enroute shortage indigenous/imported wheat for the scheme 1987-88 to 1996-97 of P.R. Centre Moghalpura and Gulberg – recovery amounting to Rs.8,741,360**

**26-12-2001:** The Committee observed that the data given by the Department in the working paper in tabulated form was without any explanatory note and was difficult to understand. The Department was directed to produce the record to Audit for verification of the action taken by it and explain the latest position in the working paper for the next meeting. The para was kept pending.

**20-3-2002:** Audit pointed out that for spot verification of a huge record of 10 years i.e. 1987 to 1997, an officer had been appointed. The process was underway. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 20 March 2002.

The Department explained that shortage of 712.500 M. Tons of indigenous wheat and enroute shortage of 1,180.460 M. Tons of imported wheat were still outstanding. The Department was

directed to effect the recovery of balance shortage and get the record verified by Audit. **The para was kept pending.**

**7. Para No.4.4: Page 19 – Loss of Rs.32,080,245 due to enroute shortage of wheat**

**District Food Controller Rahim Yar Khan (Procurement) Rs.197,065**

**19-3-2002:** The Department explained that total recovery of Rs.52,063 on account of enroute shortage of imported wheat during the year 1994-95 had been made from Mr Asghar Ali, Food Grain Inspector. The Department further stated that Mr Muhammad Ismail Khan, Assistant Food Controller on whom recovery of Rs.145,902 was imposed on account of enroute shortage of imported wheat during the year 1996-97, had filed a writ petition in the Lahore High Court Bahawalpur Bench. The Court had stayed the proceedings against the accused officer.

The Committee directed that the Court case filed by Mr Muhammad Ismail Khan, Assistant Food Controller should be pursued.

The Committee also directed that disciplinary action should be taken against Mr Asghar Ali, Food Grain Inspector. **The para was kept pending.**

**8. Para No. 4.7: Page 6 – Cost of enroute shortage weighing 1054,691 M.T. of indigenous wheat valuing Rs.3,118,480**

**26-12-2001:** The Committee observed that the data given by the Department in the working paper in tabulated form was without any explanatory note and was difficult to understand. The Department was directed to produce the record to Audit for verification of the action taken by it and explain the latest position in the working paper for the next meeting. The para was kept pending.

**30-7-2002:** The para was considered in the light PAC directive dated 26 December 2001.

In its latest comments, Audit had pointed out that the recovery of Rs.36,706 (cost of 13.458 M.Ton) had been verified and the Department had been required to make good the recovery of shortage of 724.803 M. Ton and produce the challans/credit verification of cost of 316.403 M. Ton of wheat which had been reportedly recovered by the Department.

The Department was directed to review the figures of actual recoveries and comply with Audit comments in the matter expeditiously. **The para was kept pending.**

**9. Para No. 4.8: Page 6 – Cost of enroute shortage weighing 1737.580 M.T. of imported wheat valuing Rs.10,059,802**

**26-12-2001:** Audit pointed out that a huge quantity of imported wheat received from Port Qasim Karachi by rail or by road had been declared as enroute shortage in GP-7 of the receipt centre. The Department explained that a recovery of the part of the loss had been imposed on the concerned employees while the major shortage had been claimed from Pakistan Railways and the claim was pending. The Committee was not satisfied with the explanation given by the Department and directed that all the relevant record should be produced to Audit for scrutiny and comments and a detailed working paper should be submitted for the next meeting. The para was kept pending.

**30-7-2002:** The para was considered in the light PAC directive dated 26 December 2001.

The Department explained that three types of recovery were involved in this para viz. (i) recoveries imposed on the officials and officers, (ii) shortage claim lodged with Pakistan Railways, and (iii) recoveries from carriage contractors on account of enroute shortage.

In its latest comments, Audit had pointed out that the Department had stated to have recovered a sum of Rs.590,392 out of Rs.1,107,612 relating to scheme 1988-89 but no record had been produced to Audit. Moreover, an amount of Rs.8,952,194 on account of cost of enroute shortage pertained to Pakistan Railways and the case was being pursued.

Audit had required the Department to produce the treasury challan and credit verification of Rs.590,392, effect the recovery of Rs.517,220 and pursue the case of recovery of Rs.8,952,190 from Pakistan Railways.

The Department was directed to comply with the Audit comments without delay. **The para was kept pending.**

**10. Para No.4.9 Page 19, 22 and 23 – Loss of Rs.32,080,245 due to enroute shortage of wheat District Food Controller, Kasur – Rs.170,649**

**18-3-2002:** The Department explained that proceedings under the E & D Rules had been initiated against the concerned staff. The Authority had not agreed to the recommendations of the Inquiry Officer and the Authorized Officer had ordered a de novo inquiry.

The Department was directed to complete the inquiry/action at the earliest. **The para was kept pending.**

**11. Para No.5.2: Pages 19 and 23 – Loss of Rs.1,293,153 due to misappropriation shortage of bardana and store articles**

**District Food Controller Rahim Yar Khan(Procurement) – Rs.107,658**

**19-3-2002:** Regarding Audit observation relating to non-production of record of 7 wheat purchase centres for the scheme 1994-95 and 1996-97, the Department explained that the record was available for verification.

Regarding the embezzlement of stock articles worth Rs.107,658 the Department stated that a case had been registered with Anti-Corruption Establishment.

The case was under investigation by Anti-Corruption Establishment and Regional Accountability Bureau.

The Department was directed to produce the record to Audit and pursue the cases with the Anti-Corruption Establishment and Regional Accountability Bureau. **The para was kept pending.**

**12. Para No.8.3: Page 9 – D-Classifications of 48467 Gunny Bags and Sales of 13740 PP Bags Rs.1,321,595**

**27-12-2001:** The Department explained that as a result of departmental proceedings recovery of Rs.5,36,330 was imposed on the official concerned. The official had filed an appeal in the Punjab Service Tribunal which had stayed the recovery.

The Committee directed that the record of the case as per Audit comments recorded on the working paper should be produced to Audit for verification and the court case should be pursued. **The para was kept pending.**

**13. Para No. 8.4: Page 9 – Loss of Rs.2,153,962,000 due to non recovery of 5909 A class bags and declassification of 77655 B-class bags + 1443 Polypropylene bags at P.R.Centre Badami Bagh**

**26-12-2001:** The Department explained that recovery from 12 dismissed officers was being pursued as arrears of Land Revenue. The Committee directed that all the relevant record of the case may be produced to Audit for scrutiny and comments, and a detailed working paper should be submitted for the next meeting. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 26 December 2001. It had been considered again in the PAC meeting held on 19 March, 2002.

The Department had explained as under:-

**(i) 5909 Bags**

4909 bags had been recovered and matter regarding recovery of remaining 1000 bags had been referred to the Tehsildar Recovery on 13 December 2001.

This **part was settled subject to** balance recovery and its verification by Audit.

(ii) **77655 Bags**

The Department had explained that after declassification of the bags had been auctioned for Rs.46,892 and the balance recovery was being pursued through Tehsildar Recovery. **This part had been kept pending.**

(iii) **1443 Bags**

The Department had explained that declassified bags had been auctioned for Rs.4,000 and the balance recovery was being pursued through Tehsildar Recovery. **This part had been kept pending.**

**The para was kept pending.**

**14. Para No. 8.5: Page 27 and 29 – Loss of Rs.7,315,239 due to de-classification/ damage of bags, tarpaulines and store articles**

**District Food Controller Kasur – Rs.60,655**

**19-3-2002:** The Department explained that the bags in question had been D-classified by the Competent Authority and the same were disposed of through public auction and auction money of Rs.1,153 had been deposited into Government Treasury. The Committee settled the para subject to verification of record by audit.

**30-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

In its latest comments, Audit had pointed out that the Department had not mentioned full facts in the working papers, and stated that the DDF, Lahore vide his letter No.267 dated 25 September 2001 had imposed recovery of Rs.21,895 on account of declassification of 1923 A-class bags upon Mr Muhammad Yasin Khan ex-Food Grain Inspector who had earlier been exonerated.

The Department was directed to complete the recovery, at the earliest. Action should also be taken against the supervising officer who failed to start the necessary action at the appropriate time. **The para was kept pending.**

**15. Para No. 8.7: Pages 27-29 – Loss of Rs.7,315,239 due to de-classification/ damage of bags tarpulines and store articles**

**District Food Controller Sheikhupura – Rs.157,248**

**19-3-2002:** The Department explained that 2504 bags were re-utilized after repair, while 2436 bags were auctioned, with the approval of the Competent Authority. Only 2672 B-class bags were available. The para was settled subject to verification of record by Audit.

**30-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Department explained that after inquiry into the damage of bags and for fixing responsibility thereof the case had been referred to the DDF Lahore Division for final decision.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

**16. Para No. 10: Page 28 – Less realization of cost of wheat worth Rs.56,130**

**District Food Controller, Jhang**

**18-3-2002:** The Department explained that the case for regularization for the adjustment of refund had been referred by the DFC concerned to the Deputy Director Food, Faisalabad. The result was awaited.

Audit pointed out that the case for regularization was referred to the Food Directorate, Lahore in March 1999, but it had not been forwarded to the quarter concerned even after the lapse of 3 years.

The Department was directed to hold an inquiry in the matter – complete the requisite action, including disciplinary action, at the earliest. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 18 March 2002.

Audit had pointed out that the cost of empty wheat bags had been un-authorizedly refunded to the Flour Mills. In the previous meeting, the Committee had directed the Department to hold an inquiry and complete the requisite action at the earliest. But in the working papers for the present meeting, the Department explained that case for regularization had been referred to the authorities concerned.



The Committee was not satisfied with the explanation of the Department and directed that the Department should take appropriate action including disciplinary action, after holding an inquiry and give full facts of the case in the working papers for the next meeting. **The para was kept pending.**

**17. Para No.11: Page 31 – Loss of Rs.269,730 due to expiry of fumigation tablets**

**19-3-2002:** The Administrative Department stated during the meeting that the matter needed inquiry. The Department was directed to complete the inquiry/action at the earliest. **The para was kept pending.**

**18. Para No. 12: Page 31 – Loss of Rs.8,307,880 Due to Damage of Empty Gunny Bags**

**27-12-2001:** The Department explained that in the departmental proceedings three officers/officials had been dismissed and recovery of Rs.3,953,560 had been imposed. Moreover, a criminal case was also got registered on April 30, 1998 which was pending for decision in the Court of Special Judge Anti-corruption, Gujranwala in which the next date of hearing was January 14,2002.

The Committee directed that the recovery/court case should be pursued and the relevant record should be got verified by Audit. The para was kept pending.

**29-7-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

The Department explained that the case was subjudice in the court of Special Judge Anticorruption, Gujranwala. Next date of hearing had been fixed for 19 August 2002.

The Department was directed to pursue the case and finalize the process, at the earliest. **The para was kept pending.**

**19. Para No. 15.1: Page 34 – Irregular Payment of Transportation Charges Amounting to Rs.3,291,478 District Food Controller Bahawalpur**

**27-12-2001:** The Department explained that during the procurement 2000-2001, the policy for payment of transportation charges to the growers/wheat sellers along with the cost of wheat through purchase bill (Form-2) had been approved by the Government. The case for regularization of payment of such transportation charges to the growers during the previous years had been referred to the Finance Department. The para was settled subject to regularization by the Finance Department.

**30-7-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

The Department explained that the transportation charges were paid in purchase bill in accordance with the para No.5 of policy of Food Department.

In the previous meeting, it was stated by the Department that this policy had been approved by the Governor for the procurement year 2000-2001. However, the summary submitted to the Governor by the Department was read by the Administrative Secretary in the meeting which revealed that Governor had not approved the said policy. As such, the issue was re-opened and discussed at length. The Committee directed that the Administrative Department should review the whole case as to how Para No.5 of the policy of Food Department was incorporated in the policy and whether it was incorporated in the policy with the approval of the Finance Department.

The Department was directed to review the matter in depth and submit a detailed working paper in the next meeting of the PAC. **The para was kept pending.**

**20. Para No. 15.2: Page 34 – Irregular payment of transportation charges amounting to Rs.7,616,227**

**District Food Controller Jhang – Rs.464,230**

**19-3-2002:** The Department explained that the transportation charges were paid to growers/sellers through purchase bill in accordance with the procurement policy of the Department. This policy was approved by the Governor for the procurement year 2000-2001. However, the Finance Department had not agreed to regularize such expenditure incurred in the previous years.

The Committee directed that the Department should take appropriate action in the matter and also submit copy of the summary approved by the Governor for the year 2000-2001, copy of the instructions of the Food Department on the subject and copy of the latest decision of the Finance Department should again be sent to the Finance Department for final decision in the matter. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Department explained that the transportation charges were paid in purchase bill in accordance with Para No.5 of policy of Food Department.

In the previous meeting, it was stated by the Department that this policy had been approved by the Governor for the procurement year 2000-2001. However, the summary submitted to the Governor by the Department was read by the Administrative Secretary in the meeting which revealed that Governor had not approved the said policy. As such, the issue was re-opened and discussed at length. The Committee directed that the Administrative Department should review the whole case as to how Para No.5 of the policy of Food Department was incorporated in the policy and whether this had been done with the approval of the Finance Department.

The Department was directed to review the issue in depth and submit a detailed working paper on the issue in the next meeting of the PAC. **The para was kept pending.**

**21. Para No. 15.3: Page 34 – Irregular and Un-authorized Payment of Rs.3,585,122 Transportation Charges Scheme 1996-97 District Food Controller Rahim Yar Khan (Procurement)**

**27-12-2001:** The Department explained that during the procurement 2000-2001, the policy for payment of transportation charges to the growers/wheat sellers along with the cost of wheat through purchase bill (Form-2) had been approved by the Government. The case for regularization of payment of such transportation charges to the growers during the previous years had been referred to the Finance Department. The para was settled subject to regularization by the Finance Department.

**30-7-2002:** The para was considered in the light of PAC directive dated 27 December 2001.

The Department explained that the transportation charges were paid in purchase bill in accordance with para No.5 of policy of Food Department.

In the previous meeting, it was stated by the Department that this policy had been approved by the Governor for the procurement year 2000-2001. However, the summary submitted to the Governor by the Department was read by the Administrative Secretary in the meeting which revealed that Governor had not approved the said policy. As such, the issue was re-opened and discussed in detail. The Committee directed that the Administrative Department should review the whole case as to how Para No.5 of the policy of Food Department was incorporated in the policy and whether it was incorporated in the policy with the approval of the Finance Department.

The Department was directed to review the matter in depth and submit a detailed working paper in the next meeting of the PAC. **The para was kept pending.**

**22. Para No. 15.4: Page 34 and 35 – Irregular payment of transportation charges amounting to Rs.7,616,227**

**District Food Controller Kasur Rs.275,397**

**18-3-2002:** The Department stated that the transportation charges were paid to the wheat growers/sellers along with the price of wheat in accordance with the practice followed by the Food Department.

This policy was also approved by the Governor for the procurement season 2000-2001. The cases of previous years were referred for regularization to Finance Department who had refused to do so.

The Committee directed that the decision of the Finance Department in the matter should be complied with. If necessary, enquiries should be held and recoveries enforced. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 18 March 2002.

The Department explained that the transportation charges were paid in purchase bill in accordance with para No.5 of policy of Food Department.

In the previous meeting, it was stated by the Department that this policy had been approved by the Governor for the procurement year 2000-2001. However, the summary submitted to the Governor by the Department was read by the Administrative Secretary in the meeting which revealed that Governor had not approved the said policy. As such, the issue was re-opened and discussed at length. The Committee directed that the Administrative Department should review the whole case as to how Para No.5 of the policy of Food Department was incorporated in the policy and whether it was incorporated in the policy with the approval of the Finance Department.

The Department was directed to review the issue in depth and submit a detailed working paper in the next meeting of the PAC. **The para was kept pending.**

**23. Para No. 20: Page 40 – Extra Expenditure of Rs.87,822 due to un-justified transfer of wheat stocks**

**20-3-2002:** The Committee was not satisfied with the explanation of the Department given in the working paper about shifting of wheat stocks and directed that an inquiry should be conducted at the Secretariat level in the light of Audit comments in the working paper and action taken accordingly. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 20 March 2002.

The Department explained that in compliance with the above directive, the matter had been referred to the Authority vide letter dated 24 June 2002 for ordering an inquiry.

The Department was directed to complete the inquiry and appropriate action, at the earliest. **The para was kept pending.**

**24. Para No. 22: Page 42 – Loss of Rs.155,983 due to unnecessary shifting of wheat stocks**

**27-12-2001:** The Department was directed that the relevant record in support of the explanation given by it in the working paper should be produced to Audit for verification. The para was kept pending.

**19-3-2002:** The Department explained that the wheat was transported from uncovered to covered store. However, Audit contended that the transportation of wheat was unnecessary.

The Department was directed to probe into the matter and take action accordingly. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Department explained that in compliance with the PAC's directive, the matter had been sent to the Authority for ordering inquiry at higher level vide letter dated 24 June 2002.

The Department was directed to complete the inquiry/appropriate action, at the earliest. **The para was kept pending.**

**25. Para No. 24: Page 15 – Loss due to non-recovery from the Food officials amount to Rs.3,770,975**

**26-12-2001:** The Department explained that demands for recovery against each of the 4 officers at fault had been created as arrears of Land Revenue before District Collector, Khanewal. The cases against Mr Muhammad Sharif, Ex-FGS and Mr Jamshed Ali, AFC are pending with Anti-Corruption Establishment and in the Court of Civil Judge, Jehanian respectively. The Committee directed the Department to follow the recovery process and submit a report about the latest position of cases in the courts in the next meeting. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 26 December 2001.

The Department explained that the recovery of Rs.1,645,748 and Rs.92,718 from Mr. Maqbool Elahi, ex Food Grain Inspector and Mr. Manzoor Ahmad, ex-Food Grain Supervisor was being pursued as arrears of Land Revenue.

The Department further explained that the cases of Mr. Muhammad Sharif, Food Grain Supervisor (Rs.351,258) and Mr. Jamshaid Ali, Assistant Food Controller (Rs.1,881,250) were pending with Anti-Corruption Establishment and demand for recovery as arrears of Land Revenue had also been created with the District Collector concerned.

The Department was directed to reconcile the figures with Audit and complete the recovery/appropriate action, at the earliest. **The para was kept pending.**

**26. Para No. 25.1: Page 44 – Issuance of 7000 bags scheme 1992-93 P.R. Centre Mughalpura recoverable**

**amounting to Rs.3,543,417**

**26-12-2001:** The Department explained that 7000 bags of wheat were given to a flour mill without advance payment under the Package announced by the Chief Minister. An amount of Rs.1,118,250 was later received from the mill but the balance amount of Rs.1,366,750 was still recoverable and the mill had gone into litigation. The Committee directed that full detail of the case may be given in the working paper for the next meeting. In the meantime the relevant record should be produced to Audit for scrutiny and comments. The para was kept pending.

**19-3-2002:** The para was considered in the light of the directive of the Committee dated 26 December 2001.

The Department stated that the flour mill from whom the balance amount of Rs.1,366,750 was recoverable, had filed writ petition in the Lahore High Court, Lahore. Now in the light of the order of the Lahore High Court dated 17 September 1996, the Food Department had taken up the matter with Finance Department and S & GAD for further action in the matter.

The Department was directed to complete the appropriate action at the earliest. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 26 December 2001.

The Department explained that the writ petition No.11778/94 filed by M/s Qaiser Flour Mills was decided by the Lahore High Court vide order dated 17 September 1996 that if the wheat had been delivered by the Food Department under the directions of the Chief Minister's Secretariat to the petitioners who in turn had delivered Atta to their nominees then in that eventuality respondent No.1 had got no authority under the law to claim payment from the petitioner.

The Department explained that the case was being referred to the Finance Department and S & GAD for finalization of the matter.

The Department was directed to get the case decided within three months. **The para was kept pending.**

**27. Para No. 25.6: Page 16 read with 46 and 47 – Loss of Rs.6,561,138 Due to non recovery of cost of wheat/ bardana**

**District Food Controller, Khanewal – Rs.322,500**

**20-3-2002:** The Department explained that the requisite recovery of Rs.2,475 had been made from one official and action for recovery of the balance amount from the remaining five officials (serving or removed) was in progress.

The Department was directed to get the recovery of Rs.2,475 verified by Audit, effect the remaining recovery of Rs.320,025 and take appropriate action against the officer responsible for delayed action in the matter. The para was kept pending.



**30-7-2002:** The para was considered in the light PAC directive dated 18-20 March 2002.

The Committee directed that the balance recoverable amount should be reconciled with Audit and recovery should be made, at the earliest. **The para was kept pending.**

**28. Para No. 25.10: Pages 44 & 46 – Loss of Rs.6,561,138 due to non recovery of cost of wheat/bardana**

**District Food Controller-II, Lahore – Rs.130,331.**

**30-7-2002:** The Department explained that in the case of M/s Haji Imam Din and Co., the penalty of Rs.160,386 had been waived off by the Director Food on appeal.

In the case of Haji Akram & Co, the penalty of Rs.85,015 had been recovered . Similarly, in the case of M/s New Pakistan Goods, the penalty of Rs.1,104 had been recovered.

Audit had verified the position in these three cases. As per recommendation of Audit these **three parts of the para, were settled.**

The Department further explained that in case of Haji Inayat Ullah & Co, no penalty was leviable. The Administrative Secretary was asked to review the case and submit a report to the Committee. **This part of the para was kept pending.**

**29. Para No. 26.2: Page 16 read with 47 – Loss of Rs.137,452 Due to non deduction of income tax**

**(OAD 9) District Food Controller, Rahim Yar Khan – Rs.71,622**

**20-3-2002:** The Department explained that payment of transportation charges to growers along with the cost of wheat was being made as per policy of the Food Department being followed for more than 30 years.

The Committee directed that the whole issue should be referred to the Finance Department and a policy should be got approved by the competent authority and communicated to Audit. Previous cases should be got regularized by the Finance Department failing which the amounts should be recovered from the officers who allowed the unauthorized expenditure. The para was kept pending.

**30-7-2002:** The para was considered in the light of PAC directive dated 18 March 2002.

The Department explained that the transportation charges were paid in purchase bill in accordance with para No.5 of policy of Food Department and the growers were not liable to pay income tax.

In the previous meeting, it was stated by the Department that this policy had been approved

by the Governor for the procurement year 2000-2001. However, the summary submitted to the Governor by the Department was read by the Administrative Secretary in the meeting which revealed that Governor had not approved the said policy. As such, the issue was re-opened and was discussed in detail. The Committee directed that the Administrative Department should review the whole case as to how Para No.5 of the policy of Food Department was incorporated in the policy and whether it was incorporated in the policy with the approval of the Finance Department.

The Department was directed to review the matter in depth and submit a detailed working paper in the next meeting of the PAC. **The para was kept pending.**

## Revenue Receipts Audit

### 1. Para No.8.15: Page 47 – Non-realization of penalty – Rs.4,950,000

**19-3-2002:** The Department explained that the cases of the three Sugar Mills in question would be dealt with in accordance with the final decision of the court or in the light of the decision of the Cabinet for re-scheduling the outstanding amount in installments expeditiously.

The Department was directed to complete the appropriate action, at the earliest. The para was kept pending.

**29-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Department explained that the cases of M/s Tandlianwala Sugar Mills and Ashraf Sugar Mills were still pending adjudication with the Appellate Authority.

The Department was directed to complete the appropriate action, at the earliest. **The para was kept pending.**

### 2. Para No.8.16: Page 47 – Non-realization of sugar-cane cess – Rs.2,443,489

**19-3-2002:** The Department explained that Koh-e-Noor Sugar Mills, Jouharabad had been directed to deposit the cess amount as pointed out by Audit and the matter was being pursued.

The Department further stated that the Cane Commissioner would sort out the matter with the Mills and other concerned.

The Department was directed to complete the necessary action, at the earliest. The para was kept pending.

**29-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Department explained that the case of M/s Koh-i-Noor Sugar Mills, Jouhrabad was still under process. The next date of hearing had been fixed for 31 July 2002.

The Department was directed to complete the appropriate action, at the earliest. **The para was kept pending.**

**3. Para No.8.18: Page 48 and 49 – Short-realization of sugar-cane cess – Rs.660,677**

**19-3-2002:** The Department explained that the Fecto Sugar Mills, Darya Khan had been directed to deposit the cess amount, as pointed out by Audit and the matter was being pursued.

The Department was directed to complete the necessary action, at the earliest. The para was kept pending.

**29-7-2002:** The para was considered in the light of PAC directive dated 19 March 2002.

The Department explained that the case of M/s Fecto Sugar Mills, Darya Khan was in process and the next date of hearing had been fixed for 9 August 2002.

The Department was directed to complete the appropriate action, at the earliest. **The para was kept pending.**

# Forestry, Wildlife, Fisheries, and Tourism Department

## Overview

Total Paras	Civil	Commercial
156	154	2

## Abstract

Status	Decision	Para Nos.	Total	Page Nos.
<b>Paras Finally Settled</b>  <b>79</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 2, 4, 5.2, 7.2, 8.2, 9.1, 9.2, 10.3, 10.4, 10.7, 10.8, 10.12, 11, 12, 17.1, 17.2, 18.1, 20, 22, 23, 26.1, 26.2, 27, 29.3, 29.4, 29.5, 30.1, 30.3, 30.4, 30.5, 30.6, 31.1, 31.5, 32.1, 34, 36.2, 36.3, 36.4, 41, 42, 43.1, 43.3, 43.4, 44.3, 44.4, 45.4, 46.2, 46.4, 46.5, 46.6, 46.7, 46.8, 47.2, 48.1, 49, 50, 53, 54, 56, 60.1, 60.3, 61.1, 61.2, 62.1, 62.2, 63, 64.1, 64.2, 65, 66, 67, 69, 70, 72.6, 72.7, 72.8, 72.9	<b>77</b>	<b>399-417</b>
		<b>Commercial:</b> 3 (xii), 3(xiii)	<b>2</b>	<b>417</b>
<b>Paras Conditionally Settled</b>  <b>59</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 1.1, 1.2, 3, 5.1, 5.3, 5.4, 5.5, 6, 7.3, 8.1, 8.3, 8.4, 8.5, 9.3, 10.1, 10.5, 10.9, 10.10, 13, 14, 15, 16, 18.2, 19, 24, 25, 28, 29.1, 29.2, 30.2, 31.2, 31.3, 31.4, 31.6, 32.2, 36.1, 36.5, 38, 39, 40, 43.2, 43.5, 43.6, 45.2, 45.3, 48.2, 51, 52, 55, 57, 58, 59, 60.2, 68, 72.1, 72.2, 72.3, 72.4, 72.5	<b>59</b>	<b>418-436</b>
<b>Paras Pended</b>  <b>18</b>	Paras pended because the Department had not taken satisfactory action.	<b>Civil:</b> 1.3, 7.1, 10.2, 10.6, 10.11, 21, 33, 35, 37, 44.1, 44.2, 45.1, 46.1, 46.3, 47.1, 64.3, 71, 73	<b>18</b>	<b>437-446</b>

**Discussed on 15-16-17 January, 1-2 April and 1-2 July 2002**

## **Paras Finally Settled Civil Audit**

### **1. Para No.2: Page 31 – Embezzlement of Rs.31,159 through duplicate claim**

**2-4-2002:** The Department explained that the amount of Rs.31,159 under observation in this para was charged once and not twice as assumed by Audit. Audit had verified the position. **The para was settled.**

### **2. Para No. 4: Page 32 – Loss of Rs.104,639 Due to Fictitious Expenditure Incurred on Potted Plants**

**17-1-2002:** The Department explained that an inquiry had been ordered into the matter pointed out by Audit in this para.

The Committee directed that inquiry/action should be completed expeditiously. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

The Department explained that the inquiry concerning fictitious expenditure on potted plants/nurseries had been completed. No irregularity was established. **After discussion, the para was settled.**

### **3. Para No.5.2: Pages 27-33 – Loss of Rs.2,962,041 due to misappropriation of plants firewood and store articles**

#### **Divisional Forest Officer, Jhang – Rs.155,750**

**1-4-2002:** The Department explained that the quantity of firewood in question had actually been sold through public auction on 14 April 1996. Audit had verified the position. **The para was settled.**

### **4. Para No.7.2: Pages 28-34 – Loss of Rs.2,048,934/- due to misappropriation of plants, stumps and timber**

#### **Divisional Forest Officer South Rawalpindi – Rs.1,819,377**

**16-1-2002:** The Department explained as under:-

- (i) Credit certificate of Rs.1,555 issued by Assistant Accounts Officer Rawalpindi was available.
- (ii) The credit certificate of Rs.97.50 issued by the Assistant Accounts Officer Rawalpindi was available.
- (iii) Acknowledgment receipt of 4000 plants supplied to Army was available.
- (iv) Credit certificate for Rs.18,975 issued by Assistant Accounts Officer Rawalpindi was available.
- (v) Credit certificate of Rs.4,155 issued by Sub Treasury Officer Gujjar Khan was available.
- (vi) Credit certificate of Rs.5,000 issued by Sub Treasury Officer Gujjar Khan was available.
- (vii) The credit certificate worth Rs.119,476 issued by Sub Treasury Officer Gujjar Khan was available.
- (viii) The file containing site account was available.

The position had been verified by Audit. **The para was settled.**

**5. Para No.8.2: Page 6 – Misappropriation (Divisional Forest Officer Jhang) Rs.4,116,216/-**

**15-1-2002:** The Department explained that in pursuance of Audit observation the matter had been investigated. In fact the entry of the timber was erroneously made in the Timber Form No.7 twice during the same month and showing the same Credit Voucher No. and the timber was disposed of through open auction after its classification.

The Department was directed to produce a copy of the inquiry report to Audit for scrutiny and further comments. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 15 January 2002.

Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. **On the recommendation of Audit, the Committee settled the para.**

**6. Para No.9.1: Pages 28-36 – Loss of Rs.11,327,506/- due to less yield of forest produce****Divisional Forest Officer, Okara – Rs.4,954,342**

**16-1-2002:** The Department explained that the trees in question were cut 8-10 years in advance during 1996-97 for handing over the area to Habib Bank Limited for afforestation under



“Environmental Afforestation Project”. Before undertaking the felling the advance felling programme was got approved by the Competent Authority. The Department further stated that ultimately the agreement of handing over the land to Habib Bank was not executed. The Department was directed to show all relevant papers to Audit. **With this decision, the para was settled.**

**7. Para No. 9.2: Pages 28-36 – Loss of Rs.11,327,506 due to less yield of Forest produce**

**Administrator Lal Sohanra National Park Bahawalpur – Rs.205,764**

**1-4-2002:** Audit had pointed out that “less yield” of timber had been realized than the approved estimates. The Department explained that less quantity of timber was compensated by increased quantity of firewood. The Department further stated that the overall yield was much more than the estimated yield. The Department was directed to produce the relevant record to Audit (as per its latest Audit comments) for verification. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, the Committee **settled the para.**

**8. Para No.10.3: Pages 28-36 – Loss of Rs.6,447,738 due to misappropriation/shortage of forest produce and store articles**

**Divisional Forest Officer D.G. Khan – Rs.89,085**

**1-4-2002:** The Department explained that the recovery of the entire amount of Rs.89,085 was imposed upon the officials held responsible and the same had been effected. Audit had verified the record. **The para was settled.**

**9. Para No.10.4: Pages 29-36 – Loss of Rs.6,447,738 due to misappropriation/ shortage of Forest produce and store articles**

**Divisional Forest Officer, Rajanpur – Rs.127,904**

**2-4-2002:** The Department explained that in respect of Part A of the para, certain entries in Form-7 were wrongly taken but corrected afterwards. In respect of Part B of the para, the Department explained that 11,000 cft of thinning was sold in open auction and all the amounts had been recovered. Audit had verified the contention of the Department in Part-A and recoveries in Part-B. **The para was settled.**

**10. Para No. 10.7: Pages 29-36 – Loss of Rs.6,447,738 due to misappropriation/ shortage of forest produce and store articles**

**Divisional Forest Officer, Jhang – Rs.358,821**

**1-4-2002:** The Department explained that in all the cases involved in this para, the actual shortage had been determined and its price as calculated by the Department had been recovered. However, Audit had not agreed to the quantities and rates applied by the Department. The Administrative Department was directed to re-examine the case in the light of Audit comments and take action accordingly. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

In its latest comments, Audit had verified the actual recoverable amount as determined by the Department in all the cases involved in this para and the recovery of the same. On recommendation of Audit, the Committee **settled the para.**

#### **11. Para No. 10.8: Pages 29-36 – Loss of Rs.6,447,738 due to misappropriation/ shortage of forest produce and store articles**

##### **Divisional Forest Officer Lahore – Rs.70,038**

**1-4-2002:** The Department explained that after departmental inquiry into the shortage, Mr Hakim Ali was held responsible for the shortage and recovery of Rs.70,038 was imposed upon him which had been recovered from the commuted value of his pension. The recovery had been verified by Audit. **The para was settled.**

#### **12. Para No. 10.12: Pages 8-36 – Loss of Rs.6,447,738 due to misappropriation/ shortage of forest produce and store articles**

##### **Divisional Forest Officer Sialkot – Rs.1,704,437**

**2-4-2002:** According to its latest comments, Audit had verified that item No.I and II had already been included in Audit Para No.8.2.3 of Audit Report for the year 1989-90.

The Department explained that in respect of remaining items of the para, the actual recoverable amounts calculated on the basis of the rates suggested by Audit had been recovered. Audit stated in the meeting that the recovery had been verified. **The para was settled.**

#### **13. Para No. 11: Page 37 – Loss of Rs.98,672 on account of shortage of material and fictitious forest operations**

**2-4-2002:** According to its latest comments, Audit had stated that the recovery of Rs.27,395 on

account of shortage of barbed wire and angle iron along with the recovery of Rs.73,277 on account of fictitious operation had been verified by Audit. **The para was settled.**

**14. Para No. 12: Page 38 – Misappropriation of timber and firewood valuing Rs.60,598**

**1-4-2002:** The Department explained that the recovery of Rs.60,668 on account of shortage of timber and firewood pointed out in this para was imposed upon the concerned official and the same had been recovered. Audit had verified the recovery.

The Department was advised to see if disciplinary action was also required to be taken against the officials responsible for the shortage. With this observation, **the para was settled.**

**15. Para No.17.1: Pages 29-40 – Loss of Rs.118,371 due to misappropriation of costly ornamental plants and stationery articles**

**Divisional Forest Officer (Publicity) Lahore – Rs.76,801**

**1-4-2002:** The Department explained that all the items had been properly accounted for in the relevant stock register. Audit had verified the record and recommended the para for settlement. **The para was settled.**

**16. Para No.17.2: Pages 9-40 – Loss of Rs.118,371 due to misappropriation of costly ornamental plants and stationery articles**

**Divisional Forest Officer Okara – Rs.41,570**

**2-4-2002:** The Department explained that the plants in question were planted in Jinnah Public Park, Okara on the eve of inauguration of moonsoon tree planting campaign in 1996 by the then Prime Minister of Pakistan.

Moreover, the plants had been purchased in August 1996 and payment had been made in June 1997. The record had been shown to Audit. **The para was settled.**

**17. Para No.18.1: Page 30-41 – Loss of Rs.635,687 due to misappropriation of plants**

**Administrator Lal Sohnara National Park Bahawalpur – Rs.458,000**

**16-1-2002:** The Department explained that 50% of the plants were being provided to different institutions free of cost and the record was available for verification. The Department further stated that the recovery of Rs.12,716 had been got verified by Audit and recovery of Rs.21,910 had been imposed on the concerned employees which would be recovered in due course. The Committee directed that balance recovery should be pursued by Administrative Department and monitored by Finance Department. The Committee also suggested that the procedure for the account of plants might be reviewed and tightened – proper acknowledgements should be obtained from those who were provided the plants free of cost. With the above observations, **the para was settled.**

**18. Para No. 20: Page 42 – Misappropriation of 6900 CFT firewood valuing Rs.69,000**

**1-4-2002:** The Department explained that the omission of entry in Form 7 had been rectified. Audit had verified and there was no misappropriation. **The para was settled.**

**19. Para No. 22: Page 43 – Loss of Rs.428,750 due to misappropriation of firewood**

**16-1-2002:** In its latest comments Audit had stated that the firewood in question had been accounted for in timber form No.7 and the same had been verified by Audit. **The para was accordingly settled.**

**20. Para No. 23: Pages 43-44 – Misappropriation of timber valuing Rs.351,854 double discharge**

**17-1-2002:** The Department explained that due to some misunderstanding, the RFO made entries regarding receipt of timber which already stood entered in 11/1993. However, the error had been rectified.

The Committee directed that order of rectification in the record should be properly issued by the Competent Authority. **The para was settled.**

**21. Para No.26.1: Pages 46-47 – Robbery and theft of the government money/vehicle valuing Rs.377,956****Divisional Forest Officer Murree – Rs.87,500**

**1-4-2002:** The Department explained that Mr Waheed Azam, SDFO Ghora Gali got registered an FIR that the amount of Rs.87,500 was robbed from him on 3 November 1996. The Police had recovered an amount of Rs.9,800 from the culprits and the case was still under trial in the court of Civil Judge, Murree. In departmental inquiry, it was established that it was a case of robbery. The Committee directed that the Finance Department should monitor further action in the matter. **The para was settled.**

**22. Para No.26.2: Pages 46-47 – Robbery and theft of the Government money/ vehicle valuing Rs.377,956****Divisional Forest Officer R.Y. Khan – Rs.290,456**

**1-4-2002:** The Department explained that Government vehicle Nissan Pick Up Double Cabin Model 1992 Registration No.BRO-8790 was stolen from Bahawalpur on 21 July 1995 while on its way from Lahore to Rahim Yar Khan with DFO Rahim Yar Khan. The driver of the vehicle parked the vehicle and went for offering the Juma prayers. An FIR was lodged but the vehicle had not been traced by the Police.

The Department further stated that in the departmental inquiry the driver had been exonerated and case had been sent to Finance Department for writing off the loss. Audit had pointed out that in the inquiry conducted by Mr Ghulam Sarwar, Deputy Secretary (Planning), the driver informed the Inquiry Officer “that in fact the vehicle was taken away by the brother-in-law of the DFO, who took it to bazaar from where the same was stolen and not from Juma prayers.”

The Committee was not satisfied with the action which had been taken so far – no action appeared to have been taken against the DFO and there had been inordinate delay in referring the case to the Finance Department. The Committee directed that the Secretary of the Administrative Department should review the whole case and take appropriate action expeditiously. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

The Department explained that the loss of Rs.464,476 on account of theft of the official vehicle had since been written off by the Finance Department vide U.O. No.X(Agri-II)4-73/00 dated 25 April 2002. Audit had verified the same. **The para was settled.**

### **23. Para No. 27: Page 47 – Loss of Rs.209,561 due to wash out of afforestation**

**16-1-2002:** The Department explained that 25 acres of Baila Kala Shadian was planted during 1993-94. Plantation of 8 acres area was eroded out of 25 acres due to river action during 1996-97. The remaining plantation of 17 acres was still being maintained. The explanation of the Department was accepted and **the para was settled.**

### **24. Para No. 29.3: Pages 49-50 – Excess expenditure of Rs.826,767 on account of charging of higher rates**

#### **Divisional Forest Officer Chakwal (R.M) – Rs.56,690**

**1-7-2002:** Audit had pointed out that the Department had charged the planting rate over and above the prescribed rates. The Department explained that the work had been carried out in accordance with the rates prescribed in PC-1 of the Project. Audit had verified the position. **The para was settled.**

### **25. Para No. 29.4: Pages 49-50 – Excess expenditure of Rs.826,767 on account of charging of higher rates**

#### **Divisional Forest Officer Mianwali – Rs.68,485**

**1-4-2002:** The Department explained that the rates charged had been duly approved by the competent authority and no overpayment was involved. Audit had verified the position. **The para was settled.**

**26. Para No.29.5: Pages 49-50 – Excess expenditure of Rs.826,767 on account of charging of higher rates**

**Lal Sohanra National Park, Bahawalpur – Rs.433,749**

**16-1-2002:** The Department explained that the expenditure under observation was incurred as per quantum of work carried out at site. No excess payment was involved. The rates had been approved by Competent Authority. The Department was directed to show the relevant record to Audit to prove its contention. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 16 January 2002.

Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, the Committee **settled the para.**

**27. Para No.30.1: Pages 49-50 – Irregular payment of Rs.413,713 on account of washing allowance**

**Divisional Forest Officer North Rawalpindi – Rs.65,143**

**1-4-2002:** The Department explained that an amount of Rs.68,800 instead of Rs.65,143 had been recovered from Forest Guards and got verified by Audit – the SDAC had settled the para in its meeting held on 24 April 1999. **The para was settled.**

**28. Para No.30.3: Page 49 – Irregular payment of Rs.413,713 on account of washing allowance**

**Divisional Forest Officer, Murree – Rs.103,680**

**16-1-2002:** Audit had stated that recovery of an amount of Rs.103,690 made by the Department from the Forest Guards on account of over payment of Washing Allowance had been verified. **The para was accordingly settled.**

**29. Para No.30.4: Pages 49-50 – Irregular payment of Rs.413,713 on account of washing allowance**

**Divisional Forest Officer Jhang – Rs.44,730**

**1-4-2002:** As per latest Audit comments, the recovery of actual recoverable amount of Rs.37,800 had been verified. **The para was settled.**

**30. Para No.30.5: Pages 49-50 – Irregular payment of Rs.413,713 on account of washing**



**allowance****Divisional Forest Officer Lahore – Rs.93,600**

**1-4-2002:** According to its latest comments, Audit had stated that the recovery of the total amount of Rs.92,220 had been verified. **The para was settled.**

**31. Para No.30.6: Pages 49-50 – Irregular payment of Rs.413,713 on account of washing allowance****Divisional Forest Officer Faisalabad – Rs.58,320**

**1-4-2002:** In its latest comments, Audit stated that the actual recoverable amount was Rs.55,200 which had been recovered and verified. **The para was settled.**

**32. Para No.31.1: Pages 51-53 – Loss of Rs.4,680,713 due to failure of nurseries****Divisional Forest Officer Jhelum – Rs.103,600**

**1-4-2002:** The Department explained that the actual recoverable amount of Rs.73,277 had been recovered and adjusted in the account. The Department further stated that the amount of Rs.29,000 for maintenance of nursery during 1995-96 had not been drawn. Audit had verified the recovery. **The para was settled.**

**33. Para No. 31.5: Pages 51-53 – Loss of Rs.92,031 due to negligence****Divisional Forest Officer, Rajanpur – Rs.92,031**

**2-4-2002:** The Department explained that plantation under development along road side was carried out in 1995-96 at two sites. However, the plantation suffered badly due to grazing. Thus the maintenance of the plantation was discontinued and the funds amounting to Rs.174,500 were surrendered. However, during 1997-98, the said plantation was revived by changing the mode of irrigation and success of 80% and 90% had been achieved in said plantations. Audit had verified the position. **The para was settled.**

**34. Para No.32.1: Pages 51-53 – Loss of Rs.714,100 due to non-finalization of forest offence cases****Divisional Forest Officer Khushab and Jouharabad – Rs.69,305**

**2-4-2002:** The Department stated that the para related to 16 nos Forest offence cases and explained as under:-

1. Eight Forest cases valuing Rs.21,150 had been compounded and adjusted in accounts.
2. In two Forest cases recovery of Rs.9,700 had been imposed on the official at fault, and recovered from him.
3. In further two Forest cases, a recovery of Rs.12,350 had been imposed on the

official at fault and recovered from him.

4. In further three Forest cases, the court had imposed fine of Rs.2,000.

5. In one Forest case, compensation of Rs.150 had been recovered and the wood in question sold for Rs.2,606.

The Committee directed that Finance Department should monitor further action in the case and **the para was settled.**

### **35. Para No. 34: Pages 54-55 – Loss of Rs.236,798 due to cancellation of an auction**

#### **District Forest Officer Bhakkar**

**16-1-2002:** The Department explained that the previous auction was cancelled and the earnest money was forfeited. The new auction rate was higher than the previous rate. The Committee accepted the explanation of the Department and **settled the para.**

### **36. Para No.36.2: Pages 51-56 – Misappropriation of forest produce valuing – Rs.1,801,334**

#### **Divisional Forest Officer Kasur at Changa Manga – Rs.112,743**

**1-4-2002:** The Department explained that timber in question was carried to the sale depot and there was no shortage. Audit had verified the Departmental contention. **The para was settled.**

### **37. Para No.36.3: Pages 52-56 – Misappropriation of forest produce valuing Rs.1,801,334**

#### **Divisional Forest Officer Bahawalpur – Rs.67,040**

**2-4-2002:** The Department explained that the timber in question had been disposed of in an open auction held on 27 March 1998 at the rate of Rs.255/10 and the entire amount of Rs.40,911 had been deposited. Audit had verified the record. **The para was settled.**

### **38. Para No. 36.4: Page 56 – Misappropriation of Forest produce valuing Rs.1,801,334**

#### **Divisional Forest Officer Gujrat – Rs.82,700**

#### **(a) Loss of Rs.82,700 expiry of planting material stumps**

**1-7-2002:** The Department explained that the actual recoverable amount of Rs.38,250 had been recovered from the officials concerned. **The item was settled** after discussion.

**(b) Loss of revenue due to sale of plants/stumps at old rates – Rs.62,544**

**1-7-2002:** Audit had pointed out that the contention of the Department that correct rates had been applied for the sale of stumps was tenable. **The item was settled.**

**39. Para No.41: Page 58 – Doubtful expenditure of Rs.95,312**

**2-4-2002:** The Department explained that different articles under observation in this para had been properly accounted for in the relevant forms and got verified by Audit. However, a recovery of Rs.7,600 had been imposed in one case and the concerned Range Forest Officer had entered it in Form No.11, which will be recovered in due course. **The para was settled.**

**40. Para No.42: Page 59 – Blockage of Government capital amounting to Rs.88,755 due to unnecessary purchase of stock articles**

**1-4-2002:** In its latest comments, Audit had verified the utilization of the items under observation in this para and had recommended the para for settlement. **The para was settled.**

**41. Para No.43.1: Pages 60-63 – Loss of Rs.3,245,833 due to excessive drawal of various forest operation charges****Divisional Forest Officer (RM) Bhakkar – Rs.90,340**

**1-4-2002:** The Department explained that all the works under observation in this para had been included in the APO duly approved by the Conservator of Forests. Audit had verified the position. **The para was settled.**

**42. Para No. 43.3: Pages 60-63 – Loss of Rs.3,245,833 due to excessive drawal of various Forest Operation charges****Administrator Lal Sohanra National Park Bahawalpur – Rs.49,480**

**1-4-2002:** The Department explained that the repairs of the water channels were not included in the Annual Plan of Operation but were essential for ensuring irrigation to the forest crop. The Committee wanted to know as to why this item had not been included in the Annual Plan of Operation, who was competent to sanction this expenditure and whether any overpayment was involved.

The Department was directed to produce the relevant record to Audit as per latest Audit comments for verification. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

The Department explained that an amount of Rs.49,480 had been incurred on repair of pattries of watercourses. The report regarding damage done by wild boars was made by the staff in due course and the repair work was essential. Since it could not be foreseen, it could not be included

in the APO. The estimate for this operation was duly approved by the DFO being the competent authority and no overpayment was involved. **The matter was discussed and the para was settled.**

**43. Para No.43.4: Pages 60-63 – Loss of Rs.3,245,833 due to excessive drawal of various Forest Operation charges**

**Divisional Forest Officer D.G. Khan – Rs.51,332**

**1-4-2002:** The para was considered on 1 and 2 April 2002.

The Department explained that the charges for the increased numbers of irrigation to Bela Plantation were covered in the revised APO approved by the Conservator of Forests. Audit, however, pointed out that the first APO was approved on 18 June 1992 and the revised APO was approved on 30 June 1992 i.e., within 12 days.

On 2 April 2002, the Department explained that the irrigation water was insufficient and two additional waterings were provided in the revised APO. The Administrative Secretary was directed to ensure that such revisions are avoided in future and instructions should be issued to all concerned in this respect. With the above direction, **the para was settled.**

**44. Para No. 44.3: Pages 60-63 – Irregular expenditure of Rs.7,355,442**

**Divisional Forest Officer, (RM) Chakwal – Rs.643,875**

**16-1-2002:** Audit had pointed out that various forest operations were carried out without getting approval of the APO of these works, as laid down in article 47 of the Forest Code. The Department explained that there was no need of approval of APO as funds were allotted to maintain the developed area through SNE of completed schemes. The Department was directed to follow the provisions of Forest Code in letter and spirit – the expenditure on development activities should also be a part of the A.P.O. With this observation, **the para was settled.**

**45. Para No. 44.4: Pages 60-63 – Irregular expenditure of Rs.7,355,442**

**Divisional Forest Officer Mianwali – Rs.219,334**

**1-4-2002:** The Department explained that the expenditure was incurred after completing codal formalities. The DFO was competent to sanction the expenditure under the Delegation of Powers Rules 1990.

The Department was directed to get the record verified by Audit. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, the Committee **settled the para.**

**46. Para No.45.4: Pages 61-64 – Irregular expenditure of Rs.846,907**

**Divisional Forest Officer (RM) D.G. Khan – Rs.60,000**

**1-4-2002:** The Department explained that the desalting of old Tobas was not provided in the SNE but the same was necessary for accumulation of water for drinking purposes of cattle and watering of plants. Therefore, expenditure on other items was curtailed and the amount of Rs.60,000 was spent on the desalting of old Tobas. The total budget had not been exceeded. The explanation of the Department was accepted and **the para was settled.**

**47. Para No.46.2: Pages 61-65 – Irregular expenditure of Rs.1,700,523****Divisional Forest Officer Jhelum – Rs.100,000**

**2-4-2002:** The Department stated that after verification the requisite record, the para had been settled by Special DAC on 24 April 1999. Audit verified the position. **The para was settled.**

**48. Para No.46.4: Pages 61-65 – Irregular expenditure of Rs.1,700,523****Divisional Forest Officer Chakwal – Rs.84,000**

**1-4-2002:** The para was discussed on 1 and 2 April 2002.

The Department explained that the purchase of fire fighting equipment was made through funds allocated under an approved development scheme. All the codal formalities were observed.

Audit pointed out that the payment in question was made on 2 June 1997 whereas sanction was accorded by the Conservator of Forests on 30 June 1997.

The para was again considered on 2 April 2002. The Department explained that the item was provided in budget estimates and no separate sanction was required – it was issued as a matter of abundant caution. Audit had accepted the departmental contention. **The para was settled.**

**49. Para No.46.5: Pages 61-65 – Irregular expenditure of Rs.1,700,523****Divisional Forest Officer Attock – Rs.59,990.**

**1-4-2002:** Audit stated that the Department had produced the relevant record and after examination, the departmental contention had been verified by Audit. **The para was settled.**

**50. Para No.46.6: Pages 61-65 – Irregular expenditure Rs.1,700,523****Divisional Forest Officer Seed Supply Gujrat – Rs.137,090**

**1-4-2002:** The Department explained that the articles under observation had been provided in the development scheme entitled “Punjab Forests Sector Development Project” during the financial year 1996-97. No separate sanction to incur the expenditure was required. Audit had verified the position. **The para was settled.**

**51. Para No.46.7: Pages 61-65 – Irregular expenditure of Rs.1,700,523****Divisional Forest Officer Seed Supply Bahawalpur – Rs.62,300**

**1-4-2002:** In its latest comments, Audit had stated that the departmental contention had been verified from the PC-I of development scheme “Punjab Forest Sector Development Projects”. **The**

**para was settled.**

**52. Para No.46.8: Pages 61-65 – Irregular expenditure of Rs.1,700,523**

**Divisional Forest Officer, Multan – Rs.921,883**

**16-1-2002:** The Department explained that the purchase of polythene bags came under Sowing and Plantation and the Divisional Forest Officer was fully competent to incur expenditure thereon vide the Punjab Delegation of Financial Powers Rules 1970 Part-II Serial No.6(iii) of the special powers of the Forest Department. Audit had verified the position and **the para was accordingly settled.**

**53. Para No.47.2: Pages 61-65 – Irregular expenditure of Rs.789,391**

**Divisional Forest Officer, Layyah – Rs.702,291**

**17-1-2002:** Audit had pointed out that an amount of Rs.70,229 had been spent on the repair of a tractor and a pick-up which was beyond the competency of the DFO.

The Department explained that repair of Tractor and Pick up was got done after obtaining NOC from Agriculture Workshop and sanction was accorded by the Competent Authority. The explanation of the Department was accepted and **the para was settled.**

**54. Para No.48.1: Pages 61-66 – Excess/irregular expenditure of Rs.1,667,337**

**Conservator of Forest, (P&E) Lahore – Rs.1,585,065**

**16-1-2002:** Audit had pointed that the percentage of Sheesham and Eucalyptus to be planted in a project had been published in the PC-I. However, Eucalyptus plants were planted exceeding in large numbers which increased the cost of the project. The Department explained that there was provision for variation up to 30% in the PC-I. These variations were made on the basis of the soil conditions and the PC-I was revised accordingly. Moreover, the expenditure was within the budget allocation. The explanation of the Department was accepted and **the para was settled.**

**55. Para No.49: Page 66 – Loss of Rs.57,725 due to misappropriation of forest produce**

**1-4-2002:** The Department explained that the amounts of Rs.800 and Rs.3,700 on account of stumps had been recovered. Planting stock worth Rs.5,200 was supplied free of cost to Pakistan Army. Audit had stated in the meeting that the position had been verified. **The para was settled.**

**56. Para No.50: Page 67 – Excess consumption of P. Bags valuing Rs.79,488**



**2-4-2002:** The Department explained that in view of specific condition of Murree Kahuta area, high density polythene bags of 0.3 mm gauge were used for Conifer saplings instead of 0.03 mm gauge. The competent authority had approved the same and the para had been settled by Special DAC. **The Committee decided to settle the para.**

**57. Para No. 53: Page 68 – Excess expenditure amounting to Rs.1,399,165 on account of fictitious and superfluous flow irrigation**

**17-1-2002:** Audit had pointed out that government was put to loss amounting to Rs.1,399,165 during 1992-93 to 1995-96, because flow irrigation had been changed for more than maximum possible acreage due to the changing factors.

The Department explained that charging of irrigation and admissible rates had been correctly paid. The Department was directed to produce the relevant record to Audit for verification of its contention. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, the Committee **settled the para.**

**58. Para No. 54: Page 69 – Irregular purchase of Food grains amounting to Rs.995,936 and loss of Rs.132,039 due to purchase at higher rates**

**2-4-2002:** The Department explained that feed for animals and birds kept in the National Park had been purchased according to the prescribed scale on the daily consumption basis. The expenditure was covered in the approved APO and sanctioned by the competent authority. The Department further explained that the amount of para related to total expenditure of 4 years and the average monthly expenditure worked out at Rs.20,742. However, the purchase procedure had been further streamlined. The explanation of the Department was accepted and **the para was settled.**

**59. Para No. 56: Page 70 – Un-authorized grant/issue of green trees valuing Rs.14,298,900**

**17-1-2002:** The Department explained that no green tree but wind fallen trees were granted to the land owners/residents of the protected forest in Murree and Kahuta under the provision of Forest Act.

The position had been verified by Audit. **The para was settled.**

**60. Para No.60.1: Pages 73-75 – Wasteful expenditure of Rs.1,731,176 on account of salaries**

**Divisional Forest Officer, Kasur at Changa Manga – Rs.161,856**

**16-1-2002:** Audit had pointed out that wood seasoning kiln was out of order for the last many years but the staff employed thereon was being paid without any work. The Department explained that services of the incumbents who were serving against the permanent sanctioned posts were being utilized against various vacant posts in the Department which were equivalent to their scales but they were being paid their salaries against original sanctioned posts available in the budget grant of the Department. However, in view of the audit observation the case had been referred to the Finance Department for regularisation.

The Committee observed that the Finance Department should monitor further action in the matter. With the above observation, **the para was settled.**

**61. Para No. 60.3: Page 75 – Wasteful expenditure on staff of Jallo Rosin Factory Rs.856,904**

**DFO Lahore/Sheikhupura – Rs.856,904**

**17-1-2002:** The Department explained that a para relating to the salary of the staff of defunct Jallo Rosin Factory was discussed in detail in the Special DAC meeting held on April 10, 1999 and was dropped from the Civil Audit Report because it related to Commercial Accounts of Jallo Rosin Factory for the year 1995-97. The Committee agreed to the recommendations of the SDAC and **dropped the para.**

**62. Para No.61.1: Pages 73-75 – Loss of Rs.225,527 due to cancellation of auction**

**Divisional Forest Officer, Sargodha – Rs.101,906**

**16-1-2002:** The explanation given by the Department for cancellation of the auction and reduction of a lot and dividing another lot into three parts was accepted by the Committee and **the para was settled.**

**63. Para No. 61.2: Page 65 – Loss of Rs.225,527 due to cancellation of auction**

**Divisional Forest Officer, Muzaffargarh – Rs.123,621**

**17-1-2002:** The Department explained that the first auction was cancelled on June 1, 1996 because all the members of the Auction Committee were not present at the time of the auction. The second auction was held on June 16, 1996 by the Auction Committee. The highest offer received in

the second auction was less than that received in the first auction but it was not less than the price approved by the Competent Authority. Thus there was no irregularity in the auction.

The Committee was not satisfied with the explanation of the Department. The Committee wanted to know whether the policy adopted in the auction was justified and whether the same bidder had been awarded the contract. The Committee directed that an inquiry should be held at the Secretariat level into the matter to thrash out the issues involved in this audit para. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

The Department explained that according to the findings of the inquiry report Government had sustained no loss in this case.

The Committee directed that the prescribed rules should be followed in letter and spirit in the auction of lots. With the above observation, **the para was settled.**

**64. Para No.62.1: Pages 73-76 – Excess expenditure of Rs.5,984,850 on account of carriage charges and silt clearance**

**Divisional Forest Officer, (TED) Rawalpindi – Rs.5,923,326**

**16-1-2002:** In its latest comments, Audit had stated that this para had been settled in SDAC in its meeting held on March 14, 1998. The Committee agreed to the recommendation of SDAC and **settled the para.**

**65. Para No. 62.2: Pages 73-76 – Excess expenditure of Rs.5,984,850 on account of carriage charges and silt clearance**

**Divisional Forest Officer, Bahawalpur – Rs.61,524**

**2-4-2002:** The Department explained that the channel under observation ran through the plantation and had very high banks. The work involved silt clearance, handling and dressing and not merely silt clearance as assumed by Audit. The Department stated that the rate analysis had been approved by the competent authority on file and the same type of analysis had been applied during the previous years as well during the succeeding years. The Department was directed to review the case and produce all the relevant record to Audit in support of its contentions along with the measurement books. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 2 April 2002.

After verification of record, Audit had commented that the Department had effected a saving of Rs.33,810 by adopting the rates other than the CSR rates.

On the recommendation of Audit, **the Committee settled the para.** It was hoped, however, that this case would not create an awkward precedent.

**66. Para No. 63: Page 77 – Loss of Rs.715,400 on account of occupation of un-declared rest house**

**17-1-2002:** The Department explained that the building in question was declared as camp office of the Secretary of the FWF&T Department and as such the furnishing of camp office was a valid charge.

The explanation of the Department was accepted after detailed discussion and **the para was settled.**

**67. Para No. 64.1: Pages 73-78 – Loss of million of rupees due to theft/illicit removal of trees etc.**

**Divisional Forest Officer Khushab – Rs.33,680**

**16-1-2002:** The Department stated that all the cases of theft of trees were tried by the court of law and fine imposed by the court on the culprits amounting to Rs.9,400 had been recovered and deposited in the government treasury. **The para was settled.**

**68. Para No. 64.2: Pages 73-78 – Loss of million of rupees due to theft/illicit removal of trees etc**

**Divisional Forest Officer, Gujranwala – Rs.48,600**

**17-1-2002:** Audit had pointed out that heavy loss was sustained by the government due to fire and suggested that an inquiry into the matter might be held to fix the responsibility and to ascertain the loss.

The Department explained that an inquiry was held at the level of Conservator of Forests Lahore Circle. According to the inquiry report neither was any loss sustained by government nor any inefficiency/negligence on the part of the staff was proved. The explanation of the Department was accepted and **the para was settled.**

**69. Para No. 65: Page 79 – Loss of Rs.74,611 due to excess use of eucalyptus seed**

**2-4-2002:** The Department explained that as per PC-I of the Scheme “Social Forestry in the Punjab Phase-II” there was a provision of Rs.40 as cost of seed for 1,000 plants, which had not been exceeded. The explanation of the Department was accepted and **the para was settled.**

**70. Para No.66: Page 79 – Wasteful expenditure of Rs.197,700 on carriage of timber to safar place**

**2-4-2002:** The Department was directed to provide evidence to Audit that the timber was shifted to a depot, which actually existed in 1995. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 2 April 2002.

The Department explained that the temporary sale depot in question was established in 1995, but, its approval was received on 23 August 1997.

After discussion, **the Committee decided to settle the para.** The Administrative Secretary assured to look into the matter as to why two years were taken for approval of the establishment of the depot.

**71. Para No. 67: Page 80 – Excess drawal of handwatering charges and struck of silt menuer valuing Rs.109,628**

**2-4-2002:** The item-wise explanation given by the Department was considered in the light of audit comments thereon. Item Nos. 2 and 5 were **settled.** Item Nos.1, 3 and 4 were **kept pending** with the direction that the relevant record including the PC-I, should be shown to Audit for comments.

**2-7-2002:** The para was considered in the light of PAC directive dated 2 April 2002.

Audit pointed out that the departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, the Committee **settled the para.**

**72. Para No. 69: Page 81 – Excess expenditure of Rs.190,713 on fictitious plantation**

**16-1-2002:** Audit had pointed out that excess plantation charges had been claimed than the actual number of plants. The Department explained that timber form No.7 for the year 1994-95 had been

checked. There was no discrepancy between timber form No.7 and entries made in the cash book. The Department was directed to produce the relevant record to Audit for verification and comments. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 16 January 2002.

After verification of record, Audit had verified the contention of the Department. On recommendation of Audit, **the para was settled.**

**73. Para No. 70: Page 81 – Loss of Rs.103,558 due to excess consumption of mixture of soil, manure and silt**

**2-4-2002:** According to the latest comments, Audit had stated that the actual recoverable amount of Rs.26,163 had been recovered and verified. **The para was settled.**

**74. Para No. 72.6: Pages 83-84 – Non-recovery of the government dues amounting to Rs.11,681,226**

**Divisional Forest Officer Rajanpur – Rs.451,066**

**17-1-2002:** The Department explained that the actual outstanding amount according to form No.11 was Rs.13,916 which would be recovered as per schedule from the pay bill of the employees. The Department was directed to ensure full recovery at the earliest. **The para was settled.**

**75. Para No.72.7: Pages 83-84 – Non-recovery of the government dues amounting to Rs.11,681,226**

**D.F.O.Lahore – Rs.806,400**

**1-7-2002:** In its latest comments, Audit had verified the recovery of Rs.1,008,971 as against the amount of the para Rs.806,400. Audit had further verified as correct the departmental contention that only 22 quarters were provided electricity from the bulk supply and the same had since been discontinued. **On the recommendation of Audit, the para was settled.**

**76. Para No. 72.8: Pages 83-84 – Non-recovery of the Government dues amounting to Rs.11,681,226**



**Divisional Forest Officer Lahore – Rs.40,000**

**1-4-2002:** Audit had pointed out that on checking the log book of tractor No.LOK-6313, it was found that the tractor was used at private land of the Forest Minister for the period from 12 March 1996 to 10 May 1996. The Department explained that the log book of the tractor was incomplete and had not been written properly.

The Department was directed to conduct an inquiry and complete appropriate action/recovery at the earliest. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 16 January 2002.

The Department explained that in the light of the findings of the inquiry report, a sum of Rs.40,000 had been recovered and deposited into Government Treasury on 25 June 2002. Audit had verified the recovery. **The para was settled.**

**77. Para No.72.9: Pages 83-84 – Non-recovery of the Government dues amounting to Rs.11,681,226****Divisional Forest Officer Faisalabad – Rs.55,000**

**1-4-2002:** The Department explained that the compensation had been realized as per rates given in the schedule of compensation.

The Department further stated that the para was settled in SDAC meeting on 29 April 1999. The Committee decided to **settle the para.**

**Commercial Audit****1. Para No.3(xii): Page 6 – Government Jallo Rosin and Turpentine Factory, Lahore-Non Submission of Accounts**

**15-1-2002:** The Department explained that the requisite accounts had since been submitted to Audit. On a query by the Committee, the Department explained that the inventory of machinery of the factory which was closed in 1988 had been prepared. The reserve price for auction of the machinery etc. had been assessed and sent to the Finance Department for approval. On a further query, the Department stated that presently only 4 officials were on duty at the factory. Their case was also being sent to S&GAD for absorption in other departments.

The Committee observed that the machinery of the factory was depreciating day by day in value and its auction should be expedited. With the above observation, **the para was settled.**

**2. Para No.3 (xiii): Page 6 – Tourism Development Corporation of Punjab, Lahore-Non Submission of Accounts**

**15-1-2002:** The Department explained that the requisite accounts had since been submitted to Audit. The reasons for late submission of the accounts was that the Annual General Meeting of the Corporation was held after a long time. **The para was settled** and noted by the Committee.

## **Paras Conditionally Settled**

### **Civil Audit**

#### **1. Para No.1.1: Pages 27-31 – Embezzlement of government dues amounting to Rs.677,316**

##### **Divisional Forest Officer, Layyah – Rs.388,916**

**17-1-2002:** Audit had pointed out that receipts on account of earnest money and other government dues had not been deposited into government treasury. The Department explained that the amounts of Rs.328,483 and Rs.42,338 had been recovered from the officials concerned and deposited into government treasury and amount of Rs.18,300 would be recovered from the concerned range Forest Officials.

The Committee asked as to why disciplinary action had not been taken against the officials responsible for misappropriation of the government money and directed that suitable action should be taken against them and the record of recovery/disciplinary action should be got verified by Audit. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

Audit pointed out that out of total amount of Rs.388,916 an amount of Rs.358,666 had been recovered and verified by Audit.

The Department explained that efforts were being made to effect the outstanding amount, at the earliest. The Committee **settled the para subject to** recovery of the balance and its verification

by Audit.

**2. Para No.1.2: Pages 27-31 – Misappropriation of Rs.63,050 on account of sale proceed of 252,200 P. Bags Plants**

**Divisional Forest Officer, Layyah – Rs.63,050**

**2-4-2002:** According to its latest comments, Audit had seen various Treasury Challans for deposit of Rs.55,185 but had asked for credit verification by DAO concerned. **The para was settled subject to verification of record by Audit.**

**3. Para No.3: Page 32 – Embezzlement of government money amounting to Rs.63,440**

**16-1-2002:** The Department explained that an amount of Rs.46,610 had already been deposited by concerned officials into government treasury. Moreover, the recovery of Rs.16,830 had been imposed on official at fault along with punishment of reduction of pay in time scale. The recovery had since been effected. **The para was settled subject to verification of record by Audit.**

**4. Para No.5.1: Pages 27-33 – Loss of Rs.2,962,041 due to misappropriation of plants firewood and store articles**

**Divisional Forest Officer Jhelum – Rs.14,198**

**2-4-2002:** The Department explained that there was no difference in the closing and opening balances as pointed out by Audit in this para. The Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 and 2 April 2002. Audit reported that the Department had not yet produced the relevant record.

The Committee directed that the requisite record as per latest comments of Audit should be produced, at the earliest. The Committee **settled the para subject to verification of record by Audit.**

**5. Para No.5.3: Pages 27-33 – Loss of Rs.2,962,041 due to misappropriation of plants firewood and store articles**

**Divisional Forest Officer Bhakkar – Rs.115,475.**

**1-4-2002:** The Department explained that during restructuring of the administrative set up of Bhakkar Forest Division, Bhakkar Range was divided into two parts. The stock articles mentioned in the audit para were taken in Form No.16 of newly created Mankera Range-the same were properly entered in the stock register which was available at the site.

After verification of record Audit had pointed out that articles worth Rs.6,950 were neither found entered in Form No.16 of Mankera Range nor that of Bhakkar Sub-Division. The Department stated that this amount had been recovered. **The para was settled subject to** verification of record by Audit.

**6. Para No.5.4: Page 33 – Loss of Rs.2,962,04 due to misappropriation of plants firewood and store articles****Divisional Forest Officer Muzaffargarh – Rs.1,581,528**

**16-1-2002:** The Department explained that recovery of Rs.1,574,418 had been realized/recovered leaving a balance of Rs.7,110. The Department was directed to make the balance recovery expeditiously. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 16 January 2002.

The Department explained that the accused official had been charge sheeted. However, on the receipt of the charge sheet, the official had deposited Rs.7,110 into Government Treasury.

The Committee directed that the action initiated against the official should be brought to its logical conclusion. **The para was settled subject to** verification of recovery.

**7. Para No. 5.5: Pages 27-33 – Loss of Rs.2,962,041 Due to Misappropriation of Plants, Firewood and Store Articles****Divisional Forest Officer, Canal Side Bahawalnagar – Rs.968,190**

**17-1-2002:** The Department explained that all the forest produce involved in this para had been accounted for and its disposal was available in the relevant record. The record of 6 out of 17 cases had been reconciled with Audit and the records of the remaining 11 cases were being reconciled.

The Department was directed to complete the necessary action in the matter expeditiously.

The Department was asked to arrange a presentation before the Committee on its internal control system and how the top management ensured its effectiveness. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

Audit reported that the Department had not yet reconciled the figures of Form-7.

The Department was directed to produce the relevant record to Audit as per latest comments by Audit. **The para was settled subject to verification by Audit.**

**Note:** The Department informed the Committee that as per its previous directive a presentation had been prepared on internal control system being practised in the Department and measures to ensure their effectiveness.

The Committee desired that hard copies of the presentation should be provided to the members of the Committee. The presentation should also include information about the operation of Form-11 and its up-to-date position in consolidated form, printing of various forms and encroachments of forest land. The date for the presentation would be intimated to the Department by the Committee in due course.

## **8. Para No. 6: Page 34 – Misappropriation of Timber and firewood valuing Rs.475,718**

**15-1-2002:** The Department explained that shortage pointed out by Audit at serial No.1,2,4,5,7,8&9 was due to clerical mistake and the same had been corrected in the relevant form.

The shortage of 14.10 Cft firewood at serial No.3,6-10 had been made good by recovering the amount of Rs.4,218/-

Audit pointed out that the entries in the record which had been made subsequently were not acceptable. The Committee was not satisfied with the action taken and explanation given by the Department and directed that the Administrative Department should enquire into the matter and take action accordingly. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 15 January 2002.

The Department explained that according to the findings of the inquiry report, shortage of 3,771 cft timber and 1,000 cft firewood had been established and the responsibility had been fixed on the concerned officers.

The Department was directed to take appropriate action in the matter, and effect the recovery. Finance Department was directed to monitor the case. With the above direction, **the para was settled.**

**9. Para No.7.3: Page 28 – Non production of receipt books for receipt of Government dues and misappropriation of lacs of rupees**

**Divisional Forest Officer, Jhang – Rs.127,619**

**1-4-2002:** The Department explained that all the stocks/material under observation in this para had been properly accounted for. The timber involved in a theft case had also been recovered and was lying with BO Sajhawal as “Maal Muqadma” and would be disposed of when the court case is decided. Audit had partially verified the accountal of timber and sale proceeds.

**The para was settled** with the direction that the Finance Department should monitor progress in the case.

**10. Para No.8.1: Pages 28-35 – Loss of Rs.10,226,867 due to misappropriation of various forest produce**

**Divisional Forest Officer Gujrat – Rs.144,351**

**1-4-2002:** The Department explained that it had been found that the stumps and plants had been taken in their relevant forms, and there was no misappropriation. **The para was settled subject to** verification by Audit.

**11. Para No.8.3: Pages 28-35 – Loss of Rs.10,226,867 due to misappropriation of various forest produce**

**Divisional Forest Officer Bhakkar – Rs.84,125**

**1-4-2002:** The Department explained that the accountal/disposal of plants/stumps valuing Rs.60,975 was available in Form No.8. The balance amount of Rs.23,150 had been recovered. **The para was settled** subject to verification of record by Audit.

**12. Para No.8.4: Pages 28-35 – Loss of Rs.10,226,867 due to misappropriation of various forest produce**

**Divisional Forest Officer, Muzaffargarh – Rs.346,344**

**17-1-2002:** The Department stated that forest produce worth Rs.299,936 had been reconciled. A sum of Rs.38,868 had been recovered leaving a balance of Rs.7540 which would be recovered from the concerned retired Forest Guard from his gratuity. The Department was directed to make the balance recovery expeditiously and get the recovery/record verified by Audit. **The para was settled subject to** Audit verification.

**13. Para No.8.5: Pages 28-35 – Loss of Rs.10,226,867 due to misappropriation of various**



**forest produce****Divisional Forest Officer, Layyah – Rs.5,535,831**

(a) **17-1-2002:** As per latest Audit comments a sum of Rs.125,445 had been recovered and verified. Recovery of Rs.16,525 had been imposed on various officials and shown as recoverable in form 11. Stumps worth Rs.7,620 had been shown as issued free of cost to schools and the balance amount of Rs.9,000 was still recoverable.

The **para was settled subject to** recovery of balance and its verification by Audit.

(b) As per latest Audit comments the disposal of timber/firewood worth Rs.1,145,042 had been verified. Recovery of Rs.109,441 had been imposed on the official concerned and taken in form 11 which was still recoverable. The disposal of timber/firewood worth Rs.321,182 had not yet been verified and recovery of balance amount of Rs.3,801,576 had yet to be verified.

The **para was settled subject to** recovery of balance and its verification by Audit.

**14. Para No.9.3: Page 7 – Misappropriation – Divisional Forest Officer Canal Side Bahawalnagar – Rs.6,167,400**

**15-1-2002:** Audit had pointed that according to the felling/thinning programme approved by the Conservator Forests, Bahawalpur, the target of timber yield was estimated 56,665 cft against which actual yield 46,386 cft timber was obtained. Thus less yield 10,927 timber amounted to a loss of Rs.6,167,400.

The Committee was not satisfied with the explanation of the Department given in the working paper and directed that Administrative Department should hold an inquiry into the matter and take action accordingly. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 15 January 2002.

The Department explained that according to the findings of the inquiry report, the timber volume obtained was justified and there was no “less yield” as contended by Audit.

The Department was directed to get the record verified by Audit and take necessary action to resolve the matter. The Finance Department was directed to monitor the case. With the above direction, **the para was settled.**

**15. Para No.10.1: Pages 28-36 – Loss of Rs.6,447,738 due to misappropriation/ shortage of forest produce and store articles**

**Divisional Forest Officer Bhakkar – Rs.173,900**

**1-4-2002:** The Department explained that in parts I, II, III and IV recoveries of Rs.6,000, Rs.1,800, Rs.750 and Rs.5,000 respectively had been effected. In part V no recovery was due. The Department further stated that in respect of part VI of the para an amount of Rs.1,250 had been recovered and recoveries of Rs.14,213 and Rs.5,000 had been imposed.

The Department was directed to get the record verified by Audit as per latest Audit comments. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 February 2002.

Audit had pointed out that in all the components most of the recoveries had been effected and verified by it.

The Department explained that efforts were underway to effect the recovery of the balance.

**The Committee settled the para subject to** recovery of the balance and its verification by Audit. The Finance Department should monitor the same.

**16. Para No.10.5: Pages 29-36 – Loss of Rs.6,447,738 due to misappropriation/ shortage of forest produce and store articles****Divisional Forest Officer Layyah – Rs.1,335,522**

**17-1-2002:** The Department stated that recovery of Rs.863,575 had been got verified by Audit. The balance recoverable amount had been mentioned in form 11 and would be recovered in due course. **The para was settled subject to** recovery of balance and its verification by Audit.

**17. Para No.10.9: Pages 29-36 – Loss of Rs.6,447,738 due to misappropriation/ shortage of forest produce and store articles****Divisional Forest Officer Muzaffargarh – Rs.350,880**

**2-4-2002:** The Department explained that out of 3,348.44 cft timber under observation in this para, 1,344.29 cft was auctioned for Rs.47,716. As far as balance of 2,004.15 cft timber was concerned, recovery of Rs.73,696 was imposed on two concerned officials.

The Department further explained that shortage of seed was 128 maunds and not 162 maunds as pointed out by Audit. A recovery of Rs.11,520 had been imposed upon the concerned officials.

The Department was directed to produce the relevant record to Audit. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 2 April 2002.

The Department explained that an amount of Rs.47,716 had been recovered as the price of sold timber. As regards the balance timber, the recovery had been imposed against each of the officers/officials concerned.

The Department was directed to produce the record to Audit. **The Committee settled the para** subject to verification of record by Audit.

**18. Para No.10.10: Pages 29-36 – Loss of Rs.6,447,738 due to misappropriation/shortage of forest produce and store articles**

**Divisional Forest Officer Mianwali – Rs.134,765**

**1-4-2002:** As per latest Audit comments, the Department had completed necessary action in respect of Item Nos.I, III, IV, V, VII,VIII, IX, XIII and XIV of this para and Audit had recommended these items for settlement. The Department was directed to complete the necessary action in respect of the remaining items. **The para was settled subject to** verification of record by Audit.

**19. Para No.13: Page 38 – Loss of Rs.804,393 – Misappropriation of Timber and Firewood**

**17-1-2002:** The Department explained that the record relating to the amount of Rs.788,817 had been reconciled and the balance amount of Rs.15,576 would be recovered at the earliest.

**The para was settled** subject to recovery of balance amount and its verification by Audit.

**20. Para No. 14: Page 39 – Loss of Rs.241,293 due to misappropriation of stores and materials**

**2-4-2002:** According to its latest comments, Audit had stated that out of 19 items under observation in this para, entries in respect of 12 items had been verified while the remaining 7 items had not yet been got verified by the Department.

The Department was directed to produce the relevant record for verification. **The para was settled** subject to verification by Audit.

**21. Para No. 15: Page 39 – Loss of Rs.60,165 due to misappropriation of POL**

**1-4-2002:** The Department explained that the requisite record could not be produced at the time of audit due to the non-availability of bulk supply register. The same was now available for verification. The representative of the Finance Department pointed out that the audit comments were over simplified. Audit should have given para-wise comments, as per original Audit para.

The Committee expressed its concern at non-production of record to Audit and directed the

Department to produce all the relevant record to Audit without delay for verification. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

After verification of record, Audit had offered the following comments on each part of the para:-

i) The record had been verified.

ii) Recovery of Rs.1,693 had been verified but credit verification certificate was yet to be verified.

iii) Recovery of Rs.392 was yet to be verified.

iv) The record had been verified.

v) The record had been verified.

vi) The record had not been produced.

The Department was directed to produce the relevant record to Audit. The Committee **settled the para** subject to verification of record by Audit.

## **22. Para No. 16: Page 40 – Loss of Rs.104,320 due to misappropriation of P.O.L**

**1-4-2002:** The Department explained that out of log books of 8 vehicles under observation in this Para, the log books of 6 vehicles had been produced to Audit. Out of the remaining two log books, one log book was available in damaged condition as its entries had been washed out in the flood. However, the remaining log book (8th) had not been traced out.

The Committee directed that the case of damaged and missing log books should be referred to Finance Department and further action should be taken as per decision of the Finance Department. In respect of 6 log books produced to Audit, the latest audit comments should be complied with. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 and 2 April 2002.

In its latest comments, Audit had pointed out that the Department had not referred the case of damaged and missing log books to Finance Department and had not produced the six available log books complete in all respects.

The Committee directed that the Administrative Department should complete appropriate action, at the earliest and the Finance Department should monitor the same. Subject to this direction, **the para was settled.**

**23. Para No. 18.2: Pages 30-41 – Loss of Rs.635,687 due to misappropriation of plants****Divisional Forest Officer (Ext) Lahore – Rs.177,687**

**1-4-2002:** The Department explained that out of 355,373 plants under observation in this para, 293,436 plants had been disposed of to farmers and NGOs upto August 1999. 180,000 plants were damaged due to heavy rain/flood and the case of their write off was in process. For the remaining 73,753 plants a recovery of Rs.78,737 was imposed on the concerned official and the recovery was in process. The Department was directed to show the relevant record to Audit. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

In its latest comments, Audit had asked for the Nursery Register in respect of the raising and disposal of 355,373 plants. The Department explained that Nursery Register was not available as the Nursery record was damaged in the flood of August 1996. However, Form No.7 was available.

The Committee directed that Audit might verify the departmental contention from collateral record. The Committee **settled the para subject to** verification of record by Audit.

**24. Para No. 19: Page 41 – Misappropriation of timber/firewood amounting to Rs.1,740,276**

**16-1-2002:** The Department explained that the contractors backed out from their bids and the lots were cancelled and the earnest money was forfeited. After several attempts the lots were sold at the lower rates because no good competitors turned up. The Committee directed the Department that proceedings of all the auctions should be produced to Audit for verification. **The para was settled subject to** verification of record by Audit.

**25. Para No.24: Page 44 – Misappropriation of timber and firewood valuing Rs.199,628 by fictitious disposal**

**17-1-2002:** The Department explained that the timber valuing Rs.199,628 involved in this para had already been sold. The error/omission had been rectified. **The para was settled** subject to Audit verification.

**26. Para No.25: Page 45 – Misappropriation of confiscated timber valuing Rs.135,789**

**2-4-2002:** Audit had pointed out that timber valuing Rs.135,789 was confiscated during 1994-95 to 1996-97 but the same was not entered in Form No.17 or Form No.7. The Department explained

that the actual value of the timber involved in this para was Rs.76,864 and all the confiscated timber was entered in Form No.17 excepting damage of trees. **The para was settled subject to verification by Audit.**

## **27. Para No. 28: Page 48 – Heavy Loss of Forest Produce Due to Fire/Unauthorized Cutting of Trees**

**17-1-2002:** Audit had pointed out that a scrutiny of F.C. register of various sub division/ranges for the period July 1996 to June 1997 revealed that break out of fire in jungle and unauthorized cutting of trees had been recorded. Audit further noticed that no value of the loss caused due to fire/ unauthorized cutting of trees had been shown in the register.

The Department explained that the para related to 21 F.C cases. In all cases necessary action under the law had already been completed and the record was available.

The Committee decided that the detail should be shown to Audit for verification. **The para was settled** subject to Audit verification.

## **28. Para No.29.1: Pages 49-50 – Excess Expenditure of Rs.826,767 on Account of Charging of Higher Rates**

### **Divisional Forest Officer Layyah – Rs.146,158**

**17-1-2002:** Audit had pointed out that Shisham Bed Nurseries were raised under new technique by charging higher rates for different forest operations than those in the schedule of rates of 1974 without the prior approval of the competent authority. Audit further pointed out that a sum of Rs.146,158 was paid in excess.

The Department explained that estimate was duly approved by the Conservator of Forests, DG Khan. Moreover, the expenditure incurred was according to the approved amount which could be verified.

The Committee directed that all the relevant record should be produced to Audit. **The para was settled subject to verification by Audit.**



**29. Para No. 29.2: Pages 49-50 – Excess expenditure of Rs.826,767 on account of charging of higher rates**

**Divisional Forest Officer D.G. Khan – Rs.121,685**

**1-4-2002:** Audit had pointed out that the maintenance charges of potted plants were charged in excess of the prescribed rates. Moreover, the number of plants charged were also in excess of those approved in Form 7. The Department explained that the APO had been duly revised by the Conservator of Forests for the increased quantity of plants. This position had been verified by Audit. However, the Department had not explained the second part of the para relating to the charging of excessive rates. The Department was directed to produce the relevant record to Audit in this respect. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

The Department explained that after inquiry it had been established that the revised APO shown that quantity and rates of potted plants was approved by the Competent Authority. No excess payment was involved. The Committee **settled the para subject to** verification of record and the revised rate by Audit.

**30. Para No. 30.2: Pages 49-50 – Irregular payment of Rs.413,713 on account of washing allowance**

**Divisional Forest Officer Chakwal – Rs.48,240**

**1-4-2002:** In its latest comments, Audit had verified that the actual recoverable amount was Rs.37,680. The Department explained that the said amount had since been recovered and adjusted in the accounts. **The para was settled subject to** verification by Audit.

**31. Para No.31.2: Pages 51-53 – Loss of Rs.4,680,713 due to failure of nurseries**

**Divisional Forest Officer Gujrat – Rs.98,330**

**1-4-2002:** The Department explained that the total expenditure on to nursery was Rs.98,330 and the nursery failed to the extent of 50%. Therefore, recovery of Rs.49,165 equal to the 50% of the total expenditure was imposed on the officials concerned and noted in Form-11.

The recovery of Rs.14,450 had been verified by Audit. The Finance Department was directed to monitor the recovery of the balance amount (Rs.34,715). With the above directive, **the para was settled.**

**32. Para No. 31.3: Pages 14-53 – Loss of Rs.4,680,713 due to failure of nurseries**

**Divisional Forest Officer Multan – Rs.62,690**

**2-4-2002:** The Department explained that after thorough probe into the matter, recovery of Rs.58,500 was imposed vide order dated 26 February 1998 on the official at fault and the same was being effected regularly in monthly installments through Form No.11. An amount of Rs.35,500 had been recovered so far and the balance amount would be recovered in due course.

The Finance Department was directed to monitor the recovery of the balance. **The para was settled.**

### **33. Para No.31.4: Pages 51-53 – Loss of Rs.4,680,713 due to failure of nurseries**

#### **Divisional Forest Officer, Gujrat – Rs.400,066**

**16-1-2002:** The Department explained that after a detailed inquiry under E&D Rules, the recovery of Rs.1,817,817 for the failure of regeneration area had already been imposed on 17 officials who had served in Daphar Plantation during different periods. The appeals were pending decision with the Competent Authority. Four officials had since retired. The Department was directed to complete the action/recovery expeditiously. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 16 January 2002.

The Department explained that as a result of departmental proceedings, the recovery of actual recoverable amount of Rs.1,251,103 instead of Rs.1,817,817 had been imposed on 17 officials and shown in Form-11. In addition to the above amount, a sum of Rs.13,775 had been recovered from the officials who had been exonerated by the authority.

**The para was settled subject to** recovery and verification by Audit. The Finance Department should monitor progress in this case.

### **34. Para No.31.6: Pages 14-53 – Loss of Rs.4,680,713 due to failure of nurseries**

#### **Divisional Forest Officer Sialkot – Rs.323,996**

**2-4-2002:** The Department stated that an inquiry was held and penalty of Rs.118,388 was imposed on the officials at fault. Audit stated that recovery of Rs.97,172 had been verified from Form No.11 and balance amount of Rs.25,216 was still recoverable. The Finance Department was directed to monitor the recovery of the balance. **The para was settled.**

### **35. Para No.32.2: Pages 51-53 – Loss of Rs.714,100 Due to Non-Finalization of Forest Offence Cases**

#### **Divisional Forest Officer, Kasur at Changa Manga – Rs.644,795**

**17-1-2002:** Audit had pointed out that a scrutiny of the record of the formation revealed that Forest offence cases amounting to Rs.644,745 were neither compounded nor prosecuted within three months of the incident.

The Department explained that the para pertained to 132 cases. 52 cases had been compounded and the remaining 80 cases were in process. The Department was directed to pursue/finalize the cases expeditiously and the record should be got verified by Audit. The Department was further directed to take comprehensive corrective steps to control the loss/theft of trees.

The Committee decided that the **para may be settled** with the direction to produce the record to Audit.

### **36. Para No. 36.1: Page 56 – Misappropriation of Forest Produce Valuing Rs.1,801,334**

#### **Divisional Forest Officer Layyah – Rs.1,801,334**

**17-1-2002:** In its latest comments, Audit had pointed out that the disposal of forest produce valuing Rs.674,560 had been verified and disposal of produce valuing Rs.251,345 was yet to be shown to Audit. The recovery of Rs.141,583 had been imposed on the officers concerned and shown in form 11 and was still recoverable from them. The recovery of Rs.733,846 was yet to be verified. The Department was directed to complete the recovery and get the recovery verified by Audit. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

The Department was directed to produce the record of disposal of forest produce valuing Rs.251,345, original Treasury Challans for recovery of Rs.733,846 and effect the recovery of the balance (Rs.96,898).

The Finance Department was directed to monitor the same. With the above direction, **the para was settled.**

### **37. Para No.36.5: Pages 52-56 – Misappropriation of forest produce valuing Rs.1,801,334**

#### **Divisional Forest Officer Jhang – Rs.87,445**

**1-4-2002:** The Department explained that in Part-I of the para relating to SDFO Jhang, recovery amounting to Rs.26,200 had been imposed on an official. Out of this, Rs.11,400 had been recovered while the remaining amount of Rs.14,800 would be recovered from his salary in monthly installments. In the second part of the para relating to SDFO Shah Kot, the sale of stumps for Rs.20,675 had been verified by Audit. In the third part of the para relating to RFO Rangpur, the sale of stumps for Rs.33,399 had been verified by Audit.

The Committee directed that the recovery of the balance should be monitored by the Finance Department. **The para was settled.**

### **38. Para No. 38: Page 57 – Loss of Rs.5,600,000 Due to Damage of Trees**

**17-1-2002:** Audit had pointed out that 3409 trees which were to be felled due to construction of Mianwali-Ghulaman Road were required to remain under the custody of Communications-Works Department till they were finally auctioned. However, trees were not properly felled and remained on the road side causing loss to government through their damage. The Forest Department had failed to get the contractual obligation fulfilled from the contractor.

The Department explained that when the matter came into notice, an FIR was lodged against SE/PD Communications-Works Department.

Moreover, the material was collected and transported to depots and disposed of through a high powered committee for Rs.1,558,837.

The Committee directed the Department that the difference of the amount of the audit para and the amount of auction money should explained to Audit. With the above directions, the Committee **settled the para.**

### **39. Para No. 39: Page 57 – Loss of Rs.104,232 due to non-disposal of seeds**

**1-7-2002:** Audit pointed out that the contention of the Department that seed was collected and supplied at the approved rates fixed by the competent authority was acceptable.

The Department explained that the seed in question was collected and supplied at the rates fixed by the Chief Conservator of Forests/Project Director and all the seed had since been disposed of and adjusted in the accounts. The Committee **settled the para subject to** verification of record by Audit.

### **40. Para No.40: Page 58 – Wasteful expenditure of Rs.4,000,000**

**16-1-2002:** The Department explained that 10 electric tube-wells were installed to afforest two thousand acres of Khanewal Plantation with Eucalyptus. On completion of the scheme, efforts were being made to get the scheme area transferred from development to non-development side. But the matter of transfer of scheme was delayed in the Finance Department. The funds for maintenance of tube-wells were constantly demanded through SNE but the same were not provided as per demand. The latest SNE had also been sent on September 19, 2001. The Committee wanted to know whether an evaluation of the scheme had been carried out by the Planning-Development Department. The Department should pursue its demand for funds from the Finance Department. **The para was settled**

**subject to verification of record by Audit.**

#### **41. Para No. 43.2: Pages 60-63 – Violation of Rules**

##### **Administrator, Lal Sohanra National Park Bahawalpur – Rs.2,812,570**

**2-4-2002:** The Department explained that the staff in question was appointed on regular basis under the scheme “Development of Lal Sohanra National Park Phase-II 1980-81.”

**The para was settled** subject to verification of record and orders of regularization by Audit.

#### **42. Para No. 43.5: Pages 60-63 – Loss of Rs.3,245,833 due to excessive drawal of various forest operation charges**

##### **Divisional Forest Officer Muzaffar Garh – Rs.130,704**

**17-1-2002:** Audit had pointed out that higher rates were paid for cutting and conversion of timber than prescribed in schedule of rates 1974 without the prior approval of the Competent Authority. The Department explained that the rates had been duly approved by the Conservator of Forests who was competent to do so. The Department was directed to produce the relevant documents in support of their contention to Audit for verification and comments. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

Audit reported that the Department had not produced the authority regarding competence of Conservator of Forests to enhance rates for cutting and conversion of timber above the rates provided in Schedule of Rates 1974

The Department was directed to produce the relevant record to Audit as per latest Audit comments. The Committee **settled the para subject to** verification of record by Audit.

#### **43. Para No.43.6: Pages 60-63 – Loss of Rs.3,245,833 due to excessive drawal of various forest operation charges**

##### **Divisional Forest Officer Jehlum – Rs.111,407**

##### **Item (i) Rs.9,729**

**2-4-2002:** The Department explained that the amount had been recovered and adjusted. **The item was settled subject to** verification by Audit.

##### **Item (ii) Rs.40,929**

The Department explained that the expenditure under observation had been met from within the budget allocation and no excess amount was charged. **The item was settled subject to** verification.

**Item (iii) Rs.26,561**

The Department stated that there was no excess expenditure. **The item was settled subject to Audit verification.**

**Item (iv) Credit Voucher No.53**

The Department explained that 9,000 plants were planted while “1,000 were restocking in failed area”. **The item was settled subject to Audit verification.**

**Item (v) Credit Voucher No.68**

Audit had verified the contention of the Department. **The item was settled.**

**Item No.(vi) Credit Voucher No.25 and 26**

The Department admitted Audit observation and stated that an amount of Rs.1,380 had been recovered. **The item was settled subject to Audit verification.**

**Item (vii) Credit Voucher No.33-36**

Audit stated that the Department had admitted the irregularity but no recovery had been made. **The item was kept pending** for the recovery and its verification.

**2-7-2002:** The para was considered in the light of PAC directive dated 1-2 April 2002.

After verification of record Audit had offered the following comments on each part of the para:-

- (i) Amount of Rs.1,960 was still recoverable.
- (ii) Relevant record had not been produced.
- (iii) Relevant record had not been produced.
- (iv) Contention of the Department had been verified.
- (v) Already settled by PAC.
- (vi) Recovery of Rs.1,380 had been verified.
- (vii) Amount of Rs.10,800 was still recoverable.

The Department was directed to complete the balance recovery and get the record verified by Audit. **The para was settled subject to** recovery of outstanding amounts and verification by Audit.



**44. Para No. 45.2: Pages 61-64 – Irregular expenditure of Rs.846,907****Divisional Forest Officer Seed Supply Gujrat – Rs.98,185**

**1-4-2002:** Audit had pointed out that different items had been purchased out of the allocation not meant for that purpose. The item-wise explanation given by the Department was not considered satisfactory.

The Department was directed to enquire into the matter and take action accordingly. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

The Department explained that in the departmental inquiry, the inquiry officer had recommended that the competent authority might be requested for ex post facto sanction/appropriation of funds.

The Committee **settled the para subject to** regularization of the expenditure by the Competent Authority and its verification by Audit.

The Committee advised the Department to arrange suitable training for its officers in accounting and budgeting matters.

**45. Para No. 45.3: Pages 60-64 – Irregular expenditure of Rs.846,907****Divisional Forest Officer, Lahore – Rs.156,032**

**16-1-2002:** The Department explained that the expenditure was incurred in accordance with the orders of the Government of Punjab approved in the minutes of the meeting of Main Organizing Committee of Golden Jubilee headed by the Chief Minister held on January 18, 1988. The Committee directed that the Principal Accounting Officer should review the case and a proper sanction of the Finance Department should also be obtained, if not already obtained. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 16 January 2002.

The Department explained that the case for regularization of expenditure of Rs.156,032 on account of the lunch hosted by the Minister for Forests for the participants of the Golden Jubilee of Punjab Assembly on 3 February 1988 had been referred to the Finance Department. The Committee **settled the para subject to** regularization by the Finance Department.

**45. Para No.48.2: Pages 62-66 – Excess/irregular expenditure of Rs.1,667,337****Conservator of Forest (P&E) Lahore – Rs.82,272.**

**1-4-2002:** Audit had pointed out that expenditure had been incurred on the items which were not provided in the PC-1 of the Project. The Department explained that per acre expenditure of the scheme remained within the allocated amount. **The para was settled subject to** verification of record by Audit.

**47. Para No. 51: Page 67 – Irregular expenditure of Rs.97,412 on account of appointments during the period of ban**

**1-4-2002:** Audit had pointed out the irregular appointment on *ad hoc* basis of three officials as Sweeper, Mali and Chowkidar. The Department explained that the services of the said *ad hoc* appointees were terminated in June/July 1992. The expenditure of Rs.97,412 incurred on their pay and allowances from the date of their *ad hoc* appointments upto the date of termination from service was being referred to the Government for regularization. The Department was directed to enquire into the matter and take appropriate action before making a reference to the Finance Department. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

The Department explained that after inquiry it had been established that the appointments in question were made in violation of the rules. However, due to the death of the Drawing and Disbursing Officer, the responsibility of irregularity could not be fixed and the expenditure would be got regularized by the Finance Department. The Committee **settled the para subject to** regularization by S&GAD/Finance Department.

**48. Para No. 52: Page 68 – Unauthorized use of timber valuing Rs.60,130**

**1-4-2002:** As per its latest comments, Audit had stated that actual quantity of timber under observation in this para was 131 cft and not 171.8 cft. Audit had further stated that on verification of the record, only an excess expenditure of Rs.12,704 had been found. The Department stated that the said amount had been recovered. **The para was settled subject to** recovery and its verification by Audit.

**49. Para No.55: Page 70 – Excess expenditure of Rs.205,740 on fictitious handwatering of plants**

**1-4-2002:** The para was considered on 1 and 2 April 2002.

The Department explained that after disciplinary proceedings under the Efficiency-Discipline Rules, the officials concerned were imposed recovery of Rs.205,740 besides stoppage of one annual increment. The Department further stated that an amount of Rs.112,190 had since been recovered in monthly installments from the pay of concerned official.

**The para was settled** with the direction that the Finance Department should monitor the recovery of the balance.

**50. Para No. 57: Page 71 – Loss of Rs.182,450 due to un-authorized issue of timber/fuel wood**

**2-4-2002:** The Department explained that the complete record relating to transferred/consumed poplar timber and mixed firewood under observation in this para was available. Moreover, DFO was competent to sanction the free use of timber within the division on departmental works. **The para was settled subject to verification by Audit.**

**51. Para No. 58: Page 72 – Non-recovery of income tax at source amounting to Rs.460,105**

**17-1-2002:** The Department explained that the actual recoverable amount on account of income tax was Rs.418,914 and the same had since been recovered. The Committee decided **to settle the para subject to verification by Audit.**

**52. Para No.59: Page 72 – Unauthorized Expenditure of Rs.608,500**

**17-1-2002:** Audit had pointed out that an amount of Rs.608,500 was advanced to Sub Divisional Forest Officer, Wazirabad to meet the expenditure of a scheme but no vouched account/record of expenditure was produced.

The Department explained that the entries were existing in the cash book of the DFO, Gujranwala as well as in the SDFO Wazirabad but due to shortage of time Audit could not verify the same. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

In its latest comments, Audit had reported that vouched accounts to the extent of Rs.590,510 had been produced while the vouched accounts of the remaining amount of Rs.117,990 was yet to be produced.

Audit had further pointed out that in certain cases the cooli rate was charged @ Rs.45 instead of Rs.42 approved by the Conservator of Forests.

The Department explained that Audit had applied the rate of the previous scheme. The Committee **settled the para subject to verification of record by Audit.**

**53. Para No.60.2: Pages 73-75 – Loss of Rs.712,416 due to misappropriation of plants stumps and timber**

**Divisional Forest Officer, Jhelum – Rs.712,416**

**17-1-2002:** The Department explained that the existing staff of the development of area Mangla Reservoir was regularized through SNE in 1992. **The para was settled subject to Audit verification.**

**54. Para No.68: Page 80 – Overpayment of Rs.252,610 on account of various forest operations**

**2-4-2002:** The Department explained that the work in question was done under the approved APO and no excess work was done or charged. **The para was settled subject to verification by Audit.**

**55. Para No.72.1: Pages 83-84 – Non-recovery of the government dues amounting to Rs.11,681,226**

**Divisional Forest Officer, Khushab at Jauharabad – Rs.506,101**

**16-1-2002:** The Department stated that recoverable amount of Rs.496,401 and Rs.8,625 had been recovered and adjusted. **The para was settled** subject to verification by Audit.

**56. Para No.72.2: Pages 83-84 – Non-recovery of the government dues amounting to Rs.11,681,226****Divisional Forest Officer, Mianwali – Rs.513,768**

**16-1-2002:** In its latest comments, Audit had stated that out of the balance recoverable amount of Rs.1,963,695, a sum of Rs.1,827,729 had been recovered from contractors and employees and deposited into government account. The Department explained that balance amount of Rs.135,996 was being recovered from the employees and recovery would be completed in due course. **The para was settled** with the direction that the Finance Department should monitor the progress of the recovery.

**57. Para No.72.3: Pages 83-84 – Non-recovery of the government dues amounting to Rs.11,681,226****Divisional Forest Officer Jhang – Rs.1,450,935**

**17-1-2002:** In its latest comments Audit had pointed out that recovery/adjustment of Rs.1,422,212 had been verified while the balance recovery of Rs.28,722 was under litigation in the Punjab Service Tribunal. The Department was directed to pursue the case/recovery and Finance Department was directed to monitor the case. With the above direction, **the para was settled.**

**58. Para No.72.4: Pages 83-84 – Non-recovery of the government dues amounting to Rs.11,681,226****Divisional Forest Officer Multan – Rs.822,006**

**2-4-2002:** The Department explained that outstanding amount from the contractor had been recovered/adjusted against six items i.e. Nos.1,4,5,6,7 and 12. In respect of the remaining 7 items Audit suggested that the Department should either produce the record in support of its contention or recover the outstanding amounts as already pointed out.

**The para was settled** subject to recovery and its verification by Audit.

**59. Para No. 72.5: Pages 83-84 – Recoverable – Rs.7,035,950****Divisional Forest Officer, Canal Side Bahawalpur – Rs.7,035,950**

**2-4-2002:** Audit had pointed out that heavy amounts were shown outstanding against contractors and field staff since long on account of price of timber/firewood. The Department explained that

recovery of Rs.3,255,353 had been effected and adjusted. The duplication of amount calculated by Audit was Rs.2,785,704. The Department further stated that most of the lots were standing at site due to ban on cutting of green trees. Hence the recovery was not being effected.

The Department was directed to complete the necessary action at the earliest and get the record verified by Audit. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 2 April 2002.

The Department explained that an amount of Rs.13,910 was recoverable from the Forester concerned and the recovery was being pursued.

The Department stated that the amount on account of ban on felling of green trees was not recoverable. The Department was directed to enforce the recovery without delay.

The Committee **settled the para subject to** verification of recovery/departmental contention.

## Paras Pended

### Civil Audit

#### **1. Para No.1.3: Pages 27-31 – Embezzlement of government dues amounting to Rs.677,316**

##### **Divisional Forest Officer, Mianwali – Rs.225,350**

**16-1-2002:** The Department explained that officer concerned was proceeded against and minor penalty of censure and recovery of Rs.422,050 was imposed on him. An amount of Rs.66,200 had since been recovered from him and balance amount of Rs.335,850 would be recovered from his pay and if the recovery was not completed during his service the balance recovery would be made from his pensionary benefits.

Audit had pointed out that the earnest money received from the contractor by DFO concerned should have been deposited immediately into the government treasury. The Committee observed that in this case the official concerned had not deposited the government receipts immediately into government treasury and embezzlement had been proved in the departmental inquiry. The punishment awarded by the Authority seemed to be quite lenient. The Administrative Department undertook to review the case from this angle. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 16 January 2002.

The Department explained that in compliance with PAC directive for enhancement of punishment already awarded to accused person a show cause notice was issued to officer concerned. His reply was referred to S&GAD for necessary advice which had been received from the Regulation Wing. The same was being examined.

The Committee reiterated its previous decision. **The para was kept pending.**

## **2. Para No.7.1: Pages 28-34 – Loss of Rs.2,048,934 due to misappropriation of plants stumps and timber**

### **Divisional Forest Officer Jhelum – Rs.101,947**

**2-4-2002:** According to its latest comments, Audit had stated that the contention of the Department that plants and stumps had been distributed to various Army Units and Educational Institutions, was not tenable because no entry of free distribution in respect of these plants and stumps was available in Form No.12.

The Department was directed to hold an inquiry and complete action/recovery, if due, at the earliest. The relevant record should be shown to Audit. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

The Department explained that in compliance with the PAC directive the inquiry had been completed. The inquiry report was received on 26 June 2002 and was being considered.

The Committee directed that the decision on the inquiry report and further action should be completed at the earliest. **The para was kept pending.**

## **3. Para No. 10.2: Pages 28-36 – Loss of Rs.6,447,738 due to misappropriation/ shortage of Forest produce and store articles**

### **(A) Misappropriation of Government store worth Rs.427,162**

**1-7-2002:** In its latest comments, Audit had verified the departmental contention that out of total amount of Rs.427,162 material worth Rs.192,726 pertained to DFO Gujranawala and had been included in DP No.7.2.1(2)85-86. Timber worth Rs.79,902 was washed away in flood during 1988 and the case for write off was in process. The case of theft of timber worth Rs.7,438 was



pending decision in the court. Recovery of Rs.40,768 imposed on three officials had been effected and verified by Audit. Sale proceeds of timber worth Rs.129,590 had also been verified by Audit. Recovery of Rs.16,013 was imposed on Mr Sharif Forest Guard was being pursued as arrears of Land Revenue.

The Committee directed that the Finance Department should monitor the recovery of the balance. With the above direction, **this item was settled.**

**(B) Misappropriation of store articles worth Rs.100,159/50**

**1-7-2002:** The Department explained that total recovery was imposed upon the official concerned. The same had been deducted through pension/gratuity of the official concerned. The Committee **settled the item subject to** verification of record by Audit.

**(C) Misappropriation of store articles for Rs.27,112/50**

**1-7-2002:** The Department explained that no detail in respect of Rs.27,112 had been given by Audit in any annexure of its Audit and Inspection Report. Audit, however, commented that Annexure 'C' had not been produced by the Department.

The Committee directed that the matter should be reconciled between the Department and Audit without delay. **This item was kept pending.**

**(D) Misappropriation of store articles Rs.40,816/58**

**1-7-2002:** In its latest comments, Audit had verified the departmental contention that shortage of material costing Rs.28,369 pertained to Gujranwala Forest Division and had been included in the Audit Report for the said division.

Out of the balance amount of Rs.12,448 and deposit of Rs.3,074 into government treasury had been verified.

The Committee **settled the item subject to** recovery of the balance and its verification by Audit.

**(E) Misappropriation of Governments store worth Rs.20,745/40**

**1-7-2002:** Audit pointed out that accountal of material costing of Rs.9,311 had been verified and shortage of material costing of Rs.11,434 was still recoverable.

The Committee **settled the item subject to** balance recovery of the balance and its verification by Audit.

(F) No working paper had been submitted about this item. The Department stated that it had been settled in the SDAC meeting. Audit was asked to verify this. **The item was kept pending.**

**(G) Misappropriation of store Rs.7,929**

**1-7-2002:** The Department explained that Annexure-D stated by Audit to have been attached with the original para was not traceable. Audit, however, commented that at the time of audit, the Department had noted the observation for compliance.

The Committee directed that the matter should be reconciled between Audit and the Department expeditiously. **The item was kept pending.**

**4. Para No.10.6: Pages 29-36 – Loss of Rs.6,447,738 due to misappropriation/ shortage of forest produce and store articles**

**Divisional Forest Officer Layyah – Rs.1,183,001**

**16-1-2002:** The Department explained that the quantity of timber under observation in this para had been reconciled with the relevant record and the recovery of shortage valuing Rs.31,070 had been imposed on the concerned staff vide order dated September 9, 2001.

The Department was directed to reconcile the reduction in the amount of recovery and produce all the relevant record to Audit and effect the recovery expeditiously. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 16 January 2002.

In its latest comments, Audit had verified the recovery of the amounts of Rs.785,488 and Rs.162,250.

Audit further commented that the treasury challans forwarded for the amounts of Rs.171,182 and Rs.33,000 were not relevant according to the detail taken by Audit in the original observations.

Audit further commented that the Department had not provided justification for reduction in the amount of recovery from Rs.31,078 to Rs.15,539.

The Department explained that according to the condition of the timber, the rate of Rs.50 per cft charged instead of Rs.100 cft and the recovery was being effected from the pay of the officials in monthly installments.

The Department was directed to complete the balance recovery, take necessary action against the persons responsible for this loss and obtain audit verification. **The para was kept pending.**

## **5. Para No. 10.11: Pages 29-36 – Loss of Rs.6,447,738 due to misappropriation/ shortage of Forest produce and store articles**

### **(i) Misappropriation of store worth Rs.46,321**

**1-7-2002:** The Department explained that the item had already been settled by the SDAC in its meeting held on 24.5.1992.

The Department was directed to produce the minutes of the said meeting of SDAC to Audit. **The item was kept pending.**

### **(ii) Misappropriation of Government store worth Rs.84,000**

**1-7-2002:** The Department explained that according to the findings of the departmental inquiry report, the actual shortage of barbed wire was 2693.900 KG valuing Rs.82,429. Recovery of this amount had been imposed on 8 officials responsible for the shortage. The Committee **settled the item subject to** verification of record by Audit.

### **(iii) Misappropriation of store – Rs.107,981**

**1-7-2002:** The Department explained that there was no shortage of barbed wire as pointed out by Audit and utilization of the barbed wire in question was available on record. The Committee **settled the item subject to** verification of record by Audit.

### **III(i) Kiker seed 4000 kg – Rs.7,000**

**1-7-2002:** The Department explained that actually the para related to Kiker plants and not Kiker seed. The Kiker plants were washed away in flood of October 1988 and loss of Rs.4,000 had been written off by the competent authority. Audit had verified the position. **The item was settled.**

### **III(ii) Shortage of firewood**

**1-7-2002:** The Department explained that the amount of the para was included in Draft Para No.7.2.1(2) of Audit Report for the year 1985-86.

Audit had verified the duplication of three amounts included this item. **The item was deleted from here.**

### **IV(i) Misappropriation of Government store – Rs.16,510**

#### **(i) Store worth Rs.5,845**

**1-7-2002:** The Department explained that as the officer responsible had retired, the concerned District Accounts Officer had been approached to effect the recovery from the pension of the accused officer.

The Committee directed the Department to ensure that proper procedure was adopted for recovery. **The item was kept pending.**

**IV(ii) Misappropriation of store worth Rs.10,665**

**1-7-2002:** The Department explained that the whereabouts of retired officials responsible for the shortage were not known.

The Department was directed to make the recovery or get the amount written off by the competent authority. **The item was kept pending.**

**V(ii) Misappropriation of store worth Rs.58,000**

**(ii) B.O. SKP Store worth Rs.2,770**

**1-7-2002:** The Department explained that the recovery had been imposed upon the responsible retired official and DAO concerned had been approached to effect the recovery from his pension.

The Department was directed to effect the recovery, at the earliest.

**The item was kept pending.**

**V(iii) Prosecutor store worth Rs.2,200**

**1-7-2002:** Audit had verified the recovery. **The item was settled.**

**V(iv) BO GT Road store worth Rs.1,660**

**1-7-2002:** Audit had verified the recovery. **The item was settled.**

**V(v) BO Barianwala store worth Rs.50,180**

**1-7-2002:** Audit had verified that stock worth Rs.48,000 was available and the balance amount of Rs.2,180 had been recovered. **The item was settled.**

**6. Para No. 21: Page 42 – Loss of Rs.2,048,934 misappropriation of plants and fire wood valuing Rs.367,081 through less/non accountal**

**17-1-2002:** The Department explained that the relevant record had been reconciled and produced to Audit. However, Audit pointed out that entries had been made afterwards.

The Department was directed to hold an inquiry into the matter at the level of Conservator of Forests and take appropriate action accordingly. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

The Department explained that inquiry report in the matter had been received and was under consideration. The Committee desired that the Administrative Secretary should examine whether the inquiry report had dealt with the point raised by Audit that entries in the record had been made afterwards and if this point had not been dealt with in the inquiry report, the same should be remanded to the inquiry officer with the direction to apply his mind to this point also.

The Department was directed to complete the necessary action in the matter, at the earliest.  
**The para was kept pending.**

**7. Para No. 33: Page 54 – Loss of Rs.93,849 due to misappropriation of P.Bags**

**1-4-2002:** The para was considered on 1 and 2 April 2002.

Audit did not accept the contention of the Department that the observation contained in this para had already been included in Audit Para No.45.1/1997-98. The Department explained that under the order of the SDAC, an inquiry had been held to fix responsibility and the inquiry report had been submitted to the Administrative Department.

The Department was directed to complete the appropriate action at the earliest. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

The Department explained that the inquiry report had not yet been received because of scrutiny of voluminous record was involved and the DDO concerned had been transferred to the Federal Government.

The Department was directed to complete the inquiry within two months and finalize the consequential action expeditiously. **The para was kept pending.**

**8. Para No.35: Page 55 – Loss of Rs.65,689 due to expiry of plants and/or plant stumps**

**1-4-2002:** The Department explained that an inquiry committee had been constituted for investigation and fixing responsibility. The Department was directed to complete inquiry/action/recovery/ verification of record, at the earliest. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1-2 April 2002.

The Department explained that the inquiry had not yet been received because scrutiny of voluminous record was involved and the officers/officials concerned some of whom had retired and those posted out were being contacted.

The Department was directed to complete the inquiry within two months and finalize the consequential action expeditiously. **The para was kept pending.**

**9. Para No. 37: Page 56 – Loss of Rs.735,000,000 (Approx) due to encroachment of forest land**

**17-1-2002:** Audit had pointed out that forest land measuring 735 acres was under encroachment by various persons.

The Department explained that an area of 223 acres had been got vacated from the encroachers and 144 acres related to illegal allotment by various authorities. An appeal against the illegal allotments had been filed with the Board of Revenue. The remaining 368 acres were still under encroachment. Efforts were being made through District Revenue Authorities for vacation of the said land. Action had also been taken against the staff for showing negligence in the matter.

The Department was directed to complete the possession of the land and disciplinary action expeditiously and report the latest position in the next meeting. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

In its latest comments, Audit had verified that 223 acres of land had been got vacated from the encroachers. Audit had also verified that penalties under Efficiency-Discipline Rules 1975 had been imposed on the officers/officials found negligent in this regard in 1998.

The Department explained that the cases of vacation of 144 acres of land pending with the Board of Revenue and cases of vacation of 368 acres of land pending in the courts were being pursued and monitored by the Administrative Department on monthly basis.

The Department was directed to pursue the case for early decision. **The para was kept pending.**

#### **10. Para No. 44.1: Page 63 – Irregular expenditure of Rs.7,355,442**

##### **Divisional Forest Officer Jhelum – Rs.5,858,143**

**17-1-2002:** Audit had pointed out that the Department had incurred an expenditure of Rs.5,858,143 on construction/repair works without obtaining the technical sanction from the competent authority.

The Department explained that an inquiry was being ordered into the matter.

The Department was directed to complete the inquiry/action expeditiously. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

The Department explained that the inquiry report had been received and was being examined by the Administrative Department.

The Department was directed to complete the necessary action in the matter expeditiously. **The para was kept pending.**



**11. Para No.44.2: Pages 60-63 – Irregular expenditure of Rs.7,355,442****Divisional Forest Officer, Jhelum – Rs.634,090**

**17-1-2002:** Audit had pointed out that huge quantities of building material had been purchased for execution of various works without technical sanction of the work. The Department explained that an inquiry was being ordered into the matter.

The Department was directed to complete the inquiry/action expeditiously. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 17 January 2002.

The Department explained that the inquiry had not yet been received because scrutiny of voluminous record was involved and the officers/officials concerned some of whom had retired and those posted out were being contacted.

The Department was directed to complete the inquiry within two months and finalize the consequential action expeditiously. **The para was kept pending.**

**12. Para No.45.1: Pages 60-64 – Irregular expenditure of Rs.846,907****Divisional Forest Officer, Jhelum – Rs.532,690**

**16-1-2002:** Audit had pointed out that the grant for the schemes of nursery production and pre-plantation were misused to the extent of Rs.532,690 for the procurement of polythene bags, canvas paper, landscape developer, development of beds, purchase of spare tyres and repair of jeep etc. The Department explained that an inquiry had already been ordered to determine the facts of the case and fix responsibility. The Department was directed to complete inquiry/action expeditiously. The Committee further directed that District Accounts Officer, Jhelum should also explain why payments were made for unauthorized expenditure pointed out in this para. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 15-17 January 2002.

The Department explained that the inquiry report had not yet been received because of scrutiny of voluminous record was involved and the DDO concerned had been transferred to the Federal Government.

The Department was directed to complete the inquiry within two months and finalize the consequential action expeditiously. **The para was kept pending.**

**13. Para No.46.1: Pages 60-65 – Irregular expenditure of Rs.1,700,523****Divisional Forest Officer, Jhelum – Rs.167,630**

**16-1-2002:** Audit had pointed out that plain paper copier, manual typewriter and fire extinguishing equipment had been purchased without obtaining comparative rates through open competition. Moreover, the equipment had also been purchased from a firm black-listed by Services-General Administration Department.

The Department explained that in this case invitation of tender was not required because the procurement was made from the firm with whom Services-General Administration Department had approved rate contract. The Department was not aware that the firm namely M/S Silver Reed had been black-listed. Later on, the black listing of the said firm was declared null and void by the Honourable Lahore High Court. The Department further stated that the contract rates approved by the Services-General Administration Department for the year 1996-97 was less than the rate at which the purchase was made and the amount of Rs.23,302 paid over and above the rate contract was being recovered from the company. The Committee directed that the Principal Accounting Officer should review the case and all the relevant record including the rate contract and the judgement of the Honourable Lahore High Court should be produced to Audit. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 16 January 2002.

After considering the explanation of the Department given in the working paper about the latest position of cases of theft of trees, the Committee observed that action had not yet been completed in various cases.

The Committee directed that action in all the cases should be reviewed at the Secretariat level for completion of necessary action. **The para was kept pending.**

#### **14. Para No. 46.3: Pages 61-65 – Irregular expenditure of Rs.1,700,523**

##### **Divisional Forest Officer Chakwal – Rs.167,630**

**1-4-2002:** The para was considered on 1-2 April 2002.

The Department explained that no tender was required to be floated as the Photostat machine was purchased from M/S Silver Reed International on the contract rates approved for the year 1995-96.

The Committee directed that the Administrative Department should check whether rate contract with Silver Reed had actually been made and was in force at the time of the purchase. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

The Department explained that on perusal of record it was found that there was no rate contract at the time when the photo-stat machine was purchased from M/s Silver Reed. Moreover, the price paid was higher than the rate contract subsequently approved by the S&GAD, and therefore, the difference needed to be recovered.

The Department was directed to make the recovery at the earliest. **The para was kept pending.**

**15. Para No. 47.1: Pages 61-65 – Irregular expenditure of Rs.789,391**

**Divisional Forest Officer Jhelum – Rs.87,100**

**1-4-2002:** The Department explained that a committee was constituted to probe into the irregular expenditure. The report of the said committee was still awaited. The Department was directed to complete action/recovery/verification of record, at the earliest. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 February 2002.

The Department explained that the inquiry report had not yet been received because of scrutiny of voluminous record was involved and the DDO concerned had been transferred to the Federal Government.

The Department was directed to complete the inquiry within two months and finalize the consequential action expeditiously. **The para was kept pending.**

**16. Para No. 64.3: Pages 73-78 – Violation of Propriety**

**Divisional Forest Officer Rajanpur – Rs.637,850**

**2-4-2002:** Audit had pointed out that 100 Shisham trees had been illicitly removed from the canal side.

The Department explained that the para related to 21 Forest offence cases and stated that:-

- (i) In three cases of theft of trees involving the amounts of Rs.10,300, Rs.130,450 and Rs.40,000, the accused were awarded imprisonment by the court.
- (ii) In six cases of theft of trees involving the amounts of Rs.48,500, Rs.35,000, Rs.10,000, Rs.4,000, Rs.15,000 and Rs.3,000, the accused were acquitted by the courts.
- (iii) Four cases of theft of trees involving the amounts of Rs.55,050, Rs.30,000, Rs.12,000 and Rs.30,000 were filed by the Police.
- (iv) Two FIR Nos.125/89 dated 30 April 1989 (Rs.51,000) and 119/89 dated 24 March 1990 (Rs.21,500) relating to theft of trees did not pertain to the Forest Department.
- (v) Six FIR Nos. 197/89 dated 29 October 1989 (Rs.25,000) 212/89 dated 9 November 1989 (Rs.6,050), 231/90 dated 3 July 1990 (Rs.75,000), 212/89 dated 9 November 1989 (Rs.6,050), 45/90 dated 24 March 1990 (Rs.36,000) and 138/91 dated 3 July 1990 (Rs.40,000) of theft of trees involving the above mentioned amounts were not traceable in Police Stations.

The Department was directed to take necessary action in the cases which had not yet been finalized and report the latest position in the next meeting. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 2 April 2002.

After considering the explanation of the Department given in the working paper about the latest position of cases of theft of trees, the Committee observed that action had not yet been completed in various cases.

The Committee directed that action in all the cases should be reviewed at the Secretariat level for completion of necessary action without delay. **The para was kept pending.**

#### **17. Para No.71: Page 82 – Loss of Rs.289,732/- due to misuse of government vehicle**

**16-1-2002:** Audit had pointed out that government vehicle (Pajero) No.LOJ-3093 belonging to the Department had been provided to a local MPA on the orders of Minister for Forests. The Department explained that an inquiry had been ordered into the facts of the case and to fix responsibility. The Department was directed to complete the inquiry/action/recovery expeditiously. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 16 January 2002.

The Department explained that in compliance with the PAC directive, the inquiry had been completed and the same was under consideration by the Competent Authority.

The Committee directed that the Department should produce a copy of the inquiry report (duly vetted by the competent authority) to Audit and complete the necessary action in the matter, at the earliest. **The para was kept pending.**

#### **18. Para No. 73: Page 86 – Non production of receipt books for receipt of Government dues and misappropriation of lacs of rupees**

**2-4-2002:** The Department explained that out of 68 receipt books, 32 books were available while 36 books were not available and the matter was being investigated.

The Department was directed to complete the inquiry/action/recovery, at the earliest. The para was kept pending.

**2-7-2002:** The para was considered in the light of PAC directive dated 1 April 2002.

The Department explained that according to the report of the Inquiry Officer dated 24 June 2002, all the compensation receipt books, earnest money receipt books, Form No.14 receipt books were available for verification.

The Department was directed to explain the reasons for not producing the record to Audit promptly and to take action accordingly.

The Department was directed to take action against the officer/official responsible for this default. Moreover, the record should be got verified by Audit, at the earliest. **The para was kept pending.**



# Health Department

## Overview

Total Paras	Civil	Commercial	Performance
244	201	7	36

### Abstract

Status	Decision	Para Nos.	Total	Page Nos.
<b>Paras Finally Settled</b>  <b>73</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 2, 3, 4, 7, 8, 16, 34, 35, 38, 47, 53, 54, 55, 58, 59, 60, 71, 76, 78, 80, 82, 83, 84, 87, 88, 91, 95, 99, 103, 108, 118, 124, 125, 144, 145, 149, 152, 160, 161, 162, 166, 168, 169, 177, 185, 189, 190, 191, 192, 194, 196, 200, 201	<b>53</b>	<b>451-464</b>
		<b>Commercial:</b> 3(xiv), 49, 50, 51, 52, 53, 54	<b>7</b>	<b>464-465</b>
		<b>Performance:</b> Special Audit Report for Purchase of medical gases in major hospitals of the Punjab 2(b), 3(2), 8(b), 10, 11, 4, 8, 9(c), 7, 2 (c), 9(a), 14(a), 14(b)	<b>13</b>	<b>466-468</b>
<b>Paras Conditionally Settled</b>  <b>59</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 1, 14, 17, 18, 20, 25, 26, 30, 31, 32, 40, 41, 42, 48, 50, 51, 57, 61, 68, 72, 73, 75, 79, 86, 89, 90, 92, 93, 94, 98, 100, 102, 106, 115, 117, 126, 127, 130, 131, 133, 134, 150, 151, 154, 156, 157, 158, 170, 171, 174, 175, 182 & 199	<b>53</b>	<b>469-490</b>
		<b>Performance:</b> Special Audit Report for Purchase of medical gases in major hospitals of the Punjab 9(b), 5, 12, 13, 5, 5	<b>6</b>	<b>490-491</b>
<b>Paras Pended</b>  <b>112</b>	Paras pended because the Department had not taken satisfactory action.	<b>Civil:</b> 5, 6, 9, 10, 11, 12, 13, 15, 19, 21, 22, 23, 24, 27, 28, 29, 33, 36, 37, 39, 43, 44, 45, 46, 49, 52, 56, 62, 63, 64,	<b>95</b>	<b>492-542</b>



		65, 66, 67, 69, 70, 74, 77, 81, 85, 96, 97, 101, 104, 105, 107, 109, 110, 111, 112, 113, 114, 116, 119, 120, 121, 122, 123, 128, 129, 132, 135, 136, 137, 138, 139, 140, 141, 142, 143, 146, 147, 148, 153, 155, 159, 163, 164, 165, 167, 172, 173, 176, 178, 179, 180, 181, 183, 184, 186, 187, 188, 193, 195, 197, 198		
		<b>Performance: (1)</b> Special Audit Report for Purchase of medical gases in major hospitals of the Punjab 1, 2(a), 3(1)	<b>3</b>	<b>542</b>
		<b>(2)</b> Special Audit Report on the accounts of DHO, Multan 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14	<b>14</b>	<b>543-544</b>

**Discussed on 5-7 November, 2001, 11-13 February, 6-8 May and 22-24 July 2002**

## **Paras Finally Settled Civil Audit**

### **1. Para No.2: Pages 24-25 – Misappropriation of Rs.222,670 on account of Misuse of Local Purchase of Medicines for Staff/Doctors**

**12-2-2002:** Audit had pointed out that an amount of Rs.222,670 had been incurred on local purchase of medicines for officers/officials of the hospital. The Department explained that the medicines in question had been purchased against 378 prescriptions and all the formalities of local purchase of medicines had been followed. The Committee observed that the hospital employees were also entitled to reimbursement of medical charges under the rules. The audit observation was based on grounds of propriety. The Finance Department and Health Department should lay down a policy for local purchase of medicines for hospital employees themselves as the practices presently in vogue were susceptible to be misused in favour of a small group of government servants at the cost of the public at large. With the above observation, **the para was settled.**

### **2. Para No.3: Page 25 – Rs.835,857 worth of Misappropriation of Drug**

**6-11-2001:** The Department explained that all the medicines were properly entered in the stock register and were defaced by the concerned pharmacist at the time of issuance.

Audit pointed out that there was apprehension of misappropriation because the medicines were not found defaced at the time of physical checking by Audit officer.

The Committee observed that the Department had failed to deface the medicines at the time of

their receipt. The Department was directed to instruct the lower formations that all the medicines should be defaced at the time of their receipt rather than at the time of their issuance. After some discussion **the para was settled.**

### **3. Para No.4: Page 25 – Misappropriation/non-accountal of medicines worth Rs.150,870**

**13-2-2002:** The Department explained that the purchase and issuance of medicines in question were recorded in the stock register. The Committee directed that as per Audit comments, the receipt/issue and consumption accounts should in future be re-verified by an officer of the hospital. With the above direction, **the para was settled.**

### **4. Para No.7: Page 26 – Misappropriation of Rs.439,648 due to shortage of medicines**

**13-2-2002:** The Department explained that an inquiry into the matter was held at Secretariat level. According to the findings of the inquiry various financial irregularities were found. Disciplinary proceedings had been initiated against the officers at fault. The Committee stressed early finalization of disciplinary proceedings. The para was kept pending.

**6-5-2002:** The para was considered in the light of the directive of PAC dated 13 February 2002.

The Department explained that on finalization of the disciplinary proceedings, the Competent Authority had awarded penalties to the officers/officials as under:-

- (i) Dr. Khalid Mahmood, Ex-DHO, Kasur  
(Reduction by 2 stages in his present pay scale)
- (ii) Dr. Muhammad Tahir Anees, Ex-DHO, Kasur  
(Reduction by 2 stages in his present pay scale)
- (iii) Dr. Aslam Pervaiz, Ex-DHO Kasur  
(Reduction by 2 stages in his present pay scale)
- (iv) Dr. Muhammad Afzal Malik, Ex-DHO, Kasur  
(Disciplinary proceedings dropped)
- (v) Mr Farzand Ali, Storekeeper O/O DHO, Kasur  
(Reduction by 3 stages in his present pay scale along with recovery of loss caused to Government exchequer amounting to Rs.11,621)

- (vi) Mr Nazar Hussain, Storekeeper O/O DHO Kasur  
(Reduction by 2 stages in his present pay scale)
- (vii) Mr Masood Sadiq, Storekeeper O/O DHO Kasur  
(Dismissal from service and recovery of loss to Government exchequer amounting to Rs.348,000)

The Department was directed to produce the copies of the inquiry report and orders of the Competent Authority to Audit for verification and comments. The Finance Department was directed to monitor further action/recovery imposed by the Competent Authority. With the above directions, **the para was settled.**

**5. Para No.8: Page 27 – Non-Accountal and Misappropriation of Store Articles Worth Rs.1,883,765**

**6-11-2001:** The Department explained that accountal of stock had been made as per rules and the entries of medicines in stock register were made after the receipt of stores from the MSD Lahore.

Audit pointed out that the scrutiny of record did not justify the departmental contention as the stock entries were made after the consumption of the articles.

The Committee directed the Department to take disciplinary action against the officers responsible for not producing the record to Audit under the Punjab Removal From Service (Special Powers) Ordinance 2000. The para was kept pending.

**6-5-2002:** The para was considered in the light of PAC directive dated 6 November 2001. In its latest comments, Audit had verified the departmental contention that the entries in the Stock Register had been made on receipt of stores from the MSD. On recommendation of Audit, **the para was settled.**

**6. Para No.16: Page 30 – Loss of Rs.88,455 due to misappropriation of medicines**

**7-5-2002:** The Department explained that on checking of record shortage of medicines worth Rs.1,400 was found which had been recovered. Audit had verified the position and **the para was settled.**

**7. Para No.34: Page 39 – Misappropriation of vaccine costing Rs.897,200**

**13-2-2002:** Audit had compared the number of disposable syringes issued and the vaccine administered and alleged that excessive consumption of vaccine might have been misappropriated.

The Department explained that the audit objection was baseless. Glass syringes as well as disposable needles were also used. After discussion, the explanation of the Department was accepted and **the para was settled.**

#### **8. Para No.35: Page 39 – Misappropriation of 56604 M (Doses) Polio vaccine) worth Rs.136,415**

**13-2-2002:** Audit had pointed out the number of disposable syringes issued and the number of doses of Polio vaccine administered, and alleged that excess quantity of Polio vaccine had been misappropriated.

The Department explained that the Polio Vaccine was given by mouth in the form of drops and not by the injection with the syringes. The explanation of the Department was accepted and **the para was settled.**

#### **9. Para No.38: Page 41 – Misappropriation of Stocks/Store Valuing Rs.145,534**

**12-2-2002:** The Department explained that the store articles purchased during June 1997 were duly entered in the stock register and there was no misappropriation.

Audit had re-verified the record and recommended the para for settlement. **The para was settled.**

#### **10. Para No.47: Pages 47-48 – Recovery Due to unauthorized Use of Government Vehicle Resulting in Loss of Rs.43,716**

**11-2-2002:** The Department explained that the vehicle was used by the officer for official duty at Civil Secretariat. The Department was directed to produce all the relevant record to Audit for scrutiny and comments. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that the vehicle in question was used by the Additional Secretary (Tech), Health Department for official purposes. Agreeing with Audit comments, the Committee directed the Department to produce the orders of the competent authority allocating the vehicle of the

Director Health Services for use by the Additional Secretary (Tech) and to produce certificate from the Health Department that no vehicle had been provided to the officer by the Services & General Administration Department.

The Committee further directed that if the official use of the vehicle was not established on verification of record by Audit then the recovery should be made from the officers concerned. The Finance Department should monitor the case. With the above directions, **the para was settled.**

#### **11. Para No.53: Page 51 – Non-recovery of Rs.53,000 on the authority of radiologist to the outdoor patients**

**7-5-2002:** Audit had pointed out that the Radiologist of the Hospital instead of charging Rs.1,000 per print had allowed free CT Scan to 53 non-entitled patients, without approval of the Medical Superintendent.

The Department explained that according to the findings of the departmental inquiry report, the MS had authorized the Radiologist to allow free CT Scan to needy and deserving people on his behalf.

The Committee observed that the facility of free CT Scan to non-entitled patients should be properly regulated. With the above observation, **the para was settled.**

#### **12. Para No.54: Page 51 – Irregular expenditure on the local purchase of medicines for Rs.838,033**

**8-5-2002:** The Department explained that the Audit observation was not correct because all the medicines etc. purchased out of local purchase budget had been duly verified by the Hospital Pharmacist besides other officers.

Audit had verified the position and recommended settlement. **The para was settled.**

#### **13. Para No.55: Page 52 – Irregular purchase of gauze of Rs.203,500**

**13-2-2002:** The Department explained that gauze was purchased through open competition and NOC from Government Weaving Factory Shahdara was not required. Audit had verified the departmental contention. **The para was settled.**

#### **14. Para No.58: Pages 53-54 – Purchase of vehicles for Rs.2,342,000 without Provision of funds and irregular expenditure of Rs.750,000**

**6-11-2001:** The Department explained that the change of indent was made by the Competent Authority. Audit pointed out that the purchase of 3 vehicle (Mitsubishi Van) was made without prior approval of the Government/Authority competent to approve PC-I of the project.

The Committee directed the Department to get the expenditure regularized by the Finance Department. The para was kept pending.

**13-2-2002:** The para was considered in the light of the directive of the PAC dated 6 November 2001.

The Department explained that the matter was under process for getting ex post facto sanction from the Finance Department.

The Committee directed that further action should be taken expeditiously as per decision of the Finance Department in this case. With the above direction, **the para was settled.**

**15. Para No.59: Page 54 – Irregular Expenditure on the Purchase of Stores Valuing Rs.3,057,658 Without Obtaining N.A.C. from the M.S.D. Lahore**

**6-11-2001:** The Department explained that a fact finding inquiry had been conducted into the matter and as per findings of the inquiry committee it was not mandatory to get the NAC from MSD as its role had been restricted to procurement and distribution of drugs and medicines vide Finance Department's letter dated 5.10.1993 and Health Department's Notification dated 10.3.1994.

Audit also supported the department's point of view. The explanation of the department was accepted and **the para was settled.**

**16. Para No.60: Pages 54-55 – Mis-use of funds to the tune of Rs.134,324**

**13-2-2002:** The Department explained that the purchases actually were made in the month of June 1994 at the time of closing of financial year and the payments were made during the next financial year from the funds allocated for some other schemes.

The Department was directed to refer the case for regularization of the expenditure to the Finance Department and the decision of the Finance Department should be followed. With the above direction, **the para was settled.**

**17. Para No.71: Page 60 – Un-authorized expenditure of Rs.303,495 over and above the sanctioned budget**



**6-5-2002:** The Department explained that the case of regularization of the excess expenditure on account of pay and allowances had been referred to the Finance Department for regularization.

The Committee directed that Finance Department should monitor further action in the matter. With the above direction, **the para was settled.**

#### **18. Para No.76: Page 65 – Loss of Rs.651,470 Due to Acceptance of Rates Higher Than the First Lowest Bidder**

**6-11-2001:** The Department explained that the lowest offer had been ignored on technical grounds furnished by the end user for the purchase of speech therapy equipment. The explanation of the Department was accepted and **the para was settled.**

#### **19. Para No.78: Page 66 – Recovery of Rs.2 crore on account of blockade of government money due to irregular purchase of C.T.scan (Toshiba)**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18.9.2001 to probe into the matter and its report was still awaited.

The Committee directed that the inquiry should be completed within one month, report be shown to Audit and then the matter be placed before the PAC for consideration in its next meeting. The para was kept pending.

**7-5-2002:** The para was considered in the light of the PAC directive dated 5 November 2001.

Audit had pointed out that CT Scan machine purchased on 27 February 1996 at a cost of rupees two crores went out of order on 6 May 1997 and had been got repaired.

The Department explained that according to the findings of the departmental inquiry report, the machine had ceased to function due to expiry of tube life which had warranty for 40,000 slides but it had done more than 110,000 slides and needed replacement.

The Department stated that presently machine was functioning. **The para was settled.**

#### **20. Para No.80: Page 67 – Uneconomical Expenditure of Rs.10,675,000 on Maintenance and Usage of CT Scan Machine**

**6-11-2001:** The Department explained that the maintenance charges of CT Scan machine were paid to the contractor with the sanction of the Finance Department. Audit had verified it. **The para was settled.**

#### **21. Para No.82: Page 69 – Recovery of Rs.121,540 due to irregular purchase of injections at**

**higher rates**

**6-5-2002:** Audit pointed out that injection Gyntamycine 80 mg was purchased @ Rs.5.68 each without calling open tenders while the same injection was obtained from MSD @ Rs.2.73 each during the same period whereas the same injection was available @ Rs.1.70 each from the local market.

The Department explained that MSD had clarified on 16 April 2002 that the rate of ampules was Rs.5.96 each instead of Rs.2.73 each earlier charged. Audit commented that this point had not been earlier brought on record.

The Committee was not satisfied with the explanation of the Department and directed that an inquiry into the matter should be held at the Secretariat level and the inquiry/action/recovery should be completed at the earliest. It should be checked up whether MSD supplied the same injection to any other organization during the same period, and if so, at what rate. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

In its latest comments, Audit pointed out that the Departmental contention had been verified through examination of record produced by the Department. On the recommendation of Audit, the Committee **settled the para.**

**22. Para No.83: Page 69 – Loss of Rs.87,000 Due to Improper Award of Contract**

**13-2-2002:** The Department explained that a purchase order for procurement of a spare part of ultra sound machine was placed with the sole agent (M/s Seimens Pakistan Limited,) in November 1994 and the same was delivered in January 1995 within the agreed delivery period. No penalty for late delivery was involved. Another spare part, namely Retrofit which was found out of order on the installation of the above said spare part, was imported and supplied by the firm. Payment to the firm was made in 1997. After discussion the explanation of the Department, **the para was settled.**

**23. Para No.84: Page 70 – Regularization of Rs.2,478,120 due to non construction of nurses hostel**

**8-5-2002:** Audit had pointed out that PC-I of the Children Hospital Project provided that a nursing hostel would be completed upto August 1993, but the said hostel had not been constructed and a sum of Rs.2,428,120 was being paid every year on account of rent of private building hired for this purpose.

The Department explained that the Buildings Department, as the executing agency, was responsible for the construction of Nursing Hostel Building. According to the information received by the Health Department from the concerned XEN of the Buildings Department, tenders for the

construction of Staff Nurses Hostel were invited many times, but were postponed due to unknown reasons. Tenders were lastly invited on 16 December 1993 but the same were also postponed, and the Superintending Engineer advised that the client department should arrange revised administrative approval from ECNEC. The technical sanction for Rs.44,948,000 was withdrawn.

The Committee observed that some other Audit Paras relating to the Children's Hospital had been referred by the Committee to a Joint Committee of Planning & Development, Communications & Works and Health Departments and the report of the said joint committee was still awaited.

The Committee decided that para No.84 would also be clubbed with the Paras referred to the joint committee and would be considered with them after receipt of the report of the said committee. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The explanation given by the Department for non-construction of Nurses Hostel in the Children Hospital, Lahore was considered plausible and **the para was settled.**

#### **24. Para No.87: Page 72 – Irregular Payment of Rs.2,613,100 by Violating the Terms and Conditions of Contract**

**6-11-2001:** The Department explained that 7 mobile emergency shadowless lights were purchased but the same were returned being not as per specifications. These were replaced by the contractor according to specified model. The Inspection Committee approved the replaced lights.

Audit pointed out that the lights were delivered on 6.1.1994 instead of 26.6.1993. Therefore, the contractor was liable to pay late delivery liquidated damages at the rate of 2% vide provisions contained in the Purchase Manual.

The Committee decided that recovery of Rs.67,200 be effected from the contractor on account of late delivery charges.

The para was kept pending with the direction that the Department shall pursue recovery and the Finance Department to monitor the same.

**6-5-2002:** The para was considered in the light of PAC directive dated 6 November 2001.

The Department explained that the late delivery charges under observation in this para had already been recovered from the contractor and Accountant General Punjab, had issued certificate to this effect vide No.Supply/HM/468 dated 11 March 2002. Audit had verified the certificate. **The para was settled.**

#### **25. Para No.88: Pages 72-73 – Loss of Rs.1,469,664 on Account of Purchase of Aspirin Powder**

**6-11-2001:** After discussion on the departmental explanation at some length, and noting that Audit had verified and accepted the Department's contention, the Committee decided to **settle the para.**

#### **26. Para No.91: Page 74 – Wasteful Expenditure of Rs.1,434,110 on Purchase of Expensive Equipment**

**6-11-2001:** The Department explained that Dr Khalid Saeed was posted as Urologist and the equipment is functioning in the Hospital. The explanation of the Department was accepted and **the para was settled.**

**27. Para No.95: Page 76 – Loss of Rs.100,924 due to improper purchase of sub-standard material at higher rates**

**13-2-2002:** In its latest comments, Audit had accepted the contention of the Department and had recommended the para for settlement. **The para was settled.**

**28. Para No.99: Pages 77-78 – Overpayment of Rs.871,310 due to excessive rates of medicines/general store**

**22-7-2002:** The Department explained that purchases in question were made after fulfilling the codal formalities and after verification of record the para had been settled by SDAC on 2 December 1998. **The Committee decided to settle the para.**

**29. Para No.103: Page 80 – Wasteful expenditure of Rs.4,940,000**

**7-5-2002:** Audit had pointed out that 5 Ambulances were got repaired at heavy cost but no Ambulance charges had been recovered.

The Department explained that Audit observation was based on assumption. The cost of the 5 ambulances, repair charges for two years, assumed ambulances charges for two years and pay of the 5 drivers for two years had been lumped by the Audit to the alarming amount of Rs.4,940,000.

In its latest comments, Audit had verified the departmental contention and had recommended settlement of the para. **The para was settled.**

**30. Para No.108: Page 85 – Loss of Rs.62,020 by Incurring Extra Expenditure on the Purchase of Surgical Items**

**6-11-2001:** The Department explained that the sample provided by the 1<sup>st</sup> lowest was not according to the approved standard and the second lowest bidder had not provided any sample. The offer of the 3<sup>rd</sup> lowest bidder was approved by the Technical Scrutiny Committee.

After discussion on the departmental explanation, at some length, the Committee decided to **settle the para.**

**31. Para No.118: Page 92 – Recovery of Rs.120,000 due to unauthorized establishment of canteen/cafeteria in the lawns of Nursing Hostel of Jinnah Hospital, Lahore**

**22-7-2002:** The Department explained that a Committee consisting of 3 officers had been constituted by Chief Executive AIMC/Jinnah Hospital, Lahore to enquire into the matter. The Committee assessed the khokha charges amounting to Rs.34,200 from 1996-97 to 2000-2001, which were recovered from the contractor and were deposited into Government Treasury. During last SDAC meeting held on 24 May 2001, the compliance was verified by SDAC. The Committee **settled the para.**

**32. Para No.124: Page 95 – Recovery of Rs.243,490 from the Canteen Contractor Due to Improper Contract**

**12-2-2002:** The Department explained that tenders for canteen contract were invited thrice and the highest bid was accepted. The position was verified by Audit in the meeting. **The para was settled** after discussion.

**33. Para No.125: Pages 95-96 – Recovery of Rs.474,657 Due to Award of Contract of Motor Cycle Stand**

**12-2-2002:** The Department explained that tenders for the contract of motor cycle stand were invited thrice and the highest bid was accepted. The position was verified by Audit in the meeting. **The para was settled** after discussion.

**34. Para No.144: Page 104 – Supply of time barred/expired medicines - Rs.62,799**

**7-5-2002:** The Department explained that the expired medicines worth Rs.35,460 out of the total of Rs.53,134 had been replaced by the concerned firms. Only medicines worth Rs.17,674 were yet to be replaced.

The Finance Department was directed to monitor further action in the matter. With the above direction, **the para was settled.**

**35. Para No.145: Page 105 – Recovery of Rs.93,087 on account of shortage of medicines and**

**other articles**

**8-5-2002:** The Department explained that after verification of recovery of Rs.5,204 and accountal of the balance stone under observation in this para, the SDAC had settled the para on 5 December 1998. Audit had verified the position and recommended settlement. **The para was settled.**

**36. Para No.149: Pages 106-107 – Loss of Rs.179,007 due to misappropriation of disposable syringes/needles**

**11-2-2002:** The para was considered on 11 and 13 February 2002.

The Department explained that an inquiry committee had checked the record of use of disposable syringes/needles and no misappropriation was found. The Department was directed to intimate whether glass syringes were also being used at present for the EPI coverage.

On 13 February 2002, the Department explained that glass syringes were not being used at present. **The para was settled.**

**37. Para No.152: Page 108 – Non-recovery of private rooms rent to the tune of Rs.594,950**

**13-2-2002:** The Department explained that no patient was admitted in the private rooms except the needy and poor patients who were required to be kept in isolation and Medical Superintendent had to determine the genuineness of the patients.

The Committee was not satisfied with the explanation of the Department and directed that full facts about the occupancy of private rooms in Tehsil Headquarter Hospital, Kharian during the period in question should be given in the working paper for the next meeting. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that after inquiry it had been established that no private room was used by the private patients and no money was received for room rent from any patient. The contention of the Department had been held tenable by Audit. On the recommendation of Audit, the Committee **settled the para.**

**38. Para No.160: Page 112 – Embezzlement of Rs.657,823 medicine**

**13-2-2002:** In its latest comments, Audit had stated that the stock register of medicines had been



verified and no shortage was noticed. **The para was settled.**

### **39. Para No.161: Page 112 – Recovery of Rs.489,840 for Conducting & Shown 24492 Lab-Tests as Free**

**12-2-2002:** The Department explained that according to the Inquiry Committee's report, Audit contention was incorrect because the laboratory tests were made free after the approval of the competent authority for patients treated from Zakat Fund. The Committee directed that the justification for free tests should be re-verified in a few cases selected at random. Moreover, the record should be got verified by Audit. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 12 February 2002.

The Department explained that according to the findings of the departmental inquiry conducted on the basis of certain cases chosen at random, the facility of free laboratory test was extended to the poor and the needy patients being treated from Zakat Fund. During the meeting, Audit recommended the para for settlement. On the recommendation of Audit, **the para was settled.**

### **40. Para No.162: Page 112 – Loss of Rs.43,200 due to overcharging**

**6-5-2002:** Audit had pointed out that injection Ampicillin 500 mg was purchased @ Rs.23/70 whereas its trade price was Rs.9.30 per vial.

The Department explained that Audit had compared the rates with some cheaper product with the same generic name.

In its latest comments, Audit had accepted the departmental explanation. On recommendation of Audit, **the para was settled.**

### **41. Para No.166: Page 117 – Disproportionate Expenditure of Rs.8,987,415 on the Local Purchase of Medicines**

**12-2-2002:** The Department explained that the amount in question was actually the liability of 1993-94 period and was cleared during 1994-95 with the additional funds provided by the Finance Department.

Audit pointed out that the prescribed ratio of 60:40 for centralized and local purchase had not been maintained. The Committee directed that the matter should again be referred for regularization to Finance Department who should monitor taking of necessary action in the matter. Subject to this direction, **the para was settled.**

**42. Para No.168: Pages 118-119 – Irregular expenditure of Rs.769,800 and recovery of Rs.60,000**

**8-5-2002:** The Department explained that Surgical Gauze was an essential item for use in operation theatres. It was always purchased with small intervals because long storage adversely affects its quality.

The Department further stated that during 1994-95 it was purchased @ Rs.3.50 per meter and @ Rs.3 per meter during 1995-96, whereas the rate of this item available at Government Weaving Factory, Shahdara was @ Rs.8 per meter.

In its latest comments, Audit had accepted the contention of the Department and recommended settlement. **The para was settled.**

**43. Para No.169: Page 119 – Irregular expenditure of Rs.285,725**

**8-5-2002:** The Department explained that the allocation for printing had been specifically shown in the budget and the Medical Superintendent being officer Category-I had full power to sanction the expenditure. The supply orders were issued after obtaining NOC from Government Printing Press. The explanation of the Department was accepted and **the para was settled.**

**44. Para No.177: Page 125 – Rs.769,033 worth of un-authorized purchase of chemicals etc.**

**23-7-2002:** The Department explained that sanction to incur expenditure for purchase of chemicals/store items was granted by the competent authority. The contention of the Department had been verified by Audit. **On the recommendation of Audit, the Committee settled the para.**

**45. Para No.185: Page 129 – Un-economical and irregular purchase of medicine for Rs.549,336**

**22-7-2002:** The Department explained that according to the departmental inquiry report, no irregularity had been committed in the purchase of medicine under observation in this para and no loss to public exchequer had been sustained. Audit had verified that expenditure had been made under proper sanction. **The para was settled.**

**46. Para No.189: Page 131 – Un-authorized local purchase of medicines worth Rs.2,205,268**

**13-2-2002:** The Department explained that Director Health Services, Rawalpindi was competent to sanction the expenditure in question under Sr No.2 of Special Powers of Health Department provided in the Delegation of Financial Powers Rules, 1990. Audit had verified the position. **The para was settled.**

**47. Para No.190: Page 132 – Rs.559,780 worth of purchase of store articles beyond competency**

**11-2-2002:** The Department explained that the furniture and equipment in question was purchased under Grant No.36-Development by observing all codal formalities and the SDAC had settled the para on 6 November 1997 after verification of record. The Committee agreed with the recommendations of the SDAC and **settled the para.**

**48. Para No.191: Page 132 – Irregular expenditure of Rs.2,946,840 on purchase of miscellaneous items**

**7-5-2002:** The Department explained that all purchases had been made according to the prescribed procedure with the sanction of the competent authority. Audit however pointed out that Director Health Services being an officer of category-I was competent to accord sanction upto Rs.150,000 only, whereas purchase of miscellaneous items amounting to Rs.2,946,840 were made by splitting up the expenditure in 22 piece meal sanctions in violation of Rule 15.2(c) of PFR Vol-I.

Audit further pointed out that about 39% of the budget allocation for this purpose was expended in June 1996. The Committee directed that splitting of sanction may be got regularized by the Finance Department. The tendency of making disproportionately high expenditure during the last month of the financial year should be curbed.

The Finance Department should also issue similar instructions to the District Accounts Officers. With these directions, **the para was settled.**

**49. Para No.192: Page 134 – Non-production of expense account of medicines worth Rs.593,480**

**6-5-2002:** The Department explained that according to the findings of the departmental inquiry report the stock entries and entries of the expense book reconciled with each other and the expense had been verified. It was further stated that the para was discussed and settled by Special DAC on 7 July 1999. On the recommendation of Audit, **the para was settled.**

**50. Para No.194: Page 135 – Rs.21,548,762 Worth of Doubtful Expenditure**

**7-11-2001:** The record was required to be verified in this para, which had been verified by Audit.

**The para was settled** on the recommendation of Audit.

**51. Para No.196: Page 137 – Recovery on Account of Over Drawal of Pay Amounting to Rs.90,391**

**11-2-2002:** Audit had verified the recovery. **The para was settled.**

**52. Para No.200 Page 142 – Collection of Unlawful Donations and un-authorized Expenditure**

**6-11-2001:** Audit pointed out that various Departments of Mayo Hospital were found engaged in the collection of unlawful donations and spending them without lawful authority.

The Department stated that the practice of collecting donations had since been abandoned.

The Committee observed that the donations collected by the Pakistan Welfare Societies in Hospitals were auditable and this practice should be regulated by prescribing proper procedures.

The Committee directed the Department to introduce a proper mechanism for collection and proper utilization of these funds. **The para was settled.**

**53. Para No.201: Page 142 – Recovery of Rs.60,000 due to improper award of contract for installation of telephone booths/P.C.O**

**6-5-2002:** Audit had pointed out that different firms had been allowed to install their telephone booths in the hospital premises without entering into any contract agreement or paying any charges to the Government. The Department explained that the telephone booths in question had been operated without operator under card system and the same had since been removed.

After detailed discussion the Committee decided to **settle the para** with the observation that the new Governing Bodies of Autonomous Hospitals should take an appropriate decision in the matter.

## **Commercial Audit**

**1. Para No.3(xiv): Page 6: Non-compilation of accounts-Government Medical Stores Depot**

**5-11-2001:** The Department explained that the MSD stood abolished w.e.f. 14 August 2001, and it was likely that the government may devolve this function to District Governments.

Audit informed the Committee that the accounts of Medical Store Depot for the year 1993-94 to 1999-2000 had been received. The same would be reviewed/commented upon in the current year compilation i.e.2000-2001. **The para was settled.**

## **2. Para No.49: Page 43: Working results-Punjab Pharmacy Council**

**5-11-2001:** After discussion of the Department's explanation at some length, the Committee decided to **settle the para.**

## **3. Para No.50: Page 44 – Working results-Punjab Pharmacy Council**

**5-11-2001: The para was settled** with the observation that the Pharmacy Council should concentrate upon improving its performance in the light of increase in its income and should control its expenditure in the public interest.

## **4. Para No.51: Page 45 – Working Results of Punjab Health Foundation**

**5-11-2001:** Audit pointed out that the office of DG Commercial Audit had issued comments on 23.10.2001 and Department's reply had been verified and found correct. **The para was settled.**

## **5. Para No.52: Page 46 – Non maintenance of Assets Register-Punjab Health Foundation**

**5-11-2001:** The Department explained that the requisite Assets Register has now been maintained. Audit verified the statement of the Department. **The para was settled.**

## **6. Para No.53: Page 46 – Physical verification of assets-Punjab Health Foundation**

**5-11-2001:** Audit verified that physical verification of assets had since been conducted. **The para was settled.**

## **7. Para No.54: Page 46 – Non-compilation of accounts-Punjab Health Foundation**

**5-11-2001:** The Department explained that the Punjab Health Foundation is not functioning on commercial basis, rather it is an interest-free loan giving organization to promote private health sector in the province of Punjab. As no commercial activity is involved there is hardly any need for preparation of accounts of this organization on commercial pattern.

The Committee was not satisfied with the explanation of the Department and directed that instead of maintaining the accounts on proforma basis and single entry system, the Department should adopt double entry system of accounts, as recommended by Audit.

The Department assured that the accounts shall be maintained on commercial pattern on the basis of double entry system. **The para was settled.**

# **Performance Audit Special Audit Report for Purchase of Medical Gases in Major Hospitals of Punjab**

## **1. Para No.2(b): Page 4 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Overpayments of Rs.223,207 to suppliers**

### **B.V. Hospital, Bahawalpur – Rs.40,124.**

**24-7-2002:** The Department explained that the overpayment of Rs.40,124 had been recovered from the persons concerned and verified by Audit. **The para was settled.**



**2. Para No.3(2): Pages 5-6 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Failure of the medical superintendents to get back government owned gas cylinders worth Rs.1,214,400 unlawfully held by suppliers**

**B.V. Hospital, Bahawalpur – Rs.254,400.**

**24-7-2002:** The Department explained that negotiation with the gas companies for recovery of cylinders was in progress.

The Committee directed that the recovery of the gas cylinders or their price should be expedited and responsibility should be fixed for negligence in this case leading to non-recovery of cylinders. All the appropriate action to resolve the matter should be completed at the earliest. With the above direction, **the para was settled.**

**3. Para No.8(b): Page 9 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98; Undue financial benefit to the contractors amounting – Rs.462,776**

**B.V. Hospital, Bahawalpur – Rs.4,368.**

**24-7-2002:** The Department explained that an amount of Rs.4,368 had been recovered from the defaulters and verified by Audit. On the recommendation of Audit, the Committee **settled the para.**

**4. Para No.10: Pages 11-12 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Infuctuous expenditure of Rs.85,850 on account of rent of v.i.e. tank and demoblization charges in B.V. Hospital Bahawalpur**

**24-7-2002:** The Department explained that the gas company quoted mobilization/ demobilization of VIE (tank). The purchase Committee accepted the tender which was invited through advertisement including mobilization charges which were necessary for supply of medical gases.

After discussion, the Committee accepted the explanation of the Department and **settled the para.**

**5. Para No.11: Page 12 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Additional expenditure of Rs.20,526 on account of purchase of nitrous oxide gas at higher rates**

**24-7-2002:** The Department explained that an amount of Rs.20,526 had been recovered and verified by Audit. **On the recommendation of Audit, the Committee settled the para.**

**6. Para No.4: Page 6 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Misuse of the cash balances toward current office expenditure**

**24-7-2002:** The Department explained that the permanent advance of Rs.5,258 was insufficient to meet day to day contingency requirement of the hospital. Audit had accepted the departmental

contention. On the recommendation of Audit, **the para was settled.**

**7. Para No.8: Page 9 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Undue financial benefit to the contractors amounting – Rs.462,776**

**Services Hospital Lahore – Rs.458,408**

**24-7-2002:** The Department explained that the terms and conditions on which the company agreed to supply gases to the Hospital clearly indicated that the transportation from factory to hospital and return of empty cylinders was the liability of the hospital. On the recommendation of Audit, **the Committee settled the para.**

**8. Para No.9(C): Pages 10-11 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Doubtful expenditure of Rs.147,585 on account of repair/replacements**

**Lady Willingdon Hospital, Lahore – Rs.5,000.**

**24-7-2002:** The Department explained that the repair and maintenance of equipment was carried out from a renowned firm. The repair charges were not excessive. After discussion Committee accepted the explanation of the Department and **settled the para accordingly.**

**9. Para No.7: Page 8 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Monthly rent of tank and transportation charges of Rs.433,258 of liquid oxygen wrongly charged to “59900-others”**

**24-7-2002:** The Department explained that all the expenditure of medical gases had been charged under object code 59900 prior to the sanction/decision of the government. On the recommendation of Audit, **the Committee settled the para.**

**10. Para No.2(c): Pages 4-5 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Overpayments of Rs.223,207 to suppliers**

**Mayo Hospital, Lahore – Rs.11,070.**

**24-7-2002:** The Department explained that the entire amount had been recovered and verified by Audit. On the recommendation of Audit, **the Committee settled the para.**

**11. Para No.9(a): Pages 10-11 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Doubtful expenditure of Rs.147,585 on account of repair/replacements**

**Lahore General Hospital – Rs.86,095**

**24-7-2002:** The Department explained that the budget for the year 1995-96 regarding medical

gases was completely exhausted. The contingency claim was paid from the next year's allocation.

The position had been verified by Audit. On the recommendation of Audit, **the Committee settled the para.**

**12. Para No.14(a): Pages 14-15 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Unauthorized rate contract resulting in irregular purchase of medical gases worth Rs.79,295,250**

**24-7-2002:** The Department explained that the Medical Superintendent was empowered to execute contract deeds and other instruments on the behalf of the Governor under the rules. On the recommendation of Audit, **the Committee settled the para.**

**13. Para No.14(b): Pages 14-15 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Opening of unauthorized Sub-detailed object and irregular classification of expenditure of Rs.79,295,250**

**24-7-2002:** The Department explained that the funds for the purchase of gases were provided under the classification code i.e. 59912 and expenditure had been booked accordingly.

Audit suggested that there should be a separate and uniform classification code for purchase of medical gases.

The Committee observed that the Department might take appropriate action on the suggestion of Audit. **The para was settled.**

## **Paras Conditionally Settled Civil Audit**

**1. Para No.1: Page 24 – Doubtful expenditure of Rs.672,075 on account of repair and maintenance of machinery equipment**

**8-5-2002:** The Department explained that expenditure on the repair and maintenance of machinery had been charged to the correct budget head and sanction for the expenditure had also been rightly accorded under Sr. No.3(a) of the Punjab Delegation of Financial Powers Rules 1990 as specific budget was provided for this purpose. Moreover, history sheets and dead stock register were also maintained. The Committee **settled the para** subject to verification of record by Audit.

**2. Para No.14: Page 29 – Recovery of Rs.145,500 due to bogus/fictitious expenditure on repair of machinery**

**7-5-2002:** The Department explained that the probe Committee observed that the repair was carried out after completing all the codal formalities and entries were duly made in the stock register. No fictitious/bogus expenditure was involved. The Committee **settled the para** subject to verification of record by Audit.

### **3. Para No.17: Page 30 – Misappropriation of Rs.631,976 worth of medical gases**

**6-5-2002:** Audit had pointed out that medical gases worth Rs.631,976 were purchased during June 1997, but the consumption accounts of the same were not produced to Audit.

The Department explained that an inquiry into the matter had been ordered on 6 March 2002 and inquiry report was still awaited.

The Department was directed to complete inquiry/action/ recovery, at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

Keeping in view the nature of the Audit para and the reply submitted by the Department, the Committee directed that the para should be considered and decided by the SDAC. Subject to the above direction, **the para was settled.**

### **4. Para No.18: Page 31 – Fictitious Purchase of Branullah Surflo For Rs.366,000**

**12-2-2002:** Audit had pointed out that purchases were made in one year and the payment was made in the subsequent year. During discussion, Audit accepted that the bills in question were in order but budgetary allocation needed to be verified. **The para was settled** subject to verification by Audit.

### **5. Para No.20: Page 32 – Shortage of Linen Articles Worth Rs.406,197**

**12-2-2002:** The Department explained that according to the Inquiry Committee's report the shortage of articles worth Rs.368,585/50 had been made up by the concerned staff and the shortage of linen articles amounting to Rs.32,812/50 was outstanding against the concerned officials who had been directed to deposit the same.

The Committee directed the Department to review and report how the shortage of articles worth Rs.368,585/50 had been made up. Disciplinary action should be initiated against those held responsible for the shortages in the first instance – a copy of the inquiry report should be supplied to Audit and recoveries got verified. The para was kept pending.

**8-5-2002:** The para was considered in the light of PAC directive dated 12 February 2002.

The Department explained that an inquiry/review committee had been constituted on 30 March 2002. Director General Nursing had been requested to initiate disciplinary proceedings against the official responsible for the shortage. Moreover, Audit had been requested for verification of the recovery of Rs.23,760

The Department was directed to recover the balance amount and get the recovery/record

verified by Audit. The Finance Department was directed to monitor further action in the matter. With the above direction, **the para was settled.**

#### **6. Para No.25: Page 34 – Doubtful drawal of pay and allowances amounting to Rs.99,521**

**22-7-2002:** The Department explained that according to the findings of the departmental inquiry report, Audit observation had been found correct. The services of three officials, namely Mansoor Ahmad, Muhammad Manzoor and Muhammad Shahzad were terminated w.e.f. 1 February 1998. However, one official namely, Muhammad Ramzan had been duly appointed.

The Department further explained that necessary action had been initiated for the recovery of amounts drawn on account of fake appointments. Action under the pension rules had been initiated against the ex-DHO, Multan on 30 April 2002. Action against the Accountant and Junior clerk (Mr Abdul Shakoor) who managed fake appointments of his two minor sons had also been initiated.

The Committee directed that the recovery/action should be completed, at the earliest. The question of the period of absence of the peon (Mr Muhammad Ramzan) should also be settled by the Competent Authority. Finance Department was directed to monitor the same. With the above directions, **the para was settled.**

#### **7. Para No.26: Page 35 – Irregular appointment resulting in misappropriation**

**22-7-2002:** The Department explained that the services of the employees, irregularly appointed by ex-Director Health Services, Multan had been terminated. However, some of them were granted stay orders by the High Court/Punjab Service Tribunal which were vacated on 17 April 2000 and 12 November 2001. The ex-DHS Multan had been removed from service on 30 May 2001 and the other co-accused Dr Saeed Ahmad Malik had been awarded penalty of withholding of promotion for three years. **The para was settled** subject to verification of record by Audit.

#### **8. Para No.30: Page 36 – Doubtful purchase of strychnine for Rs.81,650**

**22-7-2002:** The Department explained that the Director Health Services was competent to sanction expenditure and no splitting of expenditure was involved. Moreover, the stock was properly recorded in medical expense register and issued to Tehsil Sanitary Inspector for further distribution to various health outlets. Income Tax @ 3% had also been recovered.

The Department further explained that there was no separate budget allocation for purchase of this medicine, the expenditure was therefore, booked under head “599 others”. The Committee directed that purchase of medicine from the head “599-others” should be got regularized by the competent authority. **The para was settled** subject to regularization and verification of record by Audit.



## **9. Para No.31: Page 37 – Rs.232,702 Worth of Store Found Short**

**11-2-2002:** The Department explained that as a result of the departmental inquiry, no shortage of equipment had been found. The Department was directed to produce the relevant record to Audit for verification. **The para was settled** subject to verification.

## **10. Para No.32: Page 38 – Misappropriation of Vaccine (EP-I) Costing Rs.84,556**

**11-2-2002:** The Department explained that recovery of Rs.84,784 had been effected. **The para was settled** subject to verification by Audit.

## **11. Para No.40: Page 42 – Theft of Government vehicle valuing Rs.2,100,000**

**13-2-2002:** The Department explained that according to the findings of the Inquiry Committee, the Police had failed to recover the snatched vehicle or apprehend the culprits, the depreciated value of the vehicle at the time of its snatching was Rs.436,000 and no negligence on the part of any official was involved in the loss. The Committee directed that a copy of the inquiry report should be provided to Audit for scrutiny and comments. The case for writing off the loss (of the original cost of the vehicle) on merit should be referred to the Finance Department and the decision of the Finance Department should be followed. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that in compliance with the PAC directive the case had been forwarded to the Finance Department for write off sanction of the snatched vehicle. The Committee **settled the para** subject to regularization and its verification by Audit.

## **12. Para No.41: Page 42 – Loss of Rs.379,900 Due to Theft of Vehicle**

**12-2-2002:** The Department explained that the Police had filed the case after declaring the stolen vehicle as untraceable. However, in the departmental inquiry six officers/officials had been held responsible for not maintaining proper record of the use of vehicle from 1987 to 1996.

The inquiry report was being considered in the Administrative Department and action under the rules would be taken against the persons at fault. The Committee directed that appropriate action be completed expeditiously and disciplinary action should also be taken against the persons responsible for delaying the case in the Administrative Department. A copy of the departmental



inquiry report should be supplied to Audit. **The para was kept pending.**

**24-7-2002:** The para was considered in the light of PAC directive dated 12 February 2002.

The Department explained that the charge sheets against six officials had been finalized and would be served upon them.

The Committee **settled the para** subject to disciplinary action/recovery by the Department and its monitoring by the Finance Department.

### **13. Para No.42: Page 42 – Loss of Rs.525,000 Due to Theft of Government Vehicle**

**11-2-2002:** It was stated that the official vehicle No.GTB 1632 stolen from Gujrat in June 1993 was declared untraceable by Police in August 1994. However, in March 2000 Sargodha Police informed that the vehicle had been found. It was also told that the Department had failed to take possession of the vehicle which was released to some private person and that the matter was sub-judice. The Department was directed to hold an inquiry and take necessary action in the matter and report progress to the Committee in the next meeting. The para was kept pending.

**6-5-2002:** The Department explained that as per directive of the PAC dated 11 February 2002, an Inquiry Committee under the Chairmanship of EDO (Health) Gujrat had been constituted on 24 April 2002 to probe the matter and fix the responsibility. Its Report was awaited.

The Committee observed that the aspect of failure of the officer concerned to take the vehicle from Sargodha Police should also be covered in the inquiry. The Department was directed to complete the inquiry/action at the earliest. **The para was kept pending.**

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

The Department explained that the stolen vehicle of the Department was recovered by the Sargodha Police and was taken away by Mainwali Police and then handed over to Mr Abdul Haleem (private person) under superdari by the order of Special Judicial Magistrate Mainwali on 26 January 2002.

The Department was considering to file a writ petition in the Lahore High Court for retrieval of government vehicle and the Solicitor to the Government of the Punjab had been approached for advice in the matter.

The Department was directed to take action as per advice of the Solicitor and take appropriate action to settle the matter under intimation to the Finance Department and Audit. **Subject to the above direction, the para was settled.**

### **14. Para No.48: Page 48 – Recovery Due to unauthorized Use of Government Vehicle Resulting in Loss of Rs.32,112**

**11-2-2002:** The Department explained that the vehicles in question were used by the PRO to the then Minister for Health. No misuse was involved. The Department was directed to produce all the relevant record to Audit for scrutiny and comments. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that the vehicle in question was used by the PRO to ex-Minister Health, Punjab for official purposes. After seeing the record, Audit pointed out that average consumption certificate of the said vehicle was not attached with the log book.

The Committee **settled the para subject to** verification of average consumption certificate by Audit.

**15. Para No.50: Page 49 – Irregular/un-authorized expenditure of Rs.4,622,000 due to non approval of price lists**

**5-11-2001:** The Department explained that the inquiry committee had recommended that ex-post facto sanction be obtained from the Finance Department.

Audit has also supported the findings of the Inquiry Committee.

The Committee directed the Department to obtain ex post facto sanction from the Finance Department without further delay and report to Audit as well as to the PAC. **The para was kept pending.**

**8-5-2002:** The para was considered in the light of PAC directive dated 5 November 2001.

Audit had pointed out that price list of various jobs relating to the manufacture of artificial limbs for the injured/disabled persons was not got approved each year. The Department explained that the matter had already been referred to the Finance Department for regularization. The Committee **settled the para subject to** the decision of the Finance Department.

**16. Para No.51: Page 50 – Irregular/unlawful re-appropriation of Rs.13,150,000**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18-9-2001 to probe into the matter and its report was still awaited.

The Committee directed that the inquiry should be completed within one month, report shown to Audit and then the matter placed before the PAC for consideration in its next meeting. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 5 November 2001.

The Department explained that the report of the inquiry committee had since been received.

According to its findings, re-appropriation to the tune of Rs.11,250,000 was sanctioned by the Finance Department while the re-appropriation of Rs.19 lacs was made by the Hospital Administration through 38 sanction orders out of which 37 sanction orders of Rs.1,850,000 were not available, but the numbers and dates of the letters are available in the record.

The Committee directed that disciplinary action should be initiated on the basis of the findings of the inquiry report and action completed expeditiously. A copy of the inquiry committee's report should be provided to Audit for comments. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the matter of taking action against the officers responsible for irregular re-appropriation of funds, it was found that only 5% of the total re-appropriation had been made by the Medical Superintendent beyond his competence and the same was done under austerity measures.

Audit, however, pointed out that the irregular re-appropriation of Rs.1,850,000 needed regularization by the Finance Department.

The Committee **settled the para** subject to regularization by the Finance Department and disciplinary action against the officials held responsible for the irregular re-appropriation of Rs.1,850,000.

#### **17. Para No.57: Page 53 – Excess expenditure of Rs.536,628 over and above budget allocation**

**22-7-2002:** The Department explained that the amount of WAPDA charges deducted by the Federal Government at source were communicated to the Department in June 1997 which was booked in the expenditure statement. The resultant excess expenditure was pointed out by Audit, which was not based on facts because no amount had been drawn from the Treasury. **The para was settled** subject to verification of record by Audit.

#### **18. Para No.61: Page 55 – Un-authorized opening of Bank account and un-due retention of government money Rs.2,511,752**

**5-11-2001:** The Department explained that the Principal was competent to open an account in the bank for college dues.

The Committee did not accept the explanation of the Department and directed it to prepare a comprehensive report about such matters as the procedure being followed in all the 8 medical colleges regarding opening of similar bank accounts, whether it had government approval, and had the mark up, if any, in these accounts was adjusted, etc. The report should be submitted to PAC through Audit in the next meeting. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 5 November 2001.

The Department explained that college receipts were first deposited into a Commercial Bank and then transmitted to the Government Treasury on monthly basis.

Audit however, stressed that the government receipts should have been deposited into Government Treasury on daily basis and the irregularity committed by departmental authorities should be got regularized by the Finance Department. Audit further pointed out that there was no authority/rule which empowered the college management to retain government dues out of government accounts for 1-5 months. The Committee felt that the explanation of the Principal should have been called for.

After discussion, the Committee decided **to settle the para** subject to regularization by the Finance Department and its verification by Audit.

### **19. Para No.68: Page 58 – Recovery of Rs.8,582,492 on account of irregular local purchase of medicines**

**6-11-2001:** The Department explained that inquiry had been conducted into this matter and as per findings of the inquiry committee, necessary action was underway. The Committee directed the Department to:-

- (i) get the expenditure of Rs.1,881,105 regularized by the Finance Department; and
- (ii) produce the record relating to purchase of medicines on rate contract basis valuing Rs.4,049,387 to Audit for verification – and
- (iii) take action against the officers/officials at fault.

The para was kept pending.

**13-2-2002:** The para was considered in the light of the directive of the PAC dated 6 November 2001.

The Department explained that the case for regularization had been referred to Finance Department and relevant record would be shown to Audit

The **para was settled** subject to regularization by the Finance Department and verification by

Audit. The Committee expected the Finance Department to monitor progress on the para and submit a report to the Committee.

**20. Para No.72: Page 60 – Fraudulent, un-authorized expenditure of Rs.3,960,222 over and above the sanctioned budget**

**5-11-2001:** The Department explained that a sub committee had been constituted to probe into the matter and fix responsibility. The report of the sub committee was still awaited. Final action will be taken in the light of the report.

The Committee directed the Department to raise the level of inquiry, effect the recovery and take disciplinary action against the persons at fault. The para was kept pending.

**13-2-2002:** The para was considered in the light of the directive of the PAC dated November 5, 2001.

The Committee re-iterated its previous directive that inquiry in the matter should be held at Secretariat level and action taken accordingly. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 5 November 2001 and 13 February 2002.

Audit had pointed out that an expenditure of Rs.3,960,222 had been incurred over and above the sanctioned budget during the year 1996-97.

The Department explained that according to the findings of the departmental inquiry report no officer/official could be held responsible for this over drawal as no actual loss was caused to public exchequer.

The Committee directed that the expenditure over and above the budgetary allocation should be got regularized by the Finance Department. Suitable action should be taken against the Department's officers responsible for delay in initiating this action. A copy of the reference made to the Finance Department for regularization should be provided to Audit. Subject to these directives, **the para was settled.**

**21. Para No.73: Page 61 – Expenditure of Rs.916,811 over and above the budget allocation**

**22-7-2002:** In its latest comments Audit had pointed out that the contention of the Department that the expenditure remained within the original budget allocation but due to modified grant issued later on the expenditure became excess, was not tenable. Similarly, the contention of the Department that overall expenditure of the Hospital remained within the overall modified grant was also not acceptable because the expenditure should remain within budget allocation under each detailed head.

The Department was directed to take appropriate action against those responsible for making excess expenditure over the available budget allocation in the relevant head and also get the excess expenditure regularized by the Finance Department through ex-post-facto re-appropriation. Subject to these directives, **the para was settled.**

**22. Para No.75: Page 62 – Irregular auction of store articles for Rs.185,000**

**13-2-2002:** Audit had pointed out that auction of 364 items made by the Medical Superintendent, Punjab Dental Hospital, Lahore on 2 November 1995 was irregular and beyond his competence. The Department explained that the auction proceeds amounting to Rs.185,000 had been deposited into government treasury on 7 December 1997.

The Committee observed that the amount had been misappropriated for two years. The Committee directed that deposited money should be got verified by Audit and action should be taken against the officer responsible for the misappropriation. The original cost of the items put to auction should be established and competence of the Medical Superintendent should also be checked up. The para was kept pending.

**7-5-2002:** The para was considered in the light of the PAC directive dated 13 February 2002.

The Department explained that as per findings of the departmental inquiry report, the prescribed procedure had not been followed in the auction of the articles i.e. their reserve price had not been got assessed, recommendation of the condemnation committee and order of M.S. for condemnation of the articles were not available, comparative statement of list of bidders was not available, original deposit challan of sale proceeds of auction were not available (only photo copies were available). Total auction money of Rs.185,000 was not deposited only a sum of Rs.9,250 was shown as paid to the public auctioneer as commission.

The Committee directed that disciplinary action should be taken against the officers/officials responsible for these financial irregularities/embezzlement on the basis of departmental inquiry report. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 November 2001.

Audit had pointed out that the Department had not yet produced the relevant record to Audit as directed by the Committee in its last meeting. The Committee directed the Department to implement the direction of the Committee, at the earliest. The Committee **settled the para** subject to verification of record by Audit.

**23. Para No.79: Page 67 – Recovery of Rs.1,704,762 due to irregular and wasteful expenditure**

**8-5-2002:** Audit had pointed out that when the supply of diet to patients was stopped in November 1990, the cooking staff of 33 persons became surplus.

The Department explained that out of 35 posts of cooking staff in the General Hospital, Lahore only 12 persons were serving in the main kitchen while the remaining 23 persons were serving in the Doctors' Hostel and the Nursing Hostel. The persons who were regular employees and became surplus due to closing of the main kitchen were being utilized in the Wards, Laboratories etc. The Department stated that a case had been referred to the Finance Department for re-designation of



the concerned posts. It was further stated that the hospital administration was waiting for a uniform policy from the Finance Department for all hospitals facing the same situation.

The Committee observed that whenever any service was abolished, the concerned posts should also be abolished and the surplus staff should be dealt with according to the policy of the Government on the subject.

The Committee directed that necessary action in this matter should be completed by the Administrative Department and Finance Department, at the earliest. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that information was being collected from all the districts about the details of sanctioned/filled posts of Cooks and Misalchis along with date of recruitment. On receipt of this information the case would be referred to the Finance Department in a consolidated form.

After discussion, the Committee re-iterated its earlier directive and **settled the para** subject to the decision of the Finance Department regarding regularization/ readjustments in the matter.

#### **24. Para No.86: Page 71 – Loss of Rs.339,500 due to bad planning**

**7-5-2002:** The para was considered on 7th and 8th May 2002.

Audit had pointed out that certain equipment purchased by the College of Community Medicine, Lahore at a cost of Rs.339,500 during the year 1994-95 had not been unpacked till the date of audit in June 1997.

The Department explained that the provision for the project “Comparative Study of Efficacy of Human Diploid” was made under Grant No.36-Development during the year 1994-95. However, the Research Project could not be started due to the retirement of the Professor concerned.

The Committee observed that not only the retired Professor but also his successors in the post during the last six years were responsible for not making use of the equipment and completing the project with the result that the expenditure had gone waste. Suitable action should be taken against all of them.

The Committee directed that the Administrative Department should probe into the matter and take appropriate action without delay, besides exploring the possibility of utilizing the equipment for another project or activity.

The Health Department should also review its procedures for monitoring progress on its projects. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

Keeping in view the nature of the Audit Para and reply of the Department, the Committee directed that this para should be considered and decided by the Special DAC. Subject to the above direction, **the para was settled.**

**25. Para No.89: Page 73 – Loss of Rs.426,994 due to un-necessary purchase in the presence of available stock**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18.9.2001 to probe into the matter and its report was still awaited.

The Committee directed that the inquiry should be completed within one month, report be shown to Audit and then the matter be placed before the PAC for consideration in its next meeting. The para was kept pending.

**12-2-2002:** The Department explained that as per findings of the inquiry report conducted by the Department the purchase order for the raw material in question was issued on June 28, 1993, whereas the Depot was closed on October 4, 1993. The raw material could not be used for manufacturing the medicines. The raw material was auctioned in December 1995 at a price 11.5% lower than the cost price. The Committee observed that MSD and the management of the factory should have been aware that the factory was going to be closed, and the purchase of raw materials could have been avoided. The Committee ordered that the inquiry report should be produced to Audit for scrutiny and comments. The para was kept pending.

**6-5-2002:** The para was considered in the light of PAC directive dated 5 November 2001.

The Department explained that according to the findings of the inquiry report, the raw material in question was indented in November and December 1992, the purchase orders were issued on 27 and 28 June 1993 and the Medical Store Depot was closed on 4 October 1993.

Moreover, no-body had knowledge that the Depot would be closed in future – no mala-fide intention of any officer was involved in the purchase of raw material in question.

The Department stated that the amount of the para would be got written off by the Finance Department.

The Committee directed that Administrative Department should refer the case to the Finance Department for appropriate action. Subject to this direction, **the para was settled.**

**26. Para No 90: Page 73 – Wastage of Store Worth Rs 132,133 Due to Negligence**

**12-2-2002:** The para was considered on February 12 and 13, 2002. In its latest comments Audit

had pointed out that the Department had appointed an inquiry committee on May 1, 2000 but the inquiry report was still awaited. The Department explained that one member of the inquiry committee had proceeded on long leave for two years. The Committee observed that it appeared that the matter was being “hushed up” and directed that inquiry/action should be completed expeditiously. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 12 February 2002.

The Department explained that after inquiry the responsibility for the loss had been fixed and further action as per inquiry report was being taken.

The Committee **settled the para** subject to completion of disciplinary action and recovery, and its monitoring by the Finance Department.

## **27. Para No.92: Page 74 – Loss of Rs.738,795 Due to Damage to X-Ray Plant**

**6-11-2001:** The Department explained that the X-ray plant became non functioning due to fluctuations of electricity. It was repaired by the supplying firm free of cost. The X-ray films were shifted to another centre. **The para was settled** subject to verification of record by Audit.

## **28. Para No.93: Page 75 – Irregular Drawal of pay amounting to Rs.415,560**

**13-2-2002:** The Department explained that Government of the Punjab had sanctioned the posts of Dental Technician and Cooks for Rural Health Centres throughout the Province. The Dental Clinics were not operative and provision of diet to patients had been discontinued. However, the services of the said staff were being utilized in the Rural Health Centres in the best public interest. Moreover, a case had been sent to Finance Department for re-designation of these posts. The Committee directed that details of the sanctioned posts of Dental Technician and Cook at each Rural Health Centre and Basic Health Unit along with justification of creation of posts should be given in the (revised) working paper for the next meeting. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that information was being collected from all the districts about the details of sanctioned/filled posts of Cooks and Misalchis along with date of recruitment. On receipt of this information the case would be referred to the Finance Department in a consolidated form.

After discussion, the Committee **settled the para** subject to the decision of the Finance Department in the matter.

## **29. Para No.94: Page 75 – Wasteful expenditure of Rs.321,414**

**13-2-2002:** Audit had pointed that the staff of a Basic Health Unit had been appointed before its building was handed over to the Department, contrary to the instruction of the Director General Health Services, Punjab. The Department explained that as a result of departmental inquiry, action was being taken against the officers responsible for making irregular appointments. The Committee directed that appropriate action (including recoveries, if any) should be completed expeditiously. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that action under E&D Rules was initiated against ex-DHS, Multan (Dr Altaf Hussain Gardezi) but the accused officer had already been removed from service in another case.

The Committee decided that the burden of irregularity pointed out in this para should also be placed on the concerned persons after due process. The Finance Department was directed to monitor further action in the matter. Subject to this direction, **the para was settled.**

## **30. Para No.98: Page 77 – Loss of Rs.206,849 due to excess rates**

**11-2-2002:** The Department explained that an amount of Rs.206,849 on account of overpayment had been recovered and verified by Audit.

The Committee directed that the persons responsible for overpayment should be proceeded against under the relevant law/rules after holding an inquiry at the Secretariat level and fixing responsibility for the overpayment. The para was kept pending.

**6-5-2002:** The Department explained that as per decision of the PAC dated 11 February 2002, Deputy Secretary (General) Health Department had been appointed as Inquiry Officer for fixing the responsibility of overpayment and further action would be taken on receipt of his report.

The Committee observed that the amount of overpayment had already been recovered and verified by Audit, the Finance Department should monitor action against the officer responsible for making overpayment in the first instance. Subject to this direction, **the para was settled.**

## **31. Para No.100: Page 78 – Non-installation/use of hospital machinery valuing Rs.3,309,928**

**8-5-2002:** The Department explained that the equipment in question was supplied by MSD and

the same had been installed and was being used for public benefit in the concerned hospital. The Committee **settled the para subject to verification** of record by Audit.

### **32. Para No.102: Page 79 – Wastage of Rs.1,350,000 due to non-installation/functioning of dental units**

**7-5-2002:** The para was considered on 7th and 8th May 2002.

The Department explained that out of three Dental Units in question one was installed on 30 November 1990 and two units were installed on 10 January 1995. **The para was settled** subject to verification of record by Audit.

### **33. Para No.106: Page 81 – Wasteful expenditure of Rs.2,404,800 on appointment of staff in non-functional units**

**11-2-2002:** Audit had pointed out that a number of Basic Health Units had not started functioning but staff had been appointed there who was getting monthly salaries regularly for years. The Department explained that the then District Health Officer was proceeded against under the Efficiency & Discipline Rules and awarded minor penalty of stoppage of annual increments for two years.

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

**6-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that as per directive of the PAC relevant record in support of explanation given in the previous meeting by the Department was being produced to Audit for verification. The Committee decided to **settle the para** subject to verification by Audit.

### **34. Para No.115: Page 90 – Recovery of Rs.2,394,259 due to irregular award of contract of local purchase of medicine**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18 September 2001 to probe into the matter and its report was still awaited.

The Committee directed that the inquiry should be completed within one month, report be shown to Audit and then the matter be placed before the PAC for consideration in its next meeting. The para was kept pending.

**7-5-2002:** The para was considered in the light of the PAC directive dated 5 November 2001.

Audit had pointed out that the hospital had awarded contract for the local purchase of medicines at a lower discount rate as compared to other hospitals.

The Department explained that according to the finding of the departmental inquiry report, the contract of local purchase of medicines had been finalized through purchase committee of the hospital. However, the rates of discount approved by the Purchase Committee had not been compared



with rates of discount accepted by other hospitals at Lahore. The Inquiry Committee had recommended that the overpayment worked out by Audit on the basis of comparison of discount rates accepted by other hospitals might be got regularized by the competent authority. The Committee **settled the para** subject to regularization by the Competent Authority.

### **35. Para No.117: Page 91 – Shortage of stock Articles Valuing Rs.3,259,783**

**7-11-2001:** The Department explained that physical verification team constituted for the purpose had reported that no shortage had been found in the stock.

Audit pointed out that the Department had not shown to it the inquiry report for verification.

The para was kept pending with the direction that the Department may produce the inquiry report to Audit for verification of record.

**8-5-2002:** The para was considered in the light of PAC directive dated 7 November 2001.

The Department stated that earlier a Review Committee was appointed under the chairmanship of Dr. Mahboob Rabbani. Later, an Inquiry Committee under the chairmanship of Dr. Hafiz Abdul Qayyum was appointed to enquire into the matter. The inquiry report was still awaited. The Committee directed that the Inquiry Committee should deal with all the points raised in the audit observation and the inquiry should be completed within one month and action taken accordingly. Moreover, a copy of the inquiry report should be provided to Audit and PAC Secretariat. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that according to the report of the physical verification of stock, only 35 articles valuing Rs.550,542 had been found short, and the Principal Executive Officer of the Jinnah Hospital was being asked to take disciplinary action against the defaulters and effect recoveries.

The Department was directed to complete the disciplinary action and effect the recovery, at the earliest. The Finance Department was directed to monitor the action. Subject to the above direction, **the para was settled.**

### **36. Para No.126: Page 96 – Non-Recovery of Rs.94,415 On Account of Sample Analysis Fee**

**12-2-2002:** Audit had pointed out that an amount of Rs.94,415 was outstanding against various local bodies/government agencies on account of analysis fees.

The Department explained that an amount of Rs.58,325 had since been recovered and efforts were being made to recover the balance amount. The Committee directed that an inquiry should be held to fix the responsibility and to take disciplinary action for not realising the analysis fees at the proper time. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 12 February 2002.

The Department explained that out of actual recoverable amount of Rs.89,590 an amount of Rs.78,130 had been recovered leaving a balance of Rs.11,460 which would be recovered shortly. The



Committee **settled the para** subject to balance recovery and its verification by Audit.

**37. Para No.127: Page 96 – Loss to Government Due to Non-Supply of Equipment/Instrument Worth Rs.1,283,500**

**7-11-2001:** The Department explained that the instrument was burnt in a fire accident at Karachi Port Trust Shed. Out of total of Rs.1,283,500 a sum of Rs.1,195,030 had been recovered from National Insurance Corporation Karachi, as insurance claim and deposited into Government account.

Audit pointed out that the Department should produce the relevant record in support of its contention to Audit for verification.

The para was settled with the direction that the record may be produced to Audit for verification and write off sanction of the balance amount of Rs.88,470 be obtained from the Finance Department.

**8-5-2002:** The para was considered in the light of PAC directed dated 7 November 2001.

In its latest comments, Audit had verified the recovery of Rs.1,195,035 from the National Insurance Corporation on account of damage to the store caused due to fire at Karachi Port Trust.

The Department explained that the Finance Department had been approached for write off sanction of the balance amount of loss of Rs.88,470. The Committee **settled the para** subject to the decision of the Finance Department.

**38. Para No.130: Page 98 – Loss of Rs.2,392,318 Sustained by Government Due to Auction at Lower Rate of Store as Compared to Purchase Rates**

**6-11-2001:** The Department explained that the case for writing off the loss is in process. The para was kept pending with the direction that the department may pursue and finalize the case expeditiously.

**6-5-2002:** The para was considered in the light of directive of PAC dated 6 November 2001.

The Department explained that according to the findings of the inquiry report, the pharmaceutical factory of MSD was closed on 1 November 1993.

The available raw material was disposed of through a high level committee. About 78% of the purchase price was recovered and 22% of the purchase price converted into aggregated loss of Rs.1,965,324. Accordingly, a case had been forwarded for write off sanction of Rs.1,965,324 vide No. AAC/HD/8-63/99 dated 2 April 2002. In its latest comments, Audit had accepted that after excluding duplication the amount of the para was reduced to Rs.1,965,324.

The Committee directed that further action in the matter should be taken by the Finance

Department. Subject to this direction, **the para was settled.**

### **39. Para No.131: Page 98 – Recovery of Rs.895,273 Due to Non Supply of Medicines After Obtaining Payment**

**7-11-2001:** The Department explained that cash payment through cheques/bank draft was not obtained for the stores rather it was done through book debit on the orders of the competent Authority.

Audit was not satisfied with the explanation of the Department and requested the Department to produce necessary record in support of its contention.

The para was kept pending for verification of relevant record by Audit. The action be completed before the next meeting.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 November 2001.

On consideration of the departmental explanation and Audit comments thereon, given in the working paper the Committee directed that this para should be considered and decided by the Special Departmental Accounts Committee. Subject to this direction, **the para was settled.**

### **40. Para No.133: Page 99 – Non-Realization of Rs.241,500 on Account of Power and Gas Charges from Canteen, General, Fruit Shop etc.**

**6-11-2001:** The Department explained that Rs.48,000 had been recovered and deposited into government treasury through various treasury challans.

Audit stated that particulars of recovery duly supported by relevant record had not been produced and the contention of the Department could not be verified. The Department was directed to:-

- (i) recover the total amount of Rs.241,500 and get the same verified by Audit – and
- (ii) get a probe carried out and take appropriate action against the persons who caused delay in making the recovery.

The para was kept pending.

**13-2-2002:** The para was considered in the light of the directive of the PAC dated 6 November 2001.

The Committee re-iterated its previous decision that the balance recovery should be completed expeditiously and the appropriate action should be taken against the officers responsible for not recovering the government dues at the proper time. The para was kept pending.

**8-5-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that according to the findings of the departmental inquiry report received on 3 May 2002, the amount of Rs.174,000 was recoverable from the contractors, and the officers responsible for non-recovery of the government dues within the stipulated period (including the Medical Superintendent and Accounts Officer of the Hospital) were liable to disciplinary proceedings.

The Committee directed that recovery and disciplinary proceedings as per findings of the departmental inquiry report should be completed within two months. The recovery of the government dues should also be included in the charge-sheets to be served on the concerned officers. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that recovery of Rs.48,000 had been effected from the contractor and the balance amount of Rs.193,500 was still recoverable. Moreover, action against the Accounts Officer and the Medical Superintendent who had since retired was being taken. **The para was settled** subject to balance recovery, disciplinary action and its verification by Audit.

#### **41. Para No.134: Page 100 – Recovery of Rs.123,450 Due to Shortage**

**11-2-2002:** The Department explained that as a result of physical verification conducted by departmental committee, shortage of store/stock worth Rs.14,829 was found and the recovery had been made from two Charge Nurses and 14 Ward Nurses. The Committee directed that copy of the inquiry report and all the relevant record should be provided to Audit for scrutiny and comments. The para was kept pending.

**6-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

In the previous meeting the Department had reported that as a result of physical verification only articles worth Rs.14,829 were found short. But now the Department reported that 11 items valuing Rs.12,945 were found short and had been recovered.

The Committee directed that Administrative Department should conduct physical verification of the articles under observation in this para and submit its report to Audit. **The para was settled** subject to verification by Audit.

#### **42. Para No.150: Page 107 – Embezzlement of K-Otherine (Pesticide) costing Rs.115,272**

**13-2-2002:** The Department explained that an inquiry was held into the matter through Deputy District Health Officer, Gujrat. According to the findings of the inquiry report, only 16 kg insecticide had been pilfered. However, Audit pointed out that Department had failed to provide record in support of its contention.

The Committee directed that a de-novo inquiry should be held into the matter by Executive District Officer Health and action taken accordingly. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that after inquiry it had been established that the embezzlement of pesticides was committed. The process of recovery from defaulter was in progress.

The Committee **settled the para** subject to recovery, disciplinary action and its verification by Audit.

#### **43. Para No.151: Page 107 – Unauthorized payment of Rs.1,652,746 as house rent allowance**

**13-2-2002:** The Department explained that in certain cases the recovery on account of drawal of house rent allowance as pointed out by Audit was not justified.

The Department was directed to provide all the relevant record in support of its contention to Audit. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

On consideration of the departmental explanation and Audit comments thereon, given in the working paper, the Committee directed as follows:-

- |  |  |
|--|--|
| <b><u>Component (i) – Rs.38,744:</u></b>       | Settled subject to verification of record by Audit.  |
| <b><u>Component (ii) – Rs.633,362:</u></b>     | The matter should be considered and decided by the SDAC.   |
| <b><u>Component (iii) – 1: Rs.422,017:</u></b> | The amount to be recovered should be got verified by Audit, and its recovery should be effected. |
| <b><u>Component (iii) – 2: Rs.539,988:</u></b> | Settled subject to verification of record by Audit.  |

Subject to the above directives, **the para was settled.**

**44. Para No.154: Page 109 – Recovery of Rs.3,072,042 due to un-authorized payment of house rent allowance**

**13-2-2002:** The Department explained that in certain cases the recovery on account of drawal of house rent allowance as pointed out by Audit was not justified.

The Department was directed to produce all the relevant record in support of its contention to Audit. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

On consideration of the departmental explanation and Audit comments thereon given in the working paper, the Committee directed that this para should be considered and decided by Special Departmental Accounts Committee. Subject to this direction, **the para was settled.**

**45. Para No.156: Page 110 – Irregular local purchase and misappropriation of medicines worth Rs.406,063**

**22-7-2002:** The Department explained that Government Sardar Begum Hospital, Sialkot under observation in this para had the status of a District Headquarters Hospital and as such was authorized to make 75% purchase from Medical Stores Depot and 25% from local market. As such no irregularity was involved. **The para was settled** subject to verification of record by Audit.

**46. Para No.157: Page 110 – Loss of Rs.181,678 due to non-deposit of Government receipt**

**7-5-2002:** Audit had pointed out that government receipts to the tune of Rs.181,678 realized from the patients had not been deposited into Government Treasury.

The Department explained that an amount of Rs.136,448 had been recovered and deposited into Government Treasury and the remaining amount of Rs.45,230 was yet to be recovered.

The Committee directed that balance recovery should be made at the earliest. Disciplinary action should be taken against the defaulters, as well as Drawing and Disbursing Officer. Subject to these directions, **the para was settled.**

**47. Para No.158: Page 111 – Un-economical and irregular expenditure of Rs.187,500 and loss of Rs.33,708 due to “Purchase without discount”**

**13-2-2002:** The Department explained that the discount of 6% was not applicable to bulk purchase made through competitive bidding.

The Department further stated that out of twelve transactions only in one case the rate contract was not followed, and the same would be got regularized.

The Committee directed that the irregular purchase should be got regularized by the Finance Department. Subject to this direction, **the para was settled.**

#### **48. Para No.170: Page 120 – Recovery of Rs.2,200,362 worth of purchase beyond powers**

**23-7-2002:** The Department explained that the local purchase was made from time to time within the financial competency by observing/adopting all the codal formalities to meet the requirement of the patients/hospital. However, Audit pointed out that the Medical Superintendent had made purchases beyond his competence i.e Rs.150,000 during one year.

The Committee directed that the expenditure should be got regularized by the Finance Department. The Committee **settled the para subject to** regularization by the Finance Department.

#### **49. Para No.171: Page 120 – Purchase of Rs.541,335 over and above competency**

**7-5-2002:** The Department explained that expenditure to the tune of Rs.118,812 was incurred on the purchase of general store items. Medicines worth Rs.322,908 were purchased on day-to-day basis. Similarly, X-ray films worth Rs.99,615 were purchased to meet day-to-day demand out of the budget allocation for this purpose. All the purchases were within the competence of the Medical Superintendent. Audit however, pointed out that the departmental representative who came for verification of record stated that a probe into the matter was in process.

The Administrative Department after confirmation reported on 8 May 2002 that no such probe was in the knowledge of Administrative Department.

The Department was directed to look into the matter and complete the necessary action at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that fact finding inquiry could not be finalized due to the death of the Medical Superintendent concerned. However, the purchase in question was made after observing all codal formalities with the approval of the competent authority. The Committee **settled the para subject to** verification of record by Audit.

#### **50. Para No.174: Pages 122-123 – Misappropriation of Rs.762,850 Incurred on Printing**



## **Material**

**12-2-2002:** The Department explained that the Inquiry Committee under the Chairmanship of Medical Superintendent, Mayo Hospital, Lahore had concluded that an expenditure of Rs.1,026,850 was incurred over and above the budget allocation for printing, and various procedural and financial irregularities were committed. The Department also explained that all the officers at fault would be proceeded against under the relevant law/rules. The Committee observed that the officer responsible for delaying action in the matter in the Administrative Department should also be proceeded against. Action/inquiry should be completed expeditiously. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 12 February 2002.

The Committee expressed its concern over the delay regarding disciplinary proceedings against the responsible persons and the Department was directed to complete disciplinary action, at the earliest and report the latest position in the working paper for the next meeting. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that a summary for seeking permission for initiating disciplinary proceedings against the defaulters had been submitted to the Governor/ Authority.

The Committee **settled the para subject to** Departmental action and its monitoring by the Finance Department.

### **51. Para No.175: Page 123 – Irregular and Uneconomical Expenditure of Rs.264,000 Under Head 550 Printing**

**12-2-2002:** The Department explained that the Inquiry Committee under the Chairmanship of Medical Superintendent, Mayo Hospital, Lahore had concluded that an expenditure of Rs.1,026,850 was incurred over and above the budget allocation for printing, and various procedural and financial irregularities were committed. The Department also explained that all the officers at fault would be proceeded against under the relevant law/rules. The Committee observed that the officer responsible for delaying action in the matter in the Administrative Department should also be proceeded against. Action/inquiry should be completed expeditiously. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 12 February 2002.

The Committee expressed its concern over the delay regarding disciplinary proceedings against the responsible persons and the Department was directed to complete disciplinary action, at the earliest and report the latest position in the working paper for the next meeting. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that a summary for seeking permission for initiating disciplinary proceedings against the defaulters had been submitted to the Governor/ Authority.

The Committee **settled the para subject to** Departmental action and its monitoring by the Finance Department.

## **52. Para No.182: Page 128 – Irregular local purchase of stock articles valuing Rs.609,180**

**13-2-2002:** The Department explained that the case was forwarded to Finance Department for regularization and the decision of the Finance Department was still awaited.

The Committee directed the Department to expedite the action. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that sanction to the regularization of the expenditure by the Finance Department was still awaited.

The Committee felt that suitable action should be taken to investigate the reasons of the delay in the Finance Department.

After discussion, the Committee decided to **settle the para** subject to the decision of the Finance Department.

## **53. Para No.199: Page 140 – Expenditure under wrong head of account amounting to Rs.1,568,765**

**6-5-2002:** The Department explained that in the departmental inquiry, it had been held that the replacement of machinery had been made only for a lower amount and not Rs.1,568,765. In its latest comments Audit had, however, stated that the total amount of the para was Rs.1,336,021 instead of Rs.1,568,765. The expenditure of Rs.855,000 incurred on various medical instruments/equipment had been verified by Audit. The balance amount of Rs.481,021 was incurred on purchase of different medical instruments/items out of wrong head “Repair and Maintenance of Durable Goods” instead of “Purchase of Machinery and Equipment”.

The Committee observed that the departmental inquiry had not tackled the original Audit observation (purchases without allocation/re-appropriation of funds) and directed that Administrative Department should inquire into the matter and take action (disciplinary action and regularization) accordingly. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

Keeping in view the nature of the Audit Para and the departmental reply thereto, the Committee directed that this para should be considered and decided by the SDAC. **Subject to the above direction, the para was settled.**

## Performance Audit Special Audit Report for Purchase of Medical Gases in Major Hospitals of Punjab

### **1. Para No.9(b): Pages 10-11 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Doubtful expenditure of Rs.147,585 on account of repair/replacements**

#### **B.V. Hospital, Bahawalpur – Rs.56,490**

**24-7-2002:** The Department explained that no double payment on the subject account was made by the hospital but the firm sent two copies of each bill. **The para was settled subject to verification by Audit.**

### **2. Para No.5: Page 6 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Non recovery of income tax amounting Rs.91,033 from the suppliers**

**24-7-2002:** The Department explained that the recovery of income tax of Rs.18,278 had been effected and the balance amount would be deducted from the pending bills of the contractors. The Committee **settled the para** subject to verification of record by Audit.

### **3. Para No.12: Pages 12-13 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Loss of Rs.66,528 due to leakage of gas**

**24-7-2002:** The Department explained that according to the record about 2600 operation cases were done by the Professors/Associated Professors during 7/97 to 9/97. The cylinders in question were consumed genuinely and the gas was not wasted. The Committee **settled the para** subject to verification of record by Audit.

### **4. Para No.13: Pages 13-14 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Expenditure of Rs.188,784 incurred over and above the budget allotment.**

**24-7-2002:** The Department explained that the excess expenditure was made from the amount of re-appropriation for this purpose. Audit pointed out that sanction for re-appropriation had not been shown to it. Thus the expenditure should be got regularized by the Finance Department. The

Committee **settled the para** subject to regularization by the competent authority and its verification by Audit.

**5. Para No.5: Pages 6-7 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Non recovery of income tax amounting Rs.91,033 from the suppliers**

**R.G.H. Rawalpindi – Rs.4,639/71**

**24-7-2002:** The Department explained that an amount of Rs.4,640 had been recovered and deposited into Government Treasury. The Committee **settled the para** subject to verification of record by Audit.

**6. Para No.5: Pages 6-7 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Non-recovery of income tax amounting Rs.91,033 from the suppliers**

**Holy Family Hospital, Rawalpindi – Rs.68,016**

**24-7-2002:** In its latest comments, Audit had verified the recovery of Rs.23,028 on account of income tax and had demanded exemption certificate or balance recovery of Rs.44,988. The Committee **settled the para** subject to verification of balance recovery/exemption certificate by Audit.

## **Paras Pended Civil audit**

**1. Para No.5: Page 26 – Misappropriation of medicines worth Rs.255,030**

**5-11-2001:** The Department explained that the matter had been probed and the amount was being recovered from the officials posted in the receipt section who were responsible for the custody of store.

The Committee observed that it appeared as if the stock was misappropriated before it was received in MSD. Therefore, fool-proof arrangements should be made to check the incidence of fraud, forgery and embezzlement as is apparent in this para. The records of receipts of the gate and MSD should be constantly cross-checked, watched and supervised.

The Administrative Secretary undertook to carry out a thorough probe into the record

maintained at the gate and the MSD since the issuance of the para and submit a report to the PAC. The Para was kept pending.

**6-5-2002:** The para was considered in the light of directive of PAC dated 5 November 2001.

The Department explained that according to the findings of the inquiry report, no payment had been made from out of the Government funds for the medicines worth Rs.255,330 under observation in this para. The Department further stated that an amount of Rs.200,000 was recovered from the officials posted in the Receipts Section and other staff and paid to the concerned firm. Now the firm had no claim and a certificate to this effect had been obtained from the said firm. The Department, however, stated in the meeting that certain matters relating to MSD were also under investigation by National Accountability Bureau. The Committee directed the Finance Department to monitor further action in the matter. **The para was kept pending.**

## **2. Para No.6: Page 26 – Misappropriation of Rs.580,080 due to shortage of instruments**

**13-2-2002:** The Department explained that an inquiry into the matter was conducted at Secretariat level. According to the finding of the inquiry, shortage of stock articles and instruments worth Rs.589,480 was found. Disciplinary proceedings against the officers at fault had been initiated and the case was pending with the Inquiry Officer (Additional Chief Secretary). The Committee stressed early finalization of disciplinary proceedings and enforcement of recovery. The para was kept pending.

**6-5-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that the ex Inquiry Officer had since been retired without finalizing the inquiry. A summary for change of inquiry officer was being sent to the authority for approval. The Department was directed to complete the inquiry/action/recovery at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

The Department explained that new Inquiry Officer, Secretary (Regulations), had since been appointed with the approval of the Governor/Authority on 3 July 2002. The inquiry was in progress.

The Department was directed to complete the inquiry/action/recovery, at the earliest. **The para was kept pending.**

## **3. Para No.9: Page 27 – Doubtful consumption of articles and medicines worth Rs.5,052,408**

**5-11-2001:** The Department explained that the concerned officer/officials were provided a grace period of 15 days for deposit of the pilfered amount. However, nothing had been deposited by them so far. The Committee directed the Department to:-

- (i) recover the pilfered amount of Rs.240,109 from the persons at fault besides taking disciplinary action against them.
- (ii) verify the issue, accountal and consumption of stocks in coordination with Audit.
- (iii) produce a copy of the enquiry report to Audit whereby the cost of articles was reduced from Rs.5,052,408 to Rs.1,795,693.

The para was kept pending with the direction that compliance be reported to PAC in the next meeting.

**13-2-2002:** The para was considered in the light of the directive of the PAC dated 5 November 2001.

The Department explained that disciplinary proceedings against the officers concerned were in progress. The Committee was not satisfied with the report and directed the Department to complete recovery/action expeditiously. The para was kept pending.

**6-5-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that disciplinary proceedings against the officers at fault were under process in the Health Department and a summary was ready for submission to the Governor.

The Committee directed that disciplinary proceedings/ recovery, if established, should be completed at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

The Department explained that more than one officer was involved in the subject case. Accordingly a summary for joint inquiry would be submitted to the competent authority.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**



#### **4. Para No.10: Pages 27-28 – Rs.1,848,481 worth of doubtful issuance of stores**

**13-2-2002:** The Department explained that outcome of the investigation (NAB) was still awaited. The Department was directed that a copy of the reference made to NAB in this case should be provided to Audit. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

#### **5. Para No.11: Page 28 – Misappropriation of spray pumps costing Rs.155,000**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.11/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

**6. Para No.12: Page 28 – Misappropriation of fifty foam mattresses costing Rs.50,000**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.12/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

**7. Para No.13: Page 29 – Misappropriation of OPD ticket and X-ray films of Rs.45,678**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.13/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

## **8. Para No.15: Pages 29-30 – Misappropriation and Non-Accountal of Medicines Worth Rs.175,051**

**11-2-2002:** The Department explained that the instruments pointed out by Audit had been recovered from Mr Bashir Ex-Operation Theatre Assistant. The equipment was available in stock but the stock register was with Anti-Corruption Establishment.

The Department was directed to retrieve the record from Anti-Corruption Establishment and take further necessary action in the matter. The para was kept pending.

**8-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that an inquiry Committee under the chairmanship of EDO (Health) was constituted on 28 February 2002 to enquire into the matter and the inquiry report was still awaited. The Department was directed to complete the inquiry/action, at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that in compliance with the PAC directive Inquiry Committee under the chairmanship of EDO (Health) Gujranwala had been constituted. The findings of the Committee were awaited.

The Department was directed to complete the inquiry/action/recovery, at the earliest. **The para was kept pending.**

## **9. Para No.19: Page 32 – Embezzlement of Rs.1,047,516 of Furniture of Nursing Hostel Jinnah Hospital, Lahore**

**6-11-2001:** The Department explained that furniture valuing Rs.820,506/50 was available in the Nursing Hostel but the shortage of furniture valuing Rs.227,009/50 was recoverable from Mrs Zahida Parveen, House Keeper and Mr Jamil Ahmad, Stenographer. The Committee directed the Department to-

- (i) produce the inquiry report to Audit for further comments;
- (ii) get the account of stocks amounting to Rs.820,506 verified by producing stock register, indents etc., to Audit;
- (iii) get the record of Rs.20,000 (transferred from hospital account to government treasury as government receipt) verified by Audit;
- (iv) effect recovery of Rs.207,009 and get it verified by Audit; and
- (v) take disciplinary action against the Principal of School of Nursing, under the law.

The para was kept pending.

**8-5-2002:** The para was considered in the light of PAC directive dated 6 November 2001.

In its latest comments the Audit had verified the account of stock worth Rs.820,506 and also recovery of Rs.20,000 effected from Mst. Zahida Parveen, House Keeper.

The Department explained that on the basis of the findings of the departmental inquiry report, Medical Superintendent, General Hospital, Lahore had been directed to initiate disciplinary proceedings against Mr Jamil Ahmad, Senior Scale Stenographer allegedly responsible for the shortage of stock worth Rs.207,009.

The Committee observed that disciplinary action appeared to be necessary against the DDO and other supervisors also.

The Committee directed that disciplinary proceedings should be completed within one month. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that the main accused in this case namely Mr. Jamil Ahmad had absconded and District Coordination Officer Lahore had been requested to recover the outstanding amount of Rs.207,009 from him as arrears of Land Revenue. Moreover, the competent authority had been directed to complete disciplinary action against him.

The Department was directed to get the recovered amount verified by Audit and complete action/recovery, at the earliest. **The para was kept pending.**

#### **10. Para No.21: Page 93 – Embezzlement of security amounting to Rs.730,000**

**13-2-2002:** The Department explained that as a result of a regular inquiry held by a Member, Board of Revenue, the accused officer Dr Yaqoob Baig Mirza Ex-Medical Superintendent, Dental Hospital, Lahore and Mr Rasheed Ahmad Bhatti had been exonerated vide order No.SO(C-III) 1-5/96 dated July 26, 2001.

The Committee directed that all the relevant record including the inquiry report should be

produced to Audit for scrutiny and comments. The para was kept pending.

**7-5-2002:** The para was considered in the light of the PAC directive dated 13 February 2002.

The Department explained that in the light of inquiry report, the Anti Corruption Establishment had been approached to register a case against the ex-Accountant, Punjab Dental Hospital, Lahore for recovery.

The Department further explained that the accused officer was proceeded under the E&D Rules and was dismissed from service on 22 December 1997.

The Committee directed that all the relevant record should be produced to Audit for comments and other action should be completed at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department was directed to produce the relevant record to Audit and complete the verification process within one month. **The para was kept pending.**

#### **11. Para No.22: Page 33 – Misappropriation Worth Rs.10,175,382 with the Collaboration of M/ S Akbar Brother and Health Department Purchase Cell**

**6-11-2001:** The Department explained that the case was at the final stages of investigation with the National Accountability Bureau. The para was kept pending.

**6-5-2002:** The para was considered in the light of minutes of PAC dated 6 November 2001. The Department explained that the matter was with the NAB and the decision was still awaited. The Finance Department was directed to monitor further action in the matter. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

The Department explained that the case was still under investigation with the NAB authorities.

The Department was directed to pursue the case with the NAB vigorously. **The para was kept pending.**

#### **12. Para No.23: Page 33 – Misappropriation of Rs.198,548 Due to shortage of stock and store**

**12-2-2002:** Audit had pointed out that a departmental Committee pointed out shortage of stock and store worth Rs.198,548.

The Department explained that only one item (namely plastic bottles 1000 ml) costing Rs.125,008 was short. The Department could not explain as to what action had been taken on the report of the Committee mentioned in the audit observation and why recovery had not been made or started till now. The Department was directed to take necessary action for recovery of the loss and to submit a detailed working paper in the next meeting. The para was kept pending.



**6-5-2002:** The para was considered in the light of the previous directive of the PAC dated 12 February 2002. As per its latest comments, Audit had stated that after verification of record, the amount of the para came to Rs.125,008. The Department explained that store valuing Rs.36,330 were available, items valuing Rs.30,118 were short and items/drugs valuing Rs.58,559/80 had expired.

The Committee observed that the action taken so far was not satisfactory and directed that Administrative Department should enquire into the cases of the items reported short and the items reported expired. Recovery should be enforced after fixing responsibility and replacements should be arranged for the expired items. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

The Committee observed that the explanation of the Department was not convincing and the working papers submitted by it were also incomplete.

The Department was directed to hold a detailed inquiry into each item reported short/expired and effect the recovery after fixing responsibility and complete the action, at the earliest. The revised working papers should also be submitted in the next meeting. **The para was kept pending.**

### **13. Para No.24: Page 34 – Misappropriation of Rs.342,816 due to shortage of stores**

**5-11-2001:** The Department explained that the matter was under trial in the court of law.

The Committee observed that the reply of the Department was vague, and it should satisfy Audit by producing the relevant record, make the recovery and take disciplinary action against the officers/officials responsible for the shortage. Compliance should be reported to PAC in the next meeting. The para was kept pending.

**6-5-2002:** The para was considered on 6 and 7 May 2002 in the light of directive of PAC dated 5 November 2001.

The Committee was not satisfied with the explanation given by the Department in the working paper and directed that latest progress in each of the 42 items should be given separately in the working paper for the next meeting along with Audit comments thereon. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

The Department explained that the General Manager, Medical Store Depot had been directed to produce the relevant record to Audit in each of the 42 items. Audit assured that an Auditor would be deputed for on-the-spot verification.

The Department was directed to get the record verified by Audit and submit a detailed working paper for the next meeting. **The para was kept pending.**

### **14. Para No.27: Page 35 – Rs.23,067,096 drawal of pay due to irregular/backdoor appointments**



**over and above the sanctioned strength**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.27/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

**15. Para No.28: Page 35 – Fraud of Rs.527,819 due to dual consumption of various store articles**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.28/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

**16. Para No.29: Page 36 – Rs.218,295 worth of drawal of stipend for “Home Employees”**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.29/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

**17. Para No.33: Page 38 – Rs.933,519 amount not taken in cash book**

**22-7-2002:** The Department explained that the inquiry ordered on 2 September 2000 through Director Health Services, Gujranwala could not be completed, due to abolition of the divisional offices under the Devolution Plan. Therefore, a fresh inquiry had been ordered on 17 January 2002 through EDO Health, Narowal.

The Department was directed to complete inquiry/action, within one month. **The para was kept pending.**

**18. Para No.36: Page 40 – Embezzlement of Rs.62,580 on account of electricity charges**

**22-7-2002:** Audit had pointed out that an amount of Rs.62,580 drawn from the Treasury on account of electricity charges had not been entered in the Cash Book.

The Department explained that an inquiry was ordered into the matter on 1 May 2000. The Inquiry Committee had reported that the original record was lying with Anti-Corruption Establishment in connection with the case against Mr Hafeez Ahmad Sabzwari, Junior Clerk, but prima facie it was a case of embezzlement. The Authority i.e. DHO/EDO (Health), Mandi Baha-ud-Din had fixed 11 June 2001 for personal hearing of the accused. However, the accused through a Press statement threatened to put himself and his family on fire in front of the Governor's House. One file of the case had been taken over by the Military Inspection Team who had requested the Department to postpone the final decision till the perusal of the case by the Military Inspection Team.

The Committee observed that the Department had not explained that why no action had been taken against the DDO.

The Committee directed that the Administrative Secretary should personally review the case and to ensure that proper action in the matter was completed, at the earliest. **The para was kept pending.**

#### **19. Para No.37: Page 40 – Loss of Rs.401,862 due to non-accountal in cash book**

**7-5-2002:** Audit had pointed out that an amount of Rs.401,862 drawn from the Government Treasury had not been taken in the cash book.

The Department explained that the matter was being enquired into by an Inquiry Committee constituted under the Chairmanship of EDO (Health), Sialkot vide order No.AAC/HD/8-63/99 (P-37) dated 22 April 2002. The Department was directed to complete the inquiry/action/recovery, at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that an Inquiry Committee had been constituted to fix the responsibility which was in progress.

The Department was directed to complete the inquiry/action/recovery at the earliest. **The para was kept pending.**

#### **20. Para No.39: Page 41 – Theft of Suzuki Carry Van Valuing-Rs.150,000**

**11-2-2002:** The Department explained that FIR for the theft of government vehicle was lodged with the Police. In departmental proceedings one Chowkidar and one Gate Keeper were awarded minor penalties of stoppage of annual increments for one year.

The Committee observed that the case of theft of government vehicle had been hushed up by taking minor action against the low paid employees.

The Committee directed that an inquiry should be held at the Secretariat level and action taken accordingly. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that in compliance with the earlier directive of the Committee, the matter was probed by the Deputy Secretary (Purchase) Health Department who recommended action against defaulters under Efficiency & Discipline Rules, if not already taken and getting the loss of vehicle written off by the Finance Department. During discussion it transpired that the Department had incorrectly reported in the previous meeting that penalty under the Efficiency & Discipline Rules had been imposed on the defaulters. This was a serious matter and called for strict disciplinary action.

The Department was directed to initiate action under the Punjab Removal from Service (Special Powers) Ordinance 2000 against all the officers/officials responsible for the loss of government vehicle as well as those responsible for misguiding the Committee.

The Committee also noted that no action appeared to have been taken on its special direction given on 11 February 2002. The committee reiterated the directive. **The para was kept pending.**

#### **21. Para No.43: Page 45 – Recovery of Rs.108,000 on account of misuse of electricity due to unauthorized use of Air Conditioners**

**22-7-2002:** The Department explained that the use of air-conditioners in various offices in Health Department was justified for the efficient functioning of computers, photocopiers, fax machines and other electrical appliances in those offices.

The Committee observed that there was widespread un-authorized use of air-conditioners in all the Departments throughout Punjab. The Committee directed the Department to refer the matter to the Finance Department for appropriate action. The Committee further suggested that the Government should review and rationalize its policy in the matter, ensure its strict implementation and take effective measures to check the unauthorized use of air-conditioners in Government offices. **The para was kept pending.**

#### **22. Para No.44: Page 45 – Recovery due to unauthorized use of government vehicles resulting in loss of Rs.153,990**

**5-11-2001:** The Department explained that the vehicle was used by the ex Minister of Health for official purposes and to monitor the affairs of the Department.

The Committee did not accept the explanation of the Department and directed that the charges should be recovered for the misuse of government vehicle from the ex Minister of Health, as recommended by Audit. Compliance be reported to the PAC in the next meeting. The para was kept pending.

**13-2-2002:** The para was considered in the light of the directive of the PAC dated November 5, 2001.

The Department explained that efforts were being made to recover the amount from the ex-Minister for Health on account of unauthorized use of government vehicles.

The Committee directed that a notice for recovery of the outstanding government dues should be sent by the Department to the Ex-Minister under intimation to the Election Commission, and the necessary action for the recovery be completed as per the prescribed rules and law expeditiously. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that a notice (No.AAC/HD/8-63/99-P(44) dated 2 May 2002) for recovery had been issued to the ex-Minister Health Punjab (Ch. Badar-ud-Din) with endorsement to the Chief Election Commissioner, Islamabad. No response had been received inspite of a reminder dated 11 July 2002.

The Committee re-iterated its earlier directive and the Department was directed to effect the recovery, at the earliest as per the prescribed rules and law.

The Administrative Secretary was also asked to examine why appropriate action was not taken when the audit observation was received first. **The para was kept pending.**

### **23. Para No.45: Page 46 – Recovery due to unauthorized use of government vehicle resulting loss of Rs.126,404**

**5-11-2001:** The Department explained that the vehicle was used by the ex Chief Minister Punjab. However, according to the record of office of DHS Punjab Lahore the vehicle was taken by the ex-Minister of Health for official use and for monitoring the affairs of the Department.

The Committee did not accept the explanation of the Department and directed Audit to check the log books and report to PAC whether vehicle was used by the Ex-Chief Minister or the ex-Minister for Health. Compliance should be reported to PAC in the next meeting. The para was kept pending.

**11-2-2002:** The para was considered in the light of the directive of the PAC dated November 5, 2001.

Audit had pointed out that no record had been shown by the Department in spite of the direction of the PAC.

The Committee re-iterated its previous decision and directed that the Administrative Secretary should explain to the Committee in the next meeting as to why the direction of the Committee for providing all the relevant record to Audit had not been complied with. The para was kept pending.

**23-7-2002:** The para was considered in the light of the directives of ad hoc PAC dated 5 November 2001 and 11 February 2002.

On 5 November 2001, the Committee had directed that the log books of the vehicles should be checked by Audit to determine who had actually used the vehicles. On 11 February 2002 Audit pointed out that no record had been shown by the Department to Audit. The Committee re-iterated its previous decision. In the Working Paper for the present meeting, the Department explained that the recovery notice to recover Rs.126,404 from Mr Ghulam Sarwar, ex Minister Health Punjab had been issued vide No.AAC/HD/8-63/99 (P-45) dated 30 April 2002 but no response was received. The Department further stated that a copy of the above recovery notice had also been endorsed to the Chief Election Commissioner, Islamabad. The Committee re-iterated its previous decision for probe into the matter and taking action accordingly at the earliest as per law and the prescribed rules. **The para was kept pending.**

#### **24. Para No.46: Page 47 – Recovery due to un-authorized use of government vehicles resulting loss of Rs.58,492**

**5-11-2001:** The Department explained that the vehicle was used by the relatives of the ex-Chief Minister Punjab, and efforts were being made to effect recovery of the loss from the persons at fault.

The Committee was not satisfied with the explanation of the Department and directed Audit to check the log books of official vehicle in question and report to the Committee.

**11-2-2002:** The para was considered in the light of the directive of the PAC dated November 11, 2001.

Audit had pointed out that no record had been shown by the Department in spite of the direction of the PAC.

The Committee re-iterated its previous decision and directed that the Administrative Secretary



should explain to the Committee in the next meeting as to why the direction of the Committee for providing all the relevant record to Audit had not been complied with. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that the vehicle in question was used in Secretariat of ex-Chief Minister Punjab for official purposes to monitor the work of the Department.

The Department was directed to probe into the matter at Secretariat level, fix the responsibility and complete the necessary action at the earliest. **The para was kept pending.**

## **25. Para No.49: Page 49 – Misuse of Vehicles by the Un-authorized Persons Recovery of Rs.713,464**

**6-11-2001:** The Department explained that all the vehicles were allotted to various officers of the Secretariat of the Health Department for monitoring the health facilities in the Province. It was further stated that 57 vehicles have now been withdrawn from the officers concerned and parked in the office of the DG Health Services.

Audit pointed out that the vehicles were used by unauthorized employees of the secretariat without entitlement.

The Finance Department commented that surplus vehicles, after the completion of the project, should have been surrendered to the S&GAD.

The Committee observed that being an irregularity, the Department should get it regularized by the Finance Department, and get the relevant record including log books, POL verified by Audit. The para was kept pending.

**11-2-2002:** The para was considered in the light of directive of the PAC dated 6 November 2001.

The Committee re-iterated its previous decision. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

Audit had pointed out that the Department had not produced the relevant record to Audit as per earlier direction of the Committee.

The Department was directed to produce the relevant record to Audit and also to complete other necessary action in the matter, at the earliest. **The par was kept pending.**

## **26. Para No.52: Page 50 – Recovery of Rs.509,603 due to extension of medical services in private VIP rooms to the non-entitled persons**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18.9.2001 to probe into the matter and its report was still awaited

The Committee directed that the inquiry should be completed within one month, report shown to Audit and then the matter placed before the PAC for consideration in its next meeting. The para was kept pending.

**7-5-2002:** The para was considered on 7 and 8 May 2002 in the light of the directive of the Committee dated 5 November 2001.

The Department explained that inquiry report had since been received. According to its findings, free medical facilities in the Private Rooms/VIP Rooms/Visiting fee had been provided to the non-entitled patients on the written directive received from the Chief Minister's Secretariat. The directives were not got authenticated from the CM Secretariat. The Inquiry Committee has recommended that cost of free medical facilities i.e. free room facility and visiting fee may not be treated as irregular. However, air-conditioning charges and cost of medicines should have been recovered or should be got regularized from the competent authority. On the suggestion of the Committee the Department produced copy of the notification whereby rates of the VIP Rooms in the hospital had been fixed. The notification did not provide for any relaxation or remissions.

The Committee directed that appropriate action should be taken for recovery of the amount on the basis of government notification. Action should also be taken against those who failed to obtain authentication from the CM's Secretariat as provided by the rules. The Committee further directed that a copy of the inquiry report should be provided to Audit. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Committee was not satisfied with the explanation of the Department and directed that the legality and justification for providing free medical treatment to non-entitled patients in VIP Rooms of the Hospital should be properly examined by the Administrative Department and necessary action and recovery of government dues should be completed within one month. **The para was kept pending.**

## **27. Para No.56: Page 52 – Irregular Expenditure for Rs.649,770 out of (36 Development Grant) 1996-97**

**12-2-2002:** The Department explained that according to the findings of the inquiry conducted by Medical Superintendent, Mayo Hospital, Lahore, the expenditure of Rs.649,770 was incurred on the purchase of the equipment by the Medical Superintendent, Lady Willingdon Hospital, Lahore under Grant No.36 (Development) for the year 1996-97. However, the approved list of the equipment to be purchased under the development scheme was not available. The tender inquiry contained only the name of the equipment with generalized specifications. The Medical Superintendent concerned had since retired from service. The Department could not explain as to why only the retired Medical

Superintendent had been singled out for fixing responsibility of the above mentioned financial irregularity. The Committee directed the Department to hold a detailed inquiry into the matter to review the purchase procedure in this case, to determine whether the equipment was physically available and was actually being used, who was responsible for not preserving the approved list of equipment. What was the constitution of the Purchase Committee and who was responsible for the irregularities in the purchase? The Department was directed to complete the inquiry and the necessary disciplinary action expeditiously. **The para was kept pending.**

**28. Para No.62: Pages 55-56 – Rs.4,790,000 worth of irregular deposit on account of self finance scheme in a commercial bank**

**5-11-2001:** The Department explained that the account was opened on the instructions of the Government and is being maintained accordingly and that it is not a public fund.

Audit did not agree with the contention of the department.

The Committee directed the Department to take action on the following points and to submit a report to PAC through Audit in the next meeting:-

- (i) complete record of the Endowment Fund Account be produced to Audit.
- (ii) 40% share of the government on actual collection as well as on the outstanding balance (after subtracting 60%), be worked out and produced to Audit.
- (iii) policy rules of utilization of remaining 60% be got approved from the competent authority and ensure utilization of the same according to the recognized principles of financial propriety.

The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 5 November 2001.

The Department explained that the Government share @ 40% of the amount collected on account of self finance scheme from the MBBS students had been deposited into Government Treasury.

In its latest comments, Audit had verified the said deposit and had demanded complete record and policy about the utilization of the remaining 60% of the amount.

The Department was directed to produce the requisite record to Audit for verification and comments. **The para was kept pending.**

**29. Para No.63: Page 56 – Rs.288,041 Worth of Expenditure Without Budget and Sanction**

**11-2-2002:** Audit had pointed out that salary and allowances had been paid to staff without creation of posts during 1996-97. The Department explained that the case had been referred to the Finance Department for regularization since 2<sup>nd</sup> September 2000. The Committee directed that the Administrative Department should write to the Finance Department for taking appropriate action against the District Accounts Officer who made payment of salaries without sanction of the creation of the posts. The para was kept pending for regularization/action by the Finance Department.

**8-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that a case for initiating disciplinary proceedings against concerned DAO and regularization of expenditure had been referred to the Finance Department.

The Committee observed that action had also to be taken against the DDO and directed that action /regularization should be completed within one month and it should also be ensured that irregularity pointed out by Audit was not continuing. The para was kept pending.

**22-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that the DDO responsible for drawing salary of staff without sanctioned posts had retired from service and was being proceeded against under the pension rules. Moreover, Accountant General Punjab had been requested to take action against the District Accounts officer responsible for allowing payment to the staff without sanctioned posts. The AG had informed the Department that the DAO and AAO concerned had retired from service while another AAO concerned and Senior Auditor were being proceeded against under E & D Rules.

The Committee directed that Director General Audit should also write to Accountant General Punjab and Controller General of Accounts for taking necessary action against all the officers/officials, whether retired or in service responsible for making wrong payment.

The Accountant General was also directed to report the progress of action taken in the matter to PAC within a fortnight. **The para was kept pending.**

**30. Para No.64: Pages 56-57 – Loss of Rs.790,155 to public exchequer through irregular purchase of medicines at exorbitant rates**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.64/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

**31. Para No.65: Page 57 – Rs.450,000 worth of irregular re-appropriation of funds**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.65/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

**32. Para No.66: Pages 57-58 – Irregular expenditure of Rs.417,771 for the purchase of medical equipment and a recovery of Rs.18,323**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.66/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.



**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

### **33. Para No.67: Page 58 – Recovery of Rs.160,600 on account of doubtful repair of medical equipments**

**8-5-2002:** The Department explained that according to the findings of the departmental inquiry report the DDO had incurred expenditure without observing codal formalities as pointed out by Audit in the para and the DDO THQ Hospital Burewala and one Junior Clerk were responsible for the irregularities. The Finance Department had refused to regularize the expenditure and advised to take action against the officers responsible for the irregularity. Accordingly the case was under process for disciplinary proceedings and recovery in the Health Department and the same would be finalized within stipulated period as prescribed in the Punjab Removal from Service (Special Powers) Ordinance, 2000. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that the case was under process for disciplinary proceedings against the concerned DDO and a Junior Clerk.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

### **34. Para No.69: Page 59 – Rs.109,843 Worth of misappropriation**

**13-2-2002:** The Department explained that according to the findings of the Inquiry Committee,



the expenditure of Rs.38,414 incurred on repair of vehicle was beyond competence of the District Health Officer and expenditure of Rs.86,788 was incurred on the repair of vehicle without availability of funds in the relevant head. The Department further stated that disciplinary proceedings against the officers concerned were in process.

The Department was directed to complete the disciplinary action/regularization by the Finance Department expeditiously. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that EDO(H) Gujranwala was appointed as Inquiry Officer on 9 February 2002 but his findings were still awaited.

The Department was directed to complete the inquiry/action/recovery, at the earliest. **The para was kept pending.**

### **35. Para No.70: Page 59 – Uneconomical purchase to the tune of Rs.1,269,318**

**22-7-2002:** The Department explained that according to the findings of the Departmental Inquiry Committee headed by Additional Secretary, Health Department, the purchases were effected beyond competence, comparative rates through open competition were not obtained, exorbitant rates were paid, quantity and quality of stores purchased was not ensured through Inspection Committee. The Department further stated that disciplinary proceedings under Efficiency & Discipline Rules were initiated against the defaulters and Medical Superintendent. District Headquarters, Hospital, Gujranwala was appointed as Inquiry Officer in February 1999, but he had not submitted the inquiry report. He was last reminded on 8 July 2002.

The Department was directed to consider appointing a new Inquiry Officer in this case and complete the disciplinary action/recovery, if established, at the earliest. **The para was kept pending.**

### **36. Para No.74: Page 61 – Fraudulent and Un-Authorized Expenditure Amounting to Rs.1,472,002**

**6-11-2001:** The Department explained that the payment of salaries to the staff was to be made and the amount was demanded in the second statement of excesses and surrenders which was not

provided until June 30, 1997. However, the salaries were drawn by the officers being DDOs themselves. As to other officials, the salaries were drawn by the Medical Superintendent.

The Department added that no loss had been caused to the Government as the amount drawn was paid to the staff against their salary on monthly basis. The Committee directed the Department to:-

- (i) probe the matter at an appropriate level to establish full facts and to determine extent of responsibility at various levels including that of the DAO concerned;
- (ii) get the excess expenditure of Rs.1,472,002 incurred on pay and allowances regularized by the Finance Department;
- (iii) take disciplinary action against the persons responsible for delay in responding to audit para.

The para was kept pending.

**13-2-2002:** The para was considered in the light of the directive of PAC dated 6 November 2001.

Audit had pointed out that an expenditure of Rs.1,472,002 had been incurred on pay and allowances of the officials/officers in excess of the budgetary allocation. The Department explained that the case for regularization of the expenditure was referred to the Finance Department who had advised that disciplinary action should be taken against the officer responsible for irregular expenditure.

The Department was directed to complete the appropriate action expeditiously. The delay in responding to Audit Para should also be investigated and responsibility fixed for necessary action. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that in compliance with the PAC directive a summary for seeking permission of the Governor/Authority for proceeding against the officers at fault was under process. Moreover, a similar reference had also been made to the Finance Department to initiate disciplinary proceedings against the concerned District Accounts Officer.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

### **37. Para No.77: Page 65 – Recovery of Rs.252,635 Due to Liquidated Damages Resulting from the Purchase of Un-wanted and Sub-standard Goods**

**12-2-2002:** The Department explained that an Inquiry Committee under the Chairmanship of the Director General Health Services, Punjab, Lahore, had been constituted to probe into the matter and fix responsibility. The Department was directed to complete the inquiry/action expeditiously, within 15 days, if possible. Moreover, appropriate action should also be taken against the officers responsible for delay in taking necessary action in this matter. **The para was kept pending.**

### **38. Para No.81: Page 68 – Recovery of Rs.153,360 Due to Purchase of Bandages at Higher Rates**

**11-2-2002:** The Department explained that the General Hospital, Lahore had accepted the lowest tender of Rs.2.87 per bandage and the contractor supplied 33333 number bandages. In the meanwhile, the Purchase Cell of the Health Department entered into rate contract with a firm at the rate of Rs.5 per bandage.

Thus further purchase was made as per government rate contract. The Committee directed that an inquiry should be held as to:-

- (i) why the old contractor who discontinued supply at the tender rate was not penalized; and
- (ii) why higher rates were accepted by the Purchase Cell of the Health Department.

The para was kept pending.

**8-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that requisite information about the queries raised by the Committee in the last meeting about the approval of higher contract rates for the bandages was being collected from the quarters concerned.

The Committee directed that the case should be reviewed by the Administrative Secretary, and copies of both the contract agreements executed by the General Hospital and the Health Department and record of the previous contract rates should be produced to Audit for scrutiny and comments. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Committee was not satisfied with the Inquiry Report and the Department's explanation, and directed that the Department should hold an inquiry de-novo, take disciplinary action and effect the recovery, at the earliest. **The para was kept pending.**

### **39. Para No.85: Page 71 – Loss of Rs.12,816 Sustained Due to Expiry of Stores**

**11-2-2002:** Audit had pointed out that the disposable syringes supplied by the Government Medical Store Depot to Drug Testing Laboratory, Lahore were already expired. The Department explained that Medical Store Depot had clarified that the syringes in question had been re-sterilized by Pakistan Radiation Services. The Department could not satisfy the Committee on the following points:-

- (i) Whether such re-sterilization could be technically recommended or it amounted to meddling with the public health;
- (ii) What was the status of the firm who re-sterilized the expired syringes; and
- (iii) Whether the syringes expired during storage in the Medical Store Depot or these had already expired before purchased by Medical Store Depot.

The Committee directed that an inquiry should be held into the matter at Secretariat level and action be taken accordingly. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that the inquiry report had been received on 19 July 2002 and was under consideration with the competent authority.

The Committee observed that it should also be seen whether any amount was spent on re-sterilization of the expired disposable syringes.

The Department was directed to complete the action/recovery, if any, at the earliest. **The para was kept pending.**

#### **40. Para No.96: Page 76 – Loss of Rs.356,734 due to purchase of medicines at higher rates**

**22-7-2002:** The para was discussed on 22 July and 24 July, 2002.

Audit had pointed out that Tehsil Headquarters Hospital, Chichawatni had purchased medicines from the local market at very high rates as compared to the prevailing market rates and also as compared to the rates paid by District Health Officer, Sahiwal for purchase from Medical Stores Depot (M.S.T.).

The Department explained that Medical Superintendent concerned had been directed to get the record as to whether the rates charged were not higher than the rates of M.S.T and also that medicines were purchased after obtaining non-availability certificate from M.S.T.

The Department was directed to complete necessary action, at the earliest. **The para was kept pending.**

#### **41. Para No.97: Page 77 – Recovery of Rs.4,032,228 due to purchase of medicines at excessive rates**

**13-2-2002:** The Department explained that the case for taking disciplinary action against the concerned District Health Officer, Faisalabad was in process. The Department was directed to complete the inquiry/action expeditiously. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained in the working paper that a summary for proceeding against the accused officer (Dr Muhammad Anwar Baloch) had been submitted to the Governor for approval. The Department, however, verbally stated in the meeting that the officer had since retired from service.

The Committee directed that the action under the law/rules against the accused officer should be completed, at the earliest. Moreover, appropriate action should also be taken against the officers responsible for not taking necessary action in the matter at the proper time. **The para was kept pending.**

**42. Para No.101: Page 78 – Defective maintenance and irregular consumption account of electric material worth Rs.249,980**

**7-5-2002:** The Department explained that the Inquiry Committee appointed on 30 January 2001 could not finalize report as the record relating to the para was taken away by the ex-MS, THQ Hospital, Kalar Kot.

The Department further explained that the Inquiry Officer had been appointed under the Punjab Removal from Service (Special Powers) Ordinance 2000 in 25 April 2002.

The Committee observed that the progress in the case was not satisfactory and directed that disciplinary proceedings should be completed within the stipulated period, otherwise recovery should be enforced directly. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that EDO(Health) Bhakker had been appointed as an Inquiry Officer to probe into the matter and fix responsibility against the accused officer, Dr Naseer Ahmad Malghani. The action was in progress.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

**43. Para No.104: Page 80 – Excess payment of Rs.558,388 due to purchase of general store and stationery items at exorbitant rates**

**11-2-2002:** The para was considered on 11 and 13 February 2002.

The Department explained that in the departmental inquiry, it had been found that the expenditure in question was beyond the competency of the DHO and the purchase had been made at exorbitant rate resulting in excess payment of Rs.558,388. Further action under the rules was in process. The Department was directed to produce a copy of the inquiry report to Audit and complete action/recovery expeditiously. The para was kept pending.

**6-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that disciplinary proceedings against the officers at fault were still in progress.

The Committee reiterated its previous directive for early finalization of disciplinary proceedings/recovery. The Finance Department should monitor and report progress in the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

The Department explained that show cause notices under the Pension Rules had been issued to all the three accused persons namely, Dr. Mahboob Rabbani, Dr. Masood Rasul and Dr. Rafi-ul-Qadri.

The Department was directed to complete the necessary action/recovery, at the earliest. **The para was kept pending.**

#### **44. Para No.105: Page 81 – Excess payment of Rs.342,159 on account of cost of equipment**

**11-2-2002:** The Department explained that an inquiry was held into the matter and it had been found that X-Ray films and chemicals had been purchased at higher rates, open tenders were not invited, and the purchase to extent of Rs.790,000 had been made in June 1997 without immediate requirement.

It was explained that the case for disciplinary proceedings against the officers held responsible for the above mentioned financial irregularities was in process. The Committee directed that action/recovery should be completed expeditiously. The para was kept pending.

**6-5-2002:** The para was considered in the light of the directive of PAC dated 11 February 2002.

The Department explained that the case for initiating the proceedings had been sent to the Governor for seeking his approval, which was still awaited. The Department was directed to finalize the disciplinary proceedings/recovery at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

The Department explained that summary for seeking permission for initiating disciplinary action against Dr Fayyaz Ahmed Ranjha, Ex-DHO, Rawalpindi had been submitted to the Governor/Authority.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

#### **45. Para No.107: Page 85 – Recovery of Rs.1.26 Crore Due from M/s Akbar Brothers and its Allied Companies on Account of Replacement of Expired Drugs (1986-89)**

**6-11-2001:** The Department explained that the case was with the NAB. The para was kept pending.

**6-5-2002:** The para was considered in the light of minutes of PAC dated 6 November 2001. The Department explained that the matter was with the NAB and the decision was still awaited. The Finance Department was directed to monitor further action in the matter. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.



The Department explained that the case was still under investigation with the NAB authorities.

The Department was directed to pursue the case with the NAB authorities for earlier finalization. **The para was kept pending.**

#### **46. Para No.109: Page 86 – Non-realization of Rs.5,074,325 on account of house rent**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18.9.2001 to probe into the matter and its report was still awaited.

The Committee directed that the inquiry should be completed within one month, report be shown to Audit and then the matter be placed before the PAC for consideration in its next meeting. The para was kept pending.

**7-5-2002:** The para was considered in the light of the PAC directive dated 5 November 2001.

Audit had pointed out that house rent had not been effected from the occupants of 40 flats for the period from 1 June 1987 to 30 April 1996.

The Department explained that according to the findings of the departmental inquiry report, the hospital authorities had not maintained the record i.e. allotment register, allotment orders, date of occupation of flats etc.

The Committee directed that Administrative Department should hold an inquiry and fix responsibility for not maintaining the record for the allotment of the flats and recoverable amounts (including gas and electricity charges) should be determined on the basis of the policy of the government about allotment of government accommodation and same should be recovered. Disciplinary action should be initiated where called for. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that in compliance with the PAC directive an inquiry Committee under the chairmanship of MS, Jinnah Hospital had been constituted on 6 July 2002 for fixing the responsibility.

The Department was directed to finalize the inquiry within one month and complete consequential action, at the earliest. **The para was kept pending.**

#### **47. Para No.110:Page 86 – Recovery of Rs.542,000 incurring due to loss to government property/instrument**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18 September 2001 to probe into the matter and its report was still awaited.

The Committee directed that the inquiry should be completed within one month, report be shown to Audit and then the matter be placed before the PAC for consideration in its next meeting.

The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 5 November 2001.

The Department explained that in the departmental inquiry, the responsibility for the shortage of medical instruments amounting to Rs.552,000 had been fixed on two officials namely Mr Ghulam Mustafa, Ward Boy to the extent of Rs.120,000 and Sister Naseem David to the extent of Rs.407,000 while the remaining amount of Rs.25,000 related to the theft of a microscope for which an FIR had been lodged.

The Department further stated that the inquiry report was being considered by the authorized officer/authority.

The Department was directed to finalize the disciplinary action and the recovery, at the earliest. **The para was kept pending.**

**48. Para No.111: Page 87 – Recovery of Rs.1,727,000 due to non receipt of contract money**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18 September 2001 to probe into the matter and its report was still awaited.

The Committee directed that the inquiry should be completed within one month, report be shown to Audit and then the matter be placed before the PAC for consideration in its next meeting. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 5 November 2001.

The Department explained that the case was got investigated through an Inquiry Committee. As per inquiry report dated 27 June 2002, the total amount to be paid by the contractor worked out to Rs.1,778,810 out of which the contractor paid Rs.1,522,563 into the Government Treasury. The remaining amount of Rs.256,247 was still recoverable from him and efforts were being made to recover the same from him through District Revenue Authorities.

The Committee directed that the recovery should be effected at the earliest. Moreover, action under the Punjab Removal from Service (Special Powers) Ordinance 2000 (or the relevant Pension Rules) should be taken against the officers responsible for not making recovery of the government dues from the contractor at proper time. **The para was kept pending.**

**49. Para No.112: Page 87 – Recovery of Rs.600,000 due to illegal setting up of canteen, shops etc.**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18.9.2001 to probe into the matter and its report was still awaited.

The Committee directed that the inquiry should be completed within one month, report be shown to Audit and then the matter be placed before the PAC for consideration in its next meeting. The para was kept pending.

**7-5-2002:** The para was considered in the light of the PAC directive dated 5 November 2001.

Audit had pointed out that a number of shops/canteens were being run in the hospital premises without any authority and were also using electricity and sui gas free of charge without paying any rent.

The Department explained that according to the findings of the departmental inquiry report, the Inquiry Committee had examined the record and found no clue or information that the shops were running illegally in the premises of the hospital.

The Committee observed that the inquiry was neither thorough nor correct.

The Committee directed that the Department should convey the dis-satisfaction of the Committee to the Chairman of the said Inquiry Committee.

The Administrative Department should hold another inquiry into the matter at Secretariat level. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that an inquiry into the matter had been ordered on 8 July 2002 through Deputy Secretary (Purchase) Health Department.

The Committee directed that the inquiry and consequential action should be completed, at the earliest. **The para was kept pending.**

#### **50. Para No.113: Page 87 – Recovery of Rs.560,000 due to irregular repair of equipment**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18 September 2001 to probe into the matter and its report was still awaited.

The Committee directed that inquiry should be completed within one month, report be shown to Audit and then the matter be placed before the PAC for consideration in its next meeting. The para

was kept pending.

**7-5-2002:** The para was considered in the light of the PAC directive dated 5 November 2001.

The Department explained that according to the findings of the departmental inquiry report, the Hospital had spent amounts of Rs.247,000, Rs.180,000 and Rs.117,500 on the repair of dental unit trolley, repair of CSS (Gases) and repair of dental unit respectively. The equipment had been got repaired from the local market. The detail/repair of equipment had not been entered in the history sheet of the equipment. The old parts had not been entered in the dead stock register.

The Committee directed that disciplinary action should be initiated on the basis of the fact finding inquiry report against the officers responsible for the irregularities under the Punjab Removal from Service (Special Powers) Ordinance 2000. The Department was also directed to provide a copy of the inquiry report to Audit. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that in compliance with the PAC directive disciplinary action on the basis of inquiry report was in progress.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

#### **51. Para No.114: Page 89 – Recovery of Rs.1,038,350 for un-economical repair of equipment**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18 September 2001 to probe into the matter and its report was still awaited.

The Committee directed that the inquiry should be completed within one month, report be shown to Audit and then the matter be placed before the PAC for consideration in its next meeting. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 5 November 2001.

The Department was directed to complete the action and recoveries in the light of the inquiry report and produce the record to Audit for verification. **The para was kept pending.**

#### **52. Para No.116: Page 91 – Recovery of Rs.591,400 irregular expenditure on treatment of patients on directives**

**5-11-2001:** The Department explained that an inquiry Committee under the Chairmanship of DGHS Punjab Lahore was constituted on 18 September 2001 to probe into the matter and its report was still awaited.

The Committee directed that the inquiry should be completed within one month, report be

shown to Audit and then the matter be placed before the PAC for consideration in its next meeting. The para was kept pending.

**7-5-2002:** The para was considered in the light of directive of the PAC dated 5 November 2001.

The Department explained that according to the findings of the departmental inquiry report, the amount of Rs.591,400 calculated by Audit on account of room rent and AC charges provided to non-entitled persons on the basis of directive issued by the CM Secretariat might be got regularized from the Competent Authority.

The Committee did not accept the explanation of the Department and directed that appropriate action should be taken for recovery of all the government dues as prescribed by the government through a notification, which did not provide for any relaxation or remission.

Action should also be taken against those who failed to obtain authentication from the CM's Secretariat. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Committee was not satisfied with the explanation of the Department and directed that the legality and justification for providing free medical treatment to non-entitled patients in VIP Rooms of the Hospital should be properly examined by the Administrative Department and necessary action and recovery of government dues should be completed within one month. **The para was kept pending.**

### **53. Para No.119: Page 92 – Recovery of Rs.466,455 On Account Of Shortage of Stock**

**12-2-2002:** The Department explained that the shortage of Rs.466,455 was recoverable from the store keeper. A sum of Rs.68,000 had been recovered and further recovery at the rate of Rs.900 per month (i.e. 1/3rd of his pay) was being made. Moreover, disciplinary proceedings against him were also in process, and a case had also been forwarded to Anti-Corruption Establishment.

The Department could not explain why the supervisory officers of the store were not included in the list of those responsible for the shortage. The Department could not explain as to what was the point in referring the case to Anti-Corruption Establishment. The Committee directed the Department that Medical Superintendent concerned should be asked as to why action should not be taken against him for hiding the facts and for not taking sufficient action in the matter of reported shortage of stock. The para was kept pending.

**8-5-2002:** The para was considered in the light of PAC directive dated 12 February 2002.

The Committee was not satisfied with the explanation of the Department and directed that the Administrative Secretary should review the whole case and ensure that correct and sufficient action had been taken under the law /rules and to submit his report and latest position in the working paper for the next meeting. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that the matter was under process and would be completed, at the earliest. **The para was kept pending.**

**54. Para No.120: Page 93 – Recovery of Rs.300,000 Due to Misplacement of Instrument**

**7-11-2001:** The Department explained that inquiry had been conducted into the matter and further necessary action was underway.

Audit pointed out that neither the recovery had been effected nor any action had been taken against the persons at fault so far.

The para was kept pending with the direction that the Department should effect recovery and take action against the persons at fault under the Punjab Removal From Service (Special Powers) Ordinance 2000.

**6-5-2002:** The para was considered in the light of directive of PAC dated 7 November 2001.

The Department explained that DGHS Punjab and D.G. Nursing Punjab had been requested on 30 March 2002 for initiation of disciplinary proceedings against the persons concerned for shortage of two infant ventilators costing Rs.300,000.

The Committee observed that instead of holding separate inquiries against the co-accused persons in the same case, a joint inquiry should be held in accordance with the provisions of the law applicable to the co-accused highest in rank. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

The Department explained that the matter for taking action for recovery on the basis of the inquiry report was under process.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

**55. Para No.121: Page 93 – Embezzlement of Government receipts amounting to Rs.32,661**

**13-2-2002:** The Department explained that as a result of a regular inquiry held by a Member, Board of Revenue, the accused officer Dr Yaqoob Baig Mirza Ex-Medical Superintendent, Dental Hospital, Lahore and Mr Rasheed Ahmad Bhatti had been exonerated vide order No.SO(C-III) 1-5/96 dated July 26, 2001.

The Committee directed that all the relevant record including the inquiry report should be produced to Audit for scrutiny and comments. The para was kept pending.

**7-5-2002:** The para was considered in the light of the PAC directive dated 13 February 2002.



The Department explained that in the light of inquiry report, the Anti Corruption Establishment had been approached to register a case against the ex-Accountant, Punjab Dental Hospital, Lahore for recovery.

The Department further explained that the accused officer was proceeded under the E&D Rules and was dismissed from service on 22 December 1997.

The Committee directed that all the relevant record should be produced to Audit for comments and other action completed at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department was directed to produce the relevant record to Audit and complete the verification process within one month. **The para was kept pending.**

#### **56. Para No.122: Page 94 – Non-recovery of auction money of cycle stand for the period 1/90 to /96 worth Rs.283,884**

**13-2-2002:** The Department explained that as a result of a regular inquiry held by a Member, Board of Revenue the accused officer Dr Yaqoob Baig Mirza Ex-Medical Superintendent, Dental Hospital, Lahore and Mr Rasheed Ahmad Bhatti had been exonerated vide order No.SO(C-III) 1-5/96 dated July 26, 2001.

The Committee directed that all the relevant record including the inquiry report should be produced to Audit for scrutiny and comments. The para was kept pending.

**7-5-2002:** The para was considered in the light of the PAC directive dated 13 February 2002.

The Department explained that in the light of inquiry report, the Anti Corruption Establishment had been approached to register a case against the ex-Accountant, Punjab Dental Hospital, Lahore for recovery.

The Department further explained that the accused officer was proceeded under the E&D Rules and was dismissed from service on 22 December 1997.

The Committee directed that all the relevant record should be produced to Audit for comments and other action completed at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department was directed to produce the relevant record to Audit and complete the verification process within one month. **The para was kept pending.**

**57. Para No.123: Page 94 – Non-recovery of Rs.519,600 on account of cost of X-Ray Films**

**7-11-2001:** The Department explained that inquiry had been conducted into the matter and further necessary action was underway.

Audit pointed out that neither disciplinary action had been taken by the Department against the persons at fault nor responsibility of DDO/Cashier had been determined so far.

The para was kept pending with the direction that the Department may submit latest position in the matter to the committee through Audit in the next meeting, after holding inquiry and determining liability of persons at fault including DDO/Cashier.

**7-5-2002:** The para was considered in the light of the PAC directive dated 13 February 2002.

The Department explained that in the light of inquiry report, the Anti Corruption Establishment had been approached to register a case against the ex-Accountant, Punjab Dental Hospital, Lahore for recovery.

The Department further explained that the accused officer was proceeded under the E&D Rules and was dismissed from service on 22 December 1997.

The Committee directed that all the relevant record should be produced to Audit for comments and other action completed at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department was directed to produce the relevant record to Audit and complete the verification process within one month. **The para was kept pending.**

**58. Para No.128: Page 97 – Non recovery of Rs.236,630 due to outstanding Government dues**

**8-5-2002:** The Department explained that out of Rs.236,630 a sum of Rs.97,781 on account of outstanding Government dues relating to chemical units/examination fee had been recovered and deposited into Government Treasury while efforts were in progress to effect recovery of the balance amount.

The Committee directed that the amount recovered should be got verified by Audit. Moreover, the officers who were responsible for executing the chemical analysis without advance payments from the client departments should be asked to pay the outstanding amount. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that in compliance with the PAC directive an inquiry Committee under the chairmanship of EDO(H) had been constituted on 27.6.2002 to probe the matter and fix responsibility.

The Department was directed to get the recovery of Rs.97,781 verified by Audit. For balance recovery from various Departments/agencies, the matter should be taken up with the concerned higher authorities, at the earliest. **The para was kept pending.**

**59. Para No.129: Page 97 – Loss of Rs.12,246,040 Due to Non-Replacement of Expired Medicines**

**7-11-2001:** The Department explained that the case was pending investigation with NAB. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 November 2001.

The Department explained that the case was still under investigation with the NAB authorities.

The Department was directed to pursue the case with the NAB vigorously. **The para was kept pending.**

**60. Para No.132: Page 98 – Loss of Rs.16,408,000 to Government Due to Non-Realization/ Depositing of CT Scan Charges**

**7-11-2001:** The Department explained that the matter regarding fixation of charges of CT Scan tests was under process with the government.

The para was kept pending with the direction that the matter may be probed at personal level by the Administrative Secretary to fix responsibility as to whether or not charges had been recovered. Report be submitted to PAC through Audit in the next meeting.

**6-5-2002:** The para was considered in the light of PAC directive dated 7 November 2001

Audit had pointed out that B.V. Hospital, Bahawalpur had conducted C.T. Scans of 8204 patients during the period from 5 July 1994 to 7 May 1997. But no fee had been deposited into Government Treasury whereas C.T. Scan charges in Nishter Hospital Multan were being realized at the average rate of Rs.2,000 (indoor) Rs.3,000 (outdoor).

The Department explained that a fact finding inquiry was held through an Inquiry Committee headed by the Chief Executive of the Hospital. According to the findings of the Inquiry report as no fee had been prescribed by the Government for C.T. Scan, therefore, it could not be realized. However, in his dissenting note the Medical Superintendent of the hospital had observed that entries

made in the register of C.T. Scan were incomplete. The signatures of the consultants who had prescribed the C.T. Scan had not been obtained. The C.T. Scan Department could not provide any authority under which free C.T. Scan was done. Thus the chances of embezzlement could not be ruled out.

The Committee directed that as there was difference of opinion between the Chief Executive and the Medical Superintendent, the Administrative Department should conduct a detailed inquiry and take action accordingly. The Committee would also like to know why the service had been started at Bahawalpur without a proper notification of charges to be realized. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

The Department explained that the matter was re-thrashed in the Health Secretariat and it was observed that the matter had already been probed by a high level inquiry committee in which no loss to government or embezzlement of government money was proved. Secondly, after the autonomy of the Institution, C. T. Scan charges were being collected from the paying patients. Thirdly, after promulgation of the Punjab Medical and Health Institutions Ordinance 2002, the Board of Governors of the Hospital would exercise control over the affairs of the Institution.

The Department was directed to hold another high level inquiry into the matter including the point raised in the Medical Superintendent's dissenting note in the previous fact finding inquiry. The present Chairman of Board of Governors may head the new Inquiry Committee. Proper action should be initiated in the light of this inquiry. **The para was kept pending.**

#### **61. Para No.135: Page 100 – Misappropriation of medicines of Rs.354,000**

**13-2-2002:** The Department explained that the case was registered with the Anti-corruption Establishment against the concerned Dispenser and Ward Attendant, who were still in service. The Committee directed that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 should also be taken against the persons responsible for the alleged misappropriation. The para was kept pending.

**8-5-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that according to the findings of the departmental inquiry report received on 3 May 2002, Mr Hafeez Ahmad, Ward Boy was solely responsible for the missing articles worth Rs.297,158 and Dr Hafiz Muhammad Daud and Mr Muhammad Akram Tahir, Dispenser/Store-keeper were also guilty of not exercising vigilance for safe transportation of medicines from MSD Lahore to Bahawalpur and were liable to disciplinary proceedings.

The Committee directed that a joint inquiry against all the co-accused officers/officials should be held under the Punjab Removal from Service (Special Powers) Ordinance 2000. The Anti-Corruption case lodged by the Department should also be pursued. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that in compliance with the PAC directive the matter was under process to initiate joint inquiry under the Punjab Removal from Service (Special Powers) Ordinance 2000 against all the concerned officers/officials. Moreover, the concerned authority had also been reminded to pursue the case with ACE for early finalization.

The Department was directed to complete the action/recovery at the earliest and pursue the case with ACE. **The para was kept pending.**

## **62. Para No.136: Page 100 – Misappropriation of Government Money by Non-Deposit of Rs.1,451,258**

**7-11-2001:** The Department explained that action against the officers/officials at fault was in process.

Audit pointed out that the Department had not effected recovery of Rs.1,451,358 from Mr Shaukat Ali, Junior Accountant, the main culprit in this case who had already been dismissed from service.

The para was kept pending with the direction that the Department may conduct inquiry against the persons at fault including DDO and take action accordingly.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 November 2001.

The Department explained that in compliance with the PAC directive the matter had been referred to the Committee under the chairmanship of EDO (Health) Multan for inquiry on 14 June 2002 and the same was in progress.

The Department was directed to complete the inquiry within one month and complete action, at the earliest. Moreover, the Anti-Corruption case should be properly pursued. **The para was kept pending.**

## **63. Para No.137: Page 101 – Loss to Government revenue of Rs.600,000 due to non-auction of Hospital drug house and canteen**

**13-2-2002:** Audit had pointed out that a Drug Store/Canteen building situated within the premises of District Headquarter Hospital, Sahiwal was not leased out through open auction and was run by a

private person for the last two years illegally in connivance with the Medical Superintendent.

The Department explained that the said store/shop was being run by General Secretary of a Patients Welfare Society and was demolished in November 1999 with the help of District Administration. Appropriate action was being taken for recovery of the amount of the Audit Para from un-authorised occupants. The Department was directed to complete appropriate action/recovery expeditiously. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that the premises of hospital had been got vacated from unauthorized occupants and the premises of canteen had now been auctioned under the rules and auction money was being regularly deposited into Government Treasury.

Audit, however, pointed out that Government had been put to loss worth Rs.600,000 for not auctioning the said premises during the period under review.

The Committee directed that the Department should consider recovering the loss pointed out by Audit from the concerned Medical Superintendents proportionate to the period of their incumbency besides disciplinary action. **The para was kept pending.**

#### **64. Para No.138: Page 102 – Non Conducting of Departmental Enquiry in the Occurrence of Theft of Two Microscopes Worth Rs.150,000**

**11-2-2002:** The Department explained that the case of theft of equipment had been registered with the Police. Moreover, minor penalty of stoppage of annual increments for two years had been imposed on the Chowkidar. The Committee observed that the case of theft of equipment had been hushed up by taking minor action against a low paid government servant. The Committee directed that an inquiry should be held into the matter at Secretariat level. The Committee directed that all cases of loss/theft of government property should be reported immediately to Administrative Department and Audit Office, as per requirements of the Financial Rules. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that in compliance with the PAC directive the matter was being probed into by the Deputy Secretary (Gen) at Secretariat level. The inquiry report was still awaited.

The Department was directed to complete the inquiry and consequential action within one month. **The para was kept pending.**

#### **65. Para No.139: Page 102 – Recovery of Rs.2,874,177 on account of bogus purchase of strychnine and other insecticides**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.139/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the



cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

#### **66. Para No.140: Page 103 – Recovery of Rs.205,928 due to misappropriation of stores**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.140/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

#### **67. Para No.141: Page 103 – Embezzlement of Rs.99,855 on account of purchase of stores**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.141/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

#### **68. Para No.142: Pages 103-104 – Expenditure of Rs.445,710 beyond competency and recovery of Rs.102,230 due to over charging**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.142/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

**69. Para No.143: Page 104 – Embezzlement of Rs.70,334 due to non-deposit of ambulance charges**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.143/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

**70. Para No.146: Page 105 – Less deposit of Rs.143,802 on account of hospital receipt**

**22-7-2002:** Audit had pointed out that the amount recovered on account of purchee fee and ambulance charges from the patients had not been deposited into Government Treasury.

The Department explained that the deposit of Rs.45,214 on account of purchee fee and Rs.21,568 on account of ambulance charges had been verified by SDAC on 6 & 7 December 1999.

The Department further stated that the record regarding deposit of Rs.7,610 on account of purchee fee and Rs.23,008 on account of ambulance charges was also available. Moreover, the matter had already been referred to Director ACE, Lahore for action against the defaulter to recover the amount.

The Committee directed that the amount deposited should be got verified by Audit. Balance recovery and Anti-Corruption case should be vigorously pursued. Disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 should also be taken against the

persons responsible for not depositing the hospital receipts into Government Treasury. **The para was kept pending.**

**71. Para No.147: Page 106 – Misappropriation of surgical instruments worth Rs.174,950**

**13-2-2002:** The Department explained that in the departmental inquiry Mr Abdul Majeed, Operation Theatre Assistant, Tehsil Headquarter Hospital Kamoke was held responsible for shortage of surgical instruments. He was no more in service. The Department stated that the case of recovery as arrears of Land Revenue had been referred to the Anti-Corruption Establishment and also to District Administration. The Department was directed to provide a copy of the inquiry report to Audit for scrutiny and comments. Action/recovery should be completed expeditiously. Full facts of the case should be given in the working paper for the next meeting. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that after inquiry the responsibility for missing surgical instruments had been fixed on Mr Abdul Majeed, ex Operation Theatre Attendant (OTA) and District Administration had been written for recovery of the items/amount.

The Department was directed to effect the recovery and get the record verified by Audit. **The para was kept pending.**

**72. Para No.148: Page 106 – Misappropriation of surgical instruments worth Rs.200,000**

**13-2-2002:** The Department explained that in the departmental inquiry, Mr Abdul Majeed, Operation Theatre Assistant, Tehsil Headquarter Hospital, Kamoke was held responsible for shortage of surgical instruments. He was no more in service. The Department stated that the case of recovery as arrears of Land Revenue, had been referred to the Anti-Corruption Establishment and also to District Administration. The Department was directed to provide a copy of the inquiry report to Audit for scrutiny and comments. Action/recovery should be completed expeditiously. Full facts of the case should be given in the working paper for the next meeting. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that after inquiry the responsibility for missing surgical instruments had been fixed on Mr Abdul Majeed, ex Operation Theatre Attendant (OTA) and District Administration had been written for recovery of the items/amount.

The Department was directed to effect the recovery and get the record verified by Audit. **The para was kept pending.**

### **73. Para No.153: Page 108 – Recovery of Rs.115,005 due to un-authorized collection of Ultra Sound charges**

**22-7-2002:** The para was considered on 22 and 23 July 2002.

Audit had objected to the collection of ultra sound fee of Rs.100 from non-entitled patients and payment of 55% share of ultra sound charges to Doctors and para medical staff in Aziz Bhatti Shaheed Hospital, Gujrat.

The Department explained that the Medical Superintendent was competent to prescribe ultra sound charges for non-entitled patients, and payment of 55% share to medical and para medical staff was in accordance with the policy laid down by the Health Department.

The Department was directed to produce the authority to show that Medical Superintendent was competent to prescribe the ultra sound fee. But the Department could not produce the requisite authority on 23 July 2002.

However, the Department pointed out that in case of BV Hospital, Bahawalpur, Audit had objected to the non-realization of such a fee. The Department was directed to re-examine the matter in the light of the rules and instructions on the subject, obtain an authoritative ruling from the Finance Department and take action accordingly. **The para was kept pending.**

### **74. Para No.155: Page 109 – Recovery of Rs.2,287,995 Due to irregular and un-economical repair of equipment**

**6-11-2001:** The Department explained that disciplinary proceedings had been initiated against the defaulters as per findings of the inquiry committee.

As directed by the PAC during the meeting, the Department provided a copy of the inquiry report to Audit for comments.

The Department was directed to complete appropriate action expeditiously. The para was kept pending.

**13-2-2002:** The para was considered in the light of the directive of the PAC dated November 7, 2001.

The Department had been directed to complete appropriate action expeditiously. The Department explained that action was still under process.

The Committee re-iterated its previous directive and directed that suitable action should be initiated against persons responsible for delay in compliance. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department stated in the meeting that on the basis of departmental inquiry report Dr. Mubasher Ahmad Mirza, ex-DHO, Sialkot was found responsible for irregularity in this para. He had already been compulsorily retired in another case. Action would be taken against him under the Pension Rules.

The Committee directed that a copy of the inquiry report should be produced to Audit. Necessary action/recovery should be completed at the earliest. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department had explained in the working paper that the accused namely Dr Mubashar Mirza was issued notice under the Pension Rules and his reply was being considered. However, the Department verbally stated in the meeting that on a writ petition filed by the accused in the Lahore High Court, the Court had restrained the Department from taking adverse action against Dr Mubashar Mirza.

The Department was directed to pursue the case for vacation of the stay order and early disposal of the case. **The para was kept pending.**

## **75. Para No.159: Page 111 – Loss of Rs.2,154,717 due to medicines not received**

**7-11-2001:** The Department explained that inquiry had been conducted into the matter and further action was in process. Audit pointed out that the Department may:-

- (i) intimate the actual dates of receipt of the stock, which was not physically available



in July 1997;

(ii) fix responsibility for the lapse; and

(iii) get the irregularity condoned by the competent authority.

The para was kept pending with the direction that the Department should take action as proposed by Audit at sub para (i) to (iii) of this para expeditiously.

**13-2-2002:** The para was considered in the light of the directive of the PAC dated November 7, 2001.

Audit had pointed out that medicines costing Rs.2,154,717 purchased by District Health Office Rawalpindi during June, 1997 were entered in the stock register but were not actually received upto 2 July, 1997. The Department explained that an inquiry into the matter had been ordered and inquiry report was still awaited. The previous decision of the Committee was reiterated and the Department was directed to complete inquiry/action expeditiously. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that an inquiry Committee had been constituted under the chairmanship of MS, Rawalpindi General Hospital to probe the matter and fix responsibility. The action was in progress.

Expressing disappointment at un-satisfactory progress in all such cases, the Committee directed the Department to complete the action/recovery, without further delay. **The para was kept pending.**

**76. Para No.163: Page 113 – Misappropriation of medicines and other stores worth of Rs.213,304 through fictitious**

**13-2-2002:** The Department explained that an inquiry Committee under the Chairmanship of District Health Officer, Attock had been constituted to probe into the matter and fix responsibility. The inquiry report was still awaited. The Secretary of the Department was directed to look into the case again and consider entrusting the inquiry to another senior officer, the inquiry and the resultant action should be completed expeditiously. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that in compliance with the PAC directive a fact finding inquiry at Secretariat level was ordered vide letter No.AAC/HD/8-63/99(P-1) dated 28-2-2002. Enquiry report was still awaited.

Observing that progress in the case was unsatisfactory, the Department was directed to complete the inquiry/action, at the earliest. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that in compliance with the PAC directive a fact finding inquiry was being conducted by the DHS, Punjab since 10 June 2002 and was still in progress.

The Department was directed to complete the inquiry/ action/recovery, at the earliest. **The para was kept pending.**

#### **77. Para No.164: Page 116 – Irregular Expenditure of Rs.13,595,000 on Printing of Material**

**7-11-2001:** The Department explained that inquiry had been conducted into the matter and the findings of the inquiry officer were awaited.

The para was kept pending with the direction that the Department should complete the action expeditiously. Recovery in this case be pursued by the Department and monitored by the Finance Department.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 November 2001.

The Department explained that EDO (Health) Dera Ghazi Khan had been appointed as Inquiry Officer vide No.SO(C-III)3-24/99 dated 26 December 2001 for in service officers/officials while action against ex Director General Health Services Punjab had also been initiated under the Pension Rules.

The Department was directed to finalize the above mentioned actions expeditiously. **The para was kept pending.**

#### **78. Para No.165: Page 116 – Irregular expenditure of Rs.535,000 on account of local purchase of water treatment system**

**8-5-2002:** Audit had pointed out that the water treatment system was purchased by splitting the expenditure into three components to avoid open tenders and sanction of the Higher Authority.

The Department explained that according to the findings of the departmental inquiry report purchase worth Rs.535,000 was made without advertisement and the expenditure was split up in three parts. The procedural irregularities in the purchase had been identified. Quotations were called on 19 June 1994 and the comparative statement and purchase orders were processed on the same day – Warranty and security clause was not mentioned. The Department further stated that the then Medical Superintendent, Professor of Urology (retired) and Purchase Officer who had played vital

role in the purchase had been called upon to explain their position and view point before proceeding further in the matter. The Committee directed that decision/action under the law/rules in the matter should be finalized expeditiously and reported to the Committee in its next meeting. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that the view points of the then Medical Superintendent since retired and Professor of Urology had been obtained while the comments of the Purchase Officer who played a vital role in the purchase were yet to be obtained. The Department was directed to complete its investigations after obtaining these comments and then to take appropriate action in the matter, at the earliest. **The para was kept pending.**

#### **79. Para No.167: Page 118 – Non Utilization of Rs.912,026 and Irregular Expenditure of Rs.1,851,785**

**7-11-2001:** The Department explained that the record had been destroyed owing to floods.

The para was kept pending with the direction that a high level probe may be conducted into the matter and action taken accordingly.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 November 2001.

The Department explained that two inquiries were conducted on the subject. But the Department did not agree with the findings of the Inquiry Officers that the record was destroyed in the flood during the year 1996 because the record was lying at first floor and not in basement/ground floor.

The Department was directed to hold a fresh inquiry at the Secretariat level and a representative from Audit should also be associated with the inquiry in order to assist in tracing at collateral evidence/record, if necessary, to establish facts in the case. The Committee further directed that the inquiry should be completed within one month and necessary action should be completed, at the earliest. **The para was kept pending.**

#### **80. Para No.172: Page 121 – Irregular purchase of ultrasound machine parts worth for Rs.481,000**

**6-5-2002:** Audit had pointed out that the parts of the ultra sound machine valuing Rs.290,000 and Rs.291,000 were got replaced/purchased on a single quotation.

The Department explained that according to the findings of the departmental inquiry report the purchases were made after advertisement and price offered by the sole distributor was found reasonable and the same was accepted.

The Committee directed that a copy of the inquiry report should be supplied to Audit for scrutiny and comments. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 6 May 2002.

On seeing the departmental inquiry report, Audit pointed out that the report was silent about the points raised by Audit in the original para.

The Department was directed to hold an inquiry de-novo covering all points raised by Audit in the original para and take appropriate action to resolve the matter. **The para was kept pending.**

**81. Para No.173: Page 121 and 122 – Expenditure of Rs.233,840 Without Sanction by Competent Authority**

**12-2-2002:** The para was considered on February 12 and 13, 2002. The Committee was informed that the irregularity pointed out in this para had been included in the charge sheet against Dr Yaquub Baig Mirza and as per report received from the Inquiry Officer i.e. Member Board of Revenue, the accused had been exonerated. The Department was directed to provide a copy of inquiry report to Audit. The Department was further directed to give the latest position of the case pending with the Anti-Corruption Establishment. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 12 February 2002.

The Department was directed to produce the relevant record to Audit and complete the verification process within one month. **The para was kept pending.**

**82. Para No.176: Page 124 – Purchase made beyond competency worth Rs.2,634,315**

**8-5-2002:** The Department explained that according to the findings of the departmental inquiry report the purchases of instruments/equipments/lab material and drawing items were made during 1994-95 and 1995-96. Open tenders were not invited & expenditure was split up to avoid sanction of the higher authority. The purchase of equipment was made from the wrong head of account “598-cost of other stores instead of “purchase of machinery and equipment”.

The Department further stated that Finance Department had refused to regularize the expenditure and advised to take action against the officers responsible for the irregularity. The Department stated that a case was being accordingly processed for disciplinary action and recovery and the same would be finalized within the period prescribed in Punjab Removal from Service (Special Powers) Ordinance, 2000. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that the case was under process for disciplinary proceedings against the defaulters.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

**83. Para No.178: Page 125 – Irregular purchase of insecticides/chemicals worth Rs.300,414**

**13-2-2002:** The Department explained that as a result of departmental inquiry conducted by Director Health Services, D.G. Khan, the government had sustained a loss of Rs.15,000 in this case and the concerned District Health Officer, Layyah and his Accountant had been held responsible for the loss. The case for disciplinary proceedings against them was in process. The Committee directed that a copy of inquiry report should be provided to Audit for scrutiny and comments. Recovery and action should be completed expeditiously. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 13 February 2002.

The Department explained that the main accused Dr Khuda Baksh Malik had been retired from service. Now he was being proceeded against under Pension Rules.

The Department was directed to complete the action against all the accused persons and effect the recovery, at the earliest. **The para was kept pending.**

**84. Para No.179: Page 126 – Recovery due to irregular local purchase of medicines worth Rs.400,000**

**22-7-2002:** The Department explained that according to the findings of the departmental inquiry Committee the DHO and Accountant concerned were responsible for certain procedural irregularities but no loss was sustained by the Government. As per recommendation of the Inquiry Committee, the case was referred to Finance Department for regularization who had refused to accord sanction to the regularization and had advised to take disciplinary action against the defaulters.

The Department stated that the scrutiny of record revealed that a loss of Rs.104,000 on account of purchase at exorbitant rates was recoverable from both the accused. The DHO had since retired and was being proceeded against under the Pension Rules while the Accountant had filed a writ petition in Multan Bench of Lahore High Court.

The Committee directed that the Administrative Secretary should review the whole case and the manner in which it had been handled. The Department should call explanation of the Chairman of the Departmental Inquiry Committee for not conducting the inquiry properly. The Department was further directed to complete recovery/action in a proper manner, at the earliest. **The para was kept pending.**



**85. Para No.180: Page 126 – Recovery due to purchase of miscellaneous items worth Rs.445,375**

**8-5-2002:** The Department explained that according to the findings of the inquiry report conducted under the chairmanship of Director Health Services, D.G. Khan, the purchases in question had been made after inviting tenders through a newspaper and expenditure was incurred within the competence of the DDO concerned. However, the rates accepted by him were higher than the rates approved by the DHS, D.G. Khan. The total difference of amount on account of higher rates came to Rs.9,114 which should be recovered from the concerned firm/DDO.

The Department stated that the competent authority had not accepted the findings of the inquiry and had ordered a fresh inquiry on 2 October 2001, through EDO (Health) Muzaffargarh and the inquiry report was still awaited.

The Committee expressed its concern over the finalization of inquiries and directed that it should be completed within one month and further action taken accordingly. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that EDO (Health) Muzafargarh was appointed as Inquiry Officer on 2 October 2001 but his findings were still awaited.

The Department was directed to complete the inquiry/action/recovery, at the earliest. **The para was kept pending.**

**86. Para No.181: Page 127 – Rs.3,136,270 Irregular and Un-justified Local Purchase**

**11-2-2002:** Audit had pointed out that the Medical Superintendent BV Hospital Bahawalpur had made an excess expenditure of Rs.3,136,270 on local purchase of medicines during the year 1995-96 than was legally available to him for this purpose. The Department explained that a sum of Rs.4,500,853 was spent for clearing the pending liabilities of the previous year 1994-95 and only an amount of Rs.3,530,541 was spent for local purchase during the year 1995-96. Thus only an amount of Rs.558,541 was spent on local purchase in excess of the authorized amount. The Committee directed that the matter needed thorough inquiry at the Secretariat level for determining the responsibility for incurring liability of Rs.4,500,835 during 1994-95 without budgetary allocation as well as for exceeding the local purchase limit during the year 1995-96. The expenditure in excess of budgetary provision should be recovered or additional funds should be obtained from the Finance Department. The para was kept pending.

**8-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department stated in the meeting that the inquiry into the matter had been ordered on 28 February 2002 and Deputy Secretary (General) had been appointed as Enquiry Officer.

The Committee directed that inquiry/action should be completed within two months. The para



was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 8 May 2002.

The Department explained that in compliance with the PAC directive the matter was being probed at the Secretariat level.

The Committee expressed its concern over the delay on the part of the Department and observed that there was hardly any progress on the compliance of the previous directives. The Department was directed to complete the action/recovery, without further delay. **The para was kept pending.**

**87. Para No.183: Page 128 – Local purchase beyond competency valuing Rs.345,355**

**22-7-2002:** The Department explained that according to the findings of the departmental inquiry report, the expenditure on purchases had been made under proper sanction but certain codal formalities like advertisement in the Press had not been fulfilled. Therefore, the case was referred for regularization to the Finance Department who had refused to regularize the expenditure and had advised that action be taken against the officer concerned. Accordingly a summary was being submitted to the Governor for seeking approval to proceed against ex-DHO, Multan.

The Department was directed to complete disciplinary action, at the earliest. **The para was kept pending.**

**88. Para No.184: Page 129 – Irregular Expenditure of Rs.1,018,914 on Account of Purchase of Sanitary Items**

**6-11-2001:** The Department explained that the case had been converted into NAB reference, which was under probe.

The para was kept pending with the direction that the Department may pursue the case vigorously.

**13-2-2002:** The para was considered in the light of the directive of the PAC dated November 6, 2001.

The Department explained that outcome of the investigation (NAB) was still awaited. The Department was directed that a copy of the reference made to NAB in this case should be provided to Audit. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

#### **89. Para No.186: Page 130 – Irregular expenditure of Rs.486,876 on purchase of stores beyond competency**

**7-5-2002:** The Department explained that the Inquiry Committee appointed on 30 January 2001 could not finalize the report as the record relating to the para was taken away by the ex-MS, THQ Hospital, Kalar Kot.

The Department further explained that Inquiry Officer had been appointed under the Punjab Removal from Service (Special Powers) Ordinance 2000 in April 2002.

The Committee observed that the progress in the case was not satisfactory and directed that disciplinary proceedings should be completed within the stipulated period, otherwise recovery should be enforced directly. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that EDO(Health) Bhakkar had been appointed as an Inquiry Officer to probe into the matter and fix responsibility against the accused officer, Dr Naseer Ahmad Malghani. The action was in progress.

The Department was directed to complete the action/recovery at the earliest. **The para was kept pending.**

#### **90. Para No.187: Page 130 – Irregular and uneconomical expenditure of Rs.366,716**

**7-5-2002:** The Department explained that the Inquiry Committee appointed on 30 January 2001 could not finalize the report as the record relating to the para was taken away by the ex-MS, THQ Hospital, Kalar Kot.

The Department further explained that Inquiry Officer had been appointed under the Punjab Removal from Service (Special Powers) Ordinance 2000 in April 2002.

The Committee observed that the progress in the case was not satisfactory and directed that disciplinary proceedings should be completed within the stipulated period, otherwise recovery should be enforced directly. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that EDO (Health) Bhakker had been appointed as Inquiry Officer to probe into the matter and fix the responsibility against the accused officer, Dr Naseer Ahmad Malghani. The action was in progress.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

#### **91. Para No.188: Page 131 – Rs.3,520,368 worth of irregular expenditure of medicines**

**7-5-2002:** Audit pointed out that a sum of Rs.3,520,368 was incurred on the purchase of medicines beyond financial competency and without obtaining NOC from MSD.

The Department explained that according to the findings of the inquiry report, the government had suffered a loss of Rs.107,743 for which ex-DHO, Sialkot had been held responsible.

The Department further stated that the said DHO had been compulsorily retired in another case. Recovery would be made from him under the Pension Rules.

The Department was directed to complete action/recovery at the earliest. The para was kept pending.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained in the working paper that the accused Dr Mubashar Mirza, ex-DHO Sialkot was issued notice under the Pension Rule and his reply was being considered. However, the Department verbally stated in the meeting that on a writ petition filed by the accused in the Lahore High Court, the Court had restrained the Department from taking adverse action against Dr Mubashar Mirza.

The Department was directed to pursue the case for vacation of the stay order and early disposal of the case. **The para was kept pending.**

#### **92. Para No.193: Page 134 – Record of Rs.2,129,037 not Produced**

**7-11-2001:** The Department explained that Mr Zakir Hussain, Ex Junior Clerk, had absconded from duty during November 1996 along with record. DC Rawalpindi had been approached for the recovery of the amount/record from him.

The para was kept pending with the direction that the Department may produce relevant record in support of its contention to Audit for verification and intimate the PAC through Audit whether criminal case had been lodged against the culprit and what was its latest position.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 November 2001.

Audit had pointed out that an amount of Rs.2,129,037 was drawn in the name of Tehsil Headquarter Hospital, Jampur, from July 1995 to June 1996 as intimated by District Accounts

Officer, Jampur but the relevant record was not produced to Audit. On 7 November 2001, the Department stated that the concerned Junior Clerk Mr Zakir Hussain had absconded from duty during November 1996 along with the record. In the working paper for the present meeting the Department stated that the said Junior Clerk had since been dismissed from service and D.C. Rajanpur had been approached for recovery of the amount and record under another case.

The Committee directed that the Administrative Department should look into the matter for taking appropriate action and effecting the recovery. The Committee also directed that the District Accounts Officer concerned should provide full details of the amounts involved in this para and also extend full cooperation to the Department in making the relevant record of his office relating to the said payments, available to the Department for necessary probe into the matter. **The para was kept pending.**

### **93. Para No.195: Page 135 – Record of Deposit of Hospital Receipts and Purchase Fee of Rs.4,502,432 not Produced Misappropriation**

**7-11-2001:** The Department explained that inquiry had been conducted into the matter and further necessary action was underway.

Audit pointed out that neither disciplinary action had been taken by the Department against the persons at fault nor responsibility of DDO/Cashier had been determined so far.

The para was kept pending with the direction that the Department should complete inquiry and action before the next meeting.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 November 2001.

The Department was directed to produce the relevant record to Audit and complete the verification process within one month. **The para was kept pending.**

### **94. Para No.197: Page 139 – Misappropriation of Rs.16,293,000 Incurred for the Purchase of Disposable Syringes**

**7-11-2001:** The Department explained that fact finding inquiry had been conducted into the matter and the recommendations of the inquiry officer had been submitted to the Authority.

The para was kept pending with the direction that the Department should complete inquiry and action before the next meeting.

**23-7-2002:** The para was considered in the light of PAC directive dated 7 November 2001.

The Department explained that on the basis of the findings of the departmental inquiry report, a summary was submitted to the Governor for approval which was referred back with the observation to finalize action against ex-Director General Health Services Punjab under Pension Rules.

Accordingly he was issued notice under the Pension Rules which was also published in the Press, with no response. The summary had again been submitted to the Authority for final order.

The Department was directed to finalize the necessary action in the matter, at the earliest. **The para was kept pending.**

#### **95. Para No.198: Page 140 – Misappropriation of Rs.161,181 Expenditure**

**11-2-2002:** The Department explained that the cases of 15 audit paras including Audit Para No.198/97-98 had been referred to Regional Accountability Bureau for investigation and trial. The Department was directed that a copy of reference sent to RAB may be produced to Audit and the cases should be properly pursued. The para was kept pending.

**7-5-2002:** The para was considered in the light of PAC directive dated 11 February 2002.

The Department explained that NAB Authorities had themselves taken the case which was under investigation.

The Department was directed to pursue the case. The Committee directed that if NAB did not decide to prosecute the case, the Department should take action to proceed against the accused officers under the law/rules.

The Finance Department was directed to monitor the progress of the case. The para was kept pending.

**24-7-2002:** The para was considered in the light of PAC directive dated 7 May 2002.

The Department explained that the record of the cases was still with the NAB authorities. Hence the Department was unable to proceed against the defaulters departmentally till retrieval of the record.

The Department was directed to pursue the case with the NAB authorities and take appropriate action in the matter at the proper time. **The para was kept pending.**

## **Performance Audit Special Audit Report for Purchase of Medical Gases in Major Hospitals of Punjab**

### **1. Para No.1: Page 4 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Loss of gas cylinders worth Rs.1,870,000**

**24-7-2002:** The Department explained that an Inquiry Committee had been constituted for fixing the responsibility and effecting the recovery on account of shortage of 163 cylinders.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

**2. Para No.2(a): Page 4 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Overpayments of Rs.223,207 to suppliers**

**Allied Hospital, Faisalabad – Rs.172,013.**

**24-7-2002:** The Department explained that after inquiry it had been established that no overpayment was made to the suppliers.

The Department was directed to produce the inquiry report to Audit for scrutiny and comments. **The para was kept pending.**

**3. Para No.3(1): Page 5 of Special Audit Report on Purchase of Medical Gases in Major Hospitals of Punjab during 1995-98 – Failure of the medical superintendents to get back government owned gas cylinders worth Rs.1,214,400 unlawfully held by suppliers**

**Allied Hospital, Faisalabad – Rs.960,000.**

**24-7-2002:** The Department explained that out of 96 cylinders, 68 cylinders had been returned to the hospital and the remaining 29 were still with the gas suppliers. Efforts were being made to get these cylinders back.

The Committee directed that the outstanding cylinders or their cost price should be recovered at the earliest.

Moreover, appropriate action should be taken against the persons responsible for negligence in not recovering the gas cylinders at the proper time. **The para was kept pending.**

## Special Audit Report on the Accounts Of DHO, Multan

**4. Para No.1: Page 4 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Embezzlement of Rs.14.737 million.**

**5. Para No.2: Page 6 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Recoverable amounts of Rs.14.964 million.**

**6. Para No.3: Page 6 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Recovery of Rs.5.565 million on account of house rent & electricity charges. (Details annexed with advance Para No.2062).**

**7. Para No.4: Page 7 of Special Audit Report on the Account of District Health Officer Multan**



for the year 1990-97 – Recovery of Rs.0.245 million on account of excess drawal of pay than entitlement. (Details annexed with advance Para No.2064).

8. Para No.5: Page 7 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Irregular payment of Rs.4.674 million on account of irregular appointments in different cadres. (Details annexed with advance Para No.2063).

9. Para No.6: Page 7 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Non-recovery of Rs.0.119 million on account of income tax. (Details annexed with advance Para No.2059).

10. Para No.7: Page 8 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Non-deposit of Rs.0.317 million on account of government receipt. (Details annexed with advance Para No.2066).

11. Para No.8: Page 8 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Misappropriation of medicines/foodstuff worth Rs.1.250 million. (Details annexed with advance Para No.2067).

12. Para No.9: Page 8 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Non accountal of store worth Rs.2.625 million. (Details annexed with advance Para No.2071).

13. Para No.10: Page 9 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97;Irregular purchases amounting to Rs.8.244 million. (Details annexed with advance Para No.2060).

14. Para No.11: Page 9 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Expenditure of Rs.11.401 million in excess of sanctioned budget allocation. (Details annexed with advance Para No.2068).

15. Para No.12: Page 9 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Non accountal of vouchers/schedules in the cash books amounting to Rs.19.519 million. (Details annexed with advance Para No.2069).

16. Para No.13: Page 10 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Unjustified payment of Rs.1.264 million to part time contingent

**staff. (Details annexed with advance Para No.2070).**

**17. Para No.14: Page 10 of Special Audit Report on the Account of District Health Officer Multan for the year 1990-97 – Non production of record amounting to Rs.10.400 million. (Details annexed with advance Para No.2072)**

The above mentioned paras related to DHO Multan.

The Committee considered the said paras in the light of the departmental explanation and directed the Department to take appropriate action for the earlier finalization of the each case. **The paras were kept pending.**

# Home Department

## Overview

Total Paras	Civil
<b>122</b>	<b>122</b>

## Abstract

Status	Decision	Para Nos.	Total	Page Nos.
Paras Finally Settled  <b>47</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 2.9, 2.10, 2.12, 2.14.1, 2.14.2, 2.14.3, 2.14.4, 2.14.5, 2.14.7, 2.14.9, 2.16, 2.18, 2.21, 2.23, 2.24, 2.26, 2.30, 2.31, 2.32.3, 2.32.5, 2.34, 2.37, 2.39, 2.45, 2.49, 2.50, 2.52, 2.59.1, 2.60.1, 2.60.2, 2.60.3, 2.60.4, 2.60.6, 2.60.7, 2.61, 2.62.2, 2.62.3, 2.62.4, 2.66.1, 2.66.2, 2.66.3, 2.66.5, 2.66.6, 2.66.7, 2.68, 2.72, 2.75	<b>47</b>	<b>549-560</b>
Paras Conditionally Settled  <b>33</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 2.7, 2.11, 2.13, 2.14.6, 2.14.8, 2.17, 2.19, 2.20, 2.25, 2.28, 2.29, 2.32.1, 2.32.2, 2.32.4, 2.33, 2.35, 2.36, 2.42, 2.43 (1 & 2), 2.47, 2.51, 2.53, 2.56, 2.57, 2.58, 2.59.2, 2.62.1, 2.64, 2.66.4, 2.66.8, 2.71, 2.73, 2.74	<b>33</b>	<b>561-572</b>
Paras Pended  <b>42</b>	Paras pended because the Department had not taken satisfactory action or the Committee directed that the SDAC shall consider the matter and submit its report for consideration by the	<b>Civil:</b> 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.8, 2.15, 2.22, 2.27, 2.31.2, 2.38, 2.40, 2.41, 2.44, 2.46, 2.48, 2.54, 2.55, 2.60.5, 2.63, 2.65.1, 2.65.2, 2.65.3, 2.65.4, 2.65.5, 2.65.6, 2.65.7, 2.65.8, 2.65.9, 2.65.10, 2.65.11, 2.65.12, 2.65.13, 2.67,	<b>42</b>	<b>573-605</b>

Committee.

2.69, 2.70, 2.76, 2.77, 2.78,  
2.79.2, 2.80

Discussed on 19-22 November 2001, 4-6 March, 3-4 June and 15 August 2002

## Paras Finally Settled Civil Audit

### 1. Para No.2.9: Page 42 – Misappropriation of Rs.521,530 on Account of Purchase of Uniform

**22-11-2001:** The Department explained that all purchases were made by the CPO through central purchase committee but payment to the firm was made through SSP, Rawalpindi and entry of the entire purchase was made in the stock register of the CPO. The para was settled subject to verification of record by Audit.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

In its latest comments, Audit had stated that all the purchases had been made by Central Police Office through Central Purchase Committee for the entire Punjab Police and stock entries of articles had been verified by Audit. In view of the comments by Audit, the Committee decided to **settle the para.**

### 2. Para No. 2.10: Page 42 – Fictitious/Bogus Expenditure of Rs.81,000 on account of awards to Police officials and private persons

**22-11-2001:** The Department explained that the rewards were made in accordance with the Police Rules and the Delegation of Financial Powers Rules (Special Power to Police Department). The explanation of the Department was accepted and **the para was settled.**

### 3. Para No. 2.12: Page 44 – Loss of Rs.2,850,000 Due to Destruction of Vehicles

**22-11-2001:** The Department explained that the case for writing off the loss of Rs.2,850,000 on account of accident of Police vehicle had been sent to the DIG, Lahore Range for referring to the Finance Department as per directive of the DAC dated 30.5.2001 for write-off-sanction.

**The para was settled** with the direction that Administrative Department should pursue the matter and Finance Department should monitor.

### 4. Para No. 2.14.1: Page 45 – Recovery of Rs.1,250,000 due to purchase made at higher rates

**22-11-2001:** The Department explained that the cloth was purchased by the Central Purchase Committee after observing all codal formalities, and after obtaining report from Central Testing

Laboratory. The explanation of the Department was accepted and **the para was settled.**

The Department was, however, directed to keep its documentation in proper order.

**5. Para No. 2.14.2: Page 45 – Recovery of Rs.173,810 due to purchase made at higher rates**

**22-11-2001:** The Department explained that the cloth was purchased by the Central Purchase Committee after observing all codal formalities, and after obtaining report from Central Testing Laboratory. The explanation of the Department was accepted and **the para was settled.**

The Department was, however, directed to keep its documentation in proper order.

**6. Para No. 2.14.3: Page 45 – Recovery of Rs.416,250 due to purchase made at higher rates**

**22-11-2001:** The Department explained that the cloth was purchased by the Central Purchase Committee after observing all codal formalities, and after obtaining report from Central Testing Laboratory. The explanation of the Department was accepted and **the para was settled.**

The Department was, however, directed to keep its documentation in proper order.

**7. Para No. 2.14.4: Page 45 – Recovery of Rs.82,303 due to purchase made at higher rates**

**22-11-2001:** The Department explained that the cloth was purchased by the Central Purchase Committee after observing all codal formalities, and after obtaining report from Central Testing Laboratory. The explanation of the Department was accepted and **the para was settled.**

The Department was, however, directed to keep its documentation in proper order.

**8. Para No. 2.14.5: Page 45 – Recovery of Rs.30,000 due to purchase made at higher rates**

**22-11-2001:** The Department explained that the cloth was purchased by the Central Purchase Committee after observing all codal formalities, and after obtaining report from Central Testing Laboratory. The explanation of the Department was accepted and **the para was settled.**

The Department was, however, directed to keep its documentation in proper order.

**9. Para No.2.14.7: Page 45 – Recovery of Rs.140,632 due to purchase made at higher rates**

**22-11-2001:** The explanation of the Department was accepted and **the para was settled.**

**10. Para No.2.14.9: Page 45 – Recovery of Rs.68,114 due to purchase made at higher rates**

**22-11-2001:** The para was settled subject to verification of record by Audit.

**4-3-2002:** After verification of record Audit had verified the recovery of Rs.68,114 and had

recommended the para for settlement. The Committee decided to **settle the para.**

#### **11. Para 2.16: Page 50 – Irregular expenditure on payment of rewards for Rs.222,200**

**6-3-2002:** The Department explained that according to the Punjab Delegation of Financial Power Rules, 1990 (Special Powers of Police Department), the DIG, Range was competent to sanction reward upto Rs.5,000 in each case/person.

The explanation of the Department was accepted and the para was settled subject to verification of individual cases by Audit.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

In its latest comments, Audit stated that sanctions in individual cases of rewards had been verified. On the recommendation of Audit, the Committee decided to **settle the para.**

#### **12. Para No. 2.18: Page 51 – Irregular expenditure of Rs.144,904 on local purchase of articles**

**6-3-2002:** The Department explained that according to Rule 3(b)(I) of the Delegation of Financial Power Rules, 1990, the SP being an officer of Category-II was competent to accord sanction of the expenditure on purchase of store articles upto Rs.150,000 and the said expenditure was within the competency of SP concerned. The explanation of the Department was accepted and **the para was settled.**

#### **13. Para No. 2.21: Page 52 and 53 – Irregular expenditure of rewards to staff amounting to Rs.134,825**

**6-3-2002:** The Department explained that the SSP was competent to accord sanction on account of reward to Police Officers up to Rs.1,000 in each case and the DIG, CID was competent to sanction reward upto Rs.5,000 in each case. The Department stated that the sanction in any case did not exceed the prescribed limits. The explanation of the Department was accepted and **the para was settled.**

#### **14. Para No. 2.23: Pages 53-54 – Un-authorized and irregular expenditure of Rs.98,355 on repair and maintenance office building etc.**

**6-3-2002:** The Department explained that approval/sanction in all the repair cases mentioned in the Audit Para was accorded by DIG Welfare under rule 3(ii) of the Delegation of Financial Power Rules, 1990 (Special Powers to Police Department) and the repair estimates were vetted by the Buildings Department.

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



**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

In addition to the submission made by the Department in the last meeting, the Department explained that the completion certificate of the repair work was also available in record. Moreover, the repair work was done on different occasions when such necessity arose and the expenditure was not split up to avoid sanction of the higher authority. After discussions, the Committee accepted the explanation of **the Department and settled the para.**

**15. Para No. 2.24: Page 54 – Irregular and un-authorized expenditure of Rs.199,679 on account of uniforms to officers and staff**

**6-3-2002:** The Department explained that according to the Delegation of Financial Power Rules, 1990 (Special Powers to Police Department), the DIG Welfare being officer category-I was competent to accord sanction to the purchase of uniforms up to Rs.75,000 in each case. The different uniform articles were purchased on different occasions within the competence of the sanctioning authority.

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

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

Audit had verified the contention of the Department that expenditure on purchase of uniforms had been made with the sanction of the competent authority. On recommendation of Audit, **the para was settled.**

**16. Para No.2.26: Page 55 – Irregular Purchase of Sofa Sets and Other Furniture Items Rs.252,100**

**22-11-2001:** The Department was directed to take appropriate action for meeting the Audit observation and take early action on the Committee's previous directive. The para was kept pending.

**3-6-2002:** The Department explained that according to the Inquiry Report conducted by the Deputy Secretary (Prisons), the purchase of furniture was made on urgent basis for furnishing the Provincial Operation Room. The Department further stated that the expenditure had since been regularized by the Finance Department vide U.O. No.Exp(G)12-3/2001 dated 3 May 2002. **The Committee decided to settle the para.**

**17. Para No. 2.30: Page 57 – Recovery of Rs.238,881 Due to Doubtful Grant of B-Class Facilities**

**22-11-2001:** The Department was directed to produce the relevant record to Audit for verification without delay. The para was kept pending.

**4-3-2002:** After verification of record, Audit had verified the order of the competent authority regarding grant of B Class facilities to the prisoners during the period under observation had recommended the para for settlement. **The Committee decided to settle the para.**

**18. Para No. 2.31: Page 48 – Recovery of Rs.160,095 due to irregular expenditure on repair/ replacement of parts of vehicles****D.I.G. Police Crime Branch Lahore – Rs.25,000 + Rs.19,520 (Rs.44,520)**

**6-3-2002:** In its latest comments, Audit had verified the record in support of the contention of the Department and had recommended the para for settlement. **The para was settled.**

**19. Para No. 2.32.3: Page 49 – Irregular expenditure of Rs.1,472,805 on account of local purchase of different articles****S.P. Mandi Bahauddin – Rs.122,478**

**3-6-2002:** The Department explained that the purchases of uniform articles made by the S.P. were within his competence and as no bill had exceeded Rs.50,000. The purchase was not required to be made through open tender.

Audit accepted the contention of the Department. On recommendation of Audit, **the para was settled.**

**20. Para No. 2.32.5: Page 58 – Irregular expenditure of Rs.1,472,805 on account of local purchase different articles****Central Jail Faisalbad – Rs.196,797**

**4-3-2002:** The Department explained that different articles were purchased on different dates within the competence of Superintendent Jail. On verification of record, Audit had however pointed out that Bill No.38 for Rs.34,750 had been paid twice on 18 July 1996 and 23 July 1996.

The Department was directed to hold an inquiry into the matter and representative of Audit should also be associated with the inquiry. Further action should be taken in the light of the report of the inquiry. The para was kept pending.

**3-6-2002:** The para was considered in the light of the directive of the PAC dated 4 March 2002.

The Department explained that according to the findings of the departmental inquiry report, no single bill was drawn twice as Sr.No.38 on two separate vouchers was a matter of coincidence. Audit had verified the position. On recommendation of Audit, **the para was settled.**

**21. Para No. 2.34: Page 60 – Irregular/un-economical expenditure for Rs.173,400 on repair of office building**

**3-6-2002:** The Department explained that expenditure on all petty and annual repairs as well as original works of special repairs of different Police buildings did not exceed Rs.25,000 and Rs.10,000 respectively and was within the competence of the DIG and SP respectively. Audit had verified the departmental contention. **On recommendation of Audit the para was settled.**

**22. Para No.2.37: Page 61 – Irregular Expenditure on Rs.1,188,007 on Local Purchase of Medicines**

**22-11-2001:** The Department was directed to produce the relevant record to Audit for verification without delay. The para was kept pending.

**4-3-2002:** After verification of record, Audit had verified the departmental contention that Medical Stores Depot had failed to provide medicines as per indent of the Department. Therefore, the same was purchased from the local Market. Audit recommended the para for settlement. **The Committee decided to settle the para.**

**23. Para No.2.39(2-6): Page 62 – Irregular Expenditure on Repair of Computers for Rs.340,650 + 115,400 + 62,360 + 59,000 + 41,500=Rs.618,910**

**22-11-2001:** The Department explained that the matter had been referred to the Finance Department for regularization of the expenditure. The Committee advised the Finance Department to monitor this case. **The para was settled.**

**24. Para No.2.45: Page 65 – Irregular repair of vehicles for Rs.180,491**

**3-6-2002:** The Department explained that the expenditure on repair of each vehicle did not exceed Rs.50,000 and was within the competence of S.P. Tele Communications. Moreover, the vehicles had been got repaired from the local market after obtaining NOC from S.P/MT.

Audit verified the departmental contention. **On recommendation of Audit the para was settled.**

**25. Para No.2.49: Page 71 – Recovery of Rs.65,386 due to irregular use of government vehicles**

**I.G. Prisons (Punjab), Lahore – Rs.65,386**

**4-3-2002:** After detailed discussion, the Department assured the Committee that an inquiry would be held to determine the extent to which the vehicle had been used for official duty and to what extent it had been used for private purpose, and appropriate action would be taken accordingly. The Department was directed to complete the inquiry and appropriate action expeditiously. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directive dated 4 March 2002.

The Department explained that according to the findings of the inquiry report, no private use of the official vehicles had been made. On the recommendation of Audit, **the para was settled.**

**26. Para No. 2.50: Page 71 – Recovery of Rs.340,979 on account of payment of pension & G.P. Fund**

**6-3-2002:** The Department explained that the amount of commutation worth Rs.286,042 had been recovered/adjusted from the Pension Payment Order of the official concerned. Audit demanded that disburser's leaf and second PPO of the pensioner should be produced for verification. The para was settled subject to verification by Audit.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

In its latest comments, Audit had verified that recovery of Rs.299,100 had been effected from the commutation of the official concerned and that recovery of Rs.54,937 on account of G.P. Fund was not due. On recommendation of Audit, **the para was settled.**

**27. Para 2.52: Page 72 – Recovery of Rs.61,979 due to penal rent and electricity charges**

**Central Jail, Gujranwal – Rs.61,979**

**4-3-2002:** In its latest comments, Audit pointed out that the recovery/record had been verified leaving an outstanding balance of Rs.7,000. The Department explained that this amount was recoverable from Dr Nasrullah Baig, Medical Officer and the matter was under correspondence with the authorities concerned. The Department was directed to pursue the recovery and the Finance Department should monitor the case. The para was settled subject to balance recovery and its verification by Audit.

**3-6-2002:** The para was considered in the light of the directive of the Committee dated 4 March 2002.

In its latest comments, Audit had verified the balance recovery of Rs.7,000. On recommendation of Audit, **the para was settled.**

**28. Para No. 2.59.1: Page 76 – Non-recovery of Rs.645,932 on account of sale proceeds of jail products**

**New Central Jail, Bahawalpur – Rs.532,101**

**4-3-2002:** In its latest comments, Audit had verified the deposit of Rs.249,776 and Rs.282,325 and demanded credit verification certificate duly signed by the DAO concerned in respect of the balance amount of Rs.125,365. The para was settled subject to verification by Audit.

**3-6-2002:** In its latest comments, Audit had verified the recovery of full amount of the para i.e. Rs.532,101. On recommendation of Audit, **the para was settled.**

**29. Para No. 2.60.1: Page 68 – Non-recovery/Non deposit of long outstanding dues amounting to Rs.480,000 Central Jail Gujranwala**

**22-11-2001:** The Department was directed to produce credit verification certificate to Audit for verification. The para was kept pending.

**4-3-2002:** The para was considered in the light of the PAC directive dated 19 & 22 November 2001.

After verification of record, Audit stated that credit verification of Rs.480,000 had been seen. **The para was settled.**

**30. Para No. 2.60.2: Page 68 – Non recovery/non deposit of long outstanding dues amounting to Rs.381,000 New Central Jail Multan**

**22-11-2001:** The Department was directed to produce credit verification certificate to Audit for verification. The para was kept pending.

**4-3-2002:** The para was considered in the light of directive of PAC dated 19 & 22 November 2001.

After verification of record, Audit stated that credit verification of Rs.381,000 made by the Treasury Officer, Lahore had been seen and verified. **The para was settled.**

**31. Para No. 2.60.3: Page 68 – Non-recovery/Non deposit of long outstanding dues amounting to Rs.275,000 Central Jail Faisalabad**

**22-11-2001:** The recovery/record had been verified by Audit. **The para was settled.**

**32. Para No.2.60.4: Page 68 – Non-recovery/non deposit of long outstanding dues of Rs.1,807,777**

**22-11-2001:** The recovery/record had been verified by Audit. **The para was settled.**

**33. Para No. 2.60.6: Pages 68 & 76 – Non recovery/non-deposit of long outstanding dues amounting to Rs.3,547,627**

**S.P. D.G. Khan Rs.368,000**

**22-11-2001:** The Department was directed to produce the relevant record and the account of crane charges to Audit for verification. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Department explained that the Police Crane was used for official purposes in the public interest free of cost. However, the hire charges of the Police Crane amounting to Rs.20,025 had been deposited into Government Treasury. The para was settled subject to verification by Audit.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

In its latest comments, Audit had verified the recovery of Rs.20,025 on account of crane charges. On recommendation of Audit, the Committee decided to **settle the para**.

**34. Para 2.60.7: Page 76 – Non recovery/Non-deposit of long outstanding dues amounting to Rs.3,547,627**

**New Central Jail Bahawalpur – Rs.135,000**

**22-11-2001:** The Department was directed to produce credit verification certificate to Audit for verification. The para was kept pending.

**4-3-2002:** The para was considered in the light of the directive of PAC dated 19 and 22 November 2001.

In its latest comments, Audit had verified the credit verification certificate of the requisite amount. **The para was settled.**

**35. Para No. 2.61: Page 77 – Recovery of Rs.67,267 due to irregular drawal of conveyance allowance**

**6-3-2002:** In its latest comments, Audit had accepted the contention of the Department and recommended the para for settlement. **The para was settled.**

**36. Para No. 2.62.2: Page 69 – Recovery of 349,554 Due to Overpayment of House Rent Allowance S.S.P Lahore**

**22-11-2001:** The Department was directed to produce the record to Audit to verify that recoveries are being made. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

In its latest comments, Audit had stated that the Department had produced the record which showed that recoveries were being made but did not give the details of the total amount recovered so far. The Department was directed to complete the balance recovery expeditiously and produce the relevant record to Audit. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

In its latest comments, Audit verified that the Department had to make the recovery of



Rs.34,178 from the officials through their computer slips. However, the recovery was not being made on a regular basis. The Committee directed that formal orders of recovery from the pay of the officials concerned in respect of the balance amount of Rs.315,376 should be issued under intimation to Audit. The Finance Department was directed to monitor the recovery. With the above direction, **the para was settled.**

**37. Para No. 2.62.3: Page 69 – Recovery of Rs.27,918 Due to Overpayment of House Rent Allowance**

**22-11-2001:** The Committee accepted the Department's explanation and **the para was settled.**

**38. Para No. 2.62.4: Page 69 – Recovery of Rs.129,630 Due to Overpayment of House Rent Allowance**

**22-11-2001:** The Committee accepted the explanation of the department and **the para was settled.**

**39. Para 2.66.1: Pages 69 and 79 – Recovery of Rs.490,870 due to non/less deduction of income tax**

**D.I.G. Police Crimes Branch Lahore – Rs.28,015**

**6-3-2002:** In its latest comments Audit had pointed out that the para was settled in Special DAC meeting held on 27 September 1998 after verification of recovery effected. On recommendation of Audit, **the para was settled.**

**40. Para 2.66.2: Page 69 – Recovery of Rs.490,870 due to non/less deduction of income tax**

**D.I.G. Police (Punjab) Lahore – Rs.22,798.**

**6-3-2002:** Audit had verified the recovery of Rs.22,798. On recommendation of Audit, **the para was settled.**

**41. Para No.2.66.3: Page 69 – Recovery of Rs.490,870 due to non/less deduction of income tax**

**DIG Police Lahore – Rs.50,000**

**3-6-2002:** The Department explained that the payment was made to the “source” as prize (head money) on account of secret information for the arrest of sectarian terrorists. The Department was of the view that the deduction of income tax at source does not arise as this payment was exempted from the deduction of the income tax. After discussion, the Committee decided to **settle the para** in view of the special circumstances of the case.

**42. Para No. 2.66.5: Page 69 – Recovery of Rs.490,870 due to non/less deduction of income tax**

**S.S.P Lahore – Rs.208,984**

**3-6-2002:** The Department explained that all the concerned firms/suppliers had been directed to deposit their income tax amount as pointed out by Audit into the State Bank immediately.

The Committee directed that the particulars of the suppliers and the amounts recoverable from them should also be communicated to the Income Tax Department for necessary action. With the above direction, **the para was settled.**

**43. Para No. 2.66.6: Pages 69-79 – Recovery of Rs.490,870 Due to Non/Less Deduction of Income Tax****SP Motor Transport, Punjab Lahore – Rs.18,170**

**3-6-2002:** The Department explained that efforts were being made to recover the income tax from the concerned firms.

The Committee directed that the particulars of the contractors/suppliers along with the amount of income tax recoverable from them should also be communicated to the Income Tax Department for necessary action. With the above direction, **the para was settled.**

**44. Para No. 2.66.7: Pages 70 and 79 – Recovery of Rs.490,870 due to non/less deduction of income tax****S.S.P. Lahore – Rs.57,979**

**6-3-2002:** The Department explained that the withholding tax of Rs.57,979 had been deposited into State Bank of Pakistan. The para was settled subject to Audit verification.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

In its latest comments, Audit had verified the deposit of Rs.57,979 on account of withholding tax. On recommendation of Audit the Committee decided to **settle the para.**

**45. Para No.2.68: Page 70 – Recovery of Rs.5,191,359 Due to Non/Less Deduction of Income Tax New Central Jail Multan**

**22-11-2001:** The Department was directed to produce the relevant record pertaining to the adjustment of Rs.3,475,291 along with the stock registers to Audit for verification. The para was kept pending.

**4-3-2002:** The para was considered in the light of PAC directive dated 19 and 22 November 2001.

As per latest Audit comments, book transfer/adjustment amounting to Rs.3,475,291 had been verified by Audit. **The para was settled.**

**46. Para No. 2.72: Page 82 – Recovery of Rs.52,941 against contractors on account of risk**

**purchase****District Jail, Muzaffargarh – Rs.52,941**

**4-3-2002:** In its latest comments, Audit had verified the recovery of actual recoverable amount of Rs.82,168. **The para was settled.**

**47. Para No. 2.75: Page 86 – Loss of Rs.97,245 to government due to less charging of labour rates****Central Jail, Faisalabad – Rs.97,245**

**4-3-2002:** The Department explained that prison labour was hired out to private persons on the rates prescribed by Inspector General Prisons in the prescribed manner and observing the codal formalities. The para was settled subject to verification by Audit.

**3-6-2002:** The para was considered in the light of the PAC directive dated 4 March 2002.

In its latest comments, Audit had accepted the departmental contention that the contracts for hiring out prison labour to private persons were awarded at rates prescribed by the Inspector General Prisons who was the competent authority in this respect. On recommendation of Audit, **the para was settled.**

## **Paras Conditionally Settled Civil Audit**

**1. Para No. 2.7: Page 40 – Loss of Rs.500,000 Due to Snatching of Government Vehicle**

**22-11-2001:** The Department explained that the Police Vehicle was snatched by some unknown dacoits during official duty in March 1997. The FIR was got registered which had been filed as the culprits were untraced. In Departmental proceedings the officials concerned were exonerated by the Competent Authority in 1999. The case for writing off the loss would be referred to the Finance Department.

The Administrative Secretary assured the Committee to take action against the persons responsible for delay in moving the case for write off.

**The para was settled subject to** the loss being written off by Finance Department and disciplinary action against the persons responsible for delaying the case. The Finance Department would monitor progress and report to the Committee.

**2. Para No. 2.11: Page 44 – Loss of Rs.700,000 on burning of New Toyota Pick-up No.STH-**

**6791**

**22-11-2001:** The Department explained that the vehicle was burnt by the processionists. The criminal case had been filed as culprits were untraced. In departmental proceedings the concerned officials were exonerated. The loss needed to be written off by Finance Department.

The Administrative Secretary assured the Committee to take action against the persons responsible for not promptly moving the case for write off.

**The para was settled subject to** the loss being written off by Finance Department and action against the persons responsible for delaying the case. The Finance Department would monitor the case.

### **3. Para No. 2.13: Page 45 – Excess Payment of Rs.219,930 on account of Special Pay @ 20% of Pay**

**22-11-2001:** The Department explained that Rs.100,000 had since been recovered and got verified by Audit. All the officials from whom the balance amount of Rs.119,930 was due were in service and the recovery was being effected from their pay. Audit had verified the recovery orders. The para was settled subject to complete recovery and its verification by Audit.

**6-3-2002:** The Department reported that the recovery of the balance amount of Rs.82,747 was in process. The Committee reiterated its previous directive dated 22 November 2001.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that a sum of Rs.149,391 had been recovered from the concerned officers and deposited into Government Treasury. Balance recovery of Rs.70,539 from 25 officials was being made on monthly basis.

The Department was directed to produce copies of the recovery orders to Audit. **The para was settled subject to** balance recovery and its verification by Audit.

### **4. Para No. 2.14.6: Page 45 – Recovery of Rs.322,637 due to purchase made at higher rates**

**22-11-2001:** The Department explained that each item was purchased within the limit and according to the rules and the recovery of higher rates, where necessary, had been effected. The Department stated that no irregularity was committed in the purchase of each item. The explanation of the Department was accepted and the para was settled subject to verification of record by Audit.

**4-3-2002:** The para was considered in the light of the PAC directive dated 19 & 22 November 2001.

After verification of record, Audit pointed out that the whole recovery of Rs.46,236/45 on account of higher rates at the risk and cost of the contractor had been verified. Out of recoverable amount Rs.111,170 on account of tea leaves and vegetable ghee an amount of Rs.93,222 had been verified leaving an outstanding balance of Rs.17,948.

The Department explained that the balance amount would also be recovered from the contractor shortly. The Department further explained that no risk purchase was involved in the case of red chilies, sugar, firewood and turmeric. However, Audit contended that risk purchased was also involved in these items. The Department was directed to get the recovered amount verified/reconciled with Audit and effect recovery of balance expeditiously. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directive dated 4 March 2002.

The Department explained that attachment notices had been issued to 5 Firms by their respective District Collectors for recovery of Rs.165,232 as arrears of Land Revenue. The Department assured the Committee that the recovery of the balance amount would be followed vigorously. The Department further stated that only the Superintendent Jail concerned was involved in this case who had retired from service and a show cause notice had been issued to him under rule 1.8 of the Pension Rules.

The Committee directed that the Finance Department should monitor further action in the case. **The para was settled** subject to balance recovery and its verification by Audit.

#### **5. Para No.2.14.8: Page 45 – Recovery of Rs.90,400 due to purchase made at higher rates**

**22-11-2001:** The para was settled subject to verification of record by Audit.

**6-3-2002:** The Department stated that all the relevant record was available for verification.

The Committee reiterated its previous directive dated 22 November 2001.

**4-6-2002:** as considered with reference to the PAC directive dated 6 March 2002.

The Department explained that 40,000 beret caps were purchased by the Central Purchase Committee (IGP), through open tender after observing all the codal formalities.

On verification of record, Audit commented that while accepting the quotations, the Purchase Committee recorded reasons for rejecting the lowest tenders but the same were approved by the Additional Inspector General of Police instead of the Administrative Secretary as the Chief Purchase Officer under the Purchase Manual. As such the irregularity should be got regularized by the Finance Department. **The para was settled subject to** regularization by the Finance Department.

#### **6. Para No. 2.17: Page 50 – Irregular Expenditure of Rs.366,890 Incurred on Repair of Building**

**22-11-2001:** The Committee was not satisfied with the explanation given by the Department in the Working Paper and directed that the matter should be probed at a higher level and complete record should be produced to Audit for verification of expenditure on repair of building, the expenditure should be got regularized by the Finance Department and action should be taken against the officers/officials responsible for the irregular expenditure. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Department explained that the repairs of different police stations were carried out on different occasions and the estimates were sanctioned within the financial powers of SP and DIG in accordance with the actual requirements. The Department stated that the matter had been probed at higher level and the case for regularization had been sent to the Finance Department. The Committee directed that:-

- (i) the record of all the cases should be produced to Audit; and
- (ii) proper case for regularization should be sent to Finance Department with full justification in each individual case.

The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that the case for regularization had been sent to Finance Department on 10 April 2002. **The para was settled subject to regularization by the Finance Department.**

The Committee suggested that all cases requiring regularization should be decided quickly in a meeting of the Secretaries of Home and Finance Departments.

**7. Para No. 2.19: Pages 51-52 – Expenditure on account of printing from private presses without N.O.C. for Rs.94,340**

**6-3-2002:** The Department explained that different articles of printing were purchased on emergency basis after observing all codal formalities on different occasions. The purchase order was not split up and sanctions were accorded by the DIG and the SP within their competency – the Government Printing Press does not take over such printing work. Audit pointed out that the Department did not take NOC from the Government Printing Press. The Committee directed that the Department should get the expenditure regularized by the Finance Department. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that efforts were being made to get the expenditure regularized by the Finance Department. The Committee **settled the para subject to regularization by the Finance Department.**

**8. Para 2.20: Page 52 – Local purchase of stationery worth Rs.309,771**

**6-3-2002:** It was explained that the Home Department had given sanction for Rs.74,425 on 9 June 2000 and the remaining sanction of Rs.235,346 was still awaited. The Committee directed the Department to get the balance amount regularized by the Finance Department. **The para was kept pending.**

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.



The Department explained that the case for regularization of the remaining sanction of Rs.235,346 had been sent to the Finance Department on 29 May 2002. The Committee **settled the para subject to** regularization by the Finance Department.

**9. Para No. 2.25: Page 55 – Irregular expenditure of Rs.493,800 on purchase of uniform items**

**6-3-2002:** The Department explained that the SP was competent to accord sanction upto Rs.50,000 in each case. Audit pointed out that all the items were purchased on the same day by splitting the order to avoid sanction of the higher authority. The Department was directed to get the expenditure regularized by the Finance Department. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that the case for regularization had been sent to the Finance Department on 29 May 2002. The Committee **decided to settle the para subject to** regularization by the Finance Department.

**10. Para No. 2.28: Pages 56-57 – Irregular expenditure of Rs.540,189**

**3-6-2002:** The Department explained that a sum of Rs.165,195 was incurred on the printing work executed at Police College Sehala, while other purchase of stationery were made from time to time within the competence of S.P., the amount of each purchase not exceeding Rs.5,000 at a time. Audit commented that it was a case of splitting of expenditure.

The Department further explained that as desired by Audit, case for regularization had been sent to Finance Department on 8 May 2002. **The para was settled subject to** regularization of expenditure by the Finance Department.

**11. Para No.2.29: Page 57 – Un-necessary expenditure of Rs.59,140**

**3-6-2002:** The Department explained that the bulk purchase of spare parts for the vehicles was made by the workshop for repair of government vehicles on the charge of the Tele Communication and the parts were subsequently utilized for this purpose. **The para was settled** subject to verification of record by Audit.

**12. Para No. 2.32.1: Page 49 – Irregular expenditure of Rs.1,472,805 on account of local purchase of different articles**

**S.P. Mandi Bahauddin – Rs.503,915**

**3-6-2002:** The Department explained that the store in question comprising charpoys, trunks, tents, kit boxes etc. was urgently required for the Police contingent in the newly established district of

Mandi Baha-ud-Din. The purchases were made by obtaining quotations from manufacturing firms/suppliers.

The Department further explained that as desired by Audit a case had been referred to Finance Department for regularization of expenditure on 29 May 2002. **The para was settled** subject to regularization of expenditure by the Finance Department.

### **13. Para No.2.32.2: Page 49 – Irregular expenditure of Rs.1,472,805 on account of local purchase of different articles**

#### **S.P. Mandi Bahauddin – Rs.289,615**

**3-6-2002:** The Department explained that the office furniture in question was urgently required for use in the office of S.P. of the newly established district of Mandi Baha-ud-Din. The furniture was purchased by obtaining quotations from the local market.

The Department stated in the meeting that a case for regularization of expenditure was sent to the Finance Department on 30 May 2002. **The para was settled subject to** regularization of the expenditure by the Finance Department.

### **14. Para No. 2.32.4: Pages 49 & 58 – Irregular Expenditure of Rs.360,000 on Local Purchase of Different Articles**

**3-6-2002:** The Department explained that all the machinery and equipment under observation in this para i.e. two English Typewriters (Manual), one water cooler, one fax machine, one computer and two document shredder machines were purchased for the newly established office of DIG (CID). The funds were specially provided for this purpose and purchases were made with the sanction of the competent authority.

However, as suggested by Audit a case for regularization of the expenditure had been sent to Home/Finance Department. The Committee **settled the para subject to** regularization of expenditure by the competent authority.

### **15. Para 2.33: Page 59 – Irregular Expenditure of Rs.284,303 on Repair and Maintenance of the Office Building**

Audit had observed: “Irregular expenditure to the stated extent was incurred during 1995-97, without obtaining Tech. Sanction of the Competent Authority and maintaining a detailed account of the measurements. The expenditure was consciously split up to avoid obtaining sanction of the higher

Competent Authority and cost of serviceable material obtained during dismantlement was neither assessed nor auctioned for and credited to work or remitted into Government account. A probe into the matter in detail was suggested with a view either to seek sanction of the Finance Department for the condonation of the irregularities or recovery of the cost of unserviceable material extracted after the assessment.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**16. Para No. 2.35: Page 60 – Irregular expenditure of Rs.270,000**

**3-6-2002:** The Department explained that the SP was not competent to sanction the expenditure of Rs.270,000 on account fabrication of bodies of two prisoners vans. A case for regularization of the expenditure had been sent to the Finance Department on 4 April 2002. **The para was settled subject to regularization of expenditure by the Finance Department.**

**17. Para No.2.36: Page 6 – Irregular expenditure of Rs.120,150**

**3-6-2002:** The Department explained that as desired by Audit, a case for regularization of expenditure of Rs.120,150 had been sent to Home Department/ Finance Department on 29 May 2002. **The para was settled subject to regularization of expenditure by the Finance Department.**

**18. Para 2.42: Page 64 – Irregular expenditure of Rs.132,536 on purchase of jean and malashia**

**Borstal Jail, Bahawalpur – Rs.132,536**

**4-3-2002:** In its written reply, the Department had stated that different items had been purchased on different dates within the competence of Superintendent Jail, and no splitting was involved. However, after verification of record Audit had pointed out that when the Drawing and Disbursing Officer approached the higher authorities to accord sanction for purchase of the material in question, the same was not accorded with the remarks that he had exceeded his financial powers and had purchased the material locally, whereas the contract had been arranged by the I.G. The Department assured the Committee that an inquiry would be held into the matter and action taken accordingly. The Department was directed to complete the appropriate action expeditiously. The para was kept pending.

**3-6-2002:** The para was discussed in the light of the PAC directive dated 4 March 2002.

The Department explained that as per Inquiry Report no loss or embezzlement was involved and the rates of Malashia and Jean were the same as those of the contract rate. The expenditure of Rs.97,995/50 was, however, beyond the competency of the officer (if combined) which was upto Rs.60,000. The Superintendent concerned was compulsorily retired from service in some other case.

The Committee directed that the expenditure should be got regularized by the Finance Department. **The para was settled subject to** regularization of expenditure by the Finance Department.

**19. Para No.2.43(1 & 2): Page 64 – Irregular Expenditure on Purchase of Uniforms and Nawar for Rs.831,414 + 389,458=1,220,872**

**22-11-2001:** The Department was directed to get the expenditure regularized without further delay and to take appropriate action against persons responsible for delay in referring the matter to the Finance Department. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November, 2001.

The Department explained that the case had been referred to the Government for regularization.

The Committee observed that the Administrative Secretary and the Finance Secretary might hold a meeting and decide all cases of regularization expeditiously. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that the case for regularization had already been sent to the Finance Department on 8 May 2002. The Committee decided to **settle the para subject to** regularization by Finance Department.

**20. Para No.2.47: Page 66 – Irregular expenditure incurred on durable goods for Rs.70,000**

**3-6-2002:** The Department explained that the electric room cooler and water cooler were purchased from the budgetary allocation under head “53400-Hot and cold weather charges”.

Audit pointed out that the expenditure needed regularization by the Finance Department. **The para was settled subject to** regularization of the expenditure by the Finance Department.

**21. Para No. 2.51: Page 72 – Non-recovery of Rs.346,081 for the cost of manufactured articles**

**Central Jail, Faisalabad – Rs.346,081**

**4-3-2002:** After verification of record, Audit stated that recovery of Rs.244,132 had been verified. The Department explained that the remaining balance of Rs.101,949 had been adjusted through book transfer. The Department was directed to get the relevant record verified by Audit. The

para was settled subject to verification of record by Audit.

**3-6-2002:** The para was considered in the light of the PAC directive dated 4 March 2002.

After verification of record, Audit pointed out that an amount of Rs.94,469 was still outstanding against District Jail, Lahore.

**The para was settled subject to** verification of balance recovery and its verification by Audit. The Finance Department should monitor this case.

## **22. Para No. 2.53: Page 72 – Non-Realizations/Deposit of Long Outstanding Dues-Recovery of Rs.1,355,056**

**22-11-2001:** The Department was directed to show the relevant record and stock registers to Audit. The para was kept pending.

**4-3-2002:** The para was considered in the light of the directive of PAC dated 19 and 22 November 2001.

After verification of record, Audit had stated that an amount of Rs.296,028 had been verified in November 2001 and further recovery of Rs.1,047,365 was verified during the meeting on the basis of credit certificate.

The Department explained that the accountal of the balance amount of Rs.11,643 was available. The Department was directed to produce the record relating to the balance amount of Rs.11,643 to Audit and the audit observation made thereon should be complied with.

The Committee directed that the Finance Department should monitor further action in the matter. With the above direction, **the para was settled.**

## **23. Para No.2.56: Page 74 – Recovery of Rs.54,200 due to irregular purchase of English manual type writer**

**3-6-2002:** The Department explained that 20 English Typewriters were purchased @ Rs.15,000 each on factory rates from a Government Department i.e. Telephone Industries of Pakistan Limited on 12 May 1996 and the question of purchase on high rate does not arise. One Typewriter was purchased for Rs.18,400 from a private firm on 28 January 1996 whereas the rate contract was concluded on 24 April 1996.

Audit commented that the Department was required to purchase the typewriters at the contract rate approved by the S&GAD and as such the expenditure needed regularization by the Finance Department. **The para was settled subject to** regularization of the expenditure by Finance Department.

## **24. Para No. 2.57: Page 75 – Excess Expenditure on Use of Official Vehicles Recovery of Rs.220,104**

**22-11-2001:** The Department was directed to make the recovery or get the expenditure condoned

or regularized by the Competent Authority. The para was kept pending.

**6-3-2002:** The Department explained that efforts were being made to obtain sanction of the competent authority.

The Committee re-iterated its previous directive dated 22 November 2001. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that the case for regularization had been sent to the Finance Department on 29 May 2002.

**The Committee settled the para subject to** the decision of the Finance Department and the recovery of the amounts held due.

## **25. Para No.2.58: Page 75 – Recovery of Rs.30,134,497 on Account of Consumption of Fuel Over and Above the Prescribed Limit**

**22-11-2001:** The Department was directed to make the recovery or get the expenditure regularized by the Competent Authority without delay. The para was kept pending.

**6-3-2002:** The Department stated that efforts were being made to obtain sanction of the competent authority.

The Committee re-iterated its previous decision dated 22 November 2001. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that case for regularization had been sent to Home Department and Finance Department on 19 February 2002. The Committee **settled the para subject to** the decision of the Finance Department and the recovery of the amounts held due.

## **26. Para No. 2.59.2: Page 76 – Non-recovery of Rs.645,932 on account of sale proceeds of jail products**

### **Women Jail, Multan – Rs.113,831**

**4-3-2002:** In its latest comments, Audit had verified the deposit of total sale proceeds. Audit had however, pointed out that an amount of Rs.19,780 had been illegally retained for a long period and deposited on 10 November 2001. The Department was directed to take disciplinary action against the officer responsible for delay in the deposit of government receipts. The Finance Department should monitor and report progress in the matter. With the above direction, **the para was settled.**



**27. Para No.2.62.1: Page 69 – Recovery of 94,880 Due to Non Deduction of 5% House Rent S.S. P Lahore**

**22-11-2001:** The Department was directed to make the recovery expeditiously. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22-November 2001.

The Department explained that the AG, Punjab had been asked to make recovery from the salary of the officers concerned. The Committee observed that it was the failure of pre audit that 5% house rent had not been deducted from the pay of officers concerned.

The Committee directed that Director General Audit should write to the Accountant General Punjab to enquire into the matter of lapse of pre-audit in this case. The Administrative Department was directed to provide copies of the letters written to Accountant General Punjab for recovery from the pay of officers concerned to Director General Audit and expedite recovery. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

In its latest comments, Audit had verified that the Department vide its letter dated 29 February 2002 had requested the AG Punjab to make recovery from the pay of officers concerned. The Committee decided to **settle the para subject to** recovery and its verification by Audit.

**28. Para No. 2.64: Page 78 – Recovery of Rs.206,160 on account of illegal use of electricity and un-authorized retention of government accommodation**

**Central Jail, Rawalpindi – Rs.206,106**

**4-3-2002:** The Department explained that Audit had pointed out recovery of Rs.159,000 from Mr Muhammad Arif, Assistant Superintendent Jail. The matter had been probed into by the National Accountability Bureau and he had been exonerated from the charges leveled against him as such no recovery was established against him. The Department further explained that the recovery of Rs.47,160 had been pointed out by Audit against Dr Sultan Mahmood, Medical Officer of Central Jail. He had filed a civil suit against the recovery in the civil court. The case was *sub judice*. The para was kept pending.

**3-6-2002:** The para was discussed in the light of the PAC directive dated 4 March 2002.

The Department explained that Ex-M.O. Jail had filed a civil suit against the recovery of Rs.47,160 and the next date of hearing was 13 June 2002. The salary of MO concerned had already been withheld. **The para was settled subject to** action being taken in accordance with the decision of the court.

**29. Para No. 2.66.4: Page 69 – Recovery of Rs.490,870 due to non/less deduction of income tax**

**Secretary Home Department Punjab, Lahore – Rs.43,633**

**3-6-2002:** The Department explained that the entire amount had been recovered and deposited into the Government Treasury. **The para was settled subject to** verification of record by Audit.

**30. Para 2.66.8: Page 70 – Recovery of Rs.490,870 due to non/less deduction of income tax**

**S.S.P. Lahore – Rs.60,300**

**6-3-2002:** The Department explained that the withholding tax amounting to Rs.60,300 had been deposited into State Bank of Pakistan by the owners of the building and the record was ready for verification. The para was settled subject to verification by Audit.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

In its latest comments, Audit had verified the deposit of Rs.44,700 on account of withholding tax and had asked for the recovery of the balance amount of Rs.15,600 under intimation to it. The Committee decided to **settle the para subject to** verification of total deposit by Audit.

**31. Para No.2.71: Pages 70 & 82 – Recovery of Rs.77,092 on account of un-authorized drawal of conveyance allowance**

**4-6-2002:** Audit had pointed out that 27 officers in the Office of the Additional Inspector General Police/Special Branch had been provided with the official vehicles maintained at government expense but they had also drawn conveyance allowance.

The Department explained that notices of recovery had been issued to the officers concerned and they had started depositing the money. The Committee decided to **settle the para subject to** verification by Audit. Finance Department would monitor the progress of the recoveries.

**32. Para No. 2.73: Pages 70 and 83 – Recovery of Rs.70,000 due to irregular purchase of Cannon Plain Copier**

**4-6-2002:** The Department explained that the plain paper copier had been purchased before the rate contract was announced by S&GAD. The Committee directed that a certificate should be

obtained from Services & General Administration Department that there was no rate contract at the time when the plain paper copier under observation in this para was purchased and the same should be got verified by Audit. The Committee decided to **settle the para subject to** verification of record by Audit.

### **33. Para No. 2.74: Pages 70 & 84 – Non-deduction of I/tax of Rs.35,393**

**4-6-2002:** The Department explained that an amount of Rs.27,809 had been recovered and deposited and the balance amount of Rs.8,044 would be recovered. The Committee decided to **settle the para subject to** recovery and its verification by Audit.

## **Paras Pended Civil Audit**

### **1. Para No.2.1: Page 37 – Embezzlement of Undisbursed Pay-Recovery of Rs.1,107,983**

**22-11-2001:** The Department explained that there were nine paras in the Audit Report for the year 1997-98 relating to embezzlement and misappropriation amounting to Rs.150 million in the office of the SSP, Lahore i.e. Audit Para Nos. 2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.77 and 2.78.

The Department stated that in this particular case an FIR had been registered against the following accused:-

1. Mr Aziz-ur-Rehman Bajwa, Accountant
2. Mr Nayar Kamal, Cashier
3. Mr Tariq Aziz, TA Clerk
4. SI, Zulfiqar
5. SI Muhammad Sarwar
6. ASI Ilam-ud-Din and others

During the course of investigation, 9 persons were found guilty and an incomplete challan had been submitted to Anti-Corruption Court. The case was pending in the Court of Special Judge, Anti-Corruption.

During discussion, the Department stated that the amounts were received in cash and receipts were issued by the DDO i.e. S.S.P., Lahore. The Committee observed that the DDO concerned should have also been made responsible in this case.

The Department further explained that the said FIR was lodged after two departmental inquiries.

The Committee was not satisfied with the explanation of the Department and directed that–

(a) in the working papers for the next meeting should be included a complete report about the departmental inquiries held in this case with a description of how the fraud took place;

(b) the Department should explain what were the loop-holes in the system which facilitated the embezzlement/mis-appropriation of Government money in the office of S.S.P. Lahore, and also whether these loop-holes had since been plugged;

(c) the Department should explain what arrangements had been made by the Department for internal audit; and

(d) the Department should also refer a consolidated case to the National Accountability Bureau.

**The para was kept pending.**

**6-3-2002:** The para was considered in the light of PAC directive dated 22 November 2001.

The Department explained that a consolidated reference in respect of 10 paras including this para had been made to NAB on 27 November 2001. The Department was directed to pursue the NAB cases vigorously. The Committee directed that:-

(i) A Departmental inquiry was also needed in each of the 10 cases referred to NAB.

(ii) It should be ensured that all the points contained in the said Audit paras had been covered in the reference made to NAB.

(iii) In case NAB decided not to take up the cases for trial by the Accountability Courts, the preparatory work for proceedings against the accused should have already been completed for action under the relevant law.

(iv) The Committee also advised the Department that its internal audit and control system should be streamlined in consultation with Finance Department and Audit Department, to eliminate the chances of embezzlement and misappropriation in future.

(v) The Committee also stressed imparting of necessary training to the Drawing and Disbursing Officers in Financial Rules and Procedures.

With the above directions, the para was kept pending.

**3-6-2002:** The paras were discussed in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that in compliance with the directive of the PAC, a consolidated case based on 10 Audit Para Nos.2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.67, 2.77 and 2.78 was sent to the National Accountability Bureau. National Accountability Bureau had intimated that the case had been investigated by the local Police and report under section 173 of Criminal Procedure Code had already been filed in the Court of Special Judge, Anti-Corruption. As such the subject case should be pursued by Home Department/Anti-Corruption Establishment, Punjab in the Court of Special Judge, Anti-Corruption because the transfer of said case from the Anti-Corruption to an Accountability Court at this stage would be of little value. The Home Secretary assured the Committee that he would

again refer the case to National Accountability Bureau and would send a copy of the reference made to National Accountability Bureau to the Public Accounts Committee Secretariat.

The Committee discussed the matter and reiterated its previous directions dated 22 November 2001 and 6 March 2002. **The paras were kept pending.**

## **2. Para No.2.2: Page 37 – Embezzlement of Rs.739,160**

**22-11-2001:** The Department explained that there were nine paras in the Audit Report for the year 1997-98 relating to embezzlement and misappropriation amounting to Rs.150 million in the office of the SSP, Lahore i.e. Audit Para Nos. 2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.77 and 2.78.

The Department stated that in this particular case an FIR had been registered against the following accused:-

1. Mr Aziz-ur-Rehman Bajwa, Accountant
2. Mr Nayar Kamal, Cashier
3. Mr Tariq Aziz, TA Clerk
4. SI, Zulfiqar
5. SI Muhammad Sarwar
6. ASI Ilam-u-Din and others

During the course of investigation, 9 persons were found guilty and an incomplete challan had been submitted to Anti-Corruption Court. The case was pending in the Court of Special Judge, Anti-Corruption.

During discussion, the Department stated that the amounts were received in cash and receipts were issued by the DDO i.e. S.S.P., Lahore. The Committee observed that the DDO concerned should have also been made responsible in this case.

The Department further explained that the said FIR was lodged after two departmental inquiries.

The Committee was not satisfied with the explanation of the Department and directed that–

(a) in the working papers for the next meeting should be included a complete report about the departmental inquiries held in this case with a description of how the fraud took place;

(b) the Department should explain what were the loop-holes in the system which facilitated the embezzlement/mis-appropriation of Government money in the office of S.S.P. Lahore, and also whether these loop-holes had since been plugged;

(c) the Department should explain what arrangements had been made by the Department for internal audit; and

(d) the Department should also refer a consolidated case to the National Accountability Bureau.

**The para was kept pending.**

**6-3-2002:** The para was considered in the light of PAC directive dated 22 November 2001.

The Department explained that a consolidated reference in respect of 10 paras including this para had been made to NAB on 27 November 2001. The Department was directed to pursue the NAB cases vigorously. The Committee directed that:-

- (i) A Departmental inquiry was also needed in each of the 10 cases referred to NAB.
- (ii) It should be ensured that all the points contained in the said Audit paras had been covered in the reference made to NAB.
- (iii) In case NAB decided not to take up the cases for trial by the Accountability Courts, the preparatory work for proceedings against the accused should have already been completed for action under the relevant law.
- (iv) The Committee also advised the Department that its internal audit and control system should be streamlined in consultation with Finance Department and Audit Department, to eliminate the chances of embezzlement and misappropriation in future.
- (v) The Committee also stressed imparting of necessary training to the Drawing and Disbursing Officers in Financial Rules and Procedures.

With the above directions, the para was kept pending.

**3-6-2002:** The paras were discussed in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that in compliance with the directive of the PAC, a consolidated case based on 10 Audit Para Nos.2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.67, 2.77 and 2.78 was sent to the National Accountability Bureau. National Accountability Bureau had intimated that the case had been investigated by the local Police and report under section 173 of Criminal Procedure Code had already been filed in the Court of Special Judge, Anti-Corruption. As such the subject case should be pursued by Home Department/Anti-Corruption Establishment, Punjab in the Court of Special Judge, Anti-Corruption because the transfer of said case from the Anti-Corruption to an Accountability Court at this stage would be of little value. The Home Secretary assured the Committee that he would again refer the case to National Accountability Bureau and would send a copy of the reference made to National Accountability Bureau to the Public Accounts Committee Secretariat.

The Committee discussed the matter and reiterated its previous directions dated 22 November 2001 and 6 March 2002. **The Paras were kept pending.**

### **3. Para No.2.3: Page 38 – Embezzlement of Rs.61,074**

**22-11-2001:** The Department explained that there were nine paras in the Audit Report for the year 1997-98 relating to embezzlement and misappropriation amounting to Rs.150 million in the office of the SSP, Lahore i.e. Audit Para Nos. 2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.77 and 2.78.

The Department stated that in this particular case an FIR had been registered against the following accused:-

1. Mr Aziz-ur-Rehman Bajwa, Accountant
2. Mr Nayar Kamal, Cashier



3. Mr Tariq Aziz, TA Clerk
4. SI, Zulfiqar
5. SI Muhammad Sarwar
6. ASI Ilam-u-Din and others.

During the course of investigation, 9 persons were found guilty and an incomplete challan had been submitted to Anti-Corruption Court. The case was pending in the Court of Special Judge, Anti-Corruption.

During discussion, the Department stated that the amounts were received in cash and receipts were issued by the DDO i.e. S.S.P., Lahore. The Committee observed that the DDO concerned should have also been made responsible in this case.

The Department further explained that the said FIR was lodged after two departmental inquiries.

The Committee was not satisfied with the explanation of the Department and directed that—

(a) in the working papers for the next meeting should be included a complete report about the departmental inquiries held in this case with a description of how the fraud took place;

(b) the Department should explain what were the loop-holes in the system which facilitated the embezzlement/mis-appropriation of Government money in the office of S.S.P. Lahore, and also whether these loop-holes had since been plugged;

(c) the Department should explain what arrangements had been made by the Department for internal audit; and

(d) the Department should also refer a consolidated case to the National Accountability Bureau.

The para was kept pending.

**6-3-2002:** The para was considered in the light of PAC directive dated 22 November 2001.

The Department explained that a consolidated reference in respect of 10 paras including this para had been made to NAB on 27 November 2001. The Department was directed to pursue the NAB cases vigorously. The Committee directed that:-

(i) A Departmental inquiry was also needed in each of the 10 cases referred to NAB.

(ii) It should be ensured that all the points contained in the said Audit paras have been covered in the reference made to NAB.

(iii) In case NAB decided not to take up the cases for trial by the Accountability Courts, the preparatory work for proceedings against the accused should have already been completed for action under the relevant law.

(iv) The Committee also advised the Department that its internal audit and control system should be streamlined in consultation with Finance Department and Audit Department, to eliminate the chances of embezzlement and misappropriation in future.

(v) The Committee also stressed imparting of necessary training to the Drawing

and Disbursing Officers in Financial Rules and Procedure.

With the above directions, the para was kept pending.

**3-6-2002:** The paras were discussed in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that in compliance with the directive of the PAC, a consolidated case based on 10 Audit Para Nos.2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.67, 2.77 and 2.78 was sent to the National Accountability Bureau. National Accountability Bureau had intimated that the case had been investigated by the local Police and report under section 173 of Criminal Procedure Code had already been filed in the Court of Special Judge, Anti-Corruption. As such the subject case should be pursued by Home Department/Anti-Corruption Establishment, Punjab in the Court of Special Judge, Anti-Corruption because the transfer of said case from the Anti-Corruption to an Accountability Court at this stage would be of little value. The Home Secretary assured the Committee that he would again refer the case to National Accountability Bureau and would send a copy of the reference made to National Accountability Bureau to the Public Accounts Committee Secretariat.

The Committee discussed the matter and reiterated its previous directions dated 22 November 2001 and 6 March 2002. **The Paras were kept pending.**

#### **4. Para No.2.4: Page 39 – Misappropriation of Rs.1,031,048**

**22-11-2001:** The Department explained that there were nine paras in the Audit Report for the year 1997-98 relating to embezzlement and misappropriation amounting to Rs.150 million in the office of the SSP, Lahore i.e. Audit Para Nos. 2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.77 and 2.78.

The Department stated that in this particular case an FIR had been registered against the following accused:-

1. Mr Aziz-ur-Rehman Bajwa, Accountant
2. Mr Nayar Kamal, Cashier
3. Mr Tariq Aziz, TA Clerk
4. SI, Zulfiqar
5. SI Muhammad Sarwar
6. ASI Ilam-u-Din and others

During the course of investigation, 9 persons were found guilty and an incomplete challan had been submitted to Anti-Corruption Court. The case was pending in the Court of Special Judge, Anti-Corruption.

During discussion, the Department stated that the amounts were received in cash and receipts were issued by the DDO i.e. S.S.P., Lahore. The Committee observed that the DDO concerned should have also been made responsible in this case.

The Department further explained that the said FIR was lodged after two departmental inquiries.

The Committee was not satisfied with the explanation of the Department and directed that –

(a) in the working papers for the next meeting should be included a complete report about the departmental inquiries held in this case with a description of how the fraud took place;

(b) the Department should explain what were the loop-holes in the system which facilitated the embezzlement/mis-appropriation of Government money in the office of S.S.P. Lahore, and also whether these loop-holes had since been plugged;

(c) the Department should explain what arrangements had been made by the Department for internal audit; and

(d) the Department should also refer a consolidated case to the National Accountability Bureau.

The para was kept pending.

**6-3-2002:** The para was considered in the light of PAC directive dated 22 November 2001.

The Department explained that a consolidated reference in respect of 10 paras including this para had been made to NAB on 27 November 2001. The Department was directed to pursue the NAB cases vigorously. The Committee directed that:-

(i) A Departmental inquiry was also needed in each of the 10 cases referred to NAB.

(ii) It should be ensured that all the points contained in the said Audit paras had been covered in the reference made to NAB.

(iii) In case NAB decided not to take up the cases for trial by the Accountability Courts, the preparatory work for proceedings against the accused should have already been completed for action under the relevant law.

(iv) The Committee also advised the Department that its internal audit and control system should be streamlined in consultation with Finance Department and Audit Department, to eliminate the chances of embezzlement and misappropriation in future.

(v) The Committee also stressed imparting of necessary training to the Drawing and Disbursing Officers in Financial Rules and Procedures.

With the above directions, the para was kept pending.

**3-6-2002:** The paras were discussed in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that in compliance with the directive of the PAC, a consolidated case based on 10 Audit Para Nos.2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.67, 2.77 and 2.78 was sent to the National Accountability Bureau. National Accountability Bureau had intimated that the case had been investigated by the local Police and report under section 173 of Criminal Procedure Code had already been filed in the Court of Special Judge, Anti-Corruption. As such the subject case should be pursued by Home Department/Anti-Corruption Establishment, Punjab in the Court of Special Judge, Anti-Corruption because the transfer of said case from the Anti-Corruption to an Accountability Court at this stage would be of little value. The Home Secretary assured the Committee that he would again refer the case to National Accountability Bureau and would send a copy of the reference made to National Accountability Bureau to the Public Accounts Committee Secretariat.

The Committee discussed the matter and reiterated its previous directions dated 22 November 2001 and 6 March 2002. **The Paras were kept pending.**

#### **5. Para No.2.5: Pages 39-40 – Misappropriation of Rs.178,055 Due to Non Deposit of Benevolent & Welfare Fund**

**22-11-2001:** The Department explained that an amount of Rs.128,657 had been recovered and the concerned Treasury Officer had been requested to recover the balance amount of Rs.49,398 from the retired official. The para was settled subject to total recovery and its verification by Audit.

**6-3-2002:** The para was considered in the light of PAC directive dated 22 November 2001.

In its latest comments, Audit had verified the recovery of Rs.149,518. The Department stated that the balance recovery of Rs.28,537 was in process. The Committee directed that copies of the recovery order should be produced to Audit. The para was settled subject to recovery of the balance amount and its verification by Audit.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that the balance recovery of Rs.28,537 on account of Benevolent and Welfare Fund was being pursued. During discussion, it was brought to the notice of the Committee that the Police Department had its own system of Benevolent and Welfare Fund which was separate from that for other government servants. The Benevolent Fund was not being deducted regularly at source and there were widespread lapses in the collection for the Fund.

The Committee directed that Administrative Department should conduct a detailed study of the system of the deduction for the Benevolent Fund in the Police Department and make suggestions for plugging the loop-holes and improving the system and its internal controls. A comprehensive report in this respect should be submitted to the Committee within one month. **The para was kept pending.**

#### **6. Para No.2.6: Page 40 – Embezzlement of Rs.15,583,670 by Submitting Fake & Factitious Daily Diary Reports**

**22-11-2001:** The Department explained that there were nine paras in the Audit Report for the year 1997-98 relating to embezzlement and misappropriation amounting to Rs.150 million in the office of the SSP, Lahore i.e. Audit Para Nos. 2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.77 and 2.78.

The Department stated that in this particular case an FIR had been registered against the following accused:-

1. Mr Aziz-ur-Rehman Bajwa, Accountant
2. Mr Nayar Kamal, Cashier
3. Mr Tariq Aziz, TA Clerk
4. SI, Zulfiqar
5. SI Muhammad Sarwar

## 6. ASI Ilam-u-Din and others.

During the course of investigation, 9 persons were found guilty and an incomplete challan had been submitted to Anti-Corruption Court. The case was pending in the Court of Special Judge, Anti-Corruption.

During discussion, the Department stated that the amounts were received in cash and receipts were issued by the DDO i.e. S.S.P., Lahore. The Committee observed that the DDO concerned should have also been made responsible in this case.

The Department further explained that the said FIR was lodged after two departmental inquiries.

The Committee was not satisfied with the explanation of the Department and directed that –

(a) in the working papers for the next meeting should be included a complete report about the departmental inquiries held in this case with a description of how the fraud took place;

(b) the Department should explain what were the loop-holes in the system which facilitated the embezzlement/mis-appropriation of Government money in the office of S.S.P. Lahore, and also whether these loop-holes had since been plugged;

(c) the Department should explain what arrangements had been made by the Department for internal audit; and

(d) the Department should also refer a consolidated case to the National Accountability Bureau.

The para was kept pending.

**6-3-2002:** The para was considered in the light of PAC directive dated 22 November 2001

The Department explained that a consolidated reference in respect of 10 paras including this para had been made to NAB on 27 November 2001. The Department was directed to pursue the NAB cases vigorously. The Committee directed that:-

(i) A Departmental inquiry was also needed in each of the 10 cases referred to NAB.

(ii) It should be ensured that all the points contained in the said Audit paras had been covered in the reference made to NAB.

(iii) In case NAB decided not to take up the cases for trial by the Accountability Courts, the preparatory work for proceedings against the accused should have already been completed for action under the relevant law.

(iv) The Committee also advised the Department that its internal audit and control system should be streamlined in consultation with Finance Department and Audit Department, to eliminate the chances of embezzlement and misappropriation in future.

(v) The Committee also stressed imparting of necessary training to the Drawing and Disbursing Officers in Financial Rules and Procedures.

With the above directions, the para was kept pending.

**3-6-2002:** The paras were discussed in the light of the PAC directives dated 22 November 2001



and 6 March 2002.

The Department explained that in compliance with the directive of the PAC, a consolidated case based on 10 Audit Para Nos.2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.67, 2.77 and 2.78 was sent to the National Accountability Bureau. National Accountability Bureau had intimated that the case had been investigated by the local Police and report under section 173 of Criminal Procedure Code had already been filed in the Court of Special Judge, Anti-Corruption. As such the subject case should be pursued by Home Department/Anti-Corruption Establishment, Punjab in the Court of Special Judge, Anti-Corruption because the transfer of said case from the Anti-Corruption to an Accountability Court at this stage would be of little value. The Home Secretary assured the Committee that he would again refer the case to National Accountability Bureau and would send a copy of the reference made to National Accountability Bureau to the Public Accounts Committee Secretariat.

The Committee discussed the matter and reiterated its previous directions dated 22 November 2001 and 6 March 2002. **The Paras were kept pending.**

## **7. Para No.2.8: Page 41 – Misappropriation Due to Disbursement of Rs.54,473,420 to Unauthorized Officers**

**22-11-2001:** The Department explained that there were nine paras in the Audit Report for the year 1997-98 relating to embezzlement and misappropriation amounting to Rs.150 million in the office of the SSP, Lahore i.e. Audit Para Nos. 2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.77 and 2.78.

The Department stated that in this particular case an FIR had been registered against the following accused:-

1. Mr Aziz-ur-Rehman Bajwa, Accountant
2. Mr Nayar Kamal, Cashier
3. Mr Tariq Aziz, TA Clerk
4. SI, Zulfiqar
5. SI Muhammad Sarwar
6. ASI Ilam-u-Din and others.

During the course of investigation, 9 persons were found guilty and an incomplete challan had been submitted to Anti-Corruption Court. The case was pending in the Court of Special Judge, Anti-Corruption.

During discussion, the Department stated that the amounts were received in cash and receipts were issued by the DDO i.e. S.S.P., Lahore. The Committee observed that the DDO concerned should have also been made responsible in this case.

The Department further explained that the said FIR was lodged after two departmental inquiries.

The Committee was not satisfied with the explanation of the Department and directed that –

- (a) in the working papers for the next meeting should be included a complete report about the departmental inquiries held in this case with a description of how the fraud took place;



(b) the Department should explain what were the loop-holes in the system which facilitated the embezzlement/mis-appropriation of Government money in the office of S.S.P. Lahore, and also whether these loop-holes had since been plugged;

(c) the Department should explain what arrangements had been made by the Department for internal audit; and

(d) the Department should also refer a consolidated case to the National Accountability Bureau.

The para was kept pending.

**6-3-2002:** The para was considered in the light of PAC directive dated 22 November 2001

The Department explained that a consolidated reference in respect of 10 paras including this para had been made to NAB on 27 November 2001. The Department was directed to pursue the NAB cases vigorously. The Committee directed that:-

(i) A Departmental inquiry was also needed in each of the 10 cases referred to NAB.

(ii) It should be ensured that all the points contained in the said Audit paras had been covered in the reference made to NAB.

(iii) In case NAB decided not to take up the cases for trial by the Accountability Courts, the preparatory work for proceedings against the accused should have already been completed for action under the relevant law.

(iv) The Committee also advised the Department that its internal audit and control system should be streamlined in consultation with Finance Department and Audit Department, to eliminate the chances of embezzlement and misappropriation in future.

(v) The Committee also stressed imparting of necessary training to the Drawing and Disbursing Officers in Financial Rules and Procedures.

With the above directions, the para was kept pending.

**3-6-2002:** The paras were discussed in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that in compliance with the directive of the PAC, a consolidated case based on 10 Audit Para Nos.2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.67, 2.77 and 2.78 was sent to the National Accountability Bureau. National Accountability Bureau had intimated that the case had been investigated by the local Police and report under section 173 of Criminal Procedure Code had already been filed in the Court of Special Judge, Anti-Corruption. As such the subject case should be pursued by Home Department/Anti-Corruption Establishment, Punjab in the Court of Special Judge, Anti-Corruption because the transfer of said case from the Anti-Corruption to an Accountability Court at this stage would be of little value. The Home Secretary assured the Committee that he would again refer the case to National Accountability Bureau and would send a copy of the reference made to National Accountability Bureau to the Public Accounts Committee Secretariat.

The Committee discussed the matter and reiterated its previous directions dated 22 November 2001 and 6 March 2002. **The Paras were kept pending.**

**8. Para No. 2.15: Page 47 – Overpayment of Rs.13,828,266**

**22-11-2001:** The Department explained that there were nine paras in the Audit Report for the year 1997-98 relating to embezzlement and misappropriation amounting to Rs.150 million in the office of the SSP, Lahore i.e. Audit Para Nos. 2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.77 and 2.78.

The Department stated that in this particular case an FIR had been registered against the following accused:-

1. Mr Aziz-ur-Rehman Bajwa, Accountant
2. Mr Nayar Kamal, Cashier
3. Mr Tariq Aziz, TA Clerk
4. SI, Zulfiqar
5. SI Muhammad Sarwar
6. ASI Ilam-u-Din and others.

During the course of investigation, 9 persons were found guilty and an incomplete challan had been submitted to Anti-Corruption Court. The case was pending in the Court of Special Judge, Anti-Corruption.

During discussion, the Department stated that the amounts were received in cash and receipts were issued by the DDO i.e. S.S.P., Lahore. The Committee observed that the DDO concerned should have also been made responsible in this case.

The Department further explained that the said FIR was lodged after two departmental inquiries.

The Committee was not satisfied with the explanation of the Department and directed that –

(a) in the working papers for the next meeting should be included a complete report about the departmental inquiries held in this case with a description of how the fraud took place;

(b) the Department should explain what were the loop-holes in the system which facilitated the embezzlement/mis-appropriation of Government money in the office of S.S.P. Lahore, and also whether these loop-holes had since been plugged;

(c) the Department should explain what arrangements had been made by the Department for internal audit; and

(d) the Department should also refer a consolidated case to the National Accountability Bureau.

The para was kept pending.

**6-3-2002:** The para was considered in the light of PAC directive dated 22 November 2001.

The Department explained that a consolidated reference in respect of 10 paras including this para had been made to NAB on 27 November 2001. The Department was directed to pursue the NAB cases vigorously. The Committee directed that:-

- (i) A Departmental inquiry was also needed in each of the 10 cases referred to NAB.
- (ii) It should be ensured that all the points contained in the said Audit paras had been

covered in the reference made to NAB.

(iii) In case NAB decided not to take up the cases for trial by the Accountability Courts, the preparatory work for proceedings against the accused should have already been completed for action under the relevant law.

(iv) The Committee also advised the Department that its internal audit and control system should be streamlined in consultation with Finance Department and Audit Department, to eliminate the chances of embezzlement and misappropriation in future.

(v) The Committee also stressed imparting of necessary training to the Drawing and Disbursing Officers in Financial Rules and Procedures.

With the above directions, the para was kept pending.

**3-6-2002:** The paras were discussed in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that in compliance with the directive of the PAC, a consolidated case based on 10 Audit Para Nos.2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.67, 2.77 and 2.78 was sent to the National Accountability Bureau. National Accountability Bureau had intimated that the case had been investigated by the local Police and report under section 173 of Criminal Procedure Code had already been filed in the Court of Special Judge, Anti-Corruption. As such the subject case should be pursued by Home Department/Anti-Corruption Establishment, Punjab in the Court of Special Judge, Anti-Corruption because the transfer of said case from the Anti-Corruption to an Accountability Court at this stage would be of little value. The Home Secretary assured the Committee that he would again refer the case to National Accountability Bureau and would send a copy of the reference made to National Accountability Bureau to the Public Accounts Committee Secretariat.

The Committee discussed the matter and reiterated its previous directions dated 22 November 2001 and 6 March 2002. **The paras were kept pending.**

#### **9. Para No.2.22: Page 53 – Irregular Expenditure on Purchase of Equipment Worth Rs.809,900**

**22-11-2001:** The Department was directed to take appropriate action for meeting the Audit observation and obtain ex-post facto sanction of the competent authority. Disciplinary action should be taken against defaulters. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Department explained that the case had been referred to the Finance Department for regularization. The Department stated that two officers/officials had been found guilty and had been compulsorily retired from service.

The Committee directed that the relevant papers including copies of the punishment orders should be produced to Audit and the irregularity should be got regularized by the Finance Department. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that the matter had been referred to the Finance Department on 14 June 2000 to obtain ex post facto sanction by the Competent Authority and the reply was still awaited.

The Department was directed to comply with the direction of the Finance Department in this matter. The Department should also show copies of the punishment orders in this case to Audit for comments, if any. **The para was kept pending.**

**10. Para No. 2.27: Page 56 – Irregular expenditure of Rs.410,100 on purchase of uniform articles**

**6-3-2002:** The Committee agreed with the Audit observation and directed the Department to get the expenditure of Rs.410,100 regularized by the Finance Department. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Police Department explained that the case for regularization had been sent to the Home/ Finance Department on 28 May 2002.

The Department was directed to complete the necessary action at the earliest. **The para was kept pending.**

**11. Para 2.31.2: Page 48 – Recovery of Rs.115,575 Due to Irregular Expenditure on Repair/ Replacement of Parts of Vehicles-S.P Telecommunication (Pb), Lahore**

Audit had observed: “The Department incurred expenditure of Rs.115,575 on repair and replacement of parts of Government vehicles. The Department was required to get the repair/ replacement done after inviting upon tenders under the provision of rule 7-B(ii) of Delegation of Power which was not got done. NOC were signed by the un-authorized person which seemed to be fake. The replaced parts were not taken in stock/in dead stock register. The quotations were not got vetted from the SP Motor Transport. No entry of the repair existed in the history sheet of the vehicle concerned. The para was discussed in the SDAC meeting held in September 1998 but Department failed to justify the irregular expenditure”

**15-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the

PAC.

**12. Para No. 2.38: Page 62 – Irregular & Uneconomical Purchase of Stores Worth Rs.1,375,700 and Recovery of Rs.541,714 Due to Higher Rates**

**22-11-2001:** The Department was directed to produce the relevant record to Audit for verification without delay. The para was kept pending.

**4-3-2002:** The para was discussed in the light of PAC directive dated 19 & 22 November 2001.

After verification of record, Audit had pointed out that after departmental inquiry the Department had fixed responsibility on Mr Hassnain Kazim, Ex-Superintendent, Jail who was dismissed from service in another case and had since expired on 13 September 2000. A letter regarding recovery of Rs.541,714 was sent to the widow of the deceased officer on 1<sup>st</sup> January 2002 who had filed a civil suit on 31 January 2002 and the next date of hearing was 28 March, 2002. The Department could not explain whether Mr Hassnain Kazim was solely responsible for the irregularities and no other officer/official was involved.

The Department assured that a comprehensive inquiry would be held and responsibility would be fixed for the irregularity of incurrence of expenditure beyond competence and for accepting higher rates.

The Department was directed to complete the inquiry/appropriate action expeditiously. Responsibility should also be fixed for the delay in staring necessary action on the audit para. The para was kept pending.

**3-6-2002:** The para was discussed in the light of the PAC directive dated 4 March 2002.

The Department explained that as per Inquiry Report the actual recoverable amount was Rs.138,487 instead of Rs.541,714 for which the Superintendent Jail Hasnain Kazmi was held responsible. On his death on 13 September 2000, the widow of the deceased officer was requested to deposit the amount but she filed a Civil Suit and the next date of hearing was fixed for 18 June 2002.

During discussion, the Department stated that the said Superintendent Jail was solely responsible for purchase of various dietary articles on higher rates but the liability was not fixed during his lifetime.

The Committee observed that the Department had failed to take prompt action when the matter was reported to it by Audit in November 1997.

The Committee directed that the officers responsible for not taking prompt action on the audit observation should be served with show cause notices as to why the above mentioned amount should not be recovered from them.

The Committee further directed that after taking action against the officers responsible for the delay, the matter should be referred to the Finance Department for advice whether or not to defend the court case. **The para was kept pending.**



### **13. Para No.2.40: Page 63 – Irregular Expenditure of Rs.312,775 (Without any Demand on Clothing)**

**22-11-2001:** The Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November, 2001.

In its written reply, the Department stated that an important reason for not giving press publicity for inviting tenders was that the funds were not available in the relevant head.

The Committee directed that all the relevant record should be produced to Audit and the irregularity pointed out by Audit should be got regularized by the Finance Department. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Administrative Department explained that the case had been sent back to the Inspector General of Police with certain observations.

The Department was directed to complete the necessary action in the matter expeditiously. **The para was kept pending.**

### **14. Para No.2.41: Page 63 – Irregular Expenditure of Rs.1,000,000 for Purchase of Horses**

**22-11-2001:** The Department was directed to make the recovery or get the expenditure regularized by the competent authority. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Department explained that the case had been referred to the Finance Department for regularization. The Department was directed to complete the appropriate action expeditiously. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that the case had been returned to the Police Department with certain observations.

The Department was directed to complete the necessary action, at the earliest. **The para was kept pending.**

### **15. Para No. 2.44: Page 65 – Recovery of Rs.3,028,176 Due to Irregular Purchase of Machinery/ Equipment**

**22-11-2001:** The Department was directed to provide the relevant record including a copy of the Inquiry Report to Audit and consider holding a higher level inquiry for fixing responsibility. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.



The Department explained that the inquiry had been completed and inquiry report had been received in the Home Department for decision. The Inquiry Officer had recommended recovery and disciplinary action.

The Committee directed that appropriate action should be completed expeditiously. Copies of the inquiry report and order of the competent authority should be provided to Audit. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that four Audit Paras i.e. 2.44, 2.56 and 2.73 of the Audit Report for the year 1997-98 and Para No.12-II of Audit Report for the year 1996-97 relate to purchase of machinery and equipment including typewriters, plain paper copiers etc. The Department wanted to take uniform action in all these four Paras.

The Committee directed that a high level inquiry should be held in these four Paras and consequential action completed within two months. **The paras were kept pending.**

#### 16. Para No.2.46: Page 66 – Irregular expenditure of Rs.99,639 on repair of vehicle

**3-6-2002:** The Department explained that the vehicle Toyota Jeep No.SGF 889 met with a major accident on 7 July 1995 while on patrolling duty. After departmental inquiry by a Committee headed by DIG Sargodha, it was decided to get the vehicle repaired. The vehicle was ready for delivery after repairs in the first week of June 1996. Accordingly, the expenditure of Rs.99,639 was sanctioned on 16 June 1996. However, some minor defects were found in the vehicle, the payment was withheld and the vehicle handed over to the firm for repairs on 27 June 1996. The payment was released on 25 July 1996 when after road test, the vehicle was found in perfect running condition. As such no irregularity had been committed. Contrary to what had been explained in the working paper, the Administrative Department stated in the meeting that the matter needed a thorough inquiry and further action would be taken in the light of the findings of the inquiry report.

The Committee directed that a thorough inquiry should be held into all aspects of the case including the repairs and fixation of the responsibility for the accident. **The para was kept pending.**

#### 17. Para No. 2.48: Page 67 – Doubtful Expenditure on Account of Repair Charges of Building for Rs.400,105

**22-11-2001:** The Department was directed to probe the matter at higher level. The para was kept pending.

**6-3-2002:** In its previous directive dated 22 November 2001, the Committee had directed the Department to probe the matter at higher level. The Department explained that an inquiry was held by DSP. The Committee was not satisfied with the action taken and directed that a fresh inquiry

should be held at a level higher than the officer who had incurred the irregular expenditure. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that the matter was under probe by the DIG, Telecommunications, Punjab and further action would be taken in the light of the inquiry report.

The Committee directed that the inquiry should be finalized within one month and necessary action taken accordingly. A copy of the order instituting the inquiry should be provided to Audit. **The para was kept pending.**

#### **18. Para No.2.54: Page 73 – Non-Realization of Police Guard Charges Rs.15,153,910**

**22-11-2001:** The Department was directed to make strenuous efforts at higher levels to recover the charges expeditiously. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Department explained that efforts were being made to recover the charges for Police guard provided to various organizations. The Committee observed that the outstanding amounts would have accumulated further. The Department stated that a statement showing up to date amounts recoverable from various Departments/ Organizations had been sent to the Finance Department. The Committee directed that outstanding Government dues should be recovered expeditiously. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department stated during the meeting that National Bank of Pakistan had cleared its dues on account of Police guard charges while the recovery of police guard charges from the High Powered Transmitter, Faqureabad was being pursued actively.

The Committee directed that the recovery made from National Bank of Pakistan should be got verified by Audit.

The balance recovery should be effected at the earliest. An up-to-date list of outstanding dues on account of police guard charges recoverable from various agencies should be produced to the Finance Department, which should actively pursue these cases for early recovery. The desirability of obtaining payments in advance from the organizations concerned should also be considered. **The para was kept pending.**

#### **19. Para No. 2.55: Pages 73-74 – Non-return/deposit of government owned revolvers worth Rs.70,000**

**3-6-2002:** The para was considered on 3 and 4 June 2002.

The Department explained that revolvers had been received back from 5 persons and efforts were being made to recover the revolvers issued to SI Khurshid Ahmed, who had since died and SI

John Masih who had since been dismissed and had absconded.

The Department also stated in the meeting that besides recovering the revolvers, action would also be taken against the supervisory officers who were responsible for not securing the deposit of the revolvers at the proper time.

The Department was directed to recover the revolvers and hold an inquiry to fix the responsibility for not securing the deposit of the revolvers at the proper time and appropriate action should be taken against the officers/officials found responsible for this negligence. **The para was kept pending.**

**20. Para No. 2.60.5: Pages 68 & 76 – Non recovery/non-deposit of long outstanding dues amounting to Rs.3,547,627**

**S.P. D.G. Khan – Rs.100,000**

**22-11-2001:** The Department was directed to make the recovery expeditiously. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

Audit had pointed out that Police canteen situated in District Courts D.G. Khan was given on contract to Mr Abdul Ghaffar canteen contractor for Rs.100,000 but the amount was not deposited into Government Treasury.

The Department explained that the Police canteen at District Courts D.G. Khan was constructed out of the Police Regimental Fund which was used for the welfare of the Police Staff. A sum of Rs.92,000 from the said Fund was spent on the repair of Police Rest House. The Committee directed that the procedure of lease of canteen constructed on Government land should be properly prescribed. The Committee further directed that rules should also be made for the use of welfare fund. The Committee also directed that the irregularity pointed out in this para along with the use of canteen rent for repair of the Rest House should be probed at a high level and action taken accordingly. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department stated in the meeting that the Home Secretary had ordered an inquiry in this matter and further action would be taken in the light of the inquiry report. The Department was directed to complete the inquiry within two months.

The Department was also directed to formulate proper rules for the operation of the Regimental Fund. **The para was kept pending.**

**21. Para No.2.63: Page 69 – Recovery of 11,388,082 Due to Non Deduction of House Rent Allowance S.S.P Lahore**

**22-11-2001:** The Department was directed to make the recovery expeditiously. The para was kept

pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Department explained that out of total amount of Rs.11,388,082 the recovery of Rs.8,715,125 had been effected and got verified, and efforts were being made to recover the remaining amount. The Committee suggested that Finance Department should help in the recovery of the amount outstanding against Government Departments and Autonomous Bodies.

The Department was directed to recover the outstanding Government dues expeditiously. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

The Department explained that the balance recovery of Rs.2,672,957 on account of police guard charges had been actively pursued with the concerned organizations.

The Committee directed that the recovery should be completed, at the earliest.

Moreover, an up-to-date list of outstanding government dues on account of police guard charges should be provided to the Finance Department which should pursue the cases for early recovery. The desirability of obtaining advance payments for providing police guards should also be considered. **The para was kept pending.**

## **22. Para No. 2.65.1: Page 69 – recovery of Rs.33,314 on account of excess calls on residential telephone-SSP Sargodha**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their

salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

**23. Para No. 2.65.2: Page 69 – Recovery of Rs.430,465 on account of excess calls on residential telephone-S.P. Rajanpur**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

**24. Para No. 2.65.3: Page 69 – Recovery of Rs.206,623 on Account of Excess Calls on Residential telephone-DIG Police, D.G. Khan**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the



officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

**25. Para No. 2.65.4: Page 69 – Recovery of Rs.217,436 on Account of Excess on residential telephone-S.P. Layyah**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

**26. Para No. 2.65.5: Page 69 – Recovery of Rs.65,078 on Account of Excess Calls on Residential Telephone-SSP Okara**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.



The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

**27. Para No. 2.65.6: Page 69 – Recovery of Rs.217,700 on Account of Excess Calls on Residential Telephone-SP Kasur**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

**28. Para No. 2.65.7.: Page 69 – Recovery of Rs.47,915 on account of excess calls on residential telephone**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess

telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

### **29. Para No. 2.65.8:Page 69 – Recovery of Rs.49,676 on account of excess calls on residential telephone**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

### **30. Para No. 2.65.9: Page 69 – Recovery of Rs.324,212 on Account of Excess Calls on residential telephone-SSP Lahore**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001

and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

### **31. Para No. 2.65.10: Page 69 – Recovery of Rs.412,752 on account of Excess Calls on Residential Telephone-SSP Lahore**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

### **32. Para No. 2.65.11: Page 69 – Recovery of Rs.68,245 on account of excess calls on residential telephone – SP Hafizabad**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

### **33. Para No. 2.65.12: Page 69 – Recovery of Rs.132,533 on account of excess calls on residential telephone – Additional I.G. (Punjab) Special Branch, Lahore**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

### **34. Para No. 2.65.13: Page 69 – Recovery of Rs.79,126 on account of Excess Calls on Residential Telephone-SSP Sahiwal**

**22-11-2001:** The Department explained that there were 13 such paras relating to excess telephone calls made by the officers on residential telephone. The Department stated that the recovery will be effected in all such paras from the officers concerned.

The Committee directed the Department to report recovery in the next meeting. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Committee directed the Department to effect the recovery and get it verified by Audit. The para was kept pending.

**3-6-2002:** The para was considered in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that as per directives of the PAC, letters were being sent on the official/residential addresses of the officers requesting them to deposit the charges of excess telephone calls made from their residential telephones.

The Committee directed that the recovery of the above mentioned Government dues from the officers should be effected through the Accounts Offices from which they were drawing their salaries. The order of recovery should be issued within one month under intimation to Audit. **The para was kept pending.**

### **35. Para No. 2.67: Page 80 – Recovery of Rs.902,420 due to irregular drawal of daily allowance**

**6-3-2002:** The Department explained that a consolidated reference in respect of 10 paras including this para had been made to NAB on 27 November 2001. The Department was directed to pursue the NAB cases vigorously. The Committee directed that:-

- (i) A Departmental inquiry was also needed in each of the 10 cases referred to NAB.
- (ii) It should be ensured that all the points contained in the said Audit paras had been covered in the reference made to NAB.
- (iii) In case NAB decided not to take up the cases for trial by the Accountability Courts, the preparatory work for proceedings against the accused should have already been completed for action under the relevant law.
- (iv) The Committee also advised the Department that its internal audit and control system should be streamlined in consultation with Finance Department and Audit Department, to eliminate the chances of embezzlement and misappropriation in future.
- (v) The Committee also stressed imparting of necessary training to the Drawing and Disbursing Officers in Financial Rules and Procedures.

With the above directions, the para was kept pending.

**3-6-2002:** The paras were discussed in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that in compliance with the directive of the PAC, a consolidated case based on 10 Audit Para Nos.2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.67, 2.77 and 2.78 was sent to the National Accountability Bureau. National Accountability Bureau had intimated that the case had been investigated by the local Police and report under section 173 of Criminal Procedure Code had



already been filed in the Court of Special Judge, Anti-Corruption. As such the subject case should be pursued by Home Department/Anti-Corruption Establishment, Punjab in the Court of Special Judge, Anti-Corruption because the transfer of said case from the Anti-Corruption to an Accountability Court at this stage would be of little value. The Home Secretary assured the Committee that he would again refer the case to National Accountability Bureau and would send a copy of the reference made to National Accountability Bureau to the Public Accounts Committee Secretariat.

The Committee discussed the matter and reiterated its previous directions dated 22 November 2001 and 6 March 2002. **The paras were kept pending.**

### **36. Para 2.69: Page 81 – Recovery of Rs.402,999 from the contractor due to purchase of ghee & flour on higher rates**

#### **New Central Jail, Bahawalpur – Rs.402,999**

**4-3-2002:** Audit had pointed out that Government had sustained a loss of Rs.402,999 on the purchase of wheat flour and vegetable ghee at the risk and cost of the contractor. The Department explained that the said amount of risk purchase was recoverable from the contractor M/s Akbar & Company, Mandi Baha-ud-Din. The security deposit of Rs.90,000 in the shape of Deposit-at-Call furnished by the contractor also proved bogus and the commercial bank declined to encash the security. The Department further explained that a criminal case had been registered against the contractor and he had also been black-listed. Moreover, recovery of Rs.402,999 was also being pursued through District Collector, Mandi Baha-ud-Din as arrears of Land Revenue.

The Committee directed that criminal case against the contractor and recovery of amount of the risk purchase as arrears of Land Revenue should be pursued properly. Moreover, appropriate action should also be taken against the officers concerned for not getting the Deposit-at-Call security verified by the concerned bank. The para was kept pending.

**3-6-2002:** The para was discussed in the light of the PAC directive dated 4 March 2002.

The Department explained that as per practice prevalent in the Department, the deposit-at-call/ securities received from the contractors were kept in safe custody by the Cashier under lock and key and were returned to the contractor when no more required. The representative of the Finance Department pointed out that according to the Punjab Financial Rules, all security deposits received from the contractors were required to be deposited in the Government Treasury and on successful completion of the contract, the security was returned to the contractor through refund voucher.

The Committee directed that recovery of Rs.402,999 on account of risk and cost from the defaulting contractor should be pursued as arrears of Land Revenue. Moreover, an inquiry should be held to fix responsibility for not depositing the deposit-at-call of Rs.90,000 received from the contractor in the Government Treasury as per requirement of Punjab Financial Rules, so that its genuineness or otherwise could have been detected at that time and disciplinary action should also be taken against those responsible for the above mentioned lapse. **The para was kept pending.**



### **37. Para No. 2.70: Pages 70 & 81 – Recovery of Rs.86,000 due to use of air conditioner by unauthorized persons**

**4-6-2002:** Audit had pointed out the use of air conditioners by unauthorized officers in the office of Inspector General of Police, Punjab.

The Committee was informed that under the Punjab Financial Rules Volume-II Secretary/ Additional Secretary were allowed to use ACs. The matter was discussed. It was pointed out that certain offices of the Provincial Government were centrally air-conditioned. In some offices air conditioners were being used on the pretext that computers, fax machines and photo-stat machines in those offices required air-conditioned environment.

It was observed that there was widespread un-authorized use of air conditioners in all the departments throughout Punjab. The Committee directed the Department to refer the matter to the Finance Department for appropriate action. The Committee further suggested that the Government should review and rationalize its policy in the matter, ensure its strict implementation and take effective measures to check the unauthorized use of air conditioners in Government Offices. **The para was kept pending.**

### **38. Para No. 2.76: Pages 85-86 – Fictitious expenditure on account of repair and maintenance of office building for Rs.370,375**

**4-6-2002:** The Department explained that the case for regularization of the expenditure made by the Department on the maintenance and repair of office building had been referred to the Finance Department.

Audit pointed out that only Communications & Works Department was authorized to execute the work in question.

The Committee directed that an inquiry should be held into the matter at the Secretariat level to establish full facts within 2 months. **The para was kept pending.**

### **39. Para No. 2.77: Page 87 – Embezzlement of Rs.57,977,983 Due to Non Production of Acquittance Rolls**

**22-11-2001:** The Department explained that there were nine paras in the Audit Report for the year 1997-98 relating to embezzlement and misappropriation amounting to Rs.150 million in the office of the SSP, Lahore i.e. Audit Para Nos. 2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.77 and 2.78.

The Department stated that in this particular case an FIR had been registered against the following accused:-

1. Mr Aziz-ur-Rehman Bajwa, Accountant
2. Mr Nayar Kamal, Cashier
3. Mr Tariq Aziz, TA Clerk
4. SI, Zulfiqar
5. SI Muhammad Sarwar
6. ASI Ilam-u-Din and others.

During the course of investigation, 9 persons were found guilty and an incomplete challan had

been submitted to Anti-Corruption Court. The case was pending in the Court of Special Judge, Anti-Corruption.

During discussion, the Department stated that the amounts were received in cash and receipts were issued by the DDO i.e. S.S.P., Lahore. The Committee observed that the DDO concerned should have also been made responsible in this case.

The Department further explained that the said FIR was lodged after two departmental inquiries.

The Committee was not satisfied with the explanation of the Department and directed that –

(a) in the working papers for the next meeting should be included a complete report about the departmental inquiries held in this case with a description of how the fraud took place;

(b) the Department should explain what were the loop-holes in the system which facilitated the embezzlement/mis-appropriation of Government money in the office of S.S.P. Lahore, and also whether these loop-holes had since been plugged;

(c) the Department should explain what arrangements had been made by the Department for internal audit; and

(d) the Department should also refer a consolidated case to the National Accountability Bureau.

The para was kept pending.

**6-3-2002:** The para was considered in the light of PAC directive dated 22 November 2001

The Department explained that a consolidated reference in respect of 10 paras including this para had been made to NAB on 27 November 2001. The Department was directed to pursue the NAB cases vigorously. The Committee directed that:-

(i) A Departmental inquiry was also needed in each of the 10 cases referred to NAB.

(ii) It should be ensured that all the points contained in the said Audit paras had been covered in the reference made to NAB.

(iii) In case NAB decided not to take up the cases for trial by the Accountability Courts, the preparatory work for proceedings against the accused should have already been completed for action under the relevant law.

(iv) The Committee also advised the Department that its internal audit and control system should be streamlined in consultation with Finance Department and Audit Department, to eliminate the chances of embezzlement and misappropriation in future.

(v) The Committee also stressed imparting of necessary training to the Drawing and Disbursing Officers in Financial Rules and Procedures.

With the above directions, the para was kept pending.

**3-6-2002:** The para was discussed in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that in compliance with the directive of the PAC, a consolidated case based on 10 Audit Para Nos.2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.67, 2.77 and 2.78 was sent to the

National Accountability Bureau. National Accountability Bureau had intimated that the case had been investigated by the local Police and report under section 173 of Criminal Procedure Code had already been filed in the Court of Special Judge, Anti-Corruption. As such the subject case should be pursued by Home Department/Anti-Corruption Establishment, Punjab in the Court of Special Judge, Anti-Corruption because the transfer of said case from the Anti-Corruption to an Accountability Court at this stage would be of little value. The Home Secretary assured the Committee that he would again refer the case to National Accountability Bureau and would send a copy of the reference made to National Accountability Bureau to the Public Accounts Committee Secretariat.

The Committee discussed the matter and reiterated its previous directions dated 22 November 2001 and 6 March 2002. **The para was kept pending.**

#### **40. Para No. 2.78: Page 87 – Non Production of Treasury Challans of Rs.5,735,179**

**22-11-2001:** The Department explained that there were nine paras in the Audit Report for the year 1997-98 relating to embezzlement and misappropriation amounting to Rs.150 million in the office of the SSP, Lahore i.e. Audit Para Nos. 2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.77 and 2.78.

The Department stated that in this particular case an FIR had been registered against the following accused:-

1. Mr Aziz-ur-Rehman Bajwa, Accountant
2. Mr Nayar Kamal, Cashier
3. Mr Tariq Aziz, TA Clerk
4. SI, Zulfiqar
5. SI Muhammad Sarwar
6. ASI Ilam-u-Din and others.

During the course of investigation, 9 persons were found guilty and an incomplete challan had been submitted to Anti-Corruption Court. The case was pending in the Court of Special Judge, Anti-Corruption.

During discussion, the Department stated that the amounts were received in cash and receipts were issued by the DDO i.e. S.S.P., Lahore. The Committee observed that the DDO concerned should have also been made responsible in this case.

The Department further explained that the said FIR was lodged after two departmental inquiries.

The Committee was not satisfied with the explanation of the Department and directed that –

- (a) in the working papers for the next meeting should be included a complete report about the departmental inquiries held in this case with a description of how the fraud took place;
- (b) the Department should explain what were the loop-holes in the system which facilitated the embezzlement/mis-appropriation of Government money in the office of S.S.P. Lahore, and also whether these loop-holes had since been plugged;
- (c) the Department should explain what arrangements had been made by the Department for internal audit; and

(d) the Department should also refer a consolidated case to the National Accountability Bureau.

The para was kept pending.

**6-3-2002:** The para was considered in the light of PAC directive dated 22 November 2001.

The Department explained that a consolidated reference in respect of 10 paras including this para had been made to NAB on 27 November 2001. The Department was directed to pursue the NAB cases vigorously. The Committee directed that:-

- (i) A Departmental inquiry was also needed in each of the 10 cases referred to NAB.
- (ii) It should be ensured that all the points contained in the said Audit paras had been covered in the reference made to NAB.
- (iii) In case NAB decided not to take up the cases for trial by the Accountability Courts, the preparatory work for proceedings against the accused should have already been completed for action under the relevant law.
- (iv) The Committee also advised the Department that its internal audit and control system should be streamlined in consultation with Finance Department and Audit Department, to eliminate the chances of embezzlement and misappropriation in future.
- (v) The Committee also stressed imparting of necessary training to the Drawing and Disbursing Officers in Financial Rules and Procedures.

With the above directions, the para was kept pending.

**3-6-2002:** The paras were discussed in the light of the PAC directives dated 22 November 2001 and 6 March 2002.

The Department explained that in compliance with the directive of the PAC, a consolidated case based on 10 Audit Para Nos.2.1, 2.2, 2.3, 2.4, 2.6, 2.8, 2.15, 2.67, 2.77 and 2.78 was sent to the National Accountability Bureau. National Accountability Bureau had intimated that the case had been investigated by the local Police and report under section 173 of Criminal Procedure Code had already been filed in the Court of Special Judge, Anti-Corruption. As such the subject case should be pursued by Home Department/Anti-Corruption Establishment, Punjab in the Court of Special Judge, Anti-Corruption because the transfer of said case from the Anti-Corruption to an Accountability Court at this stage would be of little value. The Home Secretary assured the Committee that he would again refer the case to National Accountability Bureau and would send a copy of the reference made to National Accountability Bureau to the Public Accounts Committee Secretariat.

The Committee discussed the matter and reiterated its previous directions dated 22 November 2001 and 6 March 2002. **The para was kept pending.**

#### **41. Para No. 2.79: Page 88 – Blockage of Government Money to the Tune of Rs.6,354,822**

**22-11-2001:** The Department was directed to probe the matter at higher level. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Department explained that an inquiry was held and inquiry report was produced to Audit. According to the inquiry report all equipment mentioned in the para had been installed and was operational. No blockage of money was involved. The para was settled subject to verification by Audit.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

After verification of record, Audit had commented that computer accessories worth Rs.1,080,050 were still lying un-utilized since June 1996 and perhaps they had lost their utility. Furthermore, the Project of Development of Urdu Software, for which an advance payment of Rs.1,140,000 was made to a firm had not yet been completed.

The Committee directed that a de-novo detailed inquiry should be held at the Secretariat level into all the aspects pointed out by Audit and action should be taken against the officers found responsible for the financial irregularities and blockage of funds under the Punjab Removal from Service (Special Powers) Ordinance 2000. **The para was kept pending.**

#### **42. Para No. 2.80: Page 89 – Non-Production of Road Certificates Showing Issue of Stores Worth Rs.80,134,638**

**22-11-2001:** The Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

**6-3-2002:** The para was considered in the light of the PAC directive dated 22 November 2001.

The Department explained that the uniform items were purchased by Central Police Office and relevant record of its issuance was available for verification. The Committee directed the Department to produce the relevant record to Audit for verification. The para was kept pending.

**4-6-2002:** The para was considered with reference to the PAC directive dated 6 March 2002.

Audit pointed out that the Department had not produced the relevant record as directed by the Committee in its previous meeting.

The Committee directed that the record should positively be produced to Audit within 15 days. **The para was kept pending.**

# Housing, Urban Development and Public Health Engineering Department

## Overview

Total Paras	Works
<b>326</b>	<b>326</b>

## Abstract

Status	Decision	Para Nos.	Total	Page No.
Paras Finally Settled  <b>68</b>	Paras finally settled as the requisite action had been taken.	<b>Works:</b> 9, 12, 13, 17, 19, 20, 21, 25, 30, 31, 32, 49, 51, 60, 61, 62, 70, 76, 89, 106, 108, 111, 125, 128, 130, 131, 149, 150, 159, 171, 172, 173, 176, 183, 187, 188, 189, 190, 191, 217, 218, 219, 224, 231, 238, 247, 261, 264, 273, 274, 275, 277, 278, 280, 281, 282, 283, 285, 299, 300, 304, 306, 307, 308, 309, 313 and 326	<b>68</b>	<b>611-622</b>
Paras Conditionally Settled  <b>155</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Works:</b> 2, 3, 4, 5, 16, 26, 27, 33, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 48, 50, 52, 53, 56, 57, 58, 59, 63, 64, 65, 68, 73, 74, 75, 77, 78, 79, 82, 84, 85, 86, 87, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 104, 105, 107, 109, 110, 113, 114, 115, 116, 117, 118, 119, 122, 123, 126, 127, 129, 136, 137, 138, 140, 142, 143, 144, 145, 148, 156, 165, 166, 167, 168, 169, 174, 175, 180, 182, 184, 185, 192, 193, 198, 210, 211, 212, 213, 214, 215, 216, 225, 226, 229, 234, 235, 236, 240, 241, 243, 244, 246, 249, 250, 251, 253, 254, 255, 257, 258, 259, 260, 262, 263, 265, 266, 267, 270, 271, 276, 284, 286, 287, 288, 289, 290, 294, 295, 296, 297, 298, 301, 302, 303, 305, 314, 316, 317, 318, 321, 322, 323 and 324.	<b>155</b>	<b>623-663</b>
Paras Pended	Paras pended either because	<b>Works:</b> 1, 6, 7, 8, 10, 11, 14, 15, 18,	<b>103</b>	<b>664-698</b>



**103**

the Department had not taken satisfactory action or the Committee decided to have working papers for consideration.

22, 23, 24, 28, 29, 34, 46, 47, 54, 55, 66, 67, 69, 71, 72, 80, 81, 83, 88, 103, 112, 120, 121, 124, 132, 133, 134, 135, 139, 141, 146, 147, 151, 152, 153, 154, 155, 157, 158, 160, 161, 162, 163, 164, 170, 177, 178, 179, 181, 186, 194, 195, 196, 197, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 220, 221, 222, 223, 227, 228, 230, 232, 233, 237, 239, 242, 245, 248, 252, 256, 268, 269, 272, 291, 292, 293, 310, 311, 312, 315, 319, 320 and 325

Discussed on 4-6-7 February, 22-23-24 April and 27-28-29 May 2002

## Paras Finally Settled Works Audit

### 1. Para No.9: Page 35 – Suspected Frauds, Thefts, Mis-use, Mis-appropriation and Robbery – Rs.1,691,963

**28-2-2002:** The Department explained that an inquiry was held and it was found that the disfiguring was not on the original Bank Guarantee but on the covering letter of the Bank. Audit verified the position in the meeting. The Committee decided to **settle the para.**

### 2. Para No.12: Page 36 – Suspected, frauds, thefts, Misuse, Misappropriation & Robbery – Rs.2,000,000

**14-3-2002:** The Department explained that the spare parts/accessories and instruments of the tubewells had not been stolen as pointed out by Audit. The relevant record as desired by Audit was available for verification.

Audit stated in the meeting that the record had been verified. **The para was settled.**

### 3. Para No.13: Page 37 – Suspected frauds, thefts, misuse, misappropriation & robbery – Rs.82,338

**3-4-2002:** Audit had pointed out that an amount of Rs.82,328 was paid by one Sub-Division to another Sub-Division for procurement of material in December 1993, but the amount was still unadjusted in Miscellaneous PW Advance.

The Department explained that according to the findings of the Probing Officer, material worth Rs.23,889 was received in December 1993 and material worth Rs.58,493 was received in February 1999. However, the Inquiry Officer had concluded that there was no plausible explanation for not consuming the material for the scheme for which it was indented. The Department explained that on the basis of this probe the concerned XEN, SDO and Sub-Engineer had been held responsible and disciplinary action against them was in process.

The Committee observed that the extent of the responsibility of the supervising officers as well as the Divisional Accountant should also be fixed in the matter, and directed that the Administrative Department should complete disciplinary action at the earliest, and the Finance Department should monitor the same. Subject to this direction, **the para was settled.**

#### **4. Para No.17: Page 39 – Suspected, frauds, thefts, Misuse, Misappropriation & Robbery – Rs.218,843**

**11-4-2002:** The Department explained that cash amounting to Rs.218,843 drawn for the salary of Garden Town Sub Division staff was robbed by un-known persons. The case was registered with the police, one of the robbers was arrested by the police and an amount of Rs.17,000 was recovered by the police which was credited to WASA account. In the departmental inquiry, it was held that it was a robbery case and the accused officers/officials were exonerated.

The Finance Department was directed to monitor further action in the case by the Administrative Department for recovery or writing off the loss. Subject to this direction, **the para was settled.**

#### **5. Para No.19: Page 40 – Overpayments – Rs.293,963**

**3-4-2002:** Audit had pointed out that certain items of work had been executed in excess or absence of the provision made in the technically sanctioned estimates.

The Department explained that as a result of a probe the concerned XEN, SDO, Sub-Engineer and District Accounts Officer had been held responsible for making payment of the work without administrative approval and technical sanction. Disciplinary action against them was in process.

The Department was directed to complete the disciplinary action at the earliest, and Finance Department was directed to monitor the case. Subject to this direction, **the para was settled.**

#### **6. Para No.20: Page 41 – Overpayments – Rs.486,970**

**3-4-2002:** Audit had pointed out that various items of work had been paid in excess of the quantities provided in the technically sanctioned estimates.

The Department explained that after probe responsibility had been fixed on the concerned two XENs, SDO and Sub-Engineer and disciplinary action against them was in process.

The Committee observed that the extent of the responsibility of the Divisional Accountant in this case should also have been examined.

The Department was directed to complete the disciplinary action, at the earliest and the Finance Department was directed to monitor the same. Subject to this direction, **the para was settled.**

#### **7. Para No.21: Page 41 – Overpayments – Rs.369,125**

**3-4-2002:** Audit had pointed out that various items of work had been paid for quantities in excess of those provided in the technically sanctioned estimates.

The Department explained that after probe responsibility had been established against the concerned XEN, SDO and Sub-Engineer and disciplinary action against them was in process.

The Committee observed that the responsibility of the Divisional Accountant should also have been fixed in this case.

The Department was directed to complete the disciplinary action at the earliest, and the Finance Department was directed to monitor the same. Subject to this direction, **the para was settled.**

#### **8. Para No.25: Page 43 – Overpayments- – Rs.385,686**

**3-4-2002:** The Department explained that according to the findings of the probe report the quantities of work under observation in this para were covered in the revised technically sanctioned estimates which were sanctioned later on, but the field Engineer had committed irregularity in continuing the work of earth filling and brick payment without seeking revised technical sanction from the competent authority.

The Department stated that on the basis of the probe report disciplinary action had been initiated against two XENs, Two SDOs and one Sub-Engineer.

The Department was directed to complete disciplinary action at the earliest and Finance Department to monitor the same. Subject to this direction, **the para was settled.**

#### **9. Para No.30: Page 46 – Overpayments – Rs.798,229**

**14-5-2002:** The Department explained that the work had been executed in excess of the technical sanction and payment made accordingly. There was no excess payment. However, the officer responsible for exceeding the sanctioned provisions was being proceeded against the Punjab Removal from Service (Special Powers) Ordinance 2000. The Committee directed that the Finance Department should monitor the disciplinary action. Subject to this direction, **the para was settled.**

**10. Para No.31: Page 46 – Overpayments – Rs.85,768**

**14-5-2002:** The Department explained that the excess quantity of earth filling was necessary as per site requirements and the requisite sanction was accorded by the S.E. Audit stated in the meeting that departmental explanation was acceptable. On the recommendation of Audit, the Committee **settled the para.**

**11. Para No.32: Page 47: Overpayments – Rs.84,185**

**14-5-2002:** The Department explained that the excess quantity of earth filling was necessary as per site requirements and the requisite sanction was accorded by the S.E. After discussion, the Committee decided to **settle the para.**

**12. Para No.49: Page 55 – Overpayments – Rs.140,761**

**11-4-2002:** The Department explained that the increased quantity had been covered in the revised technical sanction. Audit stated in the meeting that the departmental contention had been verified. **The para was settled.**

**13. Para No.51: Page 56 – Overpayments – Rs.55,692**

**11-4-2002:** The Department explained that the increased quantity bailing out water by pump had been necessitated during the execution of work and was approved by the competent authority.

The Committee observed that the preparation and technical sanctions on actual work done basis was a bad practice and must be discontinued. With the above observation, **the para was settled.**

**14. Para No.60: Page 61 – Overpayments – Rs.51,375**

**15-5-2002:** Audit pointed out that the drilling of tube well bore hole had been measured as 915 rft whereas pipe had been laid in a depth of 840 rft.

The Department explained that the length of pipe laid was also 920 rft including overlap, but due to a calculation mistake in the measurement book it was presumed that 840 rft had been paid for. Audit had accepted the explanation of the Department during the meeting. **The para was settled.**

**15. Para No.61: Page 61 – Overpayments – Rs.209,000**

**11-4-2002:** The Department explained that the use of increased quantity of iron pipe had been necessitated during the execution of work and the same was approved by the competent authority. Audit verified the position during the meeting. **The para was settled.**

**16. Para No.62: Page 62 – Overpayments – Rs.76,679**

**11-4-2002:** The Department explained that the increase in the height of the retaining wall was necessary in the interest of the project and had been approved by the Competent Authority. The position was verified by the Audit in the meeting. **The para was settled.**

**17. Para No.70: Page 66 – Overpayments – Rs.337,736**

**11-4-2002:** The Department explained that the specifications were changed in accordance with the structural drawings provided by the consultants. However, the difference in cost was only Rs.15,481 and not Rs.337,736. After discussions, the Committee accepted the explanation of the Department and **settled the para.**

**18. Para No.76: Page 69 – Overpayments – Rs.30,856,389**

**29-11-2001:** The Department explained that no expenditure had been made on acquisition of land and payment of taxes from the component of the foreign exchange provided by the World Bank. The explanation of the Department was accepted and **the para was settled.**

**19. Para No.89: Page 76 – Overpayments – 82,468**

**15-5-2002:** The Department explained that the para was based on three advance paras. In AP No.411 the actual recoverable amount of Rs.46,384 had been recovered instead of Rs.27,825. AP No.5 and AP No.7 amounting to Rs.34,368 and Rs.20,376 respectively had already been settled by Audit. Audit stated in the meeting that recovery had been verified. **The para was settled.**

**20. Para No.106: Page 85 – Overpayment of – Rs.390,000**

**28-2-2002:** The Department explained that payment had been made to the contractor within the provisions of the contract agreement and technically sanctioned estimate. No excess payment was involved.

Audit stated in the meeting that the position had been verified. **The para was accordingly settled.**

**21. Para No.108: Page 86 – Overpayments – Rs.62,124**

**11-4-2002:** In its latest comments, Audit had pointed out that the entire recovery of Rs.62,124 had been effected and verified from the record produced by the Department. The Committee decided to **settle the para.**

**22. Para No.111: Page 87 – Overpayments – Rs.185,154**

**3-4-2002:** The Department explained that Audit observation was not correct because the contractor had quoted rates for civil work drain and brick pavement rightly. Audit had verified the position. The para was settled.

**13-5-2002:** The para had already been **settled** by the Committee on 3 April 2002.

**23. Para No.125: Page 94 – Accounting Errors – Rs.289,561**

**15-5-2002:** Audit had pointed out that the accountal of material worth Rs.289,561 was not shown. The department explained that the record was got verified on 19 July 2001. On the recommendation of Audit, the para was settled.

**24. Para No.128: Page 96 – Accounting Errors – - – Rs.170,000**

**11-4-2002:** In its latest comments, Audit had verified the accountal of furniture worth Rs.170,000. **The para was settled.**

**25. Para No.130: Page 97 – Accounting Errors – Rs.1,346,025**

**11-4-2002:** The Department explained that the log books of the machinery, vehicles and stock register of POL was produced to Audit. Audit stated in the meeting that the record had been verified. **The para was settled.**



**26. Para No.131: Page 97 – Accounting Errors – Rs.3,042,000**

**26-11-2001:** There was difference of opinion between Audit and Department about the value of machinery to be entered in stock register.

The Committee directed that rectification in the stock register may be done under intimation to Audit and Finance Department. With the above direction, the para was settled.

**14-3-2002:** The Department explained that necessary entries in the stock register had been made and the value of the machinery/equipment purchased amounting to £696667.30 had also been entered in the stock register. On the recommendation of Audit, the Committee **settled the para.**

**27. Para No.149: Page 107 – Violation of Rules – Rs.171,463**

**11-4-2002:** The Department explained that the tender accepted was within the permissible limit of 4.5% of the technical sanctioned estimates. Audit stated in the meeting that the position had been verified. **The para was settled.**

**28. Para No.150: Page 107 – Violation of Rules – Rs.3,200,000**

**29-11-2001:** The Department explained that in order to determine the budgetary prices of Excavators, offers were invited in 1994. The Technical Sanction was accorded on the basis of the lowest offer of Rs.7,800,000.

Later on tenders were invited in September 1994, November 1994, June 1995, August 1995 and October 1995. The lowest bid offer of Rs.9,700,000 was subject to 90% advance payment, which was not acceptable. The next (the only responsive) offer was for Rs.11,760,000. The Technical Sanction was revised for Rs.11,000,000. The Firm agreed to reduce the price and the work was allotted after observing all the codal formalities. The Committee accepted the explanation of the Department and **the para was settled.**

**29. Para No.159: Page 112 – Violation of Rules – Rs.1,619,414**

**29-11-2001:** The Department stated that the tenders opened on 10-11-1997 could not be accepted, as the Administrative Approval was received on 28-1-1998. Thereafter fresh tenders were invited and the tender was accepted within the permissible limits. The explanation of the Department was accepted and **the para was settled.**

**30. Para No.171: Page 119 – Violation of Rules – Rs.81,511,000**

**14-3-2002:** The Department explained that the ratio of 20% and 80% share of WASA and donor agency applied on the overall cost of the project and not on the yearly expenditure.

The Department further stated that the project would be completed during the year 2002. The explanation of the Department was accepted and **the para was settled.**

**31. Para No.172: Page 120 – Violation of Rules – Rs.24.156 Million**

**14-3-2002:** The Department explained that according to the approved PC-I, the consultants were engaged by the Foreign Donor and consultation fee was also to be paid by the said firm. No payment had been made so far to the consultants by WASA. The Committee accepted the explanation of the Department and **the para was settled.**

**32. Para No.173: Page 120 – Violation of Rules – Rs.1,611,887**

**28-2-2002:** Audit had pointed out that a scheme had been executed without specific allocation of funds in the Annual Development Programme. The Department explained that Administrative approval of the scheme was accorded by the Rawalpindi Development Authority on 4 June 1990 and funds were allocated for it in the Authority's Budget for the year 1992-93 and 1993-94. Audit had verified the position. **The para was settled.**

**33. Para No.176: Page 122 – Violation of Rules – Rs.442,153**

**29-11-2001:** The Department stated that as per decision of the DAC held on 19-5-1998, a certificate issued by MCL had been produced to Audit to the effect that no repairs of the road in question were carried out by MCL during the period these roads were repaired by LDA. Moreover Director General, LDA was competent to approve such work. The explanation of the Department was accepted and **the para was settled.**

**34. Para No.183: Page 125 – Violation of Rules – Rs.67,082**

**15-5-2002:** The Department explained that Audit observation was not correct. Earth filling and brick pavement had been done within the scope of administrative approval and technical sanction. The explanation of the Department was accepted and **the para was settled.**

**35. Para No.187: Page 127 – Loss of – Rs.1,728,907 to government**

**26-11-2001:** The Committee directed that acceptance of deposit after the prescribed date may be got regularized from the competent authority. With the above direction, the para was settled.

**14-3-2002:** Audit pointed out that in compliance with the PAC directive, the matter had been regularized by the competent authority. **The para was settled.**

**36. Para No.188: Page 128 – Violation of Rules – Rs.2,681,120**

**26-11-2001:** The Department explained that the funds were released by the Finance Department for purchase of vehicle and the vehicle was purchased by following the prescribed procedure. However, the matter had been referred to the Finance Department for obtaining the ex-post facto NOC. **The para was settled.**

**37. Para No.189: Page 128 – Violation of Rules – Rs.326,382**

**28-2-2002:** The Department explained that the budgetary provision for payment to work charge establishment and for POL charges was available in the budget. Audit stated in the meeting that the position had been verified. **The para was settled.**

**38. Para No.190: Page 129 – Unjustified Payment of – Rs.13,050,030**

**26-11-2001:** The explanation of the Department for payment of “Audit Fee” was accepted and **the para was settled.**

**39. Para No.191: Page 129 – Violation of Rules – Rs.144,000**

**11-4-2002:** The Department explained that the contract of the canteen was awarded to the existing contractor by enhancing the rent rate from Rs.2,100 to Rs.3,000 p.m.

Audit had stated in the meeting that the departmental version had been accepted by the Audit. **The para was settled.**

**40. Para No.217: Page 141 – Recoverable – Rs.208,930**

**14-3-2002:** Audit pointed out that the para 8.1 (217) was linked to Para No.8.1(218).

The Department explained that according to the rules of Faisalabad Development Authority, higher charges only for the working days of the machinery were to be charged. The same provision was followed in the rules of all development authorities.

The Committee directed that a copy of relevant rules should be provided to Audit, so that in future the matter was examined by Audit in the light of those rules. With the above direction, **the para was settled.**

**41. Para No.218: Pages 141 and 142 – Recoverable of – Rs.66,368**

**14-3-2002:** The Department explained that according to the rules of Faisalabad Development Authority, higher charges only for the working days of the machinery were to be charged. The same provision was followed in the rules of all development authorities.

The Committee directed that a copy of relevant rules should be provided to Audit, so that in future the matter would be examined by Audit in the light of those rules. With the above direction, **the para was settled.**

**42. Para No.219: Page 142 – Recoverable – Rs.500,458**

**28-2-2002:** Audit stated that full amount involved in the para had been recovered by the Department and verified. On the recommendation of Audit, **the para was settled.**

**43. Para No.224: Page 144 – Recoverables – Rs.1,877,000**

**28-2-2002:** The Department explained that all the arrears had been recovered and credited in the RDA Funds. Audit confirmed the verification of recoveries & record and **the para was settled.**

**44. Para No.231: Page 147 – Recoverables – Rs.565,650**

**28-2-2002:** The Department explained that the total amount of Rs.565,650 on account of electricity charges of Zakria Shopping Centre had been recovered. Audit stated in the meeting that recovery/record had been verified. On the recommendation of Audit, **the para was settled.**

**45. Para No.238: Page 150 – Recoverables – Rs.438,750**

**3-4-2002:** The Department explained that the secured advance had been recovered and verified by Audit. On the recommendation of Audit, the Committee **settled the para.**

**46. Para No.247: Page 155 – Recoverables – Rs.377,979**

**11-4-2002:** In its latest comments, Audit pointed out that the entire amount involved in the audit para had been recovered and verified. The Committee decided to **settle the para.**

**47. Para No.261: Page 161 – Recoverables – Rs.1,563,568**

**28-2-2002:** The Department explained that an amount of Rs.2,038,100 on account of Mobilization Advance and interest accrued thereon had since been recovered from the contractor. On the recommendation of Audit, **the para was settled.**

**48. Para No.264: Page 162 – Recoverables – Rs.11,468,000**

**26-11-2001:** The Committee was not satisfied with the explanation of the Department given in the working paper and directed that the Department should give detailed facts and figures about:-

1. What was receivable:
2. What was actually received?
3. What efforts have been made to recover the balance?

The para was kept pending.

**14-3-2002:** The Department explained that total recoverable amount was Rs.34,093,000 out of which Rs.22,625,000 had been recovered leaving an outstanding balance of Rs.11,468,000.

The Department further stated that the total recoverable amount was the projected income to be realized from auction of commercial and residential plots. The shortfall of one year was carried over to the projected income of the succeeding year. **The para was settled.**

**49. Para No.273: Page 166 – Recoverables – Rs.143,172**

**11-4-2002:** The Department explained that the recovery of Rs.143,172 on account of cost of bitumen, hire charges of machinery and income tax had been recovered from the contractor.

Audit stated in the meeting that the recovery had been verified. **The para was settled.**

**50. Para No.274: Page 167 – Recoverables – Rs.874,900**

**28-2-2002:** Audit pointed out that receipt back of 7.69 m.tons bitumen had been accepted. However, the difference in the bitumen's issue rate and the market rate should be recovered from the contractor.

The Department explained that the bitumen was issued to the contractor on rates higher than market rates and the recovery of Rs.1,081,590 had been effected. As full recovery had been made, **the para was settled.**

**51. Para No.275: Page 167 – Recoverables – Rs.4,756,021**

**11-4-2002:** The Department explained that an amount of Rs.4,756,021 had been recovered and verified by Audit. On the recommendation of Audit, **the Committee settled the para.**

**52. Para No.277: Page 168 – Recoverables – Rs.240,000**

**3-4-2002:** The Department explained that the entire recoverable amount had been recovered/adjusted from the

contractor.

Audit had verified the position during the meeting. **The para was settled.**

**53. Para No.278: Page 168 – Recoverables – Rs.52,500**

**15-5-2002:** In its latest comments, Audit had verified total recovery of Rs.52,500. **The para was settled.**

**54. Para No.279: Page 169 – Recoverables – Rs.60,000**

Audit had observed: “A division failed to recover professional tax from 1993-94 to 1995-96. Non-compliance of financial rules resulted in non-recovery of Rs.60,000 of Government dues.”

**19-8-2002:** The Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Departments to have deducted the same at source. **The para was settled.**

**55. Para No.280: Page 169 – Recoverables – Rs.60,000**

**11-4-2002:** The Department explained that actual recoverable amount on account of professional tax was Rs.4,500. An amount of Rs.3,000 had been recovered. **The Committee noted and settled the para.**

**56. Para No.281: Page 169 – Recoverables – Rs.50,000**

**11-4-2002:** The Department explained that actual recoverable amount on account of professional tax was Rs.22,000 and an amount of Rs.21,000 had been recovered. **The Committee noted and settled the para.**

**57. Para No.282: Page 150 – Recoverables – Rs.151,626**

**3-4-2002:** The Department explained that the recoverable amount had been recovered/adjusted.

Audit verified the position in the meeting. **The para was settled.**

**58. Para No.283: Page 170 – Recoverables – Rs.146,293**

**15-5-2002:** In its latest comments, Audit had verified the recovery of full amount of Rs.146,293 on account of increase in rate of income tax from 3% to 5%. **The para was settled.**

**59. Para No.285: Page 171 – Recoverables – Rs.230,780**

**11-4-2002:** Audit stated in the meeting that the recovery of the amount of the para had been verified. **The**



**para was settled.**

**60. Para No.299: Page 177 – Recoverables – Rs.53,300**

**3-4-2002:** The Department explained that recoverable amount had been recovered/adjusted.

Audit verified the position in the meeting. **The para was settled.**

**61. Para No.300: Page 178 – Recoverables – Rs.70,750**

**3-4-2002:** The Department explained that the entire amount (Rs.70,750) had been recovered.

Audit had verified the recovery. **The para was settled.**

**62. Para No.304: Pages 179 & 180 – Recoverables – Rs.97,400**

**14-3-2002:** The Department explained that the actual recoverable amount of Rs.10,100 had been recovered.

Audit had verified the recovery and departmental contention. **The para was settled.**

**63. Para No.306: Page 180 – Recoverables – Rs.56,490,598**

**29-11-2001:** The Department stated that an amount of Rs.252,422,441 on account of recovery of 50% share of expenditure on behalf of MCL for the maintenance of Parks and Gardens had been effected from the Government of Punjab. The explanation of the Department was accepted. **The para was settled.**

**64. Para No.307: Page 181 – Recoverables – Rs.36,434,538**

**29-11-2001:** The Department stated that an amount of Rs.252,422,441 on account of recovery of 50% share of expenditure on behalf of MCL for the maintenance of Parks and Gardens had been effected from the Government of Punjab.

The explanation of the Department was accepted. **The para was settled.**

**65. Para No.308: Page 181 – Recoverables – Rs.36,434,538**

**29-11-2001:** The Department stated that an amount of Rs.252,422,441 on account of recovery of 50% share of expenditure on behalf of MCL for the maintenance of Parks and Gardens had been effected from the Government of Punjab.

The explanation of the Department was accepted. **The para was settled.**

**66. Para No.309: Page 182 – Recoverables – Rs.11,748,645**

**11-4-2002:** Audit pointed out that the amount of this para was included in para 306. **This para was accordingly dropped.**

**67. Para No.313: Page 183 – Recoverables – Rs.8,389,451**

**29-11-2001:** The Department explained that the total amount of the para had been recovered. The Committee settled the para subject to the verification by Audit.

**11-4-2002:** The para was considered in the light of the directive of the Public Accounts Committee dated 29 November 2001. Audit stated in the meeting that the relevant record had since been verified. **The para was settled.**

**68. Para No.326: Page 190 – Recoverables – Rs.66,199**

**11-4-2002:** The Department explained that the road cuts were restored in accordance with the specification from the restoration charges deposited by the agency, which had made the road cuts.

Audit accepted the departmental version in the meeting. **The para was settled.**

## Paras Conditionally Settled

**1. Para No.2: Pages 31-32 – Suspected Frauds, Thefts, Misuse, Misappropriations & Robbery – Rs.218,000**

Audit had observed: “A division tempered/changed rate of premium from 205% to 264% and 282% to 284% above for civil and drain items respectively while evaluating the tenders and allotted the work to the contractor being lowest. Tempering of premium percentage subsequently resulted in a loss of Rs.218,000 to Government in June 1996.”

**19-8-2002:** 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 31 January 2003 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 No.3: Page 32: Suspected frauds, thefts, misuse, misappropriation & robbery – Rs.313,979**

**3-4-2002:** Audit had pointed out that record entries regarding measurement of certain items of work were tampered/erased after 4 years and fictitious payment was made to the contractor. The Department explained that on the basis of a probe, responsibility had been fixed against the XEN, SDO, Sub-Engineer and District Accounts Officer concerned and disciplinary action against them was in process.

The Committee expressed its concern over the delay in taking appropriate action by the Department and directed that disciplinary proceedings/recovery should be completed at the earliest.

The Finance Department was directed to monitor further action in the matter. Subject to this direction, **the para was settled.**

**3. Para No.4: Page 32 – Suspected frauds, thefts, misuse, misappropriation & robbery – Rs.118,005**

**3-4-2002:** Audit had pointed out that payment had been made for laying PVC pipe in trenches but no excavation was done, which smacked of fictitious payment.

The Department explained that according to the findings of the Probing Officer there was no loss to Government. However, the Administrative Department had not agreed with these findings and had decided to proceed against the concerned SDO and Sub-Engineer. Disciplinary action was in process. The Administrative Department was directed to complete disciplinary action/recovery, at the earliest and the Finance Department was directed to monitor further action in the case. Subject to this direction, **the para was settled.**

**4. Para No.5: Page 33 – Suspected frauds, thefts, misuse, misappropriation & robbery – Rs.150,453**

**3-4-2002:** Audit had pointed out that payment for laying of pipe had been made for 24256 Rft while the trenches had been paid for only 19345 Rft, as such measurement of excess length of pipe was fictitious. The Department explained that payment for laying of pipe and excavation for trenches had been made for 25870 Rft. The Department was directed to produce the relevant record to Audit for verification and comments, and further action should be taken accordingly. The Finance Department was directed to monitor further action in the matter. Subject to this direction, **the para was settled.**

**5. Para No.16: Page 38 – Suspected frauds, thefts, misuse, misappropriation & robbery – Rs.2,072,898**

Audit had observed: “According to rule 6.30 of Department Financial Rules, the cost of ground balance of stores must tally with the book balance as shown in the stock account. The stock account of a division for June 1988 indicated book value of Rs.127,102 against Rs.22 lacs the cost of stores as per ground balance. Abnormal difference resulted in misappropriation of stock of Rs.2,072,898.”

**19-8-2002:** 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 31 January

2003 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 No.26: Page 44 – Overpayments – Rs.103,263**

**3-4-2002:** The Department explained that according to the fact finding report, it had been established that the administrative approval and technical sanction were revised and no excess quantity of any item had been executed except in RCC work amounting to Rs.2,934.

The Department was directed to produce the relevant record to Audit including the fact finding report for verification and Finance Department was directed to monitor further action in the case. Subject to this direction, **the para was settled.**

**7. Para No.27: Page 44 – Overpayments – Rs.65,948**

**3-4-2002:** The Department explained that according to the findings of the Probing Officer the payment of earth work over and above the provision in the technically sanctioned estimate had been regularized by the Superintending Engineer by according revised technical sanction. However, the field Engineers had continued the work without seeking revised technical sanction from the competent authority.

The Department stated that on the basis of the findings of the Probing Officer, disciplinary action was in process against two Executive Engineers, three SDOs and five Sub-Engineers. The Department was directed to produce the relevant record to Audit and complete the disciplinary action at the earliest. Finance Department was directed to monitor further action in the matter. Subject to this direction, **the para was settled.**

**8. Para No.33: Page 47: Overpayments – Rs.61,739**

**14-5-2002:** The Department explained that 47 No.extra manhole covers under objection in this para were arranged in two sewerage scheme to be kept at the site for immediate replacement to avoid any mishap. The approval for the same was accorded by the SE and expenditure was within the permissible limit of the estimate. The Committee observed that a policy should be evolved for provisions of spare manhole covers in the technical sanction of the sewerage schemes. **The Committee settled the para subject to verification of record by Audit.**

**9. Para No.35: Page 48 – Overpayments – Rs.111,188**

Audit had observed: “A divisions measured and paid a quantity of 20022 rft instead of the admissible quantity of 17495 rft for item of P.V.C pipe 3” dia provided in revised technically sanctioned estimate. Execution of quantity in excess of provision of revised estimate resulted in an excess payment of Rs.111,188 in May 1997.”

**19-8-2002:** 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 31 January 2003 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 No.36: Page 49 – Overpayments – Rs.734,767**

Audit had observed: “A division measured and paid various items of work more than those provided in bid schedule. Payment of excessive quantities of different items of work resulted in an excess payment of Rs.734,767 (Rs.567,317 + Rs.167,450).”

**19-8-2002:** 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 31 January 2003 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 No.37: Page 49 – Overpayments – Rs.53,929**

Audit had observed: “A division measured and paid the item of dry brick pavement/ soling for a quantity of 27324 cft instead of the actually executed quantity of 23005 cft worked out in overall measurements. Payment of excessive quantities of brick work resulted in an overpayment of Rs 53,929 to the contractor in August 1990.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**12. Para No.38: Page 50 – Overpayments – Rs.160,663**

Audit had observed: “A division measured and paid a number of items in excess of the quantities provided in the technically sanctioned estimate. Payment of excessive quantities resulted in an excess payment of Rs.160,663 in April 1982. The matter was discussed in the DAC held in October 1996. The Department agreed to regularize the matter through the revised administrative approval and technical sanction. The Department replied in October 1998 but failed to comply with the decision of the committee.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the

Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

### **13. Para No.39: Page 50 – Overpayments – Rs.295,818**

Audit had observed: “A division measured and paid quantity of 529680 cft instead of the admissible quantity of 307221 cft for roads/streets in violation of the provision in the sanctioned estimate/B.O.Q and cross sectional requirements. The higher rate was also allowed and agreement was unauthorizedly enhanced. Excessive measurements resulted in an excess payment of Rs.295,818 to the contractor in June 1993.”

**19-8-2002:** 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 31 January 2003 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 No.40: Page 51 – Overpayments – Rs.52,211**

Audit had observed: “A division measured and paid certain items of work more than those provided in the revised technically sanctioned estimate without mentioning location in measurement book. Execution of additional items of work resulted in an excess payment of Rs 52,211 to the contractor in June 1995.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

### **15. Para No.41: Page 51 – Overpayments – Rs.593,528**

Audit had observed: “A division measured and paid excessive quantities of embankment, sub-base and base course than those provided in the revised technically sanctioned estimates. Execution of excessive quantities of items of work resulted in an excess payment of Rs 593,528 to the contractor in September 1997.”

**19-8-2002:** 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 31 January 2003 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 No.42: Page 52 – Overpayments – Rs.465,217**



Audit had observed: “A division measures and paid various items of work more than those provided in the technically sanctioned estimates. Payment of excessive quantities of different items of works resulted in an excess payment of Rs.465,217 to the contractors from September 1996 to June 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**17. Para No.43: Page 52 – Overpayments – Rs.424,053**

Audit had observed: “A division measured and paid excessive quantities of sub-base, base-course, road edging and triple surface treatment of a road work more than those provided in the revised sanctioned estimates. Execution of excessive quantities resulted in an excess payment of Rs 424,053 to the contractor in September 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**18. Para No.44: Page 53 – Overpayments – Rs.510,000**

Audit had observed: “A division measured and paid the items of work more than those provided in technically sanctioned estimate. Execution of excessive item of work resulted in an extra payment of Rs.510,000 to the contractor in October 1992.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**19. Para No.45: Page 53 – Overpayments – Rs.72,284**

Audit had observed: “A division measured and paid a quantity of 675843 cft for earth work excavation

instead of the admissible quantity of 608312 cft provided in the contract. Excessive measurement of quantities resulted in an excess payment of Rs.72,284 to the contractor in October 1993.”

**19-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

## **20. Para No.48: Page 55 – Overpayments – Rs.65.010**

**15-5-2002:** The Department explained that as against the quantity of 20000 gladiolus bulbs provided in the technical sanction, 20,500 were actually procured as per site requirements. The enhancement of item of Rs.4,625 was within the competency of the authority and the excess quantities had been incorporated in the revised technically sanctioned estimate. The Committee **settled the para subject to** regularization of expenditure by the Competent Authority.

## **21. Para No.50: Page 56 – Overpayments – Rs.293,172**

**11-4-2002:** The Department explained that the area of 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> floor was increased during the execution of work which was approved in the revised technical sanction.

Audit pointed out that the technical sanction had been revised on the basis of the work done.

The Committee directed the Department to get the expenditure regularized by Finance Department. The Committee **settled the para subject to** regularization of ex-post facto approval by the Finance Department.

## **22. Para No.52: Page 57 – Overpayment of – Rs.77,000**

**14-3-2002:** The Department explained that the estimate had been revised and technically sanctioned by the Competent Authority. Thus the increased quantity of sluice valves chambers stood regularized and no excess payment was involved. The Committee **settled the para subject to** clearance by the P&D Department.

## **23. Para No.53: Page 57 – Overpayments – Rs.116,759**

**3-4-2002:** Audit pointed out that the Department measured and paid 1,800 Rft AC pipe 10” dia instead of admissible quantity of 800 Rft provided in the technically sanctioned estimate.

The Department explained that since good quality water bearing strata was not encountered at the first place of drilling for tubewell, a second well was drilled near the canal where sufficient water bearing strata of

good quality was available. The deviation of quantity from 800 Rft to 1,800 Rft had been allowed by the competent authority. The Department was directed to produce the relevant record to Audit for verification. **The para was settled** subject to verification by Audit.

**24. Para No.56: Page 59 – Overpayments – Rs.201,118**

**14-5-2002:** The Department explained that the work was executed as per site requirements. The revised estimate had been technically sanctioned by the Competent Authority. No overpayment/excess measurement was involved. The Committee **settled the para** subject to verification of record by Audit.

**25. Para No.57: Page 59 – Overpayments – Rs.129,307**

Audit had observed: “A division measured and paid excessive width & depth for earth filling under brick pavement than that specified/provided in the original/revised estimate. Excessive measurements resulted in an excess payment of Rs.129,307 in October 1994.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**26. Para No.58: Page 60 – Overpayments – Rs.214,209**

Audit had observed: “A division measured and paid length and height of embankment in excess of provision in the technically sanctioned estimate. Payment of excessive length and height of embankment resulted in an over payment of Rs.214,209 to the contractor in September 1997.”

**19-8-2002:** 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 31 January 2003 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.

**27. Para No.59: Page 60 – Overpayments – Rs.152,902 million)**

**15-5-2002:** The Department explained that the variation in the length of road was made due to change in original plan of the Scheme duly approved by the Competent Authority. **The para was settled subject to verification of record by Audit.**

**28. Para No.63: Page 62 – Overpayments – Rs.113,831**

Audit had observed: “A division measured and paid three items without any provision in the estimate sanctioned technically by the competent authority in November 1977. Irregular payment resulted in unjustified expenditure of Rs.113,831 in September 1980.”

**19-8-2002:** 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 31 January 2003 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.

**29. Para No.64: Pages 62-63 – Overpayments – Rs.106,545**

Audit had observed: “A division measured and paid the items of work which were not provided in the technically sanctioned estimates. Execution of work without provision in technically sanctioned estimate resulted in an excess payment of Rs.106,545 to the contractor in June 1995.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**30. Para No.65: Page 63 – Overpayments – Rs.87,905**

Audit had observed: “A division irregularly executed and paid the items of work which were not provided in administrative approval and technically sanctioned estimate. Payment of items of work without provision resulted in an excess payment of Rs.87,905 to the contractor in March 1995.”

**19-8-2002:** 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 31 January

2003 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.

**31. Para No.68: Page 68 – Overpayments – Rs.304,410**

**3-4-2002:** Audit had pointed out that payment for the drain had been made on those places/sites which were not provided in the technically sanctioned estimate.

The Department explained that the Probing Officer in this case had found that the streets/lines as pointed out by Audit had been incorporated in the revised technical sanction of the scheme.

The Department was directed to provide a copy of the Probing Officer's report to Audit for verification and comments. **The para was settled** subject to Audit verification.

**32. Para No.73: Pages 67 – Overpayments – Rs.50,000**

**11-4-2002:** The Department explained that 66.62 Rft 30" i/d and 225 Rft 12" i/d RCC Sewer lines were laid in excess of BoQ as per site requirements and accordingly the quantity of Brick Ballast increased. The excess quantity amounting to Rs.50,000 had been approved by the competent authority through variation orders.

Audit pointed out that variation statement was sanctioned on the basis of work done.

The Committee directed that the expenditure should be got regularized by the finance department. The Committee decided to settle the para subject to regularization by the finance department.

**33. Para No.74: Page 68 – Overpayment – Rs.294,381**

**14-3-2002:** Audit pointed out that utilization of post of social organizer in the shape of information specialist was not allowed in PC-I

The Department admitted that the audit objection was technically correct but there was no loss to the government.

The Department was directed to obtain the approval of Planning & Development Department in the matter. **The para was settled** subject to approval of Planning & Development Department.

**34. Para No.75: Page 68 – Overpayments – Rs.777,000**

**29-11-2001:** The Department stated that provision of Rs.1,483,980 existed in the revised Technically Sanctioned estimate for work charge and maintenance cost of ADS Ahmedpur East. Against the above provision an amount of Rs.1,527,000 was paid to the civic body based on a mutually agreed estimate. The Department added that there was an excess of Rs.44,000 only which was well within 4.5% permissible limit of the TS.

The Department further explained that Administrative Approval of the scheme was granted by Planning & Development Department and funds were released by the Finance Department.

The Department was directed to produce all the relevant record in support of its contention. **The para was settled** subject to verification by Audit.

### **35. Para No.77: Page 69 – Overpayments – Rs.84,055**

Audit had observed: “A division made payment for a quantity of 779593 cft on account of earth work with lead of four miles instead of the admissible lead of 2 miles as provided in the agreement. Payment of excessive lead resulted in an excess payment of Rs.84,055 in March 1983.”

**19-8-2002:** 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 31 January 2003 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 No.78: Page 70 – Overpayments – Rs.71,963**

Audit had observed: “A division measured and paid lead of 153 miles instead of the admissible lead of 127 miles for carriage of stone from Chiniot quarry to site of work. Irregular payment of excessive lead resulted in an overpayment of Rs.71,963 in March 1983.”

**19-8-2002:** 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 31 January 2003 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 No.79: Page 70 – Overpayments – Rs.360,143**

Audit had observed: “A division paid non-schedule item of jointing/testing etc. A.C. pipe “C” class 6” i/d” at Rs.198 per rft instead of “B” class as non-scheduled item at Rs.93.52 per rft in contravention to the provision of administrative approval. Execution of two different specification of pipe in the same scheme was un-justified as “B” class A.C pipe was used in group-II. Execution of two different specification of pipe in same scheme resulted in un-justified payment of Rs.360,143 during 1997.”



**19-8-2002:** 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 31 January 2003 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 No.82: Page 72 – Overpayments – Rs.118,638**

Audit had observed: “A division made payment at higher non-schedule rate of Rs.13.50 per cft for the item of work “providing/laying dry crush stone  $\frac{3}{4}$ ” size” under and around the sewer pipe instead of the admissible rate of Rs.5.75 per cft provided vide item No.3(ii) page-147 of Composite Schedule of Rates, 1979. Irregular payment of higher rate resulted in an excess payment of Rs.118,638 in March 1993.”

**19-8-2002:** 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 31 January 2003 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 No.84: Page 73 – Overpayments – Rs.56,689**

Audit had observed: “A division paid incorrect rate of Rs.21.05 per cft instead of the admissible rate of Rs.15.70 per cft for reinforced cement concrete work where no horizontal shuttering involved. Payment of higher rate resulted in an over payment of Rs.56,689 in August 1989.”

**19-8-2002:** 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 31 January 2003 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 No.85: Page 74 – Overpayments – Rs.55,846**

Audit had observed: “A division made payment @ Rs.400 each for reinforced cement concrete manholes covers instead of the admissible rate of Rs.239.80 provided in the technically sanctioned estimate and DNIT. Payment of higher rate resulted in an excess payment of Rs.55,846 in September 1983. The case was discussed in DAC meeting held in October 1996, it was decided that the matter needed to be got regularized through revised sanctioned estimate. The Department again replied in October 1998 but failed to show any progress towards compliance of decision of the DAC.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**41. Para No.86: Pages 74-75 – Overpayments – Rs.66,421**

Audit had observed: “A division made payment for the item of “Cleaning of pipes after excavation of reinforced cement concrete pipes from trenches” @ Rs.9.54 per rft instead of the admissible rate of Rs.3.35 per rft. Payment of higher rate resulted in a loss of Rs.66,421 to Government in April 1985.”

**19-8-2002:** 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 31 January 2003 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 No.87: Page 75 – Overpayments – Rs.360,686**

**29-11-2001:** Audit had pointed out that the amount quoted by the contractor in the tender for an item was different in figures than those given in words and the Department had accepted the rate given in words which were higher than that in figures. The Department explained that as per tender document in case of variation in words and figures the amount given in words was to be taken into consideration. During discussion it transpired that in comparative statement the amount given in figures had been mentioned and the amount given in words have been ignored.

The Committee directed that disciplinary action should be initiated against the officer who was responsible for preparing comparative statement on the basis of figures instead of words. The amount pointed out by Audit should be recovered from him. The para was kept pending.

**15-5-2002:** The para was considered in the light of the directive of the PAC.

The Department explained that as per direction of the Committee, a probe into the matter was held to fix the responsibility. The inquiry report had been submitted and was being considered by Director General, Lahore Development Authority.

The Committee directed that the Department should complete the action against those responsible at the earliest and the Finance Department should monitor the case. Subject to this direction, **the para was settled.**

**43. Para No.90: Page 77 – Overpayments – Rs.149,531**

**13-5-2002:** Audit had pointed out that in the item of “Pacca brick work laid in reimbursement” the cement sand ratio of 1:3 was executed against the prescribed ratio of 1:5.

The Department explained that cement sand ratio of 1:3 in the said work was essential for water bearing structure and the same ratio had been provided in the technically sanctioned estimate, in some of the cases.

The Committee observed that if the Department was convinced that the cement sand ratio of 1:3 was essential for the said item, the same should be got approved by the Competent Authority for implementation in future. The Committee, however, directed that in the previous case disciplinary action should be taken against the officers/officials responsible for excess payment. Moreover, the excess payment should be got regularized by the Competent Authority. Subject to this observation and direction, **the para was settled.**

**44. Para No.91: Page 77 – Overpayments – Rs.638,128**

**13-5-2002:** Audit had pointed out that in the item of “Pacca brick work laid in reimbursement” the cement sand ratio of 1:3 was executed against the prescribed ratio of 1:5.

The Department explained that cement sand ratio of 1:3 in the said work was essential for water bearing structure and the same ratio had been provided in the technically sanctioned estimate, in some of the cases.

The Committee observed that if the Department was convinced that the cement sand ratio of 1:3 was essential for the said item, the same should be got approved by the Competent Authority for implementation in future. The Committee, however, directed that in the previous case disciplinary action should be taken against the officers/officials responsible for excess payment. Moreover, the excess payment should be got regularized by the Competent Authority. Subject to the observation and direction, **the para was settled.**

**45. Para No.92: Page 78 – Overpayments – 364,470**

**13-5-2002:** Audit had pointed out that in the item of “Pacca brick work laid in reimbursement” the cement sand ratio of 1:3 was executed against the prescribed ratio of 1:5.

The Department explained that cement sand ratio of 1:3 in the said work was essential for water bearing structure and the same ratio had been provided in the technically sanctioned estimate, in some of the cases.

The Committee observed that if the Department was convinced that the cement sand ratio of 1:3 was essential for the said item, the same should be got approved by the Competent Authority for implementation in future. The Committee, however, directed that in the previous cases disciplinary action should be taken against the officers/officials responsible for excess payment. Moreover, the excess payment should be got regularized by the Competent Authority. Subject to the observation and direction, **the para was settled.**

**46. Para No.93: Page 78 – Overpayment – Rs.333,348**

Audit had observed: “A division made payment for an item “Pacca brick work laid in reimbursement on sides of drain” in cement sand ratio of 1:3 @ Rs.362.15 % sft instead of admissible ratio of 1:5 @ Rs.327.60% sft against the PHE Specification No.17.1.9. Incorrect application of specification and rate resulted in an overpayment of Rs.333,348 to the contractors during 1995-96 & 1996-97.”

**19-8-2002:** 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 31 January 2003 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 No.94: Page 94 – Overpayments – Rs.385,656**

Audit had observed: “A division measured and paid P.V.C pipe 6” i/d instead of the admissible dia of 3” to 4” required to be laid for distribution system as per approved design. Payment in violation of approved design/ drawing resulted in an excess payment of Rs.385,656 to the contractor during 1997.”

**19-8-2002:** 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 31 January 2003 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 No.95: Page 79 – Overpayments – Rs.343,484**

Audit had observed: “A division measured and paid the item of work “Pacca brick work 1:3 ratio in foundation and plinth etc” instead of the admissible ratio of 1:5 and extra brick work in addition to the base concrete for reimbursement against the PHE Specification No.17.1.9. Execution of incorrect item of work resulted in an excess payment of Rs.343,484 to the contractor in June 1997.”

**19-8-2002:** 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 31 January 2003 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 No.96: Page 80 – Overpayments – Rs.64,868**

Audit had observed: “A division measured and paid excessive quantities of earth work due to non-deduction of 10% shrinkage from bank measurements as required under the instructions of Composite Schedule Rates, 1979. Excessive measurements resulted in an excess payment of Rs.64,868 in June 1995.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of PAC.

**50. Para No.97: Page 80 – Overpayments – Rs.73,148**

Audit had observed: “A division while executing the item of work brick soling in streets/roads failed to deduct 1/24’ minimum longitudinal cross slope from earth filling as required under specifications. Violation of specifications resulted in overpayment of Rs.73,148 to the contractors in January and March 1995. The para was discussed in the DAC meeting held in April 1997 and it was decided to recover the overpayment but no progress towards recovery was intimated.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**51. Para No.98: Page 81 – Overpayments – Rs.54,223**

Audit had observed: “A division did not deduct the surplus earth available from excavation of sewer from the quantity of earth filling in streets paid with one mile lead. Moreover, the item of brick ballast under reinforced cement concrete pipe was paid in excess. Excessive measurements resulted in an excess payment of Rs.54,223 from January 1995 to June 1997.”

**19-8-2002:** 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 31 January 2003 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 No.99: Page 81 – Overpayments – Rs.56,976**

Audit had observed: “A division measured and paid the item of earth work for embankment but failed to make deduction on account of road crust from the quantity of earth work. Non-deduction of road crust resulted in an over payment of Rs.56,976 to the contractor during 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**53. Para No.100: Page 82 – Overpayments – Rs.139,775**

Audit had observed: “A division failed to deduct a quantity of 51053 cft earth received from excavation from the bank measurement. The rate of soft soil with lead of 250’ was also incorrectly worked out. Non-deduction of available earth from the bank measurement resulted in an over payment of Rs.139,775 in June 1993.”

**19-8-2002:** 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 31 January 2003 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 No.101: Page 82 – Overpayments – Rs.55,341**

Audit had observed: “A division failed to make deduction on account of compaction from the item of earth filling in pond. Non-compliance of Government instructions resulted in an over payment of Rs.55,341 in August



1996.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**55. Para No.102: Page 83 – Overpayments – Rs.360,524**

Audit had observed: “A division measured and paid the item of lowering of sub soil water level at higher rates due to incorrect measurements. Incorrect measurements resulted in an over payment of Rs.360,524 to the contractors in June and July 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**56. Para No.104: Page 84 – Overpayments – Rs.369,988**

**13-5-2002:** The Department explained that extra brick work below the reimbursement was fully justified because as and when a sloping drain approaches towards an intercepting drain or the final place of disposal, its depth has accordingly to be increased.

The Committee directed that the para should be considered and decided by the SDAC by 30 September 2002 and decision communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**57. Para No.105: Page 84 – Overpayments – Rs.248,848**

**13-5-2002:** The Department explained that extra brick work below the reimbursement was fully justified because as and when a sloping drain approaches towards an intercepting drain or the final place of disposal, its depth has accordingly to be increased.

The Committee directed that the para should be considered and decided by the SDAC by 30 September 2002 and decision communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**58. Para No.107: Page 85 – Overpayment of – Rs.154,026**

**28-2-2002:** The Department explained that no double payment had been made for the earth work as pointed out by Audit. The Department was directed to produce the relevant record to Audit in support of its contention. **The para was settled** subject to verification by Audit.

**59. Para No.109: Page 86 – Overpayments – Rs.112,782**

**14-5-2002:** The Department explained that the total amount of Rs.112,782 on account of overpayment of dry rammed brick stone ballast under RCC Pipe had been recovered from the contractor and deposited into Government Treasury.

The Committee **settled the para subject to** disciplinary action against those responsible for overpayment and verification of record by Audit. Finance Department would monitor progress on the case.

**60. Para No.110: Page 86 – Overpayments – Rs.141,841**

**11-4-2002:** The Department explained that the item of dry brick ballast was provided on reinforced cement concrete slab of basement, ground floor and Ist floor under mosaic flooring in order to maintain the required level and slope of floor and also to act as sound absorbent. The item in question was covered in the technical sanction accorded by the competent authority.

The Department was directed to produce the relevant record to Audit for verification. The Committee **settled the para** subject to verification of record by Audit.

**61. Para No.113: Page 88 – Overpayments – Rs.81,231**

Audit had observed: “A division allowed premium of 203% instead of the admissible limit of 170% for an item of work which was not provided in the bid schedule. Payment of excessive premium than admissible resulted in an excess payment of Rs.81,231 to the contractor during 1998.”

**19-8-2002:** 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 31 January 2003 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.

**62. Para No.114: Pages 88-89 – Overpayments – Rs.196,748**

Audit had observed: “A division allotted a group of work at higher rate of premium contemplated in administrative approval and technical sanction without revision of the administrative approval/technical sanction estimate and enhanced the amount of agreement un-authorizedly in October 1994. Irregular acceptance of tenders at higher rates of premium resulted in a loss of Rs.196,748 to Government.”

**19-8-2002:** 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 31 January 2003 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 No.115: Page 89 – Overpayments – Rs.85,222**

Audit had observed: “A division made payment at higher premium than that admissible without any sanction of the competent authority. Payment of higher premium resulted in an excess payment of Rs.85,222 during 1980-81. The matter was discussed in the DAC meeting held in October 1996. The Department promised to get the matter regularized by obtaining revised sanction of the estimate. The Department again replied in October 1998 but failed to comply with the decision of the DAC.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and

reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**64. Para No.116: Page 90 – Overpayments – Rs.85,075**

Audit had observed: “A division made payment for premium of 270% and 268% for item of work “lowering sub soil water etc” instead of the admissible premium 213% above Composite Schedule of Rates, 1979 as provided in the contract agreement. Payment of higher rate of premium resulted in an overpayment of Rs.85,075 to the contractor in July 1997.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**65. Para No.117: Page 90 – Overpayments of – Rs.353,881**

**29-11-2001:** The Department explained that this work was part of a huge project and its Administrative Approval had since been revised by ECNEC. The Department stated that the premium of 127% was applicable in case of other Works Departments and Director General LDA was competent to allow special premium.

The Department was directed to produce the relevant record to Audit in support of its contention. **The para was settled,** subject to verification.

**66. Para No.118: Page 91 – Overpayment – Rs.50,724**

Audit had observed: “A division made payment in February 1995 for price variation on P.V.C pipe without any justification as no approved base price was notified by the competent authority. Violation of contractual provisions resulted in an excess payment of Rs.50,724 to the contractor in February 1995.”

**19-8-2002: The Committee settled the para with the direction** that subject to the decision of the court, the recovery shall be effected and disciplinary action taken. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**67. Para No.119: Page 91 – Overpayment – Rs.91,590**

Audit had observed: “A division made payment of price variation for A.C. pipe in contravention of Finance Department’s instructions of April 1992. Payment of price variation in violation of rules resulted in undue financial aid of Rs.91,590 to the contractor in June 1995.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **68. Para No.122: Page 92 – Accounting Errors – Rs.664,225**

**13-5-2002:** The Department explained that all the T and P articles had been taken in the T and P Register. However, certain items had been provided and fixed by the Contractor at site and were not required to be taken on T and P Register. **The Committee settled the para subject to verification of record by Audit.**

#### **69. Para No.123: Page 93 – Accounting Errors – Rs.97,795**

Audit had observed: “A division incurred expenditure for purchase of material consumed on the maintenance of water supply schemes without any provision in the estimate. Non-accountal/consumption of articles resulted in misappropriation of material of Rs.97,795 in January 1994 and June 1995. The case was discussed in the DAC meeting held in June 1997. It was decided that relevant record be produced within two months otherwise recovery be effected from the officials responsible. The Department again replied in September 1998 but failed to show any progress towards decision of the committee.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**70. Para No.126: Page 95 – Accounting Errors – Rs.103,673**

**15-5-2002:** The Department explained that the dismantled material as pointed out by Audit had been auctioned on 1 September 1997 and all the relevant record was available.

The Committee directed that this para should be considered and decided by SDAC by 30 September 2002 and decision of the SDAC should be communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**71. Para No.127: Page 95 – Accounting Errors – Rs.94,559**

**15-5-2002:** The Department explained that the electrical material under observation in this para was purchased for the Linear Park, Lahore and the same had been entered in the consumption of material at site at page 17/19. The relevant record was available.

The Committee directed that this para should be considered and decided by SDAC by 30 September 2002 and decision of the SDAC should be communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**72. Para No.129: Page 96 – Accounting Errors – Rs.125,000**

Audit had observed: “A division transferred certain articles of tools and plants to office contingencies but failed to account for the articles in main register. Non-aountal of tools and plants articles resulted in misappropriation of Rs.125,000 in November 1990.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**73. Para No.136: Page 100 – Accounting Errors – Rs.179,610**

Audit had observed: “A division transported the excavated earth with 12 miles lead instead of auctioning the earth. Non-compliance of financial propriety resulted in a loss of Rs 179,610 to Government in June 1996.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.



**74. Para No.137: Page 101 – Negligence – Rs.290,744**

**15-5-2002:** The Department explained that after a fire incident at a petrol pump the issue of compensation of loss of Rs.290,744 had been taken up with Caltex Oil Co which was responsible for safety arrangements. An amount of Rs.41,150 had been received from Asia Insurance Company on account of claim of loss. Correspondence for recovery of the remaining loss was in progress with Caltex Oil Company.

The Committee advised the Department to take up the matter at a higher level. **The para was settled** with the direction that the Finance Department should monitor the case.

**75. Para No.138: Page 101 – Negligence – Rs.3,108,546**

**29-11-2001:** The Department explained that the use of official vehicle/Motor cycle was allowed to the officers/officials for official duty in the public interest as per their job requirements. However, no policy had been laid down for this purpose at the time of Audit but the same had been formulated now.

The Committee directed that the use of vehicles/motor cycles under observation under Audit Paras may be regularized by the Competent Authority. Subject to this direction, **the para was settled.**

**76. Para No.140: Page 102 – Violation of Rules – Rs.70,936**

**13-5-2002:** Audit had pointed out that the Department accepted the tenders for a work at 11.74% above the technically sanctioned estimate by reducing the scope of work and adopting higher rates of premium than provided in the Administrative Approval while according technical sanction.

The Department explained that according to the findings of the departmental inquiry, the irregularity pointed out by Audit had since been regularized by according revised Administrative Approval by the Commissioner Gujranwala and technical sanction made by the Superintending Engineer. The Department stated that disciplinary action was being initiated against the officers responsible for the irregularity.

The Committee directed that the disciplinary action should be completed within the stipulated period and the Finance Department should monitor and report progress on these proceedings. Subject to these directions, **the para was settled.**

**77. Para No.142: Page 103 – Violation of Rules – Rs.108,848**

**13-5-2002:** Audit had pointed out that the Department accepted the tenders at 31.7% above the estimated cost instead of the permissible limit of 4.5%.

The Department explained that as per findings of the departmental inquiry, the premium in respect of certain items was revised on 4 February 1991. Therefore, the XEN while accepting the lowest tender compared the rates prevailing at that time. Thus there was no loss to the Government. However, the XEN had committed an irregularity for issuing the acceptance letter without obtaining revised Administrative Approval and technical sanction.

The Department explained that case for disciplinary action against the officer was in process and draft charge sheet had been sent to Audit for vetting.

The Committee directed that disciplinary action/recovery if imposed by the Competent Authority should be completed, at the earliest. The Finance Department was directed to monitor further action in the case. Subject to this direction, **the para was settled.**

**78. Para No.143: Page 104 – Accounting Errors – Rs.713,904**

Audit had observed: “A division accepted tenders for various works beyond the permissible limit of 4.5% above the estimated cost in contravention of Delegation of Financial Powers Rules, 1990. Acceptance of tenders beyond the permissible limit resulted in a loss of Rs.713,904 to Government in June 1996.”

**19-8-2002:** 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 31 January 2003 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.

**79. Para No.144: Page 104 – Accounting Error – Rs.332,345**

Audit had observed: “A division accepted tenders for two works at 10.27% and 16.35% above the estimated cost of instead of the admissible limit of 4.5% fixed by Government in Delegation of Financial Powers Rules, 1990. Acceptance of tenders at higher rates resulted in a loss of Rs.332,345 to Government in December 1995 and

May 1996.”

**19-8-2002:** 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 31 January 2003 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.

**80. Para No.145: Page 105 – Accounting Error – Rs.190,444**

Audit had observed: “Delegation of Financial Powers Rules, 1990 authorizes engineering departments to accept tenders at 4.5% above amount of technical sanction. Contrary to above a division accepted tenders at 14.73% above the estimated cost. Irregular acceptance of tenders at higher rates resulted in a loss of Rs.190,444 to Government in August 1997.”

**19-8-2002:** 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 31 January 2003 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.

**81. Para No.148: Page 106 – Violation of Rules – Rs.280,835**

Audit had observed: “A division accepted tenders for a work 41.11% above estimate instead of the permissible limit of 15% fixed by Government in Delegation of Financial Powers Rules, 1962. Acceptance of tenders at higher rates resulted in a loss of Rs.280,835 to Government in May 1988. The irregularity was also discussed in the DAC meetings held in November 1995 and September 1997. It was promised that revised technical sanction estimate would be produced. The Department gave the same reply in October 1998 as reported in the DAC meeting.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**82. Para No.156: Page 111 – Violation of Rules – Rs.1,959,589**

Audit had observed: “In a division, the Executive Engineer splitted a work into three groups and awarded to different contractors for an amount of Rs.1,959,589 in violation of financial rules. The scheme was technically sanctioned by the Superintending Engineer for Rs.366,500. Splitting of a work resulted in irregular award of

work of Rs.1,959,589 in April 1995, February & June 1996. Audit advised to condon the irregularity from the competent authority, initiate disciplinary action against the persons responsible and adopt measures to avoid recurrence.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**83. Para No.165: Page 116: Violation of Rules – Rs.140,799**

**14-5-2002:** Audit had pointed out that the amount of agreement was enhanced from Rs.947,778 to Rs.2,629,363 by increasing the quantity of items having higher rates and as a result of such enhancement the 2<sup>nd</sup> lowest bidder became the first lowest on finalization of the accounts.

The Department explained that an amount of Rs.140,779 equivalent to the difference between the first and second lowest bid had been recovered from the contractor on 22 July 1996. The recovery had been verified by Audit.

The Committee directed that disciplinary action should be taken against the officer responsible for enhancement of the quantities of the items with higher rates. The Finance Department was directed to monitor the disciplinary action. Subject to this, **the para was settled.**

**84. Para No.166: Page 116 – Violation of Rules – Rs.55,055**

Audit had observed: “A division irregularly finalized the agreement of 2<sup>nd</sup> group of a scheme without completing the sanctioned scope of work under sub-head drain and brick pavement. The balance work was got executed by the contractor of group-III of the scheme at higher rates of premium by enhancement of his agreement from Rs.933,000 to Rs.2,225,230. Irregular enhancement of agreement and non-completion of sanctioned scope of work resulted in a loss of Rs.55,055 to Government in June 1996.”

**19-8-2002:** 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 31 January 2003 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.

**85. Para No.167: Page 117: Violation of Rules – Rs.2,835,600**

**14-5-2002:** The para was considered on 14 and 15 May 2002.

Audit had pointed out that against the administrative approval of Rs.3,125,000 the Department had accorded technical sanction of Rs.2,835,600 by reducing the scope of work without approval of the authority who accorded the administrative approval.

The Department explained that the scope of work was reduced by deleting superfluous lines of the water supply scheme provided in the Rough cost estimate. The detailed estimates were based on actual requirements. Moreover, WAPDA charges were also revised as per actual demand notice of WAPDA. Audit however, pointed out that as there was drastic changes in the scope of work revised administrative approval was needed. The Committee **settled the para** subject to obtaining of revised administrative approval.

**86. Para No.168: Page 117 – Violation of Rules – Rs.7,336,300**

**15-5-2002:** Audit had pointed out that while according technical sanction higher rate of premium was adopted but in order to keep the amount within administrative approval the scope of work was reduced.

The Department explained that Audit observation was correct. The officer responsible for according irregular technical sanction had retired from service. Action had been initiated against him under the Pension Rules.

The Committee directed that Finance Department should monitor taking of appropriate action in the matter. Subject to this direction, **the para was settled.**

**87. Para No.169: Page 118 – Violation of Rules – Rs.3,706,000**

**15-5-2002:** Audit had pointed out that while according technical sanction the scope of work was changed. Moreover, enhanced premium was adopted.

The Department explained that Audit observation was correct. The officer responsible for according irregular technical sanction had retired from service. Action had been initiated against him under the Pension Rules.

The Committee directed that Finance Department should monitor taking of appropriate action in the matter. Subject to this direction, **the para was settled.**

**88. Para No.174: Page 121 – Violation of Rules – Rs.4, 196,056**

Audit had observed: “A division incurred expenditure from January 1981 to September 1987 for repair and work charged establishment on the scheme completed in December 1980 and handed over to the local body

concerned without any provision in the original scheme approved by the Government. Irregular payment resulted in a loss of Rs.4,196,056 to Government. The case was discussed in the DAC meeting held in October 1996. It was promised that the matter would be regularized. The Department reiterated its original reply in April 1997 and October 1998.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**89. Para No.175: Page 121 – Violation of Rules – Rs.1,432,664**

**11-4-2002:** The Department explained that an amount of Rs.593,250 had been recovered and verified by Audit. An amount of Rs.859,414 had also been recovered and record relating to it was available for verification. **The Committee settled the para subject to verification of record by Audit.**

**90. Para No.180: Page 124: Violation of Rules – Rs.211,285**

**14-5-2002:** Audit had pointed out that the Department deducted the security deposits from the bill of the contractor in excess of the prescribed percentage. During discussion, it was observed that excess security deposit had been deducted from the contractor’s bill because the payment had been authorized without proper measurement and checking of successful completion of work.

The Committee directed that action should be taken against the concerned XEN, SDO, Sub Engineer and Divisional Accountant. The Finance Department was directed to monitor the disciplinary action. Subject to the direction, **the para was settled.**

**91. Para No.182: Page 125 – Violation of Rules – Rs.208,400**

**15-5-2002:** The Department explained that Audit observation was correct. Certain work not provided in the technical sanction had been executed. Disciplinary action had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000 against the responsible persons for irregularity pointed out by Audit.

The Committee directed that disciplinary action should be completed and irregular expenditure should be got regularized. Finance Department should monitor the case. Subject to this above direction, **the para was**



**settled.**

**92. Para No.184: Page 126 – Violation of Rules – Rs.1,175,196**

**29-11-2001:** The Department explained that the Area Development Scheme Chakwal was approved for Rs.3.500 million. Rs.1,068,000 were paid to Land Acquisition Collector for payment of compensation to the land owners. Apparently an amount of Rs.147,000 was incurred on contingent works. Later on the scheme was dropped by the Government. The sum of Rs.1,068,000 had since been refunded by the Land Acquisition Collector and deposited in Government Treasury.

The Department was directed to produce all the relevant record to Audit in support of its contention. **The para was settled subject to verification by Audit.**

**93. Para No.185: Page 126 – Violation of Rules – Rs.595,038**

Audit had observed: “A division failed to forfeit the security deposit as the contract was rescinded under clause No.60 of the contract by the Director. The security was required to be forfeited. Non forfeiture of security deposit resulted in a loss of Rs.595,038 to Government in June 1997.”

**19-8-2002:** 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 31 January 2003 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.

**94. Para No.192: Page 130 – Violation of Propriety – Rs.7,600,000**

**11-4-2002:** The Department explained that in 1993, a flat rate policy of building period was introduced by the Government of the Punjab in which there was no clause regarding cancellation of plots after expiry of building period and this policy was still in force.

The Committee directed that the record should be shown to Audit for verification and comments. The para was kept pending.

**15-5-2002:** The para was considered in the light of the PAC directive dated 11 April 2002.

The Department explained that in 1993 a flat rate policy of building period was introduced by the Government in which there was no clause regarding cancellation of plots after expiry of building period and this policy was still in force.

The Committee directed that this para should be considered and decided by SDAC by 30 September 2002 and decision of the SDAC should be communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**95. Para No.193: Page 130 – Violation of Propriety – Rs.579,041**

**11-4-2002:** The Department explained that the reserve price was fixed keeping in view the average of highest and lowest rates prevailing within the period of 3 to 4 months. The comparison made by Audit was not justified.

The Department was directed to produce the relevant record to Audit through a person well conversant with the case. The para was kept pending.

**15-5-2002:** The para was considered in the light of the PAC directive dated 11 April 2002.

The Department explained that the reserve price was fixed keeping in view the average of highest and lowest rates prevailing within the period of 3 to 4 months. The comparison made by Audit was not justified.

The Committee directed that this para should be considered and decided by SDAC by 30 September 2002 and decision of the SDAC should be communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**96. Para No.198: Page 133 – Recoverables – Rs.1,691,248**

Audit had observed: “A division failed to recover water charges from the consumers. Non-realization of water charges resulted in non-recovery of Rs.1,691,248 up to November 1997.”

**19-8-2002:** 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 January 2003. 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.

**97. Para No.210: Page 138 – Recoverables – Rs.235,915**

**14-3-2002:** The Department explained that the amount of Rs.45,915 had been recovered from the defaulters/consumers and the record was ready for verification. The Committee **settled the para** subject to recovery of the balance and verification by Audit.

**98. Para No.211: Page 138 and 139 – Recoverables – Rs.188,282**

**14-3-2002:** The Department explained that the amount of Rs.40,000 had been recovered from the defaulters/consumers and the record was ready for verification. The Committee **settled the para** subject to recovery of the balance and verification by Audit.

**99. Para No.212: Page 139 – Recoverables – Rs.127,550**

**14-3-2002:** The Department explained that the amount of Rs.70,550 had been recovered from the defaulters/consumers and the record was ready for verification. The Committee **settled the para** subject to recovery of the balance and verification by Audit.

**100. Para No.213: Page 139 – Recoverables – Rs.4,555,270**

**26-11-2001:** The Department explained that an amount of Rs.1,228,696 on account of water and sewerage charges had been recovered from the defaulter consumers and efforts were being made to recover the balance amount. The Committee directed that the Department should pursue the recovery and Finance Department should monitor. With the above direction, the para was settled.

**14-3-2002:** The Department explained that the amount of Rs.1,195,689 had been recovered from the defaulters/consumers and the record was ready for verification. The Committee **settled the para** subject to recovery of the balance and verification by Audit.

**101. Para No.214: Page 140 – Recoverables – Rs.–97,013**

Audit had observed: “A division failed to recover hire charges of road roller from March to October 1983. Non-compliance of financial rules resulted in non-recovery of Rs.97,013 of Government dues.”

**19-8-2002:** 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 January 2003. 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.

**102. Para No.215: Page 140 – Recoverables – Rs.9,020,504**

**29-11-2001:** The Department stated that all the recoveries against the hire charges of machinery had been made in accordance with the entries in the log book. The para was settled subject to verification by Audit.

**15-5-2002:** The para was considered in the light of PAC directive dated 29 November 2001.

The Department explained that the entire recovery on account of hire charges of Premix Plant and other road making machinery had been effected from the contractors. The relevant record had been produced to Audit which had partially been verified and the remaining record would be verified shortly. The Committee **settled the para** subject to verification of record by Audit.

**103. Para No.216: Page 140 – Recoverables – Rs.322,938**

**15-5-2002:** The Department explained that the total amount of Rs.322,938 on account of hire charges of Asphalt Premixing Plants had been recovered and the record was available.

The Committee directed that this para should be considered and decided by SDAC by 30 September 2002 and decision of the SDAC should be communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**104. Para No.225: Page 144 – Recoverables – Rs.704,829**

Audit had observed: “A division allotted the balance work of a defaulting contractor at risk and cost of the original contractor but failed to make recovery of risk and cost charges. Non-compliance of agreemental provisions resulted in non-recovery of Government dues of Rs.704,829 in April 1996.”

**19-8-2002:** The Committee **settled the para** with the direction that subject to the decision of the court, the recovery shall be effected and disciplinary action taken. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**105. Para No.226: Page 145 – Recoverables – Rs.7,625,885**

**11-4-2002:** The Department explained that the final bill of the contractor had been prepared and the payment/adjustment of Rs.7,625,885 had also been made. The record was available for verification. The Committee **settled the para** subject to verification of record by Audit.

**106. Para No.229: Page 146 – Recoverables – Rs.60,137**

Audit had observed: “A division of failed to recover 12% departmental charges from the client department. Violation of financial rules resulted in non-recovery of Rs.60,137 of Government dues in January 1996.”

**19-8-2002:** 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 January 2003. 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.

**107. Para No.234: Page 148 – Recoverables – Rs.378,683**

**14-3-2002:** The para was considered on 14 & 15 May 2002.

The Department explained that secured advance was paid to the contractor against supply of pumping machinery in respect of two water supply schemes. The schemes became unfunded and the machinery could not be installed. Now the schemes had been funded during the year 2001-2002, the machinery would be installed and secured advance recovered/adjusted before 30 June 2002. **The para was settled** subject to verification by Audit.

**108. Para No.235: Page 149: Recoverables – Rs.3,851,833**

**14-3-2002:** The Department explained that total recovery/adjustment on secured advance relating to the two schemes under observation in this para had since been made.

In its latest comments, Audit pointed out that recovery of Rs.3,457,333 had been verified and the recovery of the remaining amount was yet to be verified. The Committee **settled the para** subject to verification of record by Audit.

**109. Para No.236: Page 148 – Recoverables – Rs.108,900**

**14-3-2002:** The para was considered on 14 & 15 May 2002.

The Department explained that the machinery had been installed and the secured advance had also been recovered. After completion, the scheme had been handed over to the users for operation and maintenance. The Committee **settled the para** subject to verification of record by Audit.

**110. Para No.240: Page 151 – Recoverables – Rs.1,201,617**

**15-5-2002:** The Department explained that the entire recovery on account of secured advance from the contractor had been effected. **The Committee settled the para subject to verification of record by Audit.**

**111. Para No.241: Page 152 – Recoverables – Rs.2,474,302**

Audit had observed: “A division failed to recover the secured advance granted to the various contractors outstanding since long. Non-adjustment of secured advance resulted in non-recovery of Rs.2,474,302 of Government dues.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**112. Para No.243: Page 153 – Recoverables – Rs.1,454,994**

Audit had observed: “A division failed to recover secured advance paid to the contractors from 1993-94 to 1994-95. Non-utilization of material brought at site for a considerable period tantamount to misappropriation of material for Rs.1,454,994. The matter was discussed in DAC meetings held in February and September 1997. It was decided to take disciplinary action against the Executive Engineer and Sub-Divisional Officer by the administrative Department. The Department replied in September 1998 that recovery of Rs.495,925 had been effected/adjusted no record was produced for verification but no progress regarding adjustment/recovery of balance amount and disciplinary action was intimated as the case of disciplinary action was submitted to the Superintending Engineer in June 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The decision of the DAC, as reported in the para, shall be implemented, recovery effected and reported to the Audit for verification. The action taken shall be reported to the Assembly Secretariat and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**113. Para No.244: Page 153 – Recoverables – Rs.83,672**

Audit had observed: “A division granted secured advance to a contractor in March 1992 against the supply of material but failed to recover the outstanding Government dues. Non-compliance of financial rules resulted in non-recovery of Rs.83,672 in December 1992.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**



The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**114. Para No.246: Page 154 – Recoverables – Rs.202,623**

Audit had observed: “A division made payment of Rs.287,535 on account of secured advance for supply of stone metal for base course. An amount of Rs.84,912 was adjusted leaving balance of Rs.202,623 in June 1992. The contractor failed to execute any work subsequently. Non-observance of contractual provisions resulted in non-recovery of Rs.202,623 of Government dues.”

**19-8-2002:** 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 31 January 2003 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.

**115. Para No.249: Pages 155-156 – Recoverables – Rs.5,195,667**

**14-3-2002:** The Department explained that the recovery of the entire recoverable amount had been effected and record was ready for verification. The Committee **settled the para** subject to verification of record by Audit.

**116. Para No.250: Page 156 – Recoverables – Rs.1,274,729**

**14-3-2002:** The Department explained that the entire recoverable amount of Rs.1,274,729 had been recovered and record was ready for verification. The Committee **settled the para** subject to verification of record by Audit.

**117. Para No.251: Pages 156 and 157 – Recoverables – Rs.971,143**

**14-3-2002:** The Department explained that the recovery of the entire recoverable amount of Rs.971,143 had been effected and the record was ready for verification. The Committee **settled the para** subject to verification of record by Audit.

**118. Para No.253: Page 157 – Recoverables – Rs.178,624**

Audit had observed: “In a division, a sub-divisional officer incurred an expenditure of Rs.178,624 on the maintenance of schemes which had already been handed over to the owing department in November 1996. The said amount was placed in “Misc.P.W.Advances” against the sub-divisional officer as recoverable. Incurring expenditure on maintenance of the schemes already handed over the client departments resulted in

non-recovery of Rs.178,624 in May 1997.”

**19-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

### **119. Para No.254: Page 158 – Recoverables – Rs.12,928,718**

**15-5-2002:** The Department explained that TEPA, LDA had made payments to different agencies such as WASA, PTCL, Irrigation & Power Department, WAPDA and SNGPL against their demand notices in connection with relocation of their utilities falling in the alignment of Ferozepur Road Underpass. Only WASA had submitted the vouched accounts and other agencies were being persuaded to produce the vouched accounts. The Committee directed that Finance Department should monitor taking of appropriate action in the matter. Subject to this direction, **the para was settled.**

### **120. Para No.255: Page 158 – Recoverables of – Rs.1,748,119**

**15-5-2002:** The Department explained that out of total amount of Rs.1,748,119 given to certain officers for execution of certain official work, an amount of Rs.1,649,256 had been adjusted and efforts were being made for the adjustment of balance amount of Rs.98,863.

The Committee directed that this para should be considered and decided by SDAC by 30 September 2002 and decision of the SDAC should be communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

### **121. Para No.257: Page 159 – Recoverables – Rs.3,625,610**

**14-3-2002:** The Department explained that the total amount had since been recovered and adjusted. The Committee **settled the para** subject to verification of record by Audit.

### **122. Para No.258: Page 160 – Recoverables – Rs.3,056,910**

**28-2-2002:** The Department explained that adjustment of Rs.2,985,310 had been made and efforts were being made for adjustment of the balance amount of Rs.71,600. The Committee observed that giving advance to employees for various purchases was against the rules and directed that outstanding amount should be adjusted expeditiously and disciplinary action should be taken against the defaulters for not getting the advance adjusted within a reasonable time. The para was kept pending.

**14-3-2002:** The Department explained that out of the advances of Rs.3,056,910, adjustment of Rs.2,985,310 had been made and efforts were being made for the adjustment of the remaining advances. The Committee **settled the para** subject to remaining adjustments and verification by Audit.

**123. Para No.259: Page 160 – Recoverables – Rs.99,735**

Audit had observed: “A division failed to recover the interest on mobilization advance with effect from 13<sup>th</sup> April, 1995 to 8<sup>th</sup> January, 1998 from a contractor as required under the rules. Non-realization of interest on mobilization advance resulted in non-recovery of Rs.99,735 in January 1998.”

**19-8-2002:** 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 January 2003. 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.

**124. Para No.260: Page 161 – Recoverables – Rs.2,989,600**

**14-3-2002:** The Department explained that entire recoverable amount of Rs.2,989,600 along with interest had been recovered. The record was available for verification. The Committee **settled the para** subject to verification of record by Audit.

**125. Para No.262: Page 161 – Recoverables – Rs.202,583**

**11-4-2002:** The Department explained that the amount under observation in this para had since been recovered.

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

**15-5-2002:** The para was considered in the light of the PAC directive dated 11 April 2002.

The Department explained that the amount under observation in this para had been recovered. Audit however, pointed out that the department had failed to produce the complete record.

The Committee directed that this para should be considered and decided by SDAC by 30 September 2002 and decision of the SDAC should be communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**126. Para No.263: Page 162 – Recoverables – Rs.72,340,219**

**29-11-2001:** The Department stated that the claimed amount of arrears related to various types of fees

and penalties. Notices had been issued by LDA to the persons concerned. The Department clarified that the amount of notices served on the citizens did not always become receivables of the LDA and should not be treated as arrears. However, an amount of Rs.58,223,130 had already been recovered.

The Committee directed that the amount recovered be got verified by Audit. The para was settled subject to verification by Audit.

**11-4-2002:** The para was considered in the light of the PAC directive dated 29 November 2001.

The Committee re-iterated its previous decision for verification of recovery and record by Audit. The para was kept pending.

**15-5-2002:** The para was considered in the light of PAC directive date 11 April 2002.

The Department explained that the arrears relating to various types of fees and penalties had been recovered. The Committee **settled the para** subject to verification by Audit.

**127. Para No.265: Page 163 – Recoverables – Rs.4,616,206**

**14-3-2002:** The Department explained that amounts of Rs.543,657, Rs.755,500, and Rs.744,500 had been recovered. The amounts of Rs.60,000 and Rs.73,935 were not recoverable. Efforts were being made to recover the balance amount of Rs.2,538,634. **The para was settled** subject to balance recovery and its verification by Audit.

**128. Para No.266: Page 163 – Recoverables – Rs.1,273,282**

**14-3-2002:** The Department explained that major portion of the amount had been recovered leaving a balance of Rs.649,876. **The para was settled** subject to balance recovery and its verification by Audit.

**129. Para No.267: Page 163 – Recoverables – Rs.899,843**

**14-3-2002:** The Department explained that most of the recovery had been effected and verified by Audit.

Efforts were being made to recover the balance amount of Rs.195,611. **The para was settled** subject to balance recovery and its verification by Audit.

**130. Para No.270: Page 165 – Recoverables – Rs.330,125**

**28-2-2002:** In its latest comments, Audit had verified the recovery of Rs.243,000 leaving outstanding balance of Rs.87,125. The PAC directed that the balance should be recovered

expeditiously.

**The para was settled** subject to balance recovery and its verification by Audit. The Finance Department should monitor progress of recovery.

**131. Para No.271: Page 165 – Recoverables – Rs.503,396**

Audit had observed: “A division issued 88 metric ton bitumen to a contractor from June 1995 to June 1996 for consumption on roads/streets in an area development scheme. Violation of agreemental provisions resulted in non-recovery of Rs.503,396 of Government dues.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**132. Para No.276: Page 167 – Recoverables – Rs.3,021,602**

**11-4-2002:** The Department explained that an amount of Rs.3,021,248 had been recovered and verified by Audit with the exception of Rs.354. **The para was settled** subject to balance recovery and its verification by Audit.

**133. Para No.284: Page 171 – Recoverables – Rs.57,529**

Audit had observed: “A formation failed to deduct income tax @ 5% as fixed by the Government in July 1995. Non-compliance of Government instructions resulted in a loss of Rs 57,529.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**134. Para No.286: Page 172 – Recoverables – Rs.1,454,881**

**11-4-2002:** The Department explained that Income Tax @5% was deducted from the running payments made to M/s Mott Mac Donald International Limited. However, the Deputy Commissioner of Income Tax of Circle-II Company Zone-I vide his letter dated 23 April 1996

assessed the payment as the commercial profit and not as fee for technical services, which was subject to deduction of Income Tax @ 6%. Recovery of Income Tax @ 6% had since been made from the said firm.

The Department was directed to produce the relevant documents to Audit for verification and also inform the Income Tax Department about the payment made to the firm and Income Tax deducted from it. **The para was settled** subject to verification by Audit.

**135. Para No.287: Page 172 – Recoverables – Rs.624,043**

**14-3-2002:** The Department explained that the entire recoverable amount had been effected. The relevant record was available for verification by Audit. The Committee **settled the para** subject to verification of record by Audit.

**136. Para No.288: Page 172 – Recoverables – Rs.47,670,233**

**11-4-2002:** The Department explained that the amount of Rs.23.962 million on account of WASA's share in urban immovable property tax collected by Excise & Taxation Department had not been released to WASA by the Finance Department.

The Committee directed the Finance Department to take necessary action in the matter. Subject to this direction, **the para was settled.**

**137. Para No.289: Page 173 – Recoverables – Rs.329,092**

**11-4-2002:** The Department explained that this printed audit para was based on 5 advance paras relating to allotment of plots. The original relevant record was available. No irregularity was involved.

The Department was directed to get the record verified by Audit at the earliest. The para was kept pending.

**15-5-2002:** The para was considered in the light of the PAC directive dated 11 April 2002.

The Department explained that this printed audit para was based on 5 advance paras relating to allotment of plots. The original relevant record was available. No irregularity was involved.

The Committee directed that this para should be considered and decided by SDAC by 30 September 2002 and decision of the SDAC should be communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**138. Para No.290: Pages 173-174 – Recoverable – Rs.4,162,611**

**14-3-2002:** The Department explained that most of the recovery had been effected and the recovery of the remaining amount of Rs.350,045 was in process.



The Committee **settled the para** subject to the direction that the remaining amount should be recovered and got verified by Audit.

**139. Para No.294: Page 175 – Recoverable of – Rs.164,666**

**14-3-2002:** The Department explained that an amount of Rs.25,000 had been recovered from the allottee. An amount of Rs.50,000 was not recoverable. The case relating to an amount of Rs.25,000 was subjudice and legal action was being taken for the recovery of Rs.64,666 from the allottee. **The para was settled** subject to balance recovery and verification by Audit.

**140. Para No.295: Pages 175-176 – Recoverable of – Rs.96,703**

**14-3-2002:** The Department explained that the entire recovery had been effected. **The para was settled** subject to verification by Audit.

**141. Para No.296: Page 176 – Recoverable of – Rs.96,661**

**14-3-2002:** The Department explained that an amount of Rs.50,068 had been recovered. Rs.19,904 had been wrongly calculated by Audit and legal action was being taken for balance recovery of Rs.26,689. **The para was settled** subject to balance recovery and verification by Audit.

**142. Para No.297: Page 176 – Recoverable – Rs.5,915,753**

**14-3-2002:** The Department explained that partial recovery had been made and the recovery of the balance (Rs.3,714,511) was in process. The Committee **settled the para** with the direction that the remaining amount should be recovered and verified by Audit.

**143. Para No.298: Page 177 – Recoverable – Rs.6,020,000**

**14-3-2002:** The Department explained that partial recovery had been made and the recovery of the balance (Rs.2,701,500) was in process. The relevant record was available for verification by Audit. The Committee **settled the para** subject to recovery of balance and verification of record by Audit.

**144. Para No.301: Page 178 – Recoverables – Rs.18,275,601**

**29-11-2001:** The Department stated that the amount of arrears related to various types of fees, penalties etc, given notices of by LDA to the citizens concerned. These amounts are not to be regarded as receivables

and should not be treated as arrears. However, an amount of Rs.8,536,673 had since been recovered.

The Committee directed that the amount recovered should be got verified by Audit. The para was settled subject to verification by Audit.

**15-5-2002:** The para was considered in the light of PAC directive date 11 April 2002.

The Department explained that the arrears relating to various types of fees and penalties had been recovered. The Committee **settled the para** subject to verification by Audit.

**145. Para No.302: Page 179 – Recoverable – Rs.176,190**

**14-3-2002:** The Department explained that the record in respect of renewal fee was ready for verification. The Committee **settled the para** subject to verification by Audit.

**146. Para No.303: Page 179 – Recoverable – Rs.107,900**

**14-3-2002:** The Department explained that the record in respect of renewal fee amounting to Rs.97,400 was ready for verification. The Committee **settled the para** subject to verification by Audit.

**147. Para No.305: Page 180 – Recoverable – Rs.1,200,000**

**28-2-2002:** Audit had pointed out that WASA Multan had failed to recover water connection fee at the rate of Rs.100 per new connection provided to the people. The Department explained that no connections at site were provided to the people by WASA. Audit objection was based merely on the history and report of the technically sanctioned estimate of a Water Supply Scheme. The Committee directed that the requisite record as per latest audit comments should be provided to Audit. **The para was settled** subject to verification by Audit.

**148. Para No.314: Page 184 – Recoverable amount – Rs.364,085**

**14-3-2002:** The Department explained that entire recoverable amount had been recovered. The Committee **settled the para** subject to verification by Audit.

**149. Para No.316: Page 185 – Recoverables – Rs.393,741**

**15-5-2002:** The Department explained that efforts were being made to dispose of the surplus material as soon as possible. The Finance Department was directed to monitor the case.

The Committee observed that the problem of surplus material with the Department had to be tackled in a comprehensive manner. The Department might consider constituting a high level Committee for auction of this material as was done in 1987. Subject to the this direction, **the para was settled.**

**150. Para No.317: Page 185 – Others – Rs.7,570,339**

Audit had observed: “A division failed to account for machinery received under Canadian Aid and from other division during 1965-66. Non-compliance of financial rules resulted in non-accountal of machinery of Rs.7,570,339.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**151. Para No.318: Page 186 – Others – Rs.763,500**

**15-5-2002:** The Department explained that unserviceable material amounting to Rs.313,500 was auctioned in September 1998. Later on two bulldozers were auctioned at the cost of Rs.439,000 on 12 September 2001. The relevant record was available.

The Committee directed that this para should be considered and decided by SDAC by 30 September 2002 and decision of the SDAC should be communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**152. Para No.321: Page 187 – Recoverables – Rs.484,466**

**11-4-2002:** The Department explained that the old material in question had been disposed of in the central store of the Department and the auction money had been deposited and shown to Audit. Audit however, pointed out that the quantities of the material were yet to be reconciled and verified. The Committee **settled the para** subject to verification of record by Audit.

**153. Para No.322: Page 188 – Recoverables of – Rs.108,177,000**

**14-3-2002:** The Department explained that the amount was meant for completion of urgent civil works being executed by WASA. Contracts had been awarded by WASA and FDA according to rules and regulations. All relevant record regarding the works/payments was available for verification. The Committee **settled the para** subject to verification of record by Audit.

**154. Para No.323: Page 188 – Misappropriation of funds – Rs.6,941,000**

**14-3-2002:** The Department explained that the amount was transferred to FDA for completion of different works of FAUP. The said agency had completed the work and submitted the vouched account and refunded the unspent amount to WASA. The Committee **settled the para** subject to verification of record by Audit.

**155. Para No.324: Page 189 – Others – Rs.17,824,000**

Audit had observed: “A division made payment for acquisition of land for an area development schemes from June 1992 to June 1996. The department failed to acquire the land as it was occupied by defence

authorities. Due to inadequate planning and mismanagement resulted in blockade of Government money of Rs.17,824,000.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## Pended Paras

### **1. Para No.1: Page 31 – Suspected frauds, thefts, misuse, misappropriation & robbery – Rs.102,737**

**3-4-2002:** Audit had pointed out that against the DNIT for Rs.2,639,247 the lowest bid of Rs.2,860,850 was received. The case was sent by the Superintending Engineer to the Chief Engineer for negotiation with the bidder to bring the bid within the permissible limit of 4.5%. However, instead of reducing the quoted rates, a non-schedule item was manipulated from Rs.30,000 to Rs.80,000 and the tender was accepted.

The Department explained that on the basis of the probe conducted by Superintending Engineer, Public Health Engineering Circle, Rawalpindi, the XEN, SDO and Sub-Engineer had been held responsible for the irregularity and charge sheets against them were being framed.

The Committee was not satisfied with the action taken by the Department because the responsibility of the Chief Engineer, Superintending Engineer and Divisional Accountant had not been considered by the Probing Officer. The Administrative Secretary was directed to re-examine the case at the secretariat level and take appropriate action in the matter. A copy of the probe report should also be supplied to Audit. **The para was kept pending.**

### **2. Para No.6: Page 7 – Suspected frauds – Embezzlement of Govt. money – Rs.,313,997**

**29-11-2001:** The Department stated that inquiry into the embezzlement of government money Rs.313,997 was conducted by the SDO PHE Sub Division Ahmedpur East and finalized by the PHE Circle Bahawalpur. It was established in the inquiry report that a sum of Rs.305,817 is recoverable from the officers/officials on account of water charges. The Department stated that disciplinary action against the officers/officials responsible for said irregularity and temporary misappropriation was being taken under the Punjab Removal from Service

(Special Powers) Ordinance 2000. The Committee directed that action should be completed expeditiously, and the record of recoveries, if any, made so far should be got verified by Audit.

The Committee further directed that the practice of utilizing Government receipts towards expenditure of the Department should be discontinued. **The para was kept pending.**

### **3. Para No.7: Page 34 – Suspected Frauds, Thefts, Misuse, – Rs.397,626**

**2-3-2002:** The Department explained that as a result of departmental inquiry an excess payment of Rs.302,299 to the contractor was established and the same was demanded from the contractor on 26 February 1998. The contractor got a stay order from the civil court on 20 August, 1998. He had now withdrawn the case and the recovery was being pursued as arrears of Land Revenue from the contractor. The Committee directed that copies of the departmental inquiry report, the civil suit filed by the contractor and the reply of the Department submitted to the court should be produced to Audit and the Department should consider blacklisting the contractor.

The Committee directed that the amount of excess payment should be recovered and the officer responsible for making overpayment should be proceeded against. **The para was kept pending.**

### **4. Para No.8: Page 34 – Suspected Frauds, Thefts, Misuse, Misappropriation & Robbery – Rs.122,834**

**14-3-2002:** The Department explained that an inquiry was held into the matter and Mr Mushtaq Ahmad, Junior Clerk was found responsible for the embezzlement. FIR No.17/97 dated 2 February 1997 was got registered with Anti-Corruption Establishment, Faisalabad, and in disciplinary proceedings under Efficiency & Discipline Rules, he was removed from service.

The Committee observed that the Junior Clerk appeared to have succeeded in committing embezzlement due to some loopholes in the system and lack of supervision. The Department could not explain as to why the recovery of the loss caused to Government was not included in the penalty imposed in this case. The Committee directed that the Administrative Secretary should personally examine the case and submit a report. **The para was kept pending.**

### **5. Para No.10: Page 35 – Suspected Frauds, Thefts, Misuse, Misappropriations & Robbery – Rs.723,000**

**11-4-2002:** The Department explained that para related to theft of two vehicles. A vehicle No.LOW 8177 Suzuki Khyber 1000 CC was stolen on 17 August 1995 from LDA Plaza. FIR No.191151 dated 17 August 1995 was registered with civil lines police station. The other vehicle No.LOW.8175 was stolen on 10 April 1996 from Liberty Market Lahore. FIR No.145/96 dated 10 April 1996 was registered with the police. The police had declared the said vehicles to be untraceable. The reports of the departmental inquiries were pending decision by the competent authority. The Department was directed to expedite action for recovery or writing off the loss. **The para was kept pending.**

**6. Para No.11: Page 36 – Suspected Frauds, Thefts, Misuse, Misappropriation & Robbery – Rs.248,000**

**14-3-2002:** The Department explained that the incident of the theft of electric transformers from Kaleem Shaheed Park, Ghulam Muhammad Abad, Faisalabad was reported to WAPDA on 21 July 1997. The WAPDA authorities made a report to the concerned Police Authorities for registration of a case. The Committee directed that Administrative Department should write a comprehensive letter to Inspector General Police for ascertaining the latest position of the action taken by Police on the reports of WASA, Faisalabad and WAPDA about theft of transformers and other electric accessories, lighting and electric wire. **The para was kept pending.**

**7. Para No.14: Page 37 – Suspected Frauds, Thefts, Misuse, Misappropriation & Robbery – Rs.459,905**

**11-4-2002:** Audit had pointed out that the vehicles purchased for the Project Management Unit funded by World Bank were used by the Ministers/Secretaries of Housing & Physical Planning Department and expenditure on repair and POL was debited to World Bank loan against the provision of the agreement.

The Committee observed that this Audit Para should be explained by Housing, Urban Development & Public Health Engineering Department and directed that the para should be transferred to that Department. **The para was kept pending.**

**8. Para No.15: Page 38 – Suspected Frauds, Thefts, Misuse, Misappropriation & Robbery – Rs.126,762**

**2-3-2002:** The Department explained that 26 M.Ton bitumen under observation in this para was consumed in various works and its accountal was available. The Committee directed that action should be taken against the persons responsible for not getting the accountal of the bitumen verified by Audit since formulation of the audit observation in October, 1997. Moreover, the accountal should be got verified expeditiously. **The para was kept pending.**

**9. Para No.18: Page 39 – Accidents – Rs.200,000**

**11-4-2002:** The Department explained that vehicle No.LOE-8832 was burnt while parked in the basement. According to the findings of the inquiry report, the vehicle had caught fire due to short circuiting and no person was responsible for this incident. The burnt vehicle had been auctioned for Rs.126,000.

The Department was directed to produce the relevant record including the inquiry report to Audit for



scrutiny and comments. **The para was kept pending.**

#### **10. Para No.22: Page 42 – Overpayments – Rs.152,337**

**3-4-2002:** The Department explained that the quantity of brick work under the re-imbursement was needed according to the slope and design of the drains and had to be paid for to the contractors.

Audit, however, pointed out that according to standard design for type-I drain under Tega no brick work was required to be done. The Committee directed that a probe and physical check at site should be conducted and action taken and recovery made accordingly.

The Committee further observed that if the Department was of the opinion that the approved standard design needed revision it should be got revised by the competent authority. **The para was kept pending.**

#### **11. Para No.23: Page 42 – Overpayments- – Rs.641,582**

**3-4-2002:** The Department explained that the increased quantities of various items under observation in this para had been covered in the revised administrative approval and technical sanction. Moreover, the Probing Officer had concluded that the para had been prepared by adopting wrong quantities. The Department was directed to produce the relevant record to Audit including the probe report for verification and comments. **The para was kept pending.**

#### **12. Para No.24: Page 43 – Overpayments – Rs.341,818**

**3-4-2002:** The Department explained that the quantities of work under observation in this para were covered in the revised technically sanctioned estimates. Moreover, the Probing Officer had concluded that there was no excess over the technically sanctioned estimates.

The Department was directed to produce the relevant record to Audit including the probe report for verification and comments. **The para was kept pending.**

#### **13. Para No.28: Page 45 – Overpayments – Rs.432,230**

**3-4-2002:** The Department explained that Audit had rightly observed about the payment of excessive quantity over and above the technically sanctioned estimate but later on the revised/amended administrative approval was accorded by the competent authority and the technical sanction was also accordingly revised.

The Committee directed that responsibility for executing the work before revised administrative approval and revised technical sanction should be fixed and disciplinary action should be taken against the officers/officials at fault. **The para was kept pending.**

#### **14. Para No.29: Page 45 – Overpayments – Rs.71,964**

**3-4-2002:** Audit had pointed out that excessive payment had been made by making superfluous entries in the record without giving exact site/location in the measurement book.

The Department explained that Probing Officer had concluded that no superfluous record entries had been

made and there was no excess payment.

The Department was directed to produce the relevant record to Audit along with inquiry report for verification and comments. **The para was kept pending.**

#### **15. Para No.34: Page 48 – Overpayments – Rs.1,001,769**

Audit had observed: “A division made payment for the items of work in excess of those provided in the DNIT/ agreement without any change in the drawing/design and prior approval of the competent authority who accorded technical sanction as per Finance Department’s decision of 27<sup>th</sup> March, 1990. Payment in excess of provision of estimates/agreement resulted in an excess payment of Rs.1,001,769 during 1997.”

**19-8-2002:** On consideration of the facts, **the Committee pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

#### **16. Para No.46: Page 54 – Overpayment- – Rs.13,404,592**

**15-5-2002:** Audit had pointed out that as against the quantity of 2,204 meters and 157.19 tons steel provided in technically sanctioned estimate, a quantity of 3,885 meters and 384.70 tons steel for the item of reinforced cement concrete pillars had been paid resulting in excess payment of Rs.13,404,592.

The Department explained that during execution of the work, the Consultant (M/s NESPAK (Pvt) Limited) revised the design by increasing the number of piles with resultant increase in quantities. Later on, the change was approved in the revised PC-I by ECNEC. During discussion it came to the notice of the Committee that a case was registered with Anti Corruption Establishment at some stage of the work.

The Committee directed that all the relevant record should be shown to Audit as per the latest Audit comments. The Committee further directed that full facts of the scheme should be given in the revised working paper for the next meeting including the Anti Corruption case. Moreover, a copy of the relevant portions of the minutes of the Provincial Development Working Party (PDWP) and ECNEC should be appended with working paper. **The para was kept pending.**

#### **17. Para No.47: Page 54 – Overpayment – Rs.463,360**

**15-5-2002:** The Department explained that according to the record entries made in the MB, no excess payment had been made for the steel reinforcement and concreting of RCC piles beyond the approved number of 185 RCC piles.

The Department was directed to produce the record to Audit for verification. **The para was kept pending.**

**18. Para No.54: Page 57 – Overpayment due to excess measurements – Rs.86,747**

**3-4-2002:** The Department explained that according to the findings of the Probing Officer, the audit objection was correct. The payment for brick pavement over and above original technical sanction had been regularized through the revised technical sanction. However, the field Engineers had committed the irregularity of continuing the work of brick pavement without seeking revised technical sanction. The Probing Officer had fixed responsibility for the irregularity on one XEN, two SDOs and three Sub-Engineers.

The Department was directed to take disciplinary action against the officers/officials at fault. **The para was kept pending.**

**19. Para No.55: Page 58 – Overpayments – Rs.57,922**

**3-4-2002:** The Department explained that the objection raised by Audit had been covered by the revised technical sanctioned estimate. However, the Probing Officer had fixed the responsibility for executing the work before seeking revised technical sanctioned on the concerned Executive Engineer, SDO and Sub-Engineer and disciplinary action against them was in process.

The Department was directed to complete the disciplinary action at the earliest. **The para was kept pending.**

**20. Para No.66: Page 64 – Overpayments – Rs.653,307**

**3-4-2002:** The Department explained that according to the findings of the inquiry report the quantity of work as per measurement book had been carried out but instead of carrying out the work at the sites mentioned in the technical sanction, it had been carried out at the sites not embodied in the technical sanction.

The Department was directed to fix responsibility for the above mentioned irregularity and take disciplinary action against the officers/officials at fault. **The para was kept pending.**

**21. Para No.67: Page 64 – Overpayments – Rs.51,750**

**3-4-2002:** The Committee was not satisfied with the explanation given by the Department in the working paper and directed that responsibility should be fixed for the un-authorized expenditure incurred without any provision in the original technically sanctioned estimates; disciplinary action should be taken against all the officials/officers concerned including XEN, SDO, Sub-Engineer and Divisional Accountant and recovery should be effected at the earliest. The Committee directed that full facts of the case should be given in the working paper for the next meeting. **The para was kept pending.**

**22. Para No.69: Page 65: Overpayments – Rs.2,387,054**

**14-5-2002:** Audit had pointed out that various items of works were executed on the locations which were not provided in the administrative approval or technical sanction. The Department stated that locations of work had not been mentioned in the Measurement Book. Disciplinary action had been initiated against the concerned XEN, SDO, Sub Engineer and Divisional Accounts Officer under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Department was directed to complete the disciplinary action within the stipulated period. The Committee further directed that full facts of the case should be given in the working paper for the next meeting. **The para was kept pending.**

**23. Para No.71: Page 66 – Overpayments – Rs.145,692**

**11-4-2002:** The Department explained that the item in question was executed as per site requirements and it was included in the revised technically sanctioned estimate. The Department was directed to produce the relevant record to Audit for verification and comments. **The para was kept pending.**

**24. Para No.72: Page 67 – Overpayments – Rs.192,817**

**11-4-2002:** The Department explained that the additional quantities had to be executed because of loose bed soil which was observed during physical execution of work.

On a query, the Department stated that no laboratory test regarding bearing capacity of soil was got done.

The Committee directed that the officer who did not obtain the laboratory test should be asked to explain his position. Moreover, the relevant record should be got verified by Audit. **The para was kept pending.**

**25. Para No.80: Page 71 – Overpayments – Rs.54,672**

**3-4-2002:** The Department explained that Probing Officer had concluded that no excess payment was involved in this para.

However, the Administrative Department had not accepted the findings of the Probing Officer and was of the view that extra payment for plastering was not justified. The Department was directed to fix responsibility, take action and effect recovery at the earliest. **The para was kept pending.**

**26. Para No.81: Page 71 – Overpayments – Rs.141,848**

**3-4-2002:** The Department explained that a probe had been ordered into the matter and if it was proved that payment of PVC pipe had been made more than that of the AC Pipe, it would be recovered from the officer responsible for the overpayment.

The Committee directed that the probe/action should be completed at the earliest. A copy of the Report should also be provided to Audit for comments. **The para was kept pending.**

**27. Para No.83: Page 83 – Overpayments – Rs.1,936,325**

**26-11-2001:** Audit had demanded administrative approval and technical sanction from the Department. However, the Department stated that administrative approval was still in process. It was observed that the work had been executed without administrative approval. The Committee directed that the matter should be probed and action should be taken against the officers responsible for executing work without administrative approval. The para was kept pending.

**14-3-2002:** The Department explained that the ex-post-facto sanction by the Governor regarding different projects executed by the Department had been received. The case had now been sent to the P&D for the necessary action on their part.

The Committee reiterated its previous decision dated 26 November 2001. **The para was kept pending.**

**28. Para No.88: Page 75 – Overpayments – Rs.418,287**

**11-4-2002:** In its latest comments, Audit had accepted the explanation of the Department regarding carriage and disposal of old dismantled material and had recommended the reduction of the amount of the para to Rs.65,035. The Department explained that only an amount of Rs.12,000 was recoverable which had been recovered. The Department was directed to get the record and the recoverable amount verified by Audit. **The para was kept pending.**

**29. Para No.103: Page 83 – Overpayments – Rs.337,225**

**14-5-2002:** The Department explained that against the overpayment of Rs.337,225 on account of dry rammed brick or stone ballast under reinforced cement concrete (RCC) pipe, pointed out by Audit, an amount of Rs.100,000 had been recovered from the contractor and

the balance recovery was also in process. The Department further explained that disciplinary action had been initiated against the officers/officials responsible for the irregularity, including XEN, SDO, Sub Engineer and Divisional Accounts Officer.

The Department was directed to complete the action/recovery within the stipulated period and should also ensure that the final bill of the contractor was not in minus figures. **The para was kept pending.**

### **30. Para No.112: Page 87 – Overpayments – Rs.85,900**

**13-5-2002:** The Department explained that after acceptance of tenders on existing premium rates the contractor was allowed higher premium rates. The Department was of the view that after revision of the premium rates the technically sanctioned estimate and the Administrative Approval should have been got revised by the Competent Authority. As such there was procedural lapse but no loss to Government.

Audit, however, commented that competition had been held on the existing premium rates and not on the revised premium rates. The Department stated that the case for disciplinary proceedings was already under process against the concerned Superintending Engineer and the Executive Engineer and draft charge sheets had been sent by the Administrative Department to Director General (Works) Audit for vetting on 11 March 2002.

The Department was directed to complete the disciplinary proceedings expeditiously. **The para was kept pending.**

### **31. Para No.120: Page 92 – Overpayments – Rs.953,952**

**26-11-2001:** The Department explained that a committee had been constituted to probe into the matter and to re-determine the weighted premium in the light of audit observations. Action for recovery and disciplinary proceedings would be taken in the light of the Committee's findings. The Committee directed to complete the appropriate action in the matter expeditiously. The para was kept pending.

**14-3-2002:** The para was considered in the light of directive of PAC dated 26 November 2001. **The para was kept pending** for compliance of the said directive.



**32. Para No.121: Page 92 – Accounting Errors – Rs.105,315**

**13-5-2002:** The Department explained that according to the findings of the departmental inquiry report, the item sluice valves were provided and fixed by the contractor at site as such these items were not required to be brought on stock.

Audit, however, pointed out that these items were purchased by the Department from the market and got fixed by the departmental labour.

The Committee observed that the Inquiry Officer and the departmental officer who prepared the departmental reply had misguided the Committee. The Committee directed that disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 should be taken against the officers/officials who were responsible for not taking the said material on stock. The Committee further directed that the said Inquiry Officer should also be called upon to explain his conduct viz-a-viz. the above mentioned inquiry. **The para was kept pending.**

**33. Para No.124: Page 94 – Accounting Errors – Rs.313,440**

**15-5-2002:** The Department explained that the quantity of polythene bags under observation in this para had been taken on stock register and its disposal has also been shown in the said register.

After seeing the record Audit, however, commented that all the quantity purchased had been issued on the same date without indent. The quantity was also very large and the cost was also disproportionate. The Committee directed that Administrative Department should hold an inquiry into the matter and submit a revised working paper for the Committee's next meeting. **The para was kept pending.**

**34. Para No.132: Page 98 – Negligence – Rs.777,049**

**29-11-2001:** Audit pointed out that in an item of the work, a premium of 20000% below CSR 1979 had been quoted by the contractor to keep the overall cost lower than other competitors and same had been accepted by the Superintending Engineer.

The Department stated that the loss worked out by the Department as Rs.362,700 on account of minus rate of 20000% below CSR had been recovered. The Superintending Engineer had retired in 1999. The PAC was not satisfied with the explanation and directed that the Department should produce all the relevant record to Audit for detailed scrutiny. The Department should give full facts of the case in chronological order in the working paper of the next meeting and Audit should also give comprehensive comments on the explanation of the Department after verification of the record. **The para was kept pending.**

**35. Para No.133: Page 98 – Negligence – Rs.366,327**

**29-11-2001:** Audit pointed out that in an item of the work premium of 200% below CSR 1979 had been quoted by the contractor to keep the overall cost lower than other competitors and same had been accepted by the Superintending Engineer.

The Department stated that the loss worked out by the Department as Rs.130,588 on account of minus rate of 200% below CSR had been recovered. The Superintending Engineer had retired in 1999. The PAC was not satisfied with the explanation and directed that the Department should produce all the relevant record to Audit for detailed scrutiny. The Department should give full facts of the case in chronological order in the working paper of the next meeting and Audit should also give comprehensive comments on the explanation of the Department after verification of the record. **The para was kept pending.**

**36. Para No.134: Page 99 – Negligence – Rs.249,831**

**14-5-2002:** Audit had pointed out that by quoting 800% minus rate of premium against item of earth work the contractor became lowest and his tender was accepted but later on the amount of the contract agreement was enhanced from Rs.1,003,218 to Rs.2,559,900 but the item of earth work was ignored.

The Department explained that by quoting 800% minus rate of premium against item of the earth work on the requisite quantity the contractor was obliged to pay an amount of Rs.207,922 which had been recovered from him on 28 May 1995. Audit however, pointed out that the above mentioned recovery had been made from the running bill of the contractor but final payment had not been produced to Audit. The Department was directed to produce all the relevant record to Audit for verification. Audit was advised to check what was the effect of enhancement of amount of contract on the comparative tenders, in this case. **The para was kept pending.**

**37. Para No.135: Page 99 – Negligence – Rs.234,880**

**29-11-2001:** The Department explained that the first tender which was called in anticipation of provision of funds, Administrative Approval and Technical Sanction were not accepted and were cancelled in 1993-94. Later, on the availability of funds in 1995-96 fresh tenders were invited after Administrative Approval and were

accordingly accepted. No overpayment was involved.

The Committee directed that the Department should produce all the relevant record in support of its contention to Audit and take disciplinary action against the officer responsible for wasteful expenditure on calling tenders without the provision of fund and Administrative Approval. **The para was kept pending.**

### **38. Para No.139: Page 102 – Negligence – Rs.152,197,584**

**29-11-2001:** The Committee was not satisfied with the explanation given by the Department in the Working Papers and directed that a comprehensive Working Paper, giving full facts and figures, should be submitted for the next meeting. The para was kept pending.

**11-4-2002:** The para was considered in the light of the PAC directive dated 29 November 2001.

As directed by the Committee the WASA had submitted a detailed note on the latest position of loans and their repayment as on 30 June 2001.

The Committee directed that the Administrative Department should critically examine the note submitted by WASA and give its independent observations and recommendations in the matter for the next meeting. **The para was kept pending.**

### **39. Para No.141: Page 103 – Violation of Rules – Rs.87,694**

**13-5-2002:** Audit had pointed out that the Department accepted tenders at 19.80% above the estimated cost instead of the admissible limit of 4.5%.

The Department explained that according to the findings of the departmental inquiry the tender was within permissible limit of 4.5% above the technically sanctioned estimate on the prevailing premium at that time. There was thus no loss to the Government. The confusion due to which this para had been framed was created by adopting the cost of acceptance letter as 6.99 lacs instead of 5.99 lacs.

Audit, however, pointed out that the figures of 6.99 lacs had not been mentioned by the Department.

The Committee observed that the Inquiry Officer had misguided the Committee by introducing the figure of Rs.6.99 lacs. The Committee directed that disciplinary action should be

taken against the officer responsible for the irregularity pointed out by Audit. Moreover, the Inquiry Officer should also be called upon to explain his conduct vis-à-vis above mentioned inquiry. **The para was kept pending.**

#### **40. Para No.146: Page 105 – Violation of Rules – Rs.390,377**

Audit had observed: “Delegation of Financial Powers Rules, 1990 authorizes the engineering departments to accept tenders within 4.5% above the amount of technical sanction. A division accepted two tenders in July 1991 and December 1992 at 64.76% and 25.43% above the amount of technical sanction in violation of the ceiling fixed by the Government. Irregular acceptance of tenders at higher rates resulted in a loss of Rs.390,377 to Government.”

**19-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

#### **41. Para No.147: Page 106 – Violation of Rules – Rs.471,537**

Audit had observed: “Delegation of Financial Powers Rules, 1990 authorizes engineering departments to accept tenders at 4.5% above amount of technical sanction. Contrary to above a division accepted tenders for a work at 15.65% above estimated amount. Irregular acceptance of tenders at higher rates resulted in a loss of Rs.471,537 to Government due to violation of financial rules in June 1996.”

**19-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

#### **42. Para No.151: Page 108 – Violation of Rules – Rs.98,990**

**11-4-2002:** Audit pointed out that the Government sustained a loss of Rs.98,990 on account of supply of turbine pump due to rejection of lowest bid by the Department.

The Department explained that in the first tender M/s Chaudhry Construction Company quoted the lowest rates of Rs.150,000 for the pumps made by an unknown firm. The said equipment did not meet the prescribed specifications. Thus the bid was rejected on technical grounds. In the second tender the lowest bid of Rs.248,992 was received from M/s Narif enterprises which was accepted as the same was below the estimated cost of Rs.384,000.

Audit however, pointed out that in the first tender the lowest bid was rejected without any technical evaluation/justification. Moreover, provision made in technical sanction estimate was on higher side.

The Department was directed to review the whole case and the complete factual position be got verified by Audit before submitting a revised working paper for the next meeting. **The para was kept pending.**

**43. Para No.152: Page 108 – Violation of Rules – Rs.277,000**

**11-4-2002:** Audit pointed out that the Government sustained a loss of Rs.277,000 on account of supply of turbine pump due to rejection of lowest bid by the Department.

The Department explained that in the first tender M/s Chaudhry Construction Company quoted the lowest rates of Rs.380,000 for the pumps made by an unknown firm. The said equipment did not meet the prescribed specifications. Thus the bid was rejected on technical grounds. In the second tender the lowest bid of Rs.657,000 was received from M/s Narif enterprises which was accepted as the same was below the estimated cost of Rs.966,000.

Audit however, pointed out that in the first tender the lowest bid was rejected without any technical evaluation/justification. Moreover, provision made in technical sanction estimate was on higher side.

The Department was directed to review the whole case and the complete factual position be got verified by Audit before submitting a revised working paper for the next meeting. **The para was kept pending.**

**44. Para No.153: Page 109 – Violation of Rules – Rs.484,575**

**14-3-2002:** The Department explained that three plots had been allotted free of cost purportedly on the directive of the Chief Minister during 1986. However, the important documents on the basis of which the allotments were made, were not available with FDA. The Department explained that an inquiry had been ordered for finding the facts and fixing responsibility for financial loss to FDA.

The Department was directed to complete the inquiry/disciplinary action at the earliest. **The para was kept pending.**

**45. Para No.154: Page 110 – Violation of Rules – Rs.159,331**

**14-3-2002:** The Department explained that the veracity of the report that the lady to whom a plot was allotted as a widow was in fact a married woman had yet to be determined. However, an amount of Rs.75,000 had been recovered from the allottee. The Department stated that an inquiry for fixing responsibility of the illegal allotment had been ordered.

The Department was directed to complete the inquiry/disciplinary action/recovery expeditiously. **The para was kept pending.**

**46. Para No.155: Page 110 – Violation of Rules – Rs.259,104**

**14-5-2002:** The Department explained that against the estimated cost of a work of Rs.1,768,619 only one tender was received with tender cost of Rs.2,168,380 which meant an excess of 22.6%. The contractor reduced the rate of premium from 230% and 235% to 170% reducing the tender cost to Rs.1,841,807 which was about 4.14% above technical sanction.

The single tender was accepted by the Superintending Engineer without approval of the Chief Engineer. The remaining work of Rs.841,807 was later on got executed at higher rates of premium of 200% and 205% which resulted into the loss of Rs.181,492 to the government.

The Department further explained that in the departmental Inquiry, the Inquiry Officer had concluded that contention of Audit was not corrected regarding assessment of loss on the basis of reduced rates during the month of August 1993 for the work which was awarded later. However, the Chief Engineer did not agree with the findings of the Inquiry Officer and held that irregularities had been committed by the concerned Superintending Engineer and Executive Engineer.

The Department further stated that out of the three officers responsible for the irregularities, one S.E. had expired, one S.E. had retired and the XEN had been removed from service.

The Committee directed that all the relevant record should be produced to Audit for scrutiny and comments. **The para was kept pending.**

**47. Para No.157: Page 111 – Violation of Rules – Rs.722,960**

**29-11-2001:** The Committee was not satisfied with the explanation of the Department given in the Working Paper and directed that full facts of the case may be given in the working paper for the next meeting. The Committee decided to **keep the para pending.**

**48. Para No.158: Page 112 – Violation of Rules – Rs.307,623**

**14-5-2002:** Audit had pointed out that the lowest bid of Rs.890,451 received on 20 October 1994 was rejected without recording any reason and by calling fresh tenders. The work was awarded for Rs.1,101,630 on 6 April 1995. The Department explained that the officer concerned retired on 30 November 1999, action had been initiated against him under rule 1.8 of the Pension Rules. The Department was directed to complete the necessary action in the matter at the earliest. **The para was kept pending.**

**49. Para No.160: Page 113 – Violation of Rules – Rs.5,931,053**



**29-11-2001:** The Department explained that an inquiry had been ordered in the matter on 12 November 2001. The Probing Officer had been directed to submit his report within one week.

The Committee observed that there had been an inordinate delay on the part of the Department in taking action in the matter – even the latest inquiry had not been completed within the specified period. The Committee directed that the inquiry and the necessary action must be completed before the next meeting. The para was kept pending.

**14-5-2002:** The para was considered in the light of PAC directive dated 29 November 2001.

The Department explained that the draft charge sheet against the accused Executive Engineer was sent to Audit for vetting on 30 March 2002. Audit informed that it had been returned to the Department on 7 May 2002 after vetting. The Department assured that disciplinary proceedings under the Punjab Removal from Service (Special Powers) Ordinance 2000 would be initiated immediately and completed within the stipulated period. **The para was kept pending.**

**50. Para No.161: Page 113 – Violation of Rules – Rs.1,577,522**

**14-5-2002:** Audit had pointed out that the amount of the agreement was enhanced in four cases.

The Department explained that according to the findings of the departmental inquiry report, the XEN concerned was responsible for the irregularity of enhancing the amount of agreement twice without approval of the Superintending Engineer.

Therefore, disciplinary proceedings had been initiated against him under the Punjab Removal from Service (Special Powers) Ordinance 2000 and would be completed within the stipulated period. **The para was kept pending.**

**51. Para No.162: Page 114 – Violation of Rules – Rs.1,773,110**

**14-5-2002:** Audit pointed out that the amount of agreement had been enhanced in one scheme from Rs.100,770 to Rs.143,110 and in another scheme from Rs.377,952 to Rs.1,630,000 by the Superintending Engineer.

The Department explained that according to Para 6.24 (g) of Chapter 6 of B&R Manual, the Superintending Engineer was competent to enhance the amount of the contract executed by the Executive Engineer. Audit however, contended that according to the Finance Department's letter dated 3 December 1992 only the Administrative Department could enhance the amount of the agreement. The PAC observed that apart from the controversy over the competence of the enhancement of the amount of agreement, the Department should have explained detailed reasons of enhancing the agreement.

The Committee therefore, directed that the Department should explain in the working paper for the next meeting the recorded reasons for enhancement the relevant record in support of the departmental contention should be got verified by Audit. It should also be clarified whether the approval of the enhancement was made by S.E. before the completion of work or after its completion. **The para was kept pending.**

## **52. Para No.163: Page 114 – Violation of Rules – Rs.2,219,300**

**14-5-2002:** Audit had pointed out that the amounts of agreement for two works had been enhanced from Rs.251,680 to Rs.1,661,500 and from Rs.1,182,572 to Rs.1,991,972.

The Department explained that the Superintending Engineer under West Pakistan Government B&R Department Manual of order No.6.24 was competent to make such alteration.

Audit however, pointed out that according to note-III (a) (b) given below order 6.24 alteration could only be made when change in plan or design of work was necessitated or additional items of work were required to be executed and in this case no such changes were necessitated.

The Committee directed that an inquiry should be held at the Secretariat level on all aspects of the matter and action taken accordingly. **The para was kept pending.**

**53. Para No.164: Page 115 – Violation of Rules – Rs.989,400**

**14-5-2002:** Audit had pointed out that the amount of tender of Rs.200,000 was accepted by the S.E. on 8 May 1996 and was enhanced by him to Rs.1,189,400 on 9 June 1996.

The Department explained that there was no restriction on enhancing the amount of contract by S.E. in case of the contract executed by himself.

Audit pointed out that enhancement had been made after one month by about 75% for no apparent justification.

The Committee directed that disciplinary action should be initiated against the officers concerned under the Punjab Removal from Service (Special Powers) Ordinance 2000 and finalized within the stipulated period. **The para was kept pending.**

**54. Para No.170: Page 117 – Violation of Rules – Rs.7,435,000**

**29-11-2001:** The Committee was not satisfied with the explanation of the Department as well as Audit comments given in the working paper and directed that the Department should produce all the relevant record to Audit for detailed scrutiny and explain full facts in the working paper for the next meeting. Audit should give comprehensive comments on the Departmental (revised) reply. **The para was kept pending.**

**55. Para No.177: Page 122 – Violation of Rules – Rs.1,799,291**

**29-11-2001:** Audit had pointed out that payment had been made without actual measurement of work at site and without giving the location of the work. The Department explained that an enquiry had been ordered to determine the facts of the case and to fix responsibility for the irregularities.

The Committee directed that the requisite inquiry/action should be completed expeditiously. **The para was kept pending.**

**56. Para No.178: Page 123 – Violation of Rules – Rs.1,288,101**

**15-5-2002:** Audit had pointed out that payment had been made for RCC Pipe without mentioning the location/site of work.

The Department explained that disciplinary action had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000 against the responsible officers/officials for irregularity pointed out by Audit. The Department was directed to complete the action at the earliest. **The para was kept pending.**

**57. Para No.179: Page 123 – Violation of Rules – Rs.572,551**

**14-5-2002:** Audit had pointed out that the Department released security deposits to the contractor before completion of work.

The Department explained that according to the findings of the departmental inquiry report, 11 officers including one Executive Engineer, 3 SDOs, 6 Sub Engineers and one Divisional Accounts Officer were responsible for the irregularity pointed out by Audit.

The Department stated that disciplinary action against them would be initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000 and completed within the stipulated period. **The para was kept pending.**

**58. Para No.181: Page 124 – Violation of Rules – Rs.150,000**

**14-5-2002:** Audit had pointed out that payment on account of cost of land was paid but the mutation of land in the name of government was not available.

The Department explained that the scheme for purchase of land for primary Girls School was approved for Rs.150,000 by Commissioner, Gujranwala on 19 May 1992. A sum of Rs.150,000 was paid by the SDO with his own approval as Acting XEN. The SDO, Mr. Muhamamd Amin had since expired.

The Committee was not satisfied with the explanation of the Department and directed that an inquiry should be held on all aspects of the matter and involving all concerned including the Divisional Accountant and action should be taken accordingly. The relevant record should be shown to Audit. **The para was kept pending.**

**59. Para No.186: Page 127 – Violation of Rules – Rs.7,377,994**

**11-4-2002:** Audit pointed out that the Department had failed to forfeit earnest money of Rs.180,000 as per agreement.

The Department explained that the lowest bid of Rs.7,366,595 of M/s Mian Sons was accepted. However, the contractor failed to submit certain documents including performance bond within the prescribed period of 20 days. The letter of acceptance was cancelled under clause 5 of the agreement without imposing any penalty. The work was re-advertised and the lowest bid of Rs.8,567,165 was received. The lowest bidder refused to reduce his bid to bring it equal to the previous bid. In a meeting held with the representative of the World Bank it was decided that in view of financial gain, the work be allotted to the previous lowest bidder (M/s Mian Sons) by replacing the requirement of performance bond with insurance bond.

Audit pointed out that the action of the Department was irregular. The Committee directed that an inquiry into the matter should be held at the Secretariat level and action taken accordingly within three months. **The para was kept pending.**

**60. Para No.194 Page 131 – Violation of Propriety – Rs.300,000**

**14-3-2002:** The Department explained that Audit observation appeared to be correct, and an inquiry had, therefore, been ordered to find out the facts and fix responsibility for the loss to the Authority.

The Department was directed to complete the inquiry/disciplinary action at the earliest; the recovery of the loss should also be included in the charge sheets against the persons held responsible. **The para was kept pending.**

**61. Para No.195: Page 131 – Violation of Propriety – Rs.70,390**

**14-3-2002:** The Department stated that the explanation given by the FDA in the working paper did not appear to be correct.

The Department was directed to send a revised note/working paper giving the factual position of the case to the PAC Secretariat. The Department was further directed to proceed under the law/rules for disciplinary action against the officers responsible for illegal allotments and the recovery of the loss caused to the Government should be included in the charge sheets. **The para was kept pending.**

**62. Para No.196: Page 132 – Violation of Propriety – Rs.26,597,952**

**14-3-2002:** The Department explained that all the godowns/shops constructed by the Authority at various places could not be rented out due to poor response from the public on account of economic

recession. However, an amount of Rs.11,621,117 on account of rent of godowns and shops had been realized.

The Committee observed that FDA had made investment without proper planning.

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

### **63. Para No.197: Page 132 – Violation of Propriety – Rs.150,000**

**28-2-2002:** The Department explained that three motor cycles had been transferred to the Administrative Department. One motor cycle had since been received back and the remaining two motor cycles would also be got back shortly. The Department could not explain under what authority the motor cycles of WASA, FDA were transferred to the Civil Secretariat, Lahore, who had been using these motor cycles and who had been bearing the POL and maintenance charges of the motor cycles.

The Committee directed that an inquiry should be held into the matter and action taken against the officers responsible for the above mentioned financial irregularities. The Committee further directed that if the above mentioned irregularity had been committed on the orders of the Administrative Secretary, the case should be forwarded to the Chief Secretary for appropriate action. The para was kept pending.

**14-3-2002:** The Committee reiterated its previous decision dated 28 February 2002. **The para was kept pending.**

### **64. Para No.199: Page 133 – Recoverables – Rs.76,270,316**

**11-4-2002:** The Department explained that 11 Para Nos. 8.1(199), 8.1 (200), 8.1 (201), 8.1 (203), 8.1 (204), 8.1 (207), 8.1 (202), 8.1 (205), 8.1 (206), 8.1 (208) and 8.1 (209) related to recovery of outstanding dues on account of supply of water. Therefore these paras may be dealt with jointly. The Department stated that total arrears as shown in above mentioned audit paras amounted to Rs.377.134 million. After deducting the amount of duplication (Rs.92.609 million) and totaling mistakes (Rs.6.175 million) the net arrears came to Rs.278.350 million. A recovery of Rs.69.579 million had since been made leaving an outstanding balance of Rs.208.771 million. The break up of these arrears was as under:-

(i) Water Charges outstanding against Government Departments/organizations.	Rs.73.368 million
(ii) Aquifer Charges (Government Departments)	Rs.57.108 million



(iii) Water charges outstanding against general public	Rs.15.147 million
(iv) Aquifer charges against general public (Commercial Users)	<u>Rs.63.008 million</u>
<b>Total</b>	<b><u>Rs.208.771 million</u></b>

The Department stated that major portion of the arrears were recoverable from Government Departments especially Parks and Horticulture Authority (PHA), Metropolitan Corporation Lahore (MCL) and Lahore Development Authority (LDA). The Committee was informed that on 1 July 2002 WASA, LDA and MCL would be merged into City District Government, Lahore.

The Committee suggested that Government should consider appointing a high powered committee before 1 July 2002 to settle the accounts between WASA, PHA, MCL, LDA and other Government Departments.

The Committee directed the Department to provide a statement showing the names of Government Departments with the amount of WASA charges recoverable from each to the Finance Department and the PAC Secretariat. The Department was further directed to take drastic action for the recovery of outstanding dues. **The para was kept pending.**

#### **65. Para No.200: Page 134 – Recoverables – Rs.9,246,922**

**29-11-2001:** The Department stated that out of total amount of Rs.9,246,922 recovery amounting to Rs.2,037,194 had been effected and efforts were being made to effect the balance recovery.

The Department was directed to get the recoveries verified by Audit and give full details of the outstanding amounts and action taken to recover the same. It was felt that an effective strategy had to be developed to make recoveries of water, sewerage and aquifer charge after devolution. The Department may make a presentation on this subject at a later date. The para was kept pending.

**11-4-2002:** The Department explained that 11 Para Nos. 8.1(199), 8.1 (200), 8.1 (201), 8.1 (203), 8.1 (204), 8.1 (207), 8.1 (202), 8.1 (205), 8.1 (206), 8.1 (208) and 8.1 (209) related to recovery of outstanding dues on account of supply of water. Therefore these paras may be dealt with jointly. The Department stated that total arrears as shown in above mentioned audit paras amounted to Rs.377.134 million. After deducting the amount of duplication (Rs.92.609 million) and totaling mistakes (Rs.6.175 million) the net arrears came to Rs.278.350 million. A recovery of Rs.69.579 million had since been made leaving an outstanding balance of Rs.208.771 million. The break up of these arrears was as under:-

(i) Water Charges outstanding against Government Departments/organizations.	Rs.73.368 million
(ii) Aquifer Charges (Government Departments)	Rs.57.108 million
(iii) Water charges outstanding against general public	Rs.15.147 million
(iv) Aquifer charges against general public	

(Commercial Users)

Rs.63.008 million**Total****Rs.208.771 million**

The Department stated that major portion of the arrears were recoverable from Government Departments especially Parks and Horticulture Authority (PHA), Metropolitan Corporation Lahore (MCL) and Lahore Development Authority (LDA). The Committee was informed that on 1 July 2002 WASA, LDA and MCL would be merged into City District Government, Lahore.

The Committee suggested that Government should consider appointing a high powered committee before 1 July 2002 to settle the accounts between WASA, PHA, MCL, LDA and other Government Departments.

The Committee directed the Department to provide a statement showing the names of Government Departments with the amount of WASA charges recoverable from each to the Finance Department and the PAC Secretariat. The Department was further directed to take drastic action for the recovery of outstanding dues. **The para was kept pending.**

#### **66. Para No.201: Page 134 – Recoverables – Rs.3,219,881**

**11-4-2002:** The Department explained that 11 Para Nos. 8.1(199), 8.1 (200), 8.1 (201), 8.1 (203), 8.1 (204), 8.1 (207), 8.1 (202), 8.1 (205), 8.1 (206), 8.1 (208) and 8.1 (209) related to recovery of outstanding dues on account of supply of water. Therefore these paras may be dealt with jointly. The Department stated that total arrears as shown in above mentioned audit paras amounted to Rs.377.134 million. After deducting the amount of duplication (Rs.92.609 million) and totaling mistakes (Rs.6.175 million) the net arrears came to Rs.278.350 million. A recovery of Rs.69.579 million had since been made leaving an outstanding balance of Rs.208.771 million. The break up of these arrears was as under:-

(i) Water Charges outstanding against Government Departments/organizations.	Rs.73.368 million
(ii) Aquifer Charges (Government Departments)	Rs.57.108 million
(iii) Water charges outstanding against general public	Rs.15.147 million
(iv) Aquifer charges against general public	
(Commercial Users)	<u>Rs.63.008 million</u>
<b>Total</b>	<b><u>Rs.208.771 million</u></b>

The Department stated that major portion of the arrears were recoverable from Government Departments especially Parks and Horticulture Authority (PHA), Metropolitan Corporation Lahore (MCL) and Lahore Development Authority (LDA). The Committee was informed that on 1 July 2002 WASA, LDA and MCL would be merged into City District Government, Lahore.

The Committee suggested that Government should consider appointing a high powered committee before 1 July 2002 to settle the accounts between WASA, PHA, MCL, LDA and other Government Departments.

The Committee directed the Department to provide a statement showing the names of Government Departments with the amount of WASA charges recoverable from each to the Finance Department and the PAC Secretariat. The Department was further directed to take drastic action for the recovery of outstanding dues. **The para was kept pending.**

**67. Para No.202: Page 134 – Recoverables – Rs.65,142,840**

**29-11-2001:** The Department explained that an amount of Rs.4,768,715 had been recovered and efforts were being made to recover the balance amount. The Department was directed to get the recoveries verified by Audit and give details of the outstanding amounts and action taken to recover the same. The para was kept pending.

**11-4-2002:** The Department explained that 11 Para Nos. 8.1(199), 8.1 (200), 8.1 (201), 8.1 (203), 8.1 (204), 8.1 (207), 8.1 (202), 8.1 (205), 8.1 (206), 8.1 (208) and 8.1 (209) related to recovery of outstanding dues on account of supply of water. Therefore these paras may be dealt with jointly. The Department stated that total arrears as shown in above mentioned audit paras amounted to Rs.377.134 million. After deducting the amount of duplication (Rs.92.609 million) and totaling mistakes (Rs.6.175 million) the net arrears came to Rs.278.350 million. A recovery of Rs.69.579 million had since been made leaving an outstanding balance of Rs.208.771 million. The break up of these arrears was as under:-

(i) Water Charges outstanding against Government Departments/organizations.	Rs.73.368 million
(ii) Aquifer Charges (Government Departments)	Rs.57.108 million
(iii) Water charges outstanding against general public	Rs.15.147 million
(iv) Aquifer charges against general public (Commercial Users)	<u>Rs.63.008 million</u>
<b>Total</b>	<b><u>Rs.208.771 million</u></b>

The Department stated that major portion of the arrears were recoverable from Government Departments especially Parks and Horticulture Authority (PHA), Metropolitan Corporation Lahore (MCL) and Lahore Development Authority (LDA). The Committee was informed that on 1 July 2002 WASA, LDA and MCL would be merged into City District Government, Lahore.

The Committee suggested that Government should consider appointing a high powered committee before 1 July 2002 to settle the accounts between WASA, PHA, MCL, LDA and other Government Departments.

The Committee directed the Department to provide a statement showing the names of Government Departments with the amount of WASA charges recoverable from each to the Finance Department and the PAC Secretariat. The Department was further directed to take drastic action for the recovery of outstanding dues. **The**

para was kept pending.

#### **68. Para No.203: Page 135 – Recoverables – Rs.9,800,812**

**11-4-2002:** The Department explained that 11 Para Nos. 8.1(199), 8.1 (200), 8.1 (201), 8.1 (203), 8.1 (204), 8.1 (207), 8.1 (202), 8.1 (205), 8.1 (206), 8.1 (208) and 8.1 (209) related to recovery of outstanding dues on account of supply of water. Therefore these paras may be dealt with jointly. The Department stated that total arrears as shown in above mentioned audit paras amounted to Rs.377.134 million. After deducting the amount of duplication (Rs.92.609 million) and totaling mistakes (Rs.6.175 million) the net arrears came to Rs.278.350 million. A recovery of Rs.69.579 million had since been made leaving an outstanding balance of Rs.208.771 million. The break up of these arrears was as under:-

(i) Water Charges outstanding against Government Departments/organizations.	Rs.73.368 million
(ii) Aquifer Charges (Government Departments)	Rs.57.108 million
(iii) Water charges outstanding against general public	Rs.15.147 million
(iv) Aquifer charges against general public (Commercial Users)	<u>Rs.63.008 million</u>
<b>Total</b>	<b><u>Rs.208.771 million</u></b>

The Department stated that major portion of the arrears were recoverable from Government Departments especially Parks and Horticulture Authority (PHA), Metropolitan Corporation Lahore (MCL) and Lahore Development Authority (LDA). The Committee was informed that on 1 July 2002 WASA, LDA and MCL would be merged into City District Government, Lahore.

The Committee suggested that Government should consider appointing a high powered committee before 1 July 2002 to settle the accounts between WASA, PHA, MCL, LDA and other Government Departments.

The Committee directed the Department to provide a statement showing the names of Government Departments with the amount of WASA charges recoverable from each to the Finance Department and the PAC Secretariat. The Department was further directed to take drastic action for the recovery of outstanding dues. **The para was kept pending.**

#### **69. Para No.204: Page 135 – Recoverables – Rs.513,904**

**11-4-2002:** The Department explained that 11 Para Nos. 8.1(199), 8.1 (200), 8.1 (201), 8.1 (203), 8.1 (204), 8.1 (207), 8.1 (202), 8.1 (205), 8.1 (206), 8.1 (208) and 8.1 (209) related to recovery of outstanding dues on account of supply of water. Therefore these paras may be dealt with jointly. The Department stated that total arrears as shown in above mentioned audit paras amounted to Rs.377.134 million. After deducting the amount of duplication (Rs.92.609 million) and totaling mistakes (Rs.6.175 million) the net arrears came to Rs.278.350 million. A recovery of Rs.69.579 million had since been made leaving an outstanding balance of Rs.208.771 million. The break up of these arrears was as under:-

- (i) Water Charges outstanding against

Government Departments/organizations.	Rs.73.368 million
(ii) Aquifer Charges (Government Departments)	Rs.57.108 million
(iii) Water charges outstanding against general public	Rs.15.147 million
(iv) Aquifer charges against general public (Commercial Users)	<u>Rs.63.008 million</u>
<b>Total</b>	<b><u>Rs.208.771 million</u></b>

The Department stated that major portion of the arrears were recoverable from Government Departments especially Parks and Horticulture Authority (PHA), Metropolitan Corporation Lahore (MCL) and Lahore Development Authority (LDA). The Committee was informed that on 1 July 2002 WASA, LDA and MCL would be merged into City District Government, Lahore.

The Committee suggested that Government should consider appointing a high powered committee before 1 July 2002 to settle the accounts between WASA, PHA, MCL, LDA and other Government Departments.

The Committee directed the Department to provide a statement showing the names of Government Departments with the amount of WASA charges recoverable from each to the Finance Department and the PAC Secretariat. The Department was further directed to take drastic action for the recovery of outstanding dues. **The para was kept pending.**

#### **70. Para No.205: Page 136 – Recoverables – Rs.87,628,999**

**29-11-2001:** The Department explained that except for the amounts of Rs.110,728 and Rs.727,430 the remaining amount of this para was duplication of the amounts of certain other paras.

The Department was directed to get the duplication of amount verified by Audit and give details of the outstanding amounts and action taken to recover the same. The para was kept pending.

**11-4-2002:** The Department explained that 11 Para Nos. 8.1(199), 8.1 (200), 8.1 (201), 8.1 (203), 8.1 (204), 8.1 (207), 8.1 (202), 8.1 (205), 8.1 (206), 8.1 (208) and 8.1 (209) related to recovery of outstanding dues on account of supply of water. Therefore these paras may be dealt with jointly. The Department stated that total arrears as shown in above mentioned audit paras amounted to Rs.377.134 million. After deducting the amount of duplication (Rs.92.609 million) and totaling mistakes (Rs.6.175 million) the net arrears came to Rs.278.350 million. A recovery of Rs.69.579 million had since been made leaving an outstanding balance of Rs.208.771 million. The break up of these arrears was as under:-

(i) Water Charges outstanding against Government Departments/organizations.	Rs.73.368 million
(ii) Aquifer Charges (Government Departments)	Rs.57.108 million
(iii) Water charges outstanding against general public	Rs.15.147 million
(iv) Aquifer charges against general public (Commercial Users)	<u>Rs.63.008 million</u>
<b>Total</b>	<b><u>Rs.208.771 million</u></b>

The Department stated that major portion of the arrears were recoverable from Government Departments



especially Parks and Horticulture Authority (PHA), Metropolitan Corporation Lahore (MCL) and Lahore Development Authority (LDA). The Committee was informed that on 1 July 2002 WASA, LDA and MCL would be merged into City District Government, Lahore.

The Committee suggested that Government should consider appointing a high powered committee before 1 July 2002 to settle the accounts between WASA, PHA, MCL, LDA and other Government Departments.

The Committee directed the Department to provide a statement showing the names of Government Departments with the amount of WASA charges recoverable from each to the Finance Department and the PAC Secretariat. The Department was further directed to take drastic action for the recovery of outstanding dues. **The para was kept pending.**

#### **71. Para No.206: Page 136 – Recoverables – Rs.57,885,950**

**29-11-2001:** The Department explained that an amount of Rs.16,411,195 had been recovered and efforts were being made to recover the balance amount. The Department was directed to get the recovery verified by Audit and give full details of the outstanding amounts, and action taken to recover the same. The para was kept pending.

**11-4-2002:** The Department explained that 11 Para Nos. 8.1(199), 8.1 (200), 8.1 (201), 8.1 (203), 8.1 (204), 8.1 (207), 8.1 (202), 8.1 (205), 8.1 (206), 8.1 (208) and 8.1 (209) related to recovery of outstanding dues on account of supply of water. Therefore these paras may be dealt with jointly. The Department stated that total arrears as shown in above mentioned audit paras amounted to Rs.377.134 million. After deducting the amount of duplication (Rs.92.609 million) and totaling mistakes (Rs.6.175 million) the net arrears came to Rs.278.350 million. A recovery of Rs.69.579 million had since been made leaving an outstanding balance of Rs.208.771 million. The break up of these arrears was as under:-

(i) Water Charges outstanding against Government Departments/organizations.	Rs.73.368 million
(ii) Aquifer Charges (Government Departments)	Rs.57.108 million
(iii) Water charges outstanding against general public	Rs.15.147 million
(iv) Aquifer charges against general public (Commercial Users)	<u>Rs.63.008 million</u>
<b>Total</b>	<b><u>Rs.208.771 million</u></b>

The Department stated that major portion of the arrears were recoverable from Government Departments especially Parks and Horticulture Authority (PHA), Metropolitan Corporation Lahore (MCL) and Lahore Development Authority (LDA). The Committee was informed that on 1 July 2002 WASA, LDA and MCL would be merged into City District Government, Lahore.

The Committee suggested that Government should consider appointing a high powered committee before 1 July 2002 to settle the accounts between WASA, PHA, MCL, LDA and other Government Departments.

The Committee directed the Department to provide a statement showing the names of Government Departments with the amount of WASA charges recoverable from each to the Finance Department and the PAC



Secretariat. The Department was further directed to take drastic action for the recovery of outstanding dues. **The para was kept pending.**

## **72. Para No.207: Page 137 – Recoverables – Rs.14,833,004**

**11-4-2002:** The Department explained that 11 Para Nos. 8.1(199), 8.1 (200), 8.1 (201), 8.1 (203), 8.1 (204), 8.1 (207), 8.1 (202), 8.1 (205), 8.1 (206), 8.1 (208) and 8.1 (209) related to recovery of outstanding dues on account of supply of water. Therefore these paras may be dealt with jointly. The Department stated that total arrears as shown in above mentioned audit paras amounted to Rs.377.134 million. After deducting the amount of duplication (Rs.92.609 million) and totaling mistakes (Rs.6.175 million) the net arrears came to Rs.278.350 million. A recovery of Rs.69.579 million had since been made leaving an outstanding balance of Rs.208.771 million. The break up of these arrears was as under:-

(i) Water Charges outstanding against Government Departments/organizations.	Rs.73.368 million
(ii) Aquifer Charges (Government Departments)	Rs.57.108 million
(iii) Water charges outstanding against general public	Rs.15.147 million
(iv) Aquifer charges against general public (Commercial Users)	<u>Rs.63.008 million</u>
<b>Total</b>	<b><u>Rs.208.771 million</u></b>

The Department stated that major portion of the arrears were recoverable from Government Departments especially Parks and Horticulture Authority (PHA), Metropolitan Corporation Lahore (MCL) and Lahore Development Authority (LDA). The Committee was informed that on 1 July 2002 WASA, LDA and MCL would be merged into City District Government, Lahore.

The Committee suggested that Government should consider appointing a high powered committee before 1 July 2002 to settle the accounts between WASA, PHA, MCL, LDA and other Government Departments.

The Committee directed the Department to provide a statement showing the names of Government Departments with the amount of WASA charges recoverable from each to the Finance Department and the PAC Secretariat. The Department was further directed to take drastic action for the recovery of outstanding dues. **The para was kept pending.**

## **73. Para No.208: Page 137 – Recoverables – Rs.46,864,773**

**29-11-2001:** The Department explained that an amount Rs.31,064,539 had been recovered and efforts were being made to recover the balance.

The Department was directed to get the recovery verified by Audit and give full details of the outstanding amount along with action taken to recover the same. **The para was kept pending.**

**11-4-2002:** The Department explained that 11 Para Nos. 8.1(199), 8.1 (200), 8.1 (201), 8.1 (203), 8.1 (204),

8.1 (207), 8.1 (202), 8.1 (205), 8.1 (206), 8.1 (208) and 8.1 (209) related to recovery of outstanding dues on account of supply of water. Therefore these paras may be dealt with jointly. The Department stated that total arrears as shown in above mentioned audit paras amounted to Rs.377.134 million. After deducting the amount of duplication (Rs.92.609 million) and totaling mistakes (Rs.6.175 million) the net arrears came to Rs.278.350 million. A recovery of Rs.69.579 million had since been made leaving an outstanding balance of Rs.208.771 million. The break up of these arrears was as under:-

(i) Water Charges outstanding against Government Departments/organizations.	Rs.73.368 million
(ii) Aquifer Charges (Government Departments)	Rs.57.108 million
(iii) Water charges outstanding against general public	Rs.15.147 million
(iv) Aquifer charges against general public (Commercial Users)	<u>Rs.63.008 million</u>
<b>Total</b>	<b><u>Rs.208.771 million</u></b>

The Department stated that major portion of the arrears were recoverable from Government Departments especially Parks and Horticulture Authority (PHA), Metropolitan Corporation Lahore (MCL) and Lahore Development Authority (LDA). The Committee was informed that on 1 July 2002 WASA, LDA and MCL would be merged into City District Government, Lahore.

The Committee suggested that Government should consider appointing a high powered committee before 1 July 2002 to settle the accounts between WASA, PHA, MCL, LDA and other Government Departments.

The Committee directed the Department to provide a statement showing the names of Government Departments with the amount of WASA charges recoverable from each to the Finance Department and the PAC Secretariat. The Department was further directed to take drastic action for the recovery of outstanding dues. **The para was kept pending.**

#### **74. Para No.209: Page 138 – Recoverables – Rs.5,725,036**

**11-4-2002:** The Department explained that 11 Para Nos. 8.1(199), 8.1 (200), 8.1 (201), 8.1 (203), 8.1 (204), 8.1 (207), 8.1 (202), 8.1 (205), 8.1 (206), 8.1 (208) and 8.1 (209) related to recovery of outstanding dues on account of supply of water. Therefore these paras may be dealt with jointly. The Department stated that total arrears as shown in above mentioned audit paras amounted to Rs.377.134 million. After deducting the amount of duplication (Rs.92.609 million) and totaling mistakes (Rs.6.175 million) the net arrears came to Rs.278.350 million. A recovery of Rs.69.579 million had since been made leaving an outstanding balance of Rs.208.771 million. The break up of these arrears was as under:-

(i) Water Charges outstanding against Government Departments/organizations.	Rs.73.368 million
(ii) Aquifer Charges (Government Departments)	Rs.57.108 million
(iii) Water charges outstanding against general public	Rs.15.147 million
(iv) Aquifer charges against general public (Commercial Users)	<u>Rs.63.008 million</u>
<b>Total</b>	<b><u>Rs.208.771 million</u></b>

The Department stated that major portion of the arrears were recoverable from Government Departments especially Parks and Horticulture Authority (PHA), Metropolitan Corporation Lahore (MCL) and Lahore Development Authority (LDA). The Committee was informed that on 1 July 2002 WASA, LDA and MCL would be merged into City District Government, Lahore.

The Committee suggested that Government should consider appointing a high powered committee before 1 July 2002 to settle the accounts between WASA, PHA, MCL, LDA and other Government Departments.

The Committee directed the Department to provide a statement showing the names of Government Departments with the amount of WASA charges recoverable from each to the Finance Department and the PAC Secretariat. The Department was further directed to take drastic action for the recovery of outstanding dues. **The para was kept pending.**

#### **75. Para No.220: Page 142 – Recoverables – Rs.1,011,375**

**14-3-2002:** The Department explained that out of 29 flats, 26 flats had been got vacated from the illegal occupants. The remaining 3 flats were under the occupation of Police Department. The matter had been taken up by the Department with SSP Faisalabad and IG Punjab.

The Department was directed to complete the necessary action at the earliest. The Committee further observed that the Police Station should be shifted from the residential flats as early as possible. **The para was kept pending.**

#### **76. Para No.221: Page 143 – Recoverables – Rs.183,600**

**14-3-2002:** The Department explained that Mr Shahid Nazir, Junior Clerk had failed to produce the relevant record relating to the canteen for submission to Audit. The Department further explained that apart from other action the accused official had been issued a notice to explain as to why the amount of para Rs.183,600 should not be recovered from him, and action against him would be finalized shortly.

The Committee directed that the Administrative Department should look into the up-to-date position of canteen rent and take appropriate action in the matter. **The para was kept pending.**

**77. Para No.222: Page 143 – Recoverables – Rs.137,230**

**28-2-2002:** The Department explained that the recovery of house rent amounting to Rs.26,364 had been effected from the defaulters and the balance recovery was being made from their salary bills. The Committee directed the Department to effect the balance recovery and take disciplinary action against persons responsible for not deducting the house rent from the salaries of employees at the proper time. The Finance Department was directed to monitor further action in the matter. With the above direction, the para was settled.

**14-3-2002:** The Committee reiterated its previous directive dated 28 February 2002. **The para was kept pending.**

**78. Para No.223: Page 144 – Recoverables – Rs.383,655**

**28-2-2002:** The Department explained that all the shops and rooms in Zakria Shopping Center could not be rented out despite repeated advertisements. The Committee constituted by DG, MDA in 1983 revised the proposal for rent and premium at the fixed rate with an increase of rent @ 10% per annum. The recovery was made from all rentees according to this policy and therefore, Audit contention that recovery of 25% increase in rent from 1981 to 1996, was not justified.

The Committee directed that the Department should provide shop-wise details about the terms and conditions of the rent deed and recovery of the rent for scrutiny and comments. Audit should also see whether there was any violation of the contractual provisions. **The para was kept pending.**

**79. Para No.227: Page 145 – Recoverables – Rs.355,773**

**11-4-2002:** Audit pointed out that the Department had failed to recover an amount of Rs.355,773 from the contractor as per agreement on the completion of work.

The Department explained that the work in question was executed by WASA as a deposit work on behalf of LDA (UD Wing) at Johar Town Lahore. After completion of 40% of the work the remaining work could not be completed due to non-receipt of funds from LDA. On a query by the Committee the Department stated that execution of a deposit work without receiving full amount was not allowed under WASA rules.

The Committee directed that action should be taken against the officer who started and executed the work without receiving full deposit and the action should be completed within one month. **The para was kept pending.**

**80. Para No.228: Page 146 – Recoverables – Rs.27,852,669**

Audit had observed: “A division failed to recover development charges inclusive interest of an Area Development Scheme developed and completed by the department in 1988 which was denotified in June 1991. Non-compliance of Government instructions resulted in non-recovery of – Rs.27,852,669 of Government dues.”

**19-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**81. Para No.230: Page 147 – Recoverables – Rs.1,033,125**

**28-2-2002:** The Department explained that the recovery of Rs.14,150 from allottees of 17 residences had been made and the balance amount of Rs.246,875 was being recovered from their salary bills. But the recovery of Rs.786,215 from other 19 residences where independent meters had been installed by WAPDA was not due.

The Committee directed the Department to reconcile the recoverable amount expeditiously and get the recovery verified by Audit. The para was kept pending.

**14-3-2002:** The Committee reiterated its previous decision dated 28 February 2002. **The para was kept pending.**

**82. Para No.232: Pages 147-148 – Recoverables – Rs.161,561**

**28-2-2002:** The Department explained that an amount of Rs.44,024 on account of private trunk call charges had been recovered and the balance amount of Rs.117,537 was outstanding against a deceased Managing Director. A case for write off had been sent to the Finance Department. However, the Department also stated in the meeting that Managing Director was entitled to unlimited use of residential telephone. The Committee directed that all the relevant record relating to the enhancement of the entitlement of the Managing Director and competence of the sanctioning authority should be produced to Audit. In case the Managing Director was not entitled to unlimited calls, the recovery on account of excess calls should be effected. **The para was kept pending.**

**83. Para No.233: Page 148 – Recoverables – Rs.411,000**

**14-3-2002:** Audit had pointed out that a contractor had been paid secured advance against KSB made pumping machinery which was not genuine and neither the machinery had been installed nor the secured advance had been recovered. The Department explained that in the departmental inquiry it had been found that fake machinery was supplied by M/s Vaince Builders and the concerned XEN, SDO and Sub Engineer were responsible for payment of

secured advance against the fake machinery. The Department stated in the meeting that on the basis of the inquiry report the case had been referred to Anti Corruption Establishment for action against the above mentioned accused persons under the law.

The Department was directed to pursue the case for early finalization. **The para was kept pending.**

#### **84. Para No.237: Page 150 – Recoverables – Rs.99,200**

**14-3-2002:** Audit had pointed out that a secured advance of Rs.217,000 was given to a contractor but recovery of Rs.117,000 only was made upto June 1994 and his contract was rescinded in February 1995. The amount of Rs.99,200 was still outstanding.

The Department explained that in the departmental inquiry the responsibility for the non recovery of the secured advance had been fixed against the concerned XENs, SDOs and Sub engineerRs. It was stated in the working paper that as the matter was subjudice the recovery could not be effected. However, during the meeting it was stated that there was no stay order and recovery would be effected and disciplinary action would be taken against the officers/officials pointed out in the inquiry report.

The Committee observed that the Divisional Accountants should also be involved in the responsibility along with other officers mentioned in the inquiry report. The Department was directed to complete recovery/disciplinary action at the earliest. **The para was kept pending.**

#### **85. Para No.239: Page 151 – Recoverables – Rs.52,655**

**14-3-2002:** Audit had pointed out that the contractor had abandoned the work after receiving running payment. Therefore, the amount of Rs.39,600 along with the accrued interest @ 12% was recoverable from him.

The Department explained that the secured advance of Rs.39,600 had been recovered from the contractor from his final bill on 28 June 1997. In its latest comments, Audit pointed out that secured advance was given against GI pipe while the adjustment in the final payment had been shown against PVC pipe. Moreover, the Department had not explained why interest was not recovered when the contractor had abandoned the work after the running bill.



The Committee directed the Department to produce all the relevant record to Audit and explain the factual position in the working paper for the next meeting. **The para was kept pending.**

**86. Para No.242: Page 152 – Recoverables – Rs.13,126,435**

**29-11-2001:** The Department explained that the secured advance amounting to Rs.7,816,885 had been adjusted against the bills of the contractors. The adjustment of the remaining amount was in process.

The Committee directed that the adjustment/record may be got verified by Audit. The adjustment of the balance amount may be got expedited and in cases where the final bill of the contractor was in minus figures, disciplinary action should be taken against the officers for giving secured advance without receiving material at site. **The para was kept pending.**

**87. Para No.245: Page 154 – Recoverables – Rs.1,556,400**

Audit had observed: “A division failed to recover secured advance granted to the contractors in May and November 1992. Non-compliance of financial rules resulted in non-recovery of Rs.1,556,400 of Government dues.”

**19-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**88. Para No.248: Page 155 – Recoverables – Rs.531,888**

**11-4-2002:** Audit had pointed out that the Department had failed to recover the secured advance given to the contractor on steel and brick. The Department explained that the work was held up due to paucity of funds with LDA. However, now it had been decided to finalize the work and accordingly the 5<sup>th</sup> and final bill had been prepared and the outstanding amount of Rs.531,888 had been deducted against the works done. Audit ,however, pointed out that the deductions were not made from the running bills. The Department was directed to produce the relevant to Audit for verification whether the amount of the material consumed was deducted from the running bills. If prompt deduction was not made action should be taken for this lapse under the E & D Rules. **The para was kept pending.**

**89. Para No.252: Page 157 – Recoverables – Rs.313,527**

**15-5-2002:** The Department explained that disciplinary action had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000 against the officers who had not adjusted the amounts outstanding against them in Miscellaneous P.W. Advance.

The Department was directed to complete the action/recovery at the earliest. **The para was kept pending.**

**90. Para No.256: Page 159 – Recoverables – Rs.22,231,993**

**29-11-2001:** The explanation of the Department and Audit comments thereon, as given in the working paper, did not clarify the actual facts of the case.

The Committee directed that the Department should produce all the relevant record to Audit. The Department should give full facts of the case in a revised working paper and Audit should give comprehensive comments for the Committee's consideration in its next meeting. The para was kept pending.

**15-5-2002:** The para was considered in the light of PAC directive dated 29 November 2001.

The Committee expressed its displeasure to the Department for not submitting a detailed working paper to Audit for comments as per previous directive of the Committee.

The Committee directed that the same be done within 15 days. **The para was kept pending.**

**91. Para No.268: Page 164 – Recoverables of – Rs.3,089,031**

**14-3-2002:** The Department explained that an amount of Rs.206,358 had been recovered on account of cost of excess area from the allottees. An amount of Rs.138,387 represents the difference in rate applied by Audit and the rate of auction. The cases involving recovery of the cost of excess area amounting to Rs.2,744,286 were sub-judice.

The Department was directed to get the record verified by Audit and pursue the court cases. **The para was kept pending.**

**92. Para No.269 Page 164 – Recoverables – Rs.18,243,937**

**28-2-2002:** The Department explained that the amount of Rs.4,487,945 mentioned in para No.1994 relating to 12 Kachi Abadies, was not recoverable and out of the actual recoverable amount of Rs.13,285,610 out of the figure mentioned in Para No.2000, a sum of Rs.2,593,900 had been recovered and got verified. The Department was directed to get the actual recoverable amount reconciled with Audit and effect the balance recovery expeditiously. **The para was kept pending.**

**93. Para No.272: Page 166 – Recoverables – Rs.6,748,427**

Audit had observed: “A division failed to recover cost of bitumen from various sister divisions since June 1989. Non-compliance of financial rules resulted in non-recovery of Rs.6,748,427 of Government dues up to December 1993.”

**19-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**94. Para No.291: Page 174 – Recoverable of – Rs.2,780,572**

**14-3-2002:** The Department explained that the total amount shown by Audit included mis-calculation of Rs.6,512. Of the remaining amount, a sum of Rs.2,310,000 related to wrong application of rates by Audit @ Rs.500 per sft instead of Rs.15,000 per shop approved by the Authority. With the recovery of penalties the recoverable balance was Nil. The Committee directed that the Administrative Department should review the record of the matter and take action accordingly. **The para was kept pending.**

**95. Para No.292: Page 174 – Recoverable of – Rs.2,618,799**

**14-3-2002:** The Department explained that the amounts of Rs.254,340 and Rs.228,051 had been recovered while the amounts of Rs.294,654, Rs.603,490, Rs.3,569 and Rs.11,658 were not recoverable. Efforts were being made to recover the balance amount of Rs.1,223,037 from the allottees.

The Department was directed to produce the record to Audit for verification. **The para was kept pending.**

**96. Para No.293: Page 175 – Recoverable of – Rs.870,000**

**14-3-2002:** The Department explained that according to the rate approved by the Authority i.e. Rs.15,000 per shop, the actual recoverable amount was Rs.270,000, out of which Rs.60,000 had been recovered.

The case involving an amount of Rs.210,000 was sub-judice. The Department was directed to produce the relevant record to Audit for verification. Audit should also see whether the new rates were applicable to the old cases. **The para was kept pending.**

**97. Para No.310: Page 182: Recoverables – Rs.32,246,227**

**14-5-2002:** Audit had pointed out that the Department had executed deposit work without receiving the full deposits from the client institutions. Un-authorized expenditure from the public exchequer in excess of the deposits had resulted in irregular expenditure of

Rs.32,246,227. The Department explained that the minus deposit had been reduced to Rs.27,614,367. Against this a total deposit of Rs.28,691,398 was lying with different branches of National Bank in District Sargodha in joint Accounts for schemes relating to Municipal Committees of District Khushab, Bhakkar and Mianwali. Efforts were being made to get the said amount transferred to Government deposits of Executive Engineer PHE Sargodha but the Bank authorities were reluctant to do so because Municipal authority who operated the joint Accounts had ceased to exist. As soon as any authority was allowed to operate the Joint Account on behalf of concerned Municipal Corporation the amount will be transferred to government account. The Committee observed that Finance Department could play a role in clearing the above-mentioned outstanding amounts from the Municipal Institutions, if the matter was referred to it by the Administrative Department. The Department further stated that the officer responsible for making irregular expenditure on deposit work without having received the full deposits would be proceeded against under the Punjab Removal from Service (Special Powers) Ordinance, 2000.

The Committee directed the Department to complete the recovery/adjustment of the outstanding amounts and disciplinary action against the officer at fault.

The Department should also check up whether there were similar outstanding amounts in other P.H. Divisions of the provinces, and take necessary action to clear them without delay. **The para was kept pending.**

**98. Para No.311: Page 183 – Recoverable of – Rs.10,684,000**

**14-3-2002:** The Department explained that the flats/plots had been constructed/developed by FDA from out of its own resources. An amount of Rs.6,263,602 had been recovered from the individual allottees of flats and plots. The allotments of the remaining flats/plots costing Rs.4,420,398 had been cancelled and these were being disposed of through open auction.

The Department was directed to produce the relevant record to Audit for scrutiny and comments. **The para was kept pending.**

**99. Para No.312: Page 183: Recoverables – Rs.8,880,400**

**3-4-2002:** The Department explained that out of the total amount of Rs.8,880,400 recoverable from Municipal Committee, Pattoki as 20% share of the scheme, an amount of Rs.500,000 had been deposited by the Municipal Committee and the balance amount was still outstanding.

The Committee directed the Finance Department to monitor necessary action in the matter. With the above direction, the para was settled.

**14-5-2002:** Audit had pointed out that the Department failed to recover an amount of Rs.8,880,400 from Municipal Committee Pattoki on account of its share in the sewerage scheme.

The Department explained that the Municipal Committee had deposited only Rs.500,000 and the balance amount would be deducted at source through Finance Department out of share of the Municipal Committee in the Urban Immovable Property Tax receipts.

The Department was directed to explain under what circumstances the deposit work was executed without having received the deposit and to complete the recovery at the earliest.

The earlier directive of the Committee on 3 April 2002 was reviewed and **the para was kept pending.**

**100. Para No.315: Pages 184-185 – Recoverables – Rs.27,894,826**

**14-3-2002:** The Department explained that an inquiry committee had been constituted to enquire into the matter and further action would be taken on the basis of the inquiry report.

The Committee directed that the Department should complete the inquiry/action within one month. **The para was kept pending.**

**101. Para No.319: Page 186 – Recoverables – Rs.5,924,230**

**11-4-2002:** The Department explained that the case for disposal of dead item of store pointed out in this para such as pipe lines and fittings was still under process.

The Committee observed that on the one hand WASA had huge amounts of arrears recoverable from the Government Departments and general public and on the other hand it had failed to dispose of its dead stock to generate cash, which reflected a highly unsatisfactory management of affairs. The Administrative Department was asked to dispose of the dead stock within two months. **The para was kept pending.**

**102. Para No.320: Page 186 – Non-disposal/auction of surplus material and machinery – Rs.1,201,910**

**11-4-2002:** The Department explained that certain material had been auctioned for Rs.1,160,550 and

auction of the remaining material was in process and would be completed within two months. The Department was directed that the recovery made so far should be got verified by Audit and auction of the remaining dead stock should be completed within two months. **The para was kept pending.**

**103. Para No.325: Pages 189-190 – Recoverables – Rs.30,074,000**

**28-2-2002:** Audit had pointed out that funds amounting to Rs.30,074,000 given by the government to Rawalpindi Development Authority for acquisition of land and payment of compensation were not utilized for the said purpose. The Department explained that grant/loan was released by the Government for schemes under Prime Minister's Package for Rawalpindi as a block allocation.

The Committee directed that the Department should refer the case with necessary details and documents to the Finance Department and act on the directions given by the Finance Department. The Finance Department should also inform the Committee about the action taken in the matter. **The para was kept pending.**



# Industries and Mineral Development Department

## Overview

Total Paras	Civil	Commercial
<b>50</b>	<b>10</b>	<b>40</b>

## Abstract

Status	Decision	Para Nos.	Total	Page No.
Paras Noted  14	The paras were noted as these contained non-compilation of accounts and working results.	3(xv), 3(xx), 55, 58, 66, 67, 68, 69, 70, 71, 72, 74, 75, 76	<b>14</b>	<b>703-704</b>
Paras Finally Settled  7	Paras finally settled as the requisite action had been taken.	<b>Commercial:</b> 3(xvi), 3(xvii), 3(xviii), 3(xix), 3(xxi), 13, 73	<b>7</b>	<b>703-704</b>
Paras Conditionally Settled  24	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 7, 11, 17, 18, 19, 21, 27, 34, 35, 39	<b>10</b>	<b>705-708</b>
		<b>Commercial:</b> 16, 18, 21, 22, 23, 56, 57, 59, 60, 61, 62, 63, 64, 65	<b>14</b>	<b>708-712</b>
Paras Pended  5	Paras pended because the Department had not taken satisfactory action.	<b>Commercial:</b> 14, 15, 17, 19, 20	<b>5</b>	<b>713-714</b>

**Discussed on 28 January, 9 April and 15 August 2002**

## Paras Finally Settled

## Commercial Audit

### 1. Para No.3 (xv): Page 6 – Non-compilation of Accounts of Punjab Government Printing Press, Bahawalpur

**28-1-2002:** Audit commented that the accounts of Government Press Bahawalpur for the year 1997-98 to 1999-2000 were received on July 5 2001 and the same would be commented upon in the Audit Report for the year 2000-2001. **The Committee noted and settled the para.**

### 2. Para No.3 (xvi): Page 6 – Non-compilation of Accounts of Punjab Government Printing Press, Lahore

**28-1-2002:** Audit commented that the accounts of Government Press, Lahore were received on 7 December 2000 and the same would be commented upon in the Audit Report for the year 1999-2000. **The para was settled.**

### 3. Para No.3(xvii): Page 6 – Non-compilation of accounts Government Weaving and Finishing Centre, Shahdara, Lahore

**28-1-2002:** The requisite accounts had since been submitted to Audit. **The para was settled.**

### 4. Para No.3(xviii): Page 6 – Non-compilation of accounts, Government Wool Spinning Weaving Development-cum-training Centre, Jhang

**28-1-2002:** The requisite accounts had since been submitted to Audit. **The para was settled.**

### 5. Para No.3 (xix): Page 7 – Non-compilation of accounts, Punjab Mineral Development Corporation

**28-1-2002:** The requisite accounts had since been submitted to Audit. **The para was settled.**

### 6. Para 3(xx): Page 7 – Non-compilation of Accounts – Punjab Small Industries Corporation, Lahore

**15-8-2002:** The Committee **noted** the para.

### 7. Para No.3(xxi): Page 7 – Non-compilation of Accounts – Punjab Industrial Development Board

**28-1-2002:** The requisite accounts had since been submitted to Audit. **The para was settled.**

### 8. Para No.13: Page 19 – Excess Expenditure of Rs.88,874 on Plate making and Excess

**consumption of paper valuing Rs.25,158**

**28-1-2002:** The Department explained that the two printing jobs in question related to the Services, General and Information Department and Punjab Public Service Commission. The changes in the books were made on the direction of the client Departments. No loss to government was involved. After discussion, the Committee decided to **settle the para.**

## **Punjab Small Industries Corporation**

**9. Para No.55: Page 47 – Punjab Small Industries Corporation**

**9-4-2002:** Audit commented on the working results of the Corporation for the year 1995-96 as compared to the year 1994-95.

The Department explained that strenuous efforts to generate its own resources were being made to maximize the income by such steps as restructuring and right sizing. **The para was noted and settled** by the Committee.

**10. Para 58: Page 49 – Capital Work in Progress**

**15-8-2002:** Audit had observed: “Capital work in progress was Rs.39.662 million on June 30 1996 as compared to Rs.28.299 million on June 30 1995. The details of capital work in progress as also reasons of their non capitalization may be furnished.”

The Committee **noted** the para with the direction that necessary information be provided to the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **Government Printing Press Punjab, Lahore**

**11- Paras Nos. 66, 67, 68, 69, 70, 71, 72, 74, 75 and 76 – Pages 51-52 – Working results**  
**20**

**28-1-2002:** The Committee **noted and settled the paras.**

**21. Para No.73: Page 52: Working results**

**28-1-2002:** Audit had pointed out that plant and machinery valuing Rs.1.510 Million had not been utilized for the last three years. The Department explained that plant and machinery in question would be utilized after over-hauling of the machinery in the near future.

The Committee was not satisfied with the explanation of the Department and directed that detailed particulars of the machinery and reasons for its non-utilization should be explained in the working paper for the next meeting. The para was kept pending.

**9-4-2002:** The para was considered in the light of directive of PAC dated 28 January 2002.

The Department explained that the stores under observation in this para included lead rods valuing Rs.1,472,100, motors and switch starters valuing Rs.31,225, wire valuing Rs.775 and Exhaust Silencer for Generator Rs.6,000.

The Department further explained that the lead rods and other material would be disposed of shortly.

The Committee noted the explanation of the Department and **settled the para.**

## Paras Conditionally Settled

### Vol-1 (b)

### Civil Audit

#### **1. Para 7: Page 16 – Non-Deposit of Government Money to the Tune of Rs.181,216 and Un-authorised Expenditure of Rs.91,688**

Audit had observed: “Bus fare was realized from the students for the period from 7/95 to 6/97 amounting to Rs.181,216 but not deposited into Government treasury. Out of it a sum of Rs.91,688 was incurred on repair of bus without the sanction of Competent Authority. Resultantly, a loss of Rs.181,216 was sustained by Government....Audit would suggest that the stated amount should either be recovered or got regularized by the Competent Authority. Disciplinary action should also be initiated against the defaulters.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **2. Para 11: Page 18 – Irregular Local Purchase of Training Material Amounting to Rs.230,240**

Audit had observed: “The Principal Vocational Institute (Boys) Multan being an officer of category-III was empowered to purchase up to Rs.60,000 during an year. Scrutiny of Contingent vouchers drawn under the Detailed Object “598-Cost of Other Stores” revealed that this limit was not observed and total amount of local purchase of training material had been exceeded in violation of Govt. instructions re-stressed vide No.FD(FR) 11-5/82 dated 2.11.86 read with Rule 15-2(a) of the PFR Vol-I.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to**

**the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**3. Para 17: Page 26 – Recovery of Rs.49,697 on Account of Overpayment of Pay and Allowances**

Audit had observed: “Recovery on account of overpayment of pay and allowances detailed in original para was pointed out by Accountant General Punjab, during fixation of pay which was not effected and thus resulted into a loss of Rs.49,697 to Government.”

**15-8-2002:** 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 January 2003. 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.

**4. Para 18: Page 27 – Recovery of Rs. 29,971 on Account of Irregular Appointment**

Audit had observed: “Mst. Irshad Bibi was appointed as Shop Attendant. She was neither recommended by the recruitment committee nor appeared in the interview. The appointment was held irregular as it was made, without fulfilling the requirement of recruitment policy criteria. Later on her service was dispensed with but pay and allowance from 8/95 to 1/97 were not recovered which resulted in a loss of Rs.29,971 sustained by Government.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**5. Para 19: Page 27 – Irregular Deputation of an Instructor and Irregular Expenditure of Rs.238,550**

Audit had observed: “The scrutiny of record revealed that Miss Abida Nishat, Junior Trade Instructor, Chichawatni, was deputed to work at Lahore from 5.10.88 and was still continuing without any break. In all cases of deputation exceeding three months the prior approval of Finance Department is the pre-requisite vide Government of the Punjab Finance Department letter No.FD-SR-

IV-S-1/76(Prov) dated 16.3.98 but in this case approval of Finance Department was not obtained. It resulted into an irregular drawl of Rs.238,550 as pay and allowances against her post at Chichawatni and paid to her at Lahore”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**6. Para 21: Page 28 – Recovery Due to Less Deposit of Tuition Fee Repair Fund and Welfare Fund amounting to Rs.185,422**

Audit had observed: “Tuition fee, Repair Fund and Welfare fund were not deposited according to enrolment of students for the period from 7/95 to 7/97 which resulted in a loss sustained by Government for Rs.185,422 as in given cases.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**7. Para 27: Page 31 – Recovery of Rs.25,380 on Account of Less Deposit of Tuition Fee**

Audit had observed: “Tuition fee was enhanced with effect from 1.7.96 as per Government of Punjab, Education Department Letter No.80(A-I)–21/01-IV dt.9.9.96. But the tuition fee was realized from the students at old rates instead of enhanced rates. Resultantly a loss of Rs.25,380 was sustained by Government.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**8. Para 34: Page 34 – Misappropriation of Stores Valuing Rs.520,690 and Recovery Thereof**

Audit had observed: “During change of charge from Mr. Muhammad Munir, Storekeeper to Mr. Muhammad Younus on 16.6.96 the items of stores detailed in original para were found short.



Resultantly the Government sustained loss of Rs.520,690.”

**15-8-2002:** 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 31 January 2003 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 35: Page 35 – Misuse of Students Fund Amounting to Rs.147, 828 Recovery thereof**

Audit had observed: “The officers/officials had drawn the amounts from various student funds and used for personal purposes, which was irregular. Resultantly Government sustained a loss of Rs.147,828.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction -**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**10. Para 39: Pages 39-40 – Irregular Expenditure of Rs.173,997**

Audit had observed: “The Drawing and Disbursing Officer made local purchase beyond his competency by splitting up the indents. The expenditure was incurred on purchase of teaching material but tender through public advertisement was avoided. The expenditure was irregular.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction -**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **Commercial Audit**

**1. Para No.16: Page 21 – Loss of Rs.67,725 due to shortage of Office Machinery and Equipment**

**9-4-2002:** The Department explained that only some equipment valuing Rs.16,185 had been

found short, while all other articles pointed out by Audit in this Audit para were properly accounted for.

The Department was directed to complete the recovery and verification of record by Audit at the earliest. **The para was settled** subject to verification of record by Audit.

## **2. Para No.18: Page 22 – Non-recovery of Rs.70,516 on account of shortage/ advances from ex-employees**

**9-4-2002:** As per latest Audit comments, recovery of Rs.19,943 had been verified leaving an outstanding balance of Rs.50,573.

The Committee directed that the Department should effect the recovery of the balance at the earliest and the Finance Department should monitor the same. Subject to this direction, **the para was settled.**

## **3. Para No.21: Page 24 – Irregular/Avoidable payment of Pay and Allowances amounting to Rs.133,423**

**9-4-2002:** The Department explained that as against the total amount of Rs.133,423 pointed out by Audit in the para, the payment of Rs.134,022 on account of pay and allowances up to April, 1995 to one Stenographer had since been regularized. However, the remaining amount of Rs.21,231 paid to one clerk was yet to be regularized.

The Committee **settled the para** subject to regularization of the balance amount by the Competent Authority.

## **4. Para 22: Page 24: Non-recovery of Rs. 606,685 from M/s Sipple Soap Factory, Kot Adu**

Audit had observed: “Punjab Small Industries Corporation (R.O) Dera Ghazi Khan disbursed a loan of Rs.475,000 to Mr. Muhammad Yasim Managing Director of M/s Sipple Soap Factory Kot Adu District Mazaffargrah on 28<sup>th</sup> April, 1992. Despite the fact that a period of 6 years has elapsed the loanee did not pay any installment and the Corporation dues, recoverable from the loanee rose to Rs.606,685 on 27 June 1995.....Audit would suggest the following:

1. investigate the reasons for non-recovery of the loan amount;
2. initiate appropriate steps to recover the outstanding dues; and
3. streamline the Appraisal System in the organization to avoid disbursement of bad loans.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive

of the PAC.

#### **5. Para 23: Page 25 – Non-recovery of Rs.1.070 Million from Loanees M/s Super P.V.C. Pipe Industries and Dahar Poultry Farm**

Audit had observed: “Punjab Small Industries Corporation disbursed loans of Rs.500,000 and Rs.300,000 to M/s Super P.V.C Pipe Industries Muzaffargrah and M/s Dahar Poultry Farm Sargodha on 31<sup>st</sup> July, 1991 and May, 1992 respectively. According to the loan agreements, they were liable to repay the installments of the loans as well as mark up accrued there on to the Corporation but they failed to do so and no recovery could be effected even through Collector of recovery as arrear of land revenue. Resultantly, a sum of Rs.1.070 million (606,014 + 463,870) was lying outstanding against the loanees till 3 January 1995 and 30 June 1997.....Audit would suggest to:-

- (i) investigate reasons for non-recovery of loan;
- (ii) take effective steps for recovery of the entire amount either through sale of assets offered as security or from the guarantor;
- (iii) improve the appraisal system in the organization to avoid heavy stuck up loans.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **Punjab Small Industries Corporation**

#### **6. Para 56: Page 48 – Pension Scheme Introduced by PSIC**

Audit had observed: “The Pension scheme was introduced in PSIC during 1980 and right from its introduction PSIC invested provision of pension funds in National saving Centre (NSC) for payment of pension liability. In 1990-91 when liability of pension was 311.332 million PSIC deposited Rs.236.485 million in NSC, but after this the deposit with NSC started decreasing as in given cases.”

**15-8-2002:** 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 31 January 2003 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 57: Page 48 – Reconciliation of Accounts**

Audit had observed: “In consolidated accounts an amount of Rs.25.776 million appeared under the head “Head Office/Regions” current account as on June 30, 1996, whereas there should be nil balance. Apparently the reason of this balance is due to non-reconciliation of accounts among different accounting units of PSIC and Head Office. The amount has been kept in this account due to errors of some wrong transaction. The reconciliation of the balance under this head need to be carried out.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **8. Para 59: Page 49 – Purchase of Finished Goods Without Planning**

Audit had observed: “The stock of finished goods stood at Rs.23.325 million on June 30 1996 as compared to Rs.21.611 million on June 30 1995. Since the corporation generally deals in the manufacturing/ trading of fashion products viz carpets, Handicrafts etc. the accumulation of finished goods to such extent is not desirable and indicate that finished goods were manufactured/purchased without planning and lost their marketability. Effective steps need to be taken to boost up the sales for avoiding possible financial loss due to deterioration of stock with the passage of time.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **9. Para 60: Page 49 – Non-preparation of Yearwise Mark up Analysis**

Audit had observed: “The mark up and penal mark up receivable from loanees increased from Rs.134.181 million on 30<sup>th</sup> June 1995 to Rs.151.579 million on June 30 1996. Yearwise analysis of mark up was not prepared by the management as such their recoverability could not be ascertained. Early realization of mark up and preparation of yearwise analysis is stressed upon the management.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**10. Para 61: Page 49 – Shortage of Stores**

Audit had observed: “Shortages of stores/stocks valuing Rs.402,310 were recoverable from employees of the Corporation as on June 30 1996. These shortages of stores/stocks need to be investigated and recovery effected from the persons at fault.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**11. Para 62: Page 49 – Slow Recovery of Loans**

Audit had observed: “In the absence of overdue loan statement the pace of recovery remained unverified. The External Auditors also reported that “recovery of loans is slow and is not according to the schedule”. The pace of recovery needs to be accelerated and preparation of yearwise loan statements is stressed.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**12. Para 63: Page 49 – Incorrect Adjustment**

Audit had observed: “A huge amount of Rs.41.348 million has been adjusted by writing prior year expenses without detailed explanation. The details of prior year expenses with justification need be furnished to Audit.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**13. Para 64: Page 49 – Non-Preparation of Consolidated Accounts**

Audit had observed: “The accounts of the corporation for the year under review consist of only three statements viz. balance sheet, income and expenditure account and schedule of fixed assets. The



consolidated accounts have been compiled by adding 45 accounts of various centers, projects, loan schemes, estates and regional offices, which were individually audited and certified by the external auditors. Separate reports for each accounts, pointing out discrepancies and short comings are also given by the external auditors in their reports. The accounts of the units have never been produced by the corporation to Audit for examination and preparation of meaningful audit comments.....Audit would suggest the need for preparation of consolidated accounts and notes thereon in accordance with the universal pattern being followed by other provincial corporations viz. Punjmin and Punjab Seed Corporation is again stressed.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

#### **14. Para 65: Page 49 – Non-approval of Accounts**

Audit had observed: “The accounts under reviews were not approved by the Board of Directors of the Corporation. The needful may be done.”

**15-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **Paras Pended Commercial Audit**

#### **1. Para No.14: Page 20 – Loss of Rs.0.306 million due to non-recovery of outstanding dues from M/s. Malik Steel Furniture**

**9-4-2002:** The Department explained that the whereabouts of defaulter involved in this para were not known and a case for recovery of due amount had been instituted under Section-9(v) of the Financial Institutions (Recovery of Finance) Ordinance 2001 in the Banking Court, Rawalpindi. During the meeting, the Department stated that in the departmental probe responsibility had been fixed on the Joint Director who had approved the loan. However, he had since retired from service and his pension case was withheld and recovery would be made from his pensionary benefits.

The Department was directed to complete the recovery/necessary action at the earliest and explain the full facts of the case in the next meeting. **The para was kept pending.**

#### **2. Para No.15: Page 20 and 21 – Loss of Rs.5.265 million on account of non-recovery of outstanding dues from the sponsors of crusher set up in District Attock**



**9-4-2002:** The Department explained that the recovery of Rs.5,056,849 had been made from 18 projects of crushers indicated in this Audit para. Out of these 18 projects, 10 projects had totally cleared their dues worth Rs.4,043,949. Now the recovery of only Rs.26.53 lacs was outstanding against 8 projects. The Department sated that all out efforts were being made for recovery of dues from these 8 projects.

The Department was directed to effect the outstanding recoveries at the earliest and send a report to the PAC Secretariat within two months. **The para was kept pending.**

### **3. Para No.17: Page 21 – Loss of Rs.498,000 due to theft of vehicle**

**9-4-2002:** The Department explained that the theft case of vehicle No.LOC-1787 was got registered with Police Station, Qila Gujjar Singh on 22 September 1995 but the vehicle had not been recovered so far.

The Department further stated that the process of departmental inquiry was still underway. The reports of the first two inquiries had not been accepted and the third inquiry report was pending decision with the competent authority.

Audit pointed out that the comprehensive insurance of the vehicle had not been revived by the Department.

The Committee directed that the decision on the inquiry/fixation of responsibility for the loss should be finalized earlier and action taken accordingly.

Moreover, action should also be taken against the officers responsible for not renewing the comprehensive insurance of the vehicle. The Department should also check up whether all its vehicles were fully covered by insurance policies. **The para was kept pending.**

### **4. Para No.19: Page 22 and 23 – Non-recovery of Rs.403,580 from M/s Montgomery Calf Farm**

**9-4-2002:** The Department explained that a loan of Rs.3 lac was sanctioned to a person for establishing a calf farm against mortgage of property valuing Rs.921,000 after completing the necessary formalities. However, he failed to repay the installments of the loan. The case had been referred to the District Collector for recovery, as arrears of Land Revenue. The Department was directed to effect the recovery and to submit a revised working paper for the next meeting. **The para was kept pending.**

### **5. Para No.20: Page 23 – Non-recovery of shortage of Rs.156,779**

**9-4-2002:** The Department explained that the responsibility for the shortage pointed out in this para was fixed

against the Superintendent, Ladies Carpet Centre, Liaquatpur. During the disciplinary proceedings against her she absconded. However, the authority awarded the major penalty of dismissal from service and imposed recovery of the amount with interest. Accordingly, a case of recovery of Rs.211,651 was got registered with Anti-Corruption Establishment, Multan. After disposal of her writ petition in Lahore High Court, Bahawalpur Bench, she filed an appeal in Labour Court, Bahawalpur. The case was being defended by the Corporation.

The Department further stated that an amount of Rs.10,946 had been adjusted from her dues and the remaining amount was still outstanding.

The Department was directed to pursue the Anti-Corruption and Labour Court cases and effect the recovery as early as possible. **The para was kept pending.**

# Irrigation & Power Department

## Overview

Total Paras	Works	Revenue Receipts	Commercial
<b>365</b>	<b>355</b>	<b>9</b>	<b>1</b>

## Abstract

Status	Decision	Para Nos.	Total	Page No.
<b>Paras Finally Settled</b>	Paras finally settled as the requisite action had been taken.	<b>Works:</b> 9, 13, 17, 20, 26, 33, 42, 43, 44, 53, 68, 70, 93, 94, 113, 130, 131, 139, 153, 156, 159, 161, 179, 182, 190, 207, 211, 219, 229, 248, 252, 256, 257, 262, 280, 281, 284, 288, 290, 291, 296, 298, 299, 328, 349, 354	<b>46</b>	<b>719-727</b>
<b>47</b>		<b>Commercial:</b> 3(xxii)	<b>1</b>	<b>727</b>
<b>Paras Conditionally Settled</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Works:</b> 1, 3, 5, 8, 10, 11, 12, 15, 16, 18, 19, 21, 22, 23, 28, 29, 30, 31, 32, 35, 38, 39, 40, 41, 45, 46, 47, 48, 49, 50, 52, 54, 55, 56, 57, 59, 60, 62, 63, 66, 67, 69, 71, 72, 73, 75, 76, 77, 79, 80, 81, 82, 83, 86, 87, 88, 90, 91, 92, 95, 96, 97, 98, 99, 100, 101, 103, 104, 105, 106, 107, 109, 110, 111, 112, 114, 115, 116, 117, 118, 119, 120, 125, 126, 127, 133, 134, 135, 136, 137, 138, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 154, 155, 158, 163, 164, 167, 168, 169, 172, 173, 174, 176, 178, 180, 181, 183, 184, 186, 193, 194, 195, 199, 200, 201, 202, 203, 204, 206, 208, 209, 210, 213, 214, 215, 216, 217, 218, 221, 223, 224, 226, 228, 230, 231, 232, 233, 234, 236, 237, 238, 239, 241, 242, 243, 244, 245, 250, 251, 255, 265, 267, 268, 269, 272, 275, 276, 279, 282, 283, 285, 286, 287, 289, 292, 293, 294, 295, 297, 300, 301, 304, 305, 306, 307, 308, 309, 311, 312, 313, 314, 315, 316, 317, 318, 320, 321, 322, 323, 324, 325, 327, 329, 331, 332, 338, 341, 342, 343, 344, 348, 353, 355	<b>215</b>	<b>728-787</b>
<b>225</b>		<b>Revenue Receipts:</b> 6.1(4713), 6.2(4706, 4707, 4712, 4715, 4716)	<b>6</b>	<b>788-789</b>
<b>Paras Pended</b>	Paras pended either because the Department had not taken satisfactory action or the Committee directed that the SDAC shall consider the matter and submit report for	<b>Works:</b> 2,4, 6, 7, 14, 24, 25, 27, 34, 36, 37, 51, 58, 61, 64, 65, 74, 78, 84, 85, 89, 102, 108, 121, 122, 123, 124, 128, 129, 132, 140, 157, 160, 162, 165, 166, 170, 171, 175, 177, 185, 187, 188, 189, 191, 192, 196, 197, 198, 205, 212, 220, 222, 225, 227, 235, 240, 246, 247, 249, 253, 254, 258, 259, 260,	<b>94</b>	<b>790-815</b>
<b>97</b>				

consideration by the PAC.

261, 263, 264, 266, 270, 271, 273, 274, 277, 278,  
302, 303, 310, 319, 326, 330, 333, 334, 335, 336,  
337, 339, 340, 345, 346, 347, 350, 351, 352

Revenue Receipts: 6.1(4714, 4710, 4718)

**3****816-817****Discussed on 4-7 February, 22-24 April, 27-29 May and 19 August 2002**

## Paras Finally Settled Works Audit

### 1. Para No.9: Page 40 – Suspected Frauds Amount – Rs.114,669

**24-4-2002:** The Audit had pointed out that the Department had made payment of earth-work with a lead of 5 miles without making entry of the lead. The Department explained that the requisite entry had actually been made at page 83-84 of the Measurement Book but had been incorrectly referred as page 38 due to slip of pen.

The Audit stated in the meeting that the position had been verified. **The para was settled.**

### 2. Para No.13: Page 43 – Fictitious payment – Rs.54,212

**23-4-2002:** The Department explained that in departmental inquiry it was found that sub-engineer had made the entry of the work of closing of breach in the channel four days before the actual breach. The penalty of stoppage of one increment was imposed on him. Moreover, Tawan of Rs.31,416 had also been incorporated in the Khatonies.

The Department was directed to produce the relevant record including the inquiry report to Audit. Subject to this direction, **the para was settled.**

### 3. Para No.17: Pages 44 & 45 – Misappropriation – Rs.168,555

**27-5-2002:** The Department explained that the shortage of stone reported in this para had already been dealt with in audit para No.III-D-2/96-97 for Rs.236,358. During the meeting, Audit verified the duplication. **This para was accordingly dropped.**

### 4. Para No.20: Page 46 – Misappropriation – Rs.308,512

**22-4-2002:** The Department explained that after verification of record, the amount of the para had been reduced to Rs.66,753. The said amount had also been recovered from the contractor.

The Committee observed that the Department should consider taking necessary action

against the officer/official responsible for the overpayment to the contractor in the first instance. Subject to this direction, **the para was settled.**

**5. Para No.26: Page 49 – Suspected Frauds, Misappropriation and Theft – Rs.1,023,025**

**7-2-2002:** The Department explained that the whole quantity of stone received from the quarry was consumed in the work.

Audit stated in the meeting that position had been verified. **The para was settled.**

**6. Para No.33: Page 52 – Misappropriation – Rs.48,608**

**22-4-2002:** The Department explained that the flood fighting material in question was purchased as per requirement of Division's Annual Plan to meet any emergency and same would be consumed as and when required. The Committee accepted the explanation of the Department and **settled the para.**

**7. Para No.42: Page 56 – Non-accountal of trees – Rs.3,024,156**

**23-4-2002:** The Department explained that trees and stumps were removed during the course of work and same were handed over to the Forest Department. The original receipt was available. Audit stated in the meeting that the position had been verified. **The para was settled.**

**8. Para No.43: Page 56 – Misappropriation – Rs.100,000**

**29-5-2002:** The Department explained that no payment had been made for uprooting of 1000 stumps during execution of work as there was no such provision in the scheme.

Audit had verified the position. **The para was settled.**

**9. Para No.44: Page 57 – Misappropriation of Rs.1,056,408**

**24-4-2002:** The Department explained that full amount of the para had been adjusted in the monthly account of March 2000 and the record was produced to Audit on 12 January 2002. The Department was advised to take action for delay in deposit of receipts. Subject to this direction, **the para was settled.**

**10. Para No.53: Page 61 – Overpayment – Rs.399,013**

**24-4-2002:** The Department explained that full amount of the para had been adjusted in the monthly account of December 1999 and the record was produced to Audit on 11 & 12 January 2002.

**The para was settled.** The Department was advised to take action against the persons responsible including the Divisional Accountant for overpayment.

**11. Para No.68: Page 68 – Overpayment due to incorrect and higher rates – Rs.74,547**

**23-4-2002:** The Department explained that the item “cutting supplying brush wood canal plantation lead within 6 miles” was rightly paid @ Rs.67.45% Cft as per CSR 1979. The rate of Rs.59.85% Cft quoted in technically sanctioned estimate was erroneous.

The Committee directed that the contention of the Department in this para should be considered and decided by SDAC – and the conclusion of the SDAC should be communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**12. Para No.70: Page 69 – Overpayment – Rs.222,544**

**24-4-2002:** The Department explained that the re-handling of earth-work was executed as per site requirements and according to the technically sanctioned estimate. The Committee accepted the explanation of the Department and **settled the para.**

**13. Para No.93: Page 80 – Overpayment due to incorrect and higher rates – Rs.218,490**

**23-4-2002:** The Department explained that the rate of Rs.61 provided in the technically sanctioned estimate was for compaction by animal driven roller but was erroneously typed as power driven roller. The compaction was done by animal driven roller and the rate provided in the technically sanctioned estimate was paid correctly. The rate of Rs.31.75 laid down for compaction by power driven roller could not be applied.

The Committee directed that the contention of the Department in this para should be considered and decided by SDAC – and the conclusion of the SDAC should be communicated to the PAC Secretariat. Subject to this direction, **the para was settled.**

**14. Para No.94: Pages 80 and 81 – Overpayment – Rs.66,652**

**24-4-2002:** The Department explained that the total amount of the para had been recovered in December 1999 and the record was produced to Audit on 11 & 12 January 2002.

The Committee **settled the para** with the direction that the Department should take action against the persons including the Divisional Accountant responsible for overpayment in the first instance.



**15. Para No.113: Page 89 – Overpayments – Rs.146,034**

**24-4-2002:** The Department explained that the payment had been made after applying deduction factor of 100/110 in the quantity of stone filled in Munj Patha Tranggers, hence no overpayment was involved.

The Committee observed that Audit had framed an unnecessary para. **The para was dropped.**

**16. Para No.130: Page 97 – Overpayment – Rs.276,407**

**28-5-2002:** The Department explained that this para had already been printed as para I-C-5 in Audit Report for the year 1993-94. Audit verified the duplication in the meeting. **The para was dropped from the 1997-98 Report.**

**17. Para No.131: Page 97 – Overpayment – Rs.302,341**

**24-4-2002:** The Department explained that the amount under observation in this para was also included in Audit Para No.1-D-3 of Audit Report 1996-97. The Committee decided to **drop the para.**

**18. Para No.139: Page 101 – Overpayment – Rs.80,359**

**28-5-2002:** The Department explained that dumping and pitching had been entered in the

M.B. as finished items. Audit observation to apply the settlement factor on the finished items was not correct. Audit stated in the meeting that departmental contention had been verified. On the recommendation of Audit, the Committee **settled the para.**

**19. Para No.153: Page 107 – Overpayment – Rs.1,259,657**

**27-5-2002:** The Department explained that excessive quantities under observation in this para had been incorporated in the Variation Statement approved by the Chief Engineer. Audit, however, pointed out that the work was completed in June 1996 whereas the Variation Statement was approved on 20 September 1997. Therefore, it should be got regularized by the Finance Department.

The Committee directed that Finance Department should monitor further action in the matter. Subject to this direction, **the para was settled.**

**20. Para No.156: Pages 108 & 109 – Overpayment – Rs.437,948**

**(i) AP No.1393 for Rs.323,273**

**28-5-2002:** The Department explained that no excess payment was involved and Audit had settled the para after verification of record vide its letter dated 8 April 2000.

**(ii) AP No.13938 for Rs.114,675**

**28-5-2002:** The Department explained that the work had been executed as per technically sanctioned estimate and the record had been produced to Audit for verification. Audit stated in the meeting that the position had been verified.

On recommendation of Audit, **the para was settled.**

**21. Para No.159: Page 110 – Overpayment – Rs.616,114**

**28-5-2002:** The Department explained that extra consumption of stone was within 4.5% of the technically sanctioned estimate and had been incorporated in variation statement approved by the Competent Authority. The Committee accepted the explanation of the Department and **settled the para.**

**22. Para No.161: Page 111 – Overpayment – Rs.57,666**

**24-4-2002:** The Department explained that the Audit observation about overpayment was not correct. After verification of record the Audit had accepted the departmental explanation. **The para was settled.**

**23. Para No.179: Pages 128 & 129 – Overpayment – Rs.1,154,672**

**22-4-2002:** The Department explained that the lead of 57 miles and 58 miles had been paid for carriage of stone from Sakhi Sarwar quarry to two different sites, as per provisions of technically sanctioned estimate.

Audit stated in the meeting that the position had been verified. **The para was settled.**

**24. Para No.182: Page 121 – Overpayment – Rs.53,630**

**29-5-2002:** The Department explained that against the provision of 1,247,500 cft earth work excavation, the Department had paid 1,225,569 cft earth work, no excessive quantity had been paid for. The Committee accepted the explanation of the Department after discussion and **settled the para.**

**25. Para No.190: Page 125 – Overpayment – Rs.239,272**

**28-5-2002:** The Department explained that there was no overpayment in respect of quantity of earth work excavation from outside borrow pits. However, the actual overpayment of Rs.3,000 on account of supply of “Khaji mates” which was not provided in the technically sanctioned estimate had been recovered. Audit stated in the meeting that departmental contention had been verified. On the recommendation of Audit, the Committee **settled the**

**para.**

**26. Para No.207: Page 133 – Overpayment – Rs.108,262**

**24-4-2002:** The Department stated that this Audit para comprised 3 advance Paras and explained as under –

**(i) AP No.14071/1997-98 Rs.46,634**

The Department explained that full recovery had been made.

**(ii) AP No.14072/1997-98 Rs.33,883**

The Department explained that recovery of Rs.16,331 and Rs.17,553 had been made.

**(iii) AP No.14073/1997-98 for Rs.27,745**

The Department explained that amount of Rs.19,536 and Rs.8,209 had been recovered.

Audit stated in the meeting that recoveries had been verified.

**The para was settled** with the direction that appropriate action should be taken against the persons responsible for overpayment in the first instance including the Divisional Accountant.

**27. Para No.211: Page 135 – Overpayments – Rs.90,034**

**28-5-2002:** The Department explained that an amount of Rs.90,034 paid to the contractor on account of short carriage which had not been provided in the technically sanctioned estimate had been recovered from the contractor. Audit had verified the recovery and had recommended the para for settlement.

The Committee **settled the para** and suggested that appropriate action should be taken against the officers responsible for overpayment in the first instance.

**28. Para No.219: Page 139 – Violation of rules – Rs.788,115**

**23-4-2002:** The Department explained that the scheme in question was cleared by IDA/NESPAK for Rs.38.07 lacs. After receipt of tender, the scheme was revised to Rs.51.82 lacs by the Federal Coordinator. The Department stated that the scheme was revised due to revision of premium and not due to change in quantities. Subsequently

on actual execution of work certain items such as Killa Bushing, culverts etc. were also included. These items were executed within the permissible change of scope of 10%. The expenditure so incurred was cleared by the consultants NESPAK and reimbursed by IDA.

The Committee observed that appropriate action should be taken against the officer responsible for floating the tender before technical sanction and awarding the work at much beyond the DNIT. Subject to this direction, **the para was settled.**

**29. Para No.229: Pages 145 & 146 – Violation of Rules – Rs.294,908**

**28-5-2002:** The Department explained that the flood fighting material in question in this para was incorporated in the estimates technically sanctioned by the Superintending Engineer. **After discussion the para was settled.**

**30. Para No.248: Page 154 – Violation of Rules – Rs.88,868**

**23-4-2002:** The Department explained that the sand filling under the concrete lining, objected to by Audit was necessary because the bed of the channel in the concerned reach was scoured and the existing bed level was lower than the design bed and it had to be filled with sand. The item had been sanctioned in the original technically sanctioned estimate. The Committee accepted the explanation of the Department and **settled the para.**

**31. Para No.252: Page 156 – Violation of Rules – Rs.524,969**

**24-4-2002:** The Department explained that in the departmental inquiry, it had been found that no payment was made for the rejected stone. Audit stated in the meeting that the position had been verified. The Committee **settled the para.**

**32. Para No.256: Page 158 – Violation of Propriety – Rs.14,956,366**

**6-2-2002:** Audit had pointed out that instead of utilizing the huge stock reserve of stone available at site, the Department paid for dumping, pitching and carriage of stone. The Department explained that the stock reserve was meant for many other works. Moreover, if the stock reserve was utilized, carriage of stone should have also been paid for replenishing the reserve stock. Audit had recommended the para for settlement. **The para was accordingly settled.**

**33. Para No.257: Page 158 – Violation of Propriety – Rs.534,032**

**23-4-2002:** The Department explained that while the work was in progress and the contractor had laid sub base course, the work was stopped under the direction of Planning & Development Department and transferred to WAPDA SCARP and the balance work was completed by WAPDA. Audit verified the position in the meeting. **The para was settled.**

**34. Para No.262: Page 161 – Recoverables amount – Rs.288,632**

**24-4-2002:** The Department explained that the contractor did not pay the second installment of Rs.288,632 on account of collection of toll tax. He was therefore, declared defaulter and his earnest money of Rs.400,000 was forfeited. Thus the amount of Rs.288,632 stood recovered.

Audit stated in the meeting that the position had been verified. **The para was settled.**

**35. Para No.280: Page 168 – Recoverables – Rs.94,730**

Audit had observed: “A division failed to recover the Professional and Income Tax from the contractors relating to the year 1995-96 and 1996-97. The violation of rules resulted in non-recovery of Government revenue Rs.94,730.”

**19-8-2002:** On consideration of the facts of the case, the Committee **settled the para** with the direction that so far as income tax is concerned, the Department shall inform the Income Tax Department about the non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. So far as professional tax is concerned, the Committee observed that the payment of professional tax was the liability of the assessee and there was no legal obligation on the Departments to have deducted the same at source.

**36. Para No.281: Page 169 – Recoverables – Rs.397,885**

**22-4-2002:** The Department explained that an amount of Rs.46,663 on account of 2% less deduction of income tax had been recovered from 11 out of 13 contractors and efforts were being made for recovery of the balance amount of Rs.351,222 from the remaining two contractors.



The Committee directed that the matter should also be referred to the Income Tax Department for necessary action under the law. Subject to this direction, **the para was settled.**

**37. Para No.284: Page 170 – Recoverables – Rs.70,906**

**24-4-2002:** The Department explained that the payments in question had been made during the year 1990-91 and the income tax was deducted at the prevailing rate of 3%. The rate of income tax was enhanced from 3% to 5% w.e.f. 1 July 1995. Hence the enhanced rate was not applicable to the said payments. The Audit accepted the contention of the Department during the meeting. **The para was settled.**

**38. Para No.288: Page 172 – Recoverables – Rs.1,124,650**

**22-4-2002:** The Department explained that the rate of income tax was revised from 3% to 5% during the currency of the contract. The Department stated that an amount of Rs.458,642 had been recovered.

The Income Tax Department had been requested to recover the balance amount from the contractor. The Committee directed that full particulars of the case should be provided to Income Tax Department for recovery according to the law. With the above direction, **the para was settled.**

**39. Para No.290: Pages 172 & 173 – Recoverables – Rs.310,909**

**22-4-2002:** The Department explained that income tax had already been deducted @ 3% in accordance with the rules and regulations at the time of execution of work. However, Audit pointed out that the income tax @ 5% should have been deducted from payment made after 1 July 1995.

The Department was directed to refer the matter to Income Tax Department for

necessary action under the law. With the above direction **the para was settled.**

#### **40. Para No.291: Page 173 – Recoverables – Rs.303,140**

**22-4-2002:** The Department explained that income tax had already been deducted @ 3% in accordance with the rules and regulations applicable at the time of execution of the agreement.

Audit however, pointed out that income tax should have been deducted at the rate of 5% on the payments made after 1 July 1995. The Department was directed to refer the matter to the Income Tax Department for necessary action under the law. With the above direction, **the para was settled.**

#### **41. Para No.296: Page 175 – Recoverables – Rs.107,000**

**29-5-2002:** The Department explained that an amount of Rs.17,881 had been recovered and verified by Audit. The Department stated that payment of Professional tax was liability of the assessee and there was no legal obligation on the DDO to deduct Professional Tax at source while making payment to the contractor.

The Committee observed that the provision of the contract agreement regarding production of certificate of payment of Professional Tax should be followed. Subject to this direction, **the para was settled.**

#### **42. Para No.298: Page 176 – Recoverables – Rs.63,500**

**22-4-2002:** The Department explained that an amount of Rs.19,500 out of Rs.63,500 had been recovered/adjusted from the contractor on account of professional tax.

The Committee directed that the provision in the contract agreement for production of certificate of payment of professional tax should be followed. With the above direction, **the para was settled.**

#### **43. Para No.299: Page 176 – Recoverable – Rs.70,500**

**22-4-2002:** Audit had pointed out that PAC had previously observed that payment of professional tax was the liability of the assessee and there was no legal obligation on the Drawing and Disbursing Officer to deduct professional tax at source.

The Committee observed that if the condition of production of certificate of payment of professional tax was provided in the contract agreement then the said provision should be implemented. With the above observation, **the para was settled.**

**44. Para No.328: Page 188 – Recoverables – Rs.138,358**

**24-4-2002:** The Department explained that this para was a duplication of the observation made in para No.III-D-1/96-97.

Audit had verified the duplication in the meeting. The Committee **deleted the para accordingly.**

**45. Para No 349: Pages 197 and 198 – Recoverables – Rs.1,119,714**

**4-2-2002:** The Department explained that actual amount of recovery was Rs.999,781 instead of Rs.1,119,714 as pointed out by Audit.

The Department stated that the recovery of actual secured advance amounting to Rs.999,781 had been effected from the contractor and the relevant record produced to Audit. Audit stated in the meeting that the record had been verified. **The para was settled.**

**46. Para No.354: Page 200 – Recoverables – Rs.9,340,709**

**6-2-2002:** The Department explained that the construction equipment and machinery is properly accounted in the record and efforts were being made to dispose of the surplus stock. The Committee observed that the Finance Department should monitor further action in the matter. **The para was settled.**

## Commercial Audit

**1. Para No.3(xxii): Page 7 – Non-compilation of Accounts**

**Irrigation Workshops Division, Moghalpura, Lahore**

**22-4-2002:** In its latest comments, Audit stated that the accounts of the organization for the years 1992-93 to 1998-99 have been received and commented upon in the Audit Report for the year 1998-99. **The para was noted and settled.**

## Paras Conditionally Settled Works Audit

**1. Para No.1: Page 37 – Suspected Fraud, Misappropriations and Thefts – Rs.202,851**

Audit had observed: “A division made payment of extra for anchoring and extra for tipping of crates without using boat for dumping of stone which was against the rules and P.W. Specification. The payment of extra for anchoring and extra for tipping of crates without use of boat resulted in unjustified payment of Rs.202,851 in June 1996.”

**19-8-2002:** 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 31 January 2003 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 No.3: Page 38 – Suspected Fraud, Misappropriations and Thefts – Rs.261,802**

Audit had observed: “A division made payment of Rs.261,802 for compaction of earth work which was not actually done by the contractor. Payment for compaction without execution at site resulted in unjustified payment of Rs.261,802.”

**19-8-2002:** 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 31 January 2003 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 No.5: Page 39 – Suspected Fraud – Misappropriations and Thefts – Rs.68,343**

Audit had observed: “A division paid an amount of Rs.68,343 on account of compaction of earth without record measurements in Measurement Book. The payment without record measurements in the Measurement Book resulted in overpayment of Rs.68,343 in December 1995.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**4. Para No.8: Page 40 – Suspected Fraud – Misappropriations and Thefts – Rs.56,188**

Audit had observed: “In a division “Earth work excavation” was executed and measured without any lead but rate of Rs.562.80 per % cft for a lead of 16000 feet was paid instead of the admissible rate of Rs.105.90 per % cft.

The payment for 16000 feet lead without mentioning any specific lead in the record entries resulted in excess payment of Rs.56,188.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**5. Para No.10: Page 41 – Suspected Fraud – Misappropriations and Thefts – Rs.109,450**

**23-4-2002:** Audit had pointed out that while executing the construction of J. Head Spur, the Department had paid certain items of Killa Bushing which had no relevance to the construction of J. Head Spur.

The Department explained that the Killa Bushing was done as per site requirements to save the spur from river water erosion.

The Committee directed that the contention of the Department in this para should be considered and decided by the SDAC – and the conclusion of SDAC should be communicated to the PAC Secretariat. Subject to this direction, **the para was settled.**

**6. Para No.11: Page 42 – Suspected Fraud – Misappropriations and Thefts – Rs.3,000,000**

**23-4-2002:** Audit pointed out that the Department had failed to submit vouched accounts of the expenditure, sanction on account of purchase of explosive material worth Rs.3,000,000.

The Department explained that payment of Rs.3,000,000 was made to Headquarter Engineers, 4-Corp, Lahore for purchase of liquid explosive for various Breaching Sections, and as per practice in vogue the explosive was delivered at all Breaching Sections in Punjab Province. **The para was settled** subject to verification of the account by Audit.

**7. Para No.12: Page 42 – Suspected Fraud – Misappropriations and Thefts – Rs.354,164**

Audit had observed: “In a division carriage of stone was measured and paid from Govt. Quarry but the cost of stone was paid to private persons which led that all record measurements were fictitious. The payment of carriage from Government Quarry and payment of cost of stone to private persons rendered all payments, as bogus payments, of Rs.354,164.”

**19-8-2002:** 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 31 January 2003 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 No.15: Page 44 – Suspected Fraud – Misappropriations and Thefts – Rs.687,509**

Audit had observed: “A division failed to account for 89600 cft stone material brought at site of the work “Restoration of flood Damages to stone apron”. The non accountal/ consumption of stone resulted in misappropriation worth Rs.687,509 in August 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**9. Para No.16: Page 44 – Suspected Fraud – Misappropriations and Thefts – Rs.149,523**

Audit had observed: “A division consumed 2147461 cft stone against the carriage of 2169166 cft. The balance stone 21705 cft was not accounted for. The non accountal/consumption of the balance quantity resulted in misappropriation of stone worth Rs.149,523.”

On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**10. Para No.18: Page 45 – Suspected Fraud – Misappropriations and Thefts – Rs.127,688**

Audit had observed: “A division purchased 18500 Nos. Trangers of 9 cft (for filling 140382 cft stone) against the required 15598 trangers (140382,9). The remaining 2902 trangers were not taken on stock. Non-accountal of 2902 Nos. Trangers resulted in misappropriation worth Rs.127,688.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**11. Para 19: Suspected Fraud – Misappropriations and Thefts – Rs.80,639**

Audit had observed: “A division received 1920628 cft pitching stone at site of work against the quantity of 1968857 cft measured at quarry and paid for. This resulted in misappropriation of 48229 cft stone worth



Rs.80,639.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**12. Para No.21: Page 46 – Suspected Fraud – Misappropriations and Thefts – Rs.632,507**

**28-5-2002:** The Department explained that the carted stone under observation in this para was received, taken in stock register and consumed against the work done as per provision made in the technically sanctioned estimate. As per departmental investigation, no misappropriation of Government money was involved. The Department was directed to produce the requisite record to Audit, as per latest Audit comments, along with a copy of the Investigation Report. The Committee **settled the para** subject to verification of record by Audit.

**13. Para No.22: Page 47 – Suspected Fraud – Misappropriations and Thefts – Rs.507,694**

Audit had observed: “A division consumed 1103681 cft stone out of 1176086 cft carted from the quarry. The balance quantity of 72405 cft was neither taken on stock nor consumed resulting in misappropriation worth Rs.507,694.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**14. Para No.23: Page 47 – Misappropriation – Rs.70,283**

**28-5-2002:** The Department explained that the entire recovery amounting to Rs.70,283 had

been effected from the security deposits of the contractors and adjusted. The Committee **settled the para** subject to verification of record by Audit.

**15. Para No.28: Page 49 – Suspected Fraud – Misappropriations and Thefts – Rs.1,187,989**

Audit had observed: “In a division 3399009 cft. pitching stone was carted from a quarry, out of which 3296151 cft stone was consumed on work. The balance 102858 cft stone was neither utilized nor taken on stock. The non-accountal of balance stone led to misappropriation worth Rs.1,187,989.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**16. Para No.29: Page 50 – Misappropriation of Rs.728,546**

**24-4-2002:** The Department stated that this draft para comprised 5 Advance Paras and explained as under:-

**(i) AP No.8076 for Rs.32,000**

In the working paper it was stated that deceased sub-engineer was responsible for this shortage. However, during the meeting it was stated that the successor of the deceased was responsible for the shortage. He had also retired from service and recovery would be made from him under pension rules.

**(ii) AP No.8077 for Rs.18,312**

**(iii) AP No.8085 for Rs.49,200**

**(iv) AP No.8088 for Rs.331,240**

**(v) AP No.8089 for Rs.297,794**

The Department explained that there was no shortage of material pointed out in the above mentioned Paras. The Department was directed to produce the record to Audit for verification. **The para was settled** subject to verification of record by Audit.

**17. Para No.30: Pages 50 & 51 – Misappropriation – Rs.393,884**

**27-5-2002:** The Department explained that the material was required for reserve stock for utilizing during flood emergency. The flood fighting material was kept in store/site to meet any emergency. No financial loss was involved. The Committee **settled the para** subject to verification of record by Audit.

**18. Para No.31: Page 51 – Misappropriation of Rs.307,357**

**24-4-2002:** The Department explained that the material in question had been utilized on the jobs executed in workshop and entries were duly made in the stock register. The Committee **settled the para** subject to verification of record by Audit.

**19. Para No.32: Page 51 – Loss of Rs.603,176**

**24-4-2002:** The Department explained that the material/stock was received from central store Division and M. I. Workshop, Lahore and properly accounted for in the books. The Committee **settled the para** subject to verification of record by Audit.

**20. Para No.35: Page 53 – Suspected Fraud – Misappropriations and Thefts – Rs.112,036**

Audit had observed: “A division purchased articles valuing Rs.48,358 in June 1997 but did not account for in relevant Accounts Documents. In another case material valuing Rs.63,678 was shown issued without any indent and proper consumption Account. Non-accountal/consumption resulted in misappropriation worth Rs.112,036.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**21. Para No.38: Page 54 – Suspected Fraud – Misappropriations and Thefts – Rs.95,943**

Audit had observed: “A division did not account for stock material purchased during October 1989 to October 1990. The non-accountal of stores led to misappropriation worth Rs.95,943.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action

shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **22. Para No.39: Page 55 – Loss of Rs.4,525,000**

**24-4-2002:** The Department explained that Para No.39 and Para No.232 related to non-auction of the dismantled material from the abandoned tubewells 181 No and 279 No. respectively. The Department stated that actual number of dismantled tubewells was 171 No. and 274 No. respectively. 6 No. lots had already been auctioned for Rs.460,110. The remaining material was put to auction on 11-3-2002 but the bids were less than the reserve price. In the second tender opened on 3-4-2002 reasonable bids had been received. The case for approval of auction rates was under process.

The Committee directed that the Department should produce the record to audit and complete the auction process at the earliest. **The para was settled** subject to verification of record by Audit.

## **23. Para No.40: Page 55 – Misappropriation of Rs.1,350,000**

**28-5-2002:** The Department explained that 16 tube-wells were closed due to bore damage after continuous running since 1969. Now the material of the tube-wells had been pulled out. The Sub Divisional Officer concerned inspected and found that the material was old and unserviceable which had been accounted for and taken on scrap and relevant register. The disposal of unserviceable material was in process. The Committee **settled the para** subject to Audit verification.

## **24. Para No.41: Page 55 – Suspected Fraud – Misappropriations and Thefts – Rs.240,350**

Audit had observed: “A division failed to show the bonafide consumption account of lubricants (grease etc) purchased in November 1992, September 1994 and October 1994 for the tubewell schemes. Furthermore the same were also not properly taken on stock. The non consumption/accountal of the lubricants led to the apprehension that the lubricants worth Rs.240,350 were misappropriated.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## **25. Para No.45: Page 57 – Loss to Government – Rs.2,960,659**

**24-4-2002:** Audit had pointed out that government receipts amounting to Rs.2,960,659 were not remitted into treasury in December 1995. The Department explained that the opening balance for December 1995 had been wrongly posted by adding the amount of Miscellaneous P.W. Advance into

the closing balance of November 1995. The error had since been rectified. **The para was settled** subject to verification by Audit.

**26. Para No.46: Page 58 – Loss to Government – Rs.70,300**

**24-4-2002:** The Department explained that out of total amount of Rs.70,300 on account of theft of tube-well material the amount of Rs.40,000 relate to theft of transformers which was property of WAPDA and should be deleted from this para. The Department further explained that in the departmental inquiry about the responsibility of the loss of remaining amount of Rs.30,300 the Inquiry Officer had recommended action against the official concerned. Action had accordingly been initiated against them under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that the Finance Department should monitor further action in the matter. The para was settled.

**27. Para No.47: Page 58 – Loss of Rs.2,059,068**

**24-4-2002:** The Department stated that this draft para was based on two Advance Paras and explained as under:-

**(i) AP No.8080 for Rs.62,650**

The Department explained that in the disciplinary proceedings completed in February 2002 recovery had been imposed on 7 tubewells operators which would be recovered from their monthly salary starting with March 2002.

**(ii) AP No.8081 for Rs.1,996,418**

The Department explained that this para related to theft of 39 transformers which was property of the WAPDA.

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

**28. Para No.48: Page 59 – Suspected Fraud – Misappropriations and Thefts – Rs.451,710**

Audit had observed: “A formation failed to recover the stolen parts of tubewells. This resulted in loss of Rs.451,710 during 1996-97.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and recover the loss from the persons found at fault. In case no one is found responsible, the case shall be referred to the Competent Authority for the write off. The action taken shall be got verified from the Audit by 31 January 2003, and reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**29. Para No.49: Page 59 – Suspected Fraud – Misappropriations and Thefts – Rs.98,100**

Audit had observed: “A division failed to recover stolen parts of tubewells. This resulted in loss of Rs.98,100 during 1995-96 and 1996-97.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and recover the loss from the persons found at fault. In case no one is found responsible, the case shall be referred to the Competent Authority for the write off. The action taken shall be got verified from the Audit by 31 January 2003, and reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**30. Para No.50: Page 59 – Suspected Fraud – Misappropriations and Thefts – Rs.60,000**

Audit had observed: “A division paid Rs.60,000 in June 1997 to WAPDA for providing stolen parts of transformer installed on a Tubewell. The theft of parts of a transformer resulted in loss of Rs.60,000.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter and recover the loss from the persons found at fault. In case no one is found responsible, the case shall be referred to the Competent Authority for the write off. The action taken shall be got verified from the Audit by 31 January 2003, and reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**31. Para No.52: Page 60 – Loss due to theft of 37 trees – Rs.125,000**

**23-4-2002:** The Department explained that FIR was registered with the concerned Police Station about the theft of 37 trees. The culprits were challaned. Later on, they were acquitted by the court on technical grounds. However, the stolen material was handed over to the Department which had been accounted for. The Committee **settled the para** subject to verification of record by Audit.

**32. Para No.54: Page 61 – Overpayments – Rs.183,791**

Audit had observed: “A division made payment of premium @ 237% instead of 147% sanctioned in the estimate by the Chief Engineer for other items. The payment of higher premium resulted in excess payment of Rs.183,791 to the contractor.”



**19-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**33. Para No.55: Page 62 – Overpayments – Rs.78,768**

Audit had observed: “A division paid rate of Rs.113.75 for cutting and supplying brush wood within one mile instead of the admissible rate of Rs.15.15% cft. The payment of incorrect rate resulted in overpayment of Rs.78,768 in March 1996.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**34. Para No.56: Page 62 – Overpayment – Rs.52,340**

**22-4-2002:** The Department explained that the recovery pointed out by Audit had since been made. The Committee **settled the para** subject to verification of record by Audit.

**35. Para No.57: Page 63 – Overpayments – Rs.63,310**

Audit had observed: “A division made payment of premium at 149% and 175% instead of 5% and 149% respectively admissible as per acceptance letter and allowed excessive rate of Rs.199.60 for earth work instead of the sanctioned rate of Rs.153.60 per % cft. The payment of higher premium and rate resulted in excess payment of Rs.63,310.”

**19-8-2002:** 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 31 January 2003 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 No.59: Page 63 – Overpayments – Rs.164,148**

Audit had observed: “A division paid carriage of steel sheet piles @ Rs.1618.42 per 5 ton against the admissible rate of Rs.809.21 and allowed extra lead also. The payment of higher rate and extra/short lead for carriage resulted in overpayment of Rs.164,148 to the contractor.”

**19-8-2002:** 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 31 January 2003 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 No.60: Page 12 read with 64 – Overpayment due to incorrect and higher rates – Rs.1,283,854**

**23-4-2002:** Audit pointed out that the Department made payment for carriage of stone from stockyard to site of work at the rate of Rs.32.55 per % Cft instead of Rs.21.56 per % Cft.

The Department explained that due to loose earth and continuous movement of earth moving machinery, it was not possible to stock the stone at site. Hence, the stone was first unloaded at an intermediate place and then it was shifted to site of work by means of tractors and trollies. This short carriage was provided in the technical sanction and BOQ. **The para was settled** subject to verification of record by Audit.

**38. Para No.62: Page 65 – Overpayments – Rs.206,248**

Audit had observed: “A division made payment at 291% above against the sanctioned premium of 250% above the Composite Schedule of Rates 1979. The payment of higher premium resulted in overpayment of Rs.206,248 to a contractor in June 1996.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**39. Para No.63: Page 65 – Overpayments – Rs.251,108**

Audit had observed: “In a division rate of Rs.900 per % cft for carriage of stone/spawl 132 miles lead was provided in a agreement. During execution of work, the quarry site was changed with a distance of 125 miles. But the payment was made at full rate of Rs.900% cft instead of proportionately reduced rate of Rs.873.30 admissible for the changed lead of 125 miles. Payment of higher rate and excessive lead resulted in overpayment of Rs.251,108.”

**19-8-2002:** 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 31 January 2003 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 No.66: Page 107 – Overpayment – Rs.52,017**

**27-5-2002:** Audit pointed out that the entire amount had been recovered from the contractors concerned through security deposits and had been verified by it.

The Committee settled the para with the direction that the Department should take action against the persons responsible for the overpayment in the first instance and the Finance Department was directed to monitor the same.

**41. Para No.67: Page 67 – Overpayments – Rs.105,071**

Audit had observed: “In a division bed clearance and dressing etc was paid as ordinary soil @ Rs.105.90% cft. In the report of the Revised Sanctioned Estimate it was mentioned that the drain was heavily silted up. Evidently the work was silt clearance in soft soil and not ordinary soil. Therefore the admissible rate was Rs.83.20% cft as per item 2 and Remarks in Column 7 of Composite Schedule of Rates 1979 page 25. The payment on higher rate resulted in excess payment of Rs.105,071 to the contractor.”

**19-8-2002:** 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 31 January 2003 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 No.69: Page 68 – Overpayments – Rs.190,414**

Audit had observed: “A division made payment to contractors at higher rates of premium against the agreed premium quoted through undertaking. Payment of premium at higher rates resulted in excess payment of Rs.190,414 in January 1995.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall

monitor the implementation of the directive of the PAC.

**43. Para No.71: Pages 69-70 – Overpayment – Rs.74,195**

**24-4-2002:** The Department explained that the unloading of berms involve earth work in ordinary soil and not in soft soil as presumed by Audit. Secondly, re-handling of earth work was involved to fill in the diversion channel. Payment was made as per technically sanctioned estimate.

The Committee directed that this para should be considered and decided by the SDAC, and the decision of the SDAC should be communicated to PAC Secretariat. Subject to this direction, **the para was settled.**

**44. Para No.72: Page 70 – Overpayments – Rs.67,202**

Audit had observed: “A division made payment at higher rates of Rs.14.40 instead of Rs.8.50 and Rs.34.65 instead of 34.25 and increased a quantity of 121500 Sft to 129600 Sft by tempering the record entry. Allowing of higher rates and tempering of the entry resulted in overpayment of Rs.67,202.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**45. Para No.73: Pages 70-71 – Overpayments – Rs.209,453**

Audit had observed: “A division paid higher rate @ Rs.1100 % cft instead of the admissible rate of Rs.691.72 for supply of bajri as non-schedule item. Payment of non schedule item on higher rates resulted in overpayment of Rs.209,453.”

**19-8-2002:** 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 31 January 2003 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 No.75: Pages 71-72 – Overpayments – Rs.45,730**

Audit had observed: “A division paid excavation in foundation of apron at the rate of Rs.174.25% cft instead

of admissible rate of Rs.163.35% cft as the earth was already paid as dressed and leveled. Unjustified addition of Rs.10.90 in rate resulted in overpayment of Rs.45,370 in May 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**47. Para No.76: Page 72 – Overpayments – Rs.180,816**

Audit had observed: “A division paid extra carriage for a half mile for stone carted from the quarry to the site of work, at initial rate of Rs.14.50 instead of the continued rate of Rs.2.05% cft. Payment of carriage at higher rate resulted in excess payment of Rs.180,816.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**48. Para No.77: Pages 72-73 – Overpayment of Rs.176,048**

**28-5-2002:** In its latest comments, Audit had pointed out that premium of 90% above, for item “supply of stone, and 80% above for Killa Bushing” was payable as per agreement but the Department paid 115% premium which resulted into overpayment of Rs.46,604. Contrary to what had been explained in the working paper, during the meeting the Department admitted overpayment to the extent of Rs.33,289.

The Committee directed the Department to complete recovery/disciplinary action against the officers responsible for overpayment. The amount to be recovered should be rechecked by Audit. The Finance Department was directed to monitor the case. Subject to these directions, **the para was settled.**

**49. Para No.79: Page 73 – Overpayments – Rs.152,868**

Audit had observed: “A division paid premium at 145% on “making and removing false masonry” instead of the admissible premium of 60% as the item of work fell under Other Items. The application of incorrect premium rate at 145% instead of 60% resulted in overpayment of Rs.152,868 in February 1992.”

**19-8-2002:** 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 31 January 2003 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 No.80: Page 74 – Overpayment – Rs.93,605**

**29-5-2002:** The Department explained that recovery of Rs.93,605 had been made from the contractor concerned and deposited into Government Treasury.

The Committee **settled the para** subject to verification of record by Audit and directed that the Department should take appropriate action against the officer responsible for overpayment in the first instance.

**51. Para No.81: Page 74 – Overpayments – Rs.79,219**

Audit had observed: “A division paid rates of Rs.68 and Rs.61 per % cft for compaction upto 95% density instead of the admissible rate of Rs.52.98 per % cft for 80% density compaction achieved at site of work according to the design approved by the consultants. Due to application of incorrect rates, excess payment of Rs.79,219 was made to the contractors in April 1996.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**52. Para No.82: Page 75 – Overpayments – Rs.64,863**

Audit had observed: “A division paid extra carriage of stone at the starting rate of Rs.211.80 instead of the continuous rate of Rs.198.75.” The allowing of extra carriage at higher rates resulted in excess payment of Rs.64,863 in October 1994.”



**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**53. Para No.83: Page 75 – Overpayments – Rs.80,723**

Audit had observed: “A division measured and paid earth work excavation in ordinary soil instead of soft soil for the quantity for which extra allowance for slush was paid in November 1995. The payment of soft soil as ordinary resulted in excess payment of Rs.80,723.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**54. Para No.86: Page 77 – Overpayments – Rs.180,238**

Audit had observed: “A division paid the item “supplying bajri/spawl ½” to 2” @ Rs.250 % cft against the rate of Rs.66.20 % cft approved by the Chief Engineer while sanctioning the estimate. The payment of higher rate resulted in excess payment of Rs.180,238.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**55. Para No.87: Page 77 – Overpayments – Rs.111,556**

Audit had observed: “A division paid extra allowance @ Rs.121 per % cft for slush earth work 1441200 cft against the admissible rate of Rs.64.25 per % cft as dewatering was not done. The payment at higher rate resulted in overpayment of Rs.111,556.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to

the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**56. Para No.88: Page 78 – Overpayment – Rs.62,559**

**27-5-2002:** The Department explained that the recovery on account of short carriage of stone had been effected/adjusted from the contractor concerned.

The Committee **settled the para** subject to verification of record by Audit and directed the Department to take action against the persons responsible for overpayment in the first instance. The Finance Department should monitor progress in the matter.

**57. Para No.90: Page 78 – Overpayments – Rs.557,619**

Audit had observed: “A division made payment for short carriage of stone of one mile @ 32.55% cft instead of admissible continued rate of Rs.2.56% cft being the last mile. The contractors were responsible to supply the material at site of work as per agreement and as such rate for the last mile was admissible. Payment of carriage at higher rate for the last mile resulted in overpayment of Rs.557,619.”

**19-8-2002:** 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 31 January 2003 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 No.91: Page 79 – Overpayments – Rs.121,102**

Audit had observed: “A division paid the rate of Rs.61 % cft for hundred percent compaction of earth against the admissible rate of Rs.53.78 per % cft for 82% compaction required at site for rehabilitation works of a distributary. The application of incorrect/higher rate resulted in overpayment of Rs.121,102.”

**19-8-2002:** 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 31 January 2003 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.

**59. Para No.92: Page 80 – Overpayments – Rs.206,519**

Audit had observed: “A division paid rate of Rs.123.40 per % cft for bed clearance and dressing slopes etc lead 250 feet against the admissible rates of Rs.101.60 per % cft (83.20+18.40). Application of incorrect higher rates resulted in overpayment of Rs.206,519.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**60. Para No.95: Page 81 – Overpayments – Rs.182,050**

Audit had observed: “A division made overpayment of Rs.182,050 in lind running bill. In 3<sup>rd</sup> final bill the amount was adjusted but the bill turned in Minus Rs.182,050. Minus bill resulted in overpayment of Rs.182,050 to a contractor and loss to the public exchequer.”

**19-8-2002:** 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 January 2003. 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.

**61. Para No.96: Page 81 – Overpayments – Rs.89,784**

Audit had observed: “A division failed to apply the reduction factor in consumption of stone as issued by the Standing Rates Committee. The non-application of reduction factor resulted in excess payment of Rs.89,784 to the contractor during October 1996 to March 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

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

Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**62. Para No.97: Page 82 – Overpayments – Rs.163,395**

Audit had observed: “A division recorded double measurements of earth work. Audit correspondence of January 1998 and May 1998 failed to evoke any response. The double measurement of earth work resulted in double payment of Rs.163,395 in January 1996.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**63. Para No.98: Page 82 – Overpayments – Rs.146,878**

**24-4-2002:** The Department explained that due to heavy traffic the thickness of 0.63 feet was required for which item rate was provided in the technically sanctioned estimate. The payment was made according to the approved tender item rate. The Committee **settled the para** subject to verification of record by Audit.

**64. Para No.99: Pages 82-83 – Overpayments – Rs.143,823**

Audit had observed: “A division obtained 549837 cft earth from berm cutting. This quantity was required to be deducted from the earth brought from outside which was not done and the excess payment was made for that quantity. Non-deduction of the available earth resulted in excess payment of Rs.143,823 to the contractor.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**65. Para No.100: Page 83 – Overpayment – Rs.153,653**

**(i) AP No.7722 for Rs.91,314**

**27-5-2002:** The Department explained that 10% deduction on account of shrinkage from bank

measurement had been made from the earth work and no further recovery was due.

**(ii) AP No.7723 for Rs.62,339**

**27-5-2002:** The Department explained that 10% shrinkage was not applicable in this case. The measurements recorded were from the borrow pits.

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

**66. Para No.101: Pages 83-84 – Overpayments – Rs.135,314**

Audit had observed: “A division failed to make deduction on account of the available earth from the measurements of earth brought from outside. Shrinkage was also not deducted in June 1997 resulting in excess payment of Rs.135,314. Non-deduction of available earth and shrinkage resulted in excess payment to the contractor.”

**19-8-2002:** 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 January 2003. 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.

**67. Para No.103: Page 84 – Overpayments – Rs.252,997**

Audit had observed: “A division made local carriage of total (100%) quantity of stone in November 1996 instead of 50% as provided in the agreement. The deviation from the agreement resulted in overpayment of Rs.252,997.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**68. Para No.104: Page 85 – Overpayment – Rs.492,577**

**22-4-2002:** The Department explained that no dressing and shrinkage was admissible as per specification and rules when the earth work was done with compaction. The Committee **settled the para** subject to verification of record by Audit.

**69. Para No.105: Page 85 – Overpayments – Rs.78,775**

Audit had observed: “A division failed to apply the deduction factor in filling stone in trangers. The non application of deduction factor resulted in excess payment of Rs.78,775 in November 1994.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**70. Para No.106: Page 86 – Overpayments – Rs.165,511**

Audit had observed: “A division measured and paid consumption of stone material without applying the deduction factors introduced by the Standing Rates Committee. The non-application of deduction factors resulted in excess payment of Rs.156,511 in November 1994.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**71. Para No.107: Page 86 – Overpayment – Rs.100,203**

**28-5-2002:** The Department explained that in the overall main work the excessive quantity of stone came to only 3484 cft and the cost of the same i.e. Rs.4,523 had been recovered from the contractor. The Committee **settled the para** subject to verification of record by Audit.



**72. Para No.109: Page 87 – Overpayments – Rs.510,709**

Audit had observed: “A division measured and paid earth work brought from outside for banks but failed to deduct shrinkage @ 10% as per Composite Schedule of Rates 1979. Non-deduction of shrinkage in overpayment of Rs.510,709.”

**19-8-2002:** 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 31 January 2003 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 No.110: Pages 87-88 – Overpayments – Rs.65,518**

Audit had observed: “A division made excess payment Rs.65,518 to different contractors on account of excessive and double measurements and due to allowing wastage of stone instead of deduction of voids. The payments for excessive quantities resulted in overpayment of Rs.65,518.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**74. Para No.111: Page 88 – Overpayments – Rs.479,665**

Audit had observed: “A division paid carriage for excessive quantities of spawal and stone, measured excessive quantity for dumping stone and failed to account for the balance quantities of spawal 4639 cft and stone 12754 cft. Payment of carriage and dumping stone for excessive quantities resulted in excess payment of Rs.458,519 and the non accountal of spawal and stone led to loss of Rs.21,146.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**75. Para No.112: Pages 88-89 – Overpayment – Rs.50,422**

**27-5-2002:** The Department explained that in all the three components, the recovery had been effected from the contractors concerned.

The Committee **settled the para** subject to verification of record by Audit and directed the Department to take action against the persons responsible for overpayment in the first instance. The Finance Department should monitor progress in the matter.

**76. Para No.114: Page 89 – Overpayments – Rs.65,091**

**22-4-2002:** The Department explained that the dumping of stone in Tranggers at the required site involved extra tipping and extra anchoring of boat. Thus no overpayment was involved. **The para was settled** subject to verification of record by Audit.

**77. Para No.115: Page 90 – Overpayments – Rs.47,286**

Audit had observed: “A division used 22550 No.trangers instead of 21698 Nos. of 9 cft capacity for 195288 cft stone. The excessive consumption of trangers resulted in excess payment of Rs.47,286 in June 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**78. Para No.116: Page 90 – Overpayments – Rs.934,546**

**6-2-2002:** The Department explained that the overpayment pointed out by Audit had been adjusted/recovered from the final bill of the contractor. The Committee observed that in case the recovery had been made after the payment of final bill of the contractor then disciplinary action is called for against the officer responsible for not recovering the government dues at the proper time. The needed to be checked up. **The para was settled** subject to verification.

**79. Para No.117: Page 91 – Overpayment – Rs.70,317**

**24-4-2002:** The Department stated that the para comprised two advance Paras and explained as under:-

**(i) AP No.14069/1997-98 for Rs.46,935**

The Department explained that the actual recoverable amount was Rs.16,090 which had been recovered from the contractor.

**(ii) AP No.14074/1997-98 for Rs.23,359**

The Department explained that the actual recoverable amount was Rs.9,811 which had been recovered from the contractor.

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

**80. Para No.118: Page 91 – Overpayments – Rs.366,088**

Audit had observed: “A division failed to deduct 10% shrinkage. Non-deduction of 10% shrinkage resulted in overpayment of Rs.366,088.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**81. Para No.119: Pages 91-92 – Overpayments – Rs.561,039**

Audit had observed: “A division made payment for borrowpit excavated from outside borrowpit without deduction of shrinkage @ 10%. Non-deduction of shrinkage resulted in excess payment of Rs.561,039.”

**19-8-2002:** 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 31 January 2003 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.

**82. Para No.120: Page 92 – Overpayments – Rs.160,026**

Audit had observed: “A division paid excessive quantities for carriage of stone and incorrect higher rate for dumping of stone without boat. The payment of excessive quantities for carriage and higher rate for dumping of stone resulted in excess payment of Rs.160,026.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**83. Para No.125: Page 94 – Overpayments – Rs.125,989**

Audit had observed: “A division made overpayment of Rs.125,989 due to double measurement of quantity of cunnette in different measurement books. The double measurement of a quantity resulted in over payment of Rs.125,989.”

**19-8-2002:** 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 31 January 2003 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.

**84. Para No.126: Page 95 – Overpayment – Rs.1,554,326**

**7-2-2002:** The Department explained that the diversion bund was required to be constructed at Trimmu Barrage to facilitate the execution of the work of trenches and there was no possibility of using the earth of the trenches on the diversion bund. Therefore, the question of deducting the earth of trenches from the diversion bund did not arise. The Committee directed the department to get the relevant record verified by Audit. **The para was settled** subject to verification by Audit.

**85. Para No.127: Pages 95-96 – Overpayment – Rs.67,087**

**28-5-2002:** The Department explained that the entire recovery amounting to Rs.67,087 had been effected from the contractor concerned.

The Committee **settled the para** subject to verification of record by Audit along with action against the responsible person for overpayment in the first instance. The Finance Department should monitor progress in the matter.

**86. Para No.133: Page 98 – Overpayments – Rs.721,996**

Audit had observed: “A division made measurement of providing and laying bajri on slope by recording tape length of more than 100 feet which was neither available nor practicable. Recording of measurements through tape length exceeding 100 feet resulted in fictitious payment of Rs.721,996.”

**19-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**87. Para No.134: Page 99 – Overpayment – Rs.299,738**

**28-5-2002:** The Department explained that the deduction of shrinkage was not required as the compaction of the earth work was carried out as per item No.5 (iii) P-29 of CSR 1998. The question of the deduction of the shrinkage did not arise. The Committee **settled the para** subject to verification of record by Audit.

**88. Para No.135: Page 99 – Overpayments – Rs.162,393**

Audit had observed: “A division paid carriage of stone for 540973 cft instead of the loose quantity 522579 cft worked out as per final consumption of the stone. The payment of carriage for excessive quantity 18394 cft resulted in overpayment of RS.162,393 in October 1995.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**89. Para No.136: Page 100 – Overpayments – Rs.57,847**

Audit had observed: “A division made payment of undressed earth work as dressed and did not apply shrinkage factor on bank measurements in May 1994. Non-deduction of shrinkage allowance resulted in over payment of Rs.57,847.”

**19-8-2002:** 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 January 2003. 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.

**90. Para No.137: Page 100 – Overpayments – Rs.221,657**

Audit had observed: “A division made payment for cost of stone for 407,702 cft instead of 334,385 cft leading to payment for excessive quantity of 73317 cft. The payment for excessive quantity resulted in overpayment of Rs.221,657 in November 1994.”

**19-8-2002:** 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 January 2003. 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.

**91. Para No.138: Page 100 – Overpayment – Rs.81,469**

**22-4-2002:** The Department explained that lesser rate had been paid for the earth work carried out for laying of apron @ Rs.121/40 instead of Rs.133/25. The Department further stated that shrinkage was not required to be deducted in respect of a quantity of the earth work taken from borrow pits. The Committee **settled the para** subject to verification of record by Audit.



**92. Para No.141: Page 102 – Overpayment – Rs.380,365**

**24-4-2002:** The Department explained that the draft para was based on three advance paras and stated as under:-

**(i) A.P. No.6715 for Rs.366,013**

The Department explained that the actual amount of excess payment was Rs.18,324 which had been recovered from the contractor.

**(ii) A.P. No.6717 for Rs.7,218**

The Department explained that actual amount of excess payment was Rs.6,691.

**(iii) A.P. No.6729 for Rs.7,133**

The Department explained that no excess payment was involved.

The Committee directed that appropriate action should be taken against the officers (including the Divisional Accountant) responsible for excess payment in the first instance. The relevant record should be got verified by Audit.

**The para was settled** subject to verification by Audit.

**93. Para No.142: Page 102 – Overpayments – Rs.497,137**

Audit had observed: “A formation paid earth work from out side borrowpits (lead 100 feet, 250 feet/2-miles) without deduction of the quantity of earth available at site from excavation in Irrigation Channels. The Non-deduction of the quantity of earth available at site resulted in excess payment of Rs.497,137 in April 1995.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**94. Para No.143: Page 102 – Overpayments – Rs.63,408**

Audit had observed: “A division paid carriage charges for 661301 cft stone instead of the loose quantity of stone 628368 cft worked out as per final consumptions. Payment of carriage for excessive quantity 29354 cft resulted in excess payment of Rs.63,408 in February 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the**

**following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**95. Para No.144: Page 103 – Overpayment due to non-application of reduction factor – Rs.150,264**

**23-4-2002:** The Department explained that an amount of Rs.69,911.52 was not recoverable as the conversion factor had been correctly applied. However, the Department explained that the balance amount of Rs.80,352 due to non-application of conversion factor on item dumping and filling stone in stranger was recovered from the contractor's security. The Committee **settled the para** subject to verification of record by Audit.

**96. Para No.145: Page 104 – Overpayments – Rs.631,621**

Audit had observed: "A division made payment for earth work and for providing/laying stone bajri in excess of the sanctioned estimate. The payment of the excessive quantities resulted in excess payment of Rs.631,621 in June 1996."

**19-8-2002:** 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 31 January 2003 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.

**97. Para No.146: Page 104 – Overpayments – Rs.379,046**

Audit had observed: "A division paid a quantity of 2028356 cft instead of admissible quantity of 1097659 cft berm cutting compacted provided in the sanctioned estimates as per X-section. The excessive measurements of 930700 cft resulted in excess payment of Rs.379,046 to the contractors."

**19-8-2002:** 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 31 January 2003 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.

**98. Para No.147: Page 104 – Overpayments – Rs.149,365**

Audit had observed: "A division measured and paid earth work 1631403 cft against the total quantity as per X-Section 1638040 cft. Later on overall measurements were recorded and the quantity was increased to

1752237 cft. Thus the payment for the increased quantity 114197 cft was not admissible. The payment for the inadmissible increased quantity of earth work 114197 cft resulted in excess payment of Rs.149,365 to the contractor.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**99. Para No.148: Page 105 – Overpayments – Rs.144,366**

Audit had observed: “ In a division the work “Restoration of Flood Damages Bund Reach RD 0-15” was allotted. But payment was made for 161625 cft earth work in Reach 15-16 also addition to the work done in RD 0-15, which was unjustified. The unjustified measurements resulted in excess payment of Rs.144,361 to the contractor.”

**19-8-2002:** 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 31 January 2003 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.

**100. Para No.149: Page 105 – Overpayments – Rs.46,524**

Audit had observed: “A division made payment of Stone pitching 89426 cft on top layer and on level damaged in flood instead of 73779 cft admissible as per drawing/design. The payment for excessive quantity 15647 cft resulted in excess payment of Rs.46,524 to the contractor.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**101. Para No.150: Page 106 – Overpayments – Rs.84,148**

Audit had observed: “A division paid excessive quantities over the sanctioned revised estimate, which resulted in unauthorised payment of Rs.84,148.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**102. Para No 151: Pages 106-107 – Overpayment – Rs.4,857,450**

**4-2-2002:** The Department explained that the estimate of the work had been technically sanctioned by the Chief Engineer and excessive quantity under observation in this para had been covered in the technically sanctioned estimate.

The department was directed to get the relevant record verified by Audit and **the para was settled** subject to verification.

**103. Para No.152: Page 107 – Overpayments – Rs.77,789**

Audit had observed: “A division measured and paid “Pacca brick work other than building” for 9806.48 cft against 7025.18 cft provided in the revised estimate, without any change in design of the Minor at RD 15300. The excessive measurements resulted in unjustified payment of Rs.77,789.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**104. Para No.154: Page 108 – Overpayments – Rs.154,396**

Audit had observed: “A division made payment to the Machinery Division for 7610261 cft on earth

work against the estimated provision of 735200 cft. The payment for excessive quantity resulted in excess payment of Rs.154,396 in November 1994.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**105. Para No.155: Page 108 – Overpayments – Rs.1,933,752**

Audit had observed: “In a division excessive quantities of different items of work were paid over the sanctioned estimate. The payment for excessive quantities resulted in excess payment of Rs.1,933,752 to the contractor.”

**19-8-2002:** 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 31 January 2003 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.

**106. Para No.158: Page 109 – Overpayment due to paying excessive quantity – Rs.81,774**

**23-4-2002:** The Department explained that the item of earth work excavation brought from outside borrow pits had been sanctioned in the revised technically sanctioned estimate and revised administrative approval had also been accorded by the Competent Authority, with the approval of Provincial Development Working Party. **The para was settled** subject to verification by Audit.

**107. Para No.163: Page 112 – Overpayments – Rs.55,002**

Audit had observed: “In a division an item of work ‘Earth work excavation in shingle or gravel lead 100 feet’ was paid for a quantity of 985838 cft against the quantity of 924499 cft admissible as per revised Technically Sanctioned Estimate. The payment of excessive quantities over the provision of revised technically sanctioned estimate resulted in excess payment of Rs.55,002 in March 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**108. Para No.164: Page 112 – Overpayments – Rs.569,284**

Audit had observed: “In a division earth work excavation was measured and paid for 1560573 cft against the sanctioned requirement of 365000 cft. Payment for excessive quantities resulted in unjustified expenditure of Rs.569,284.”

**19-8-2002:** 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 31 January 2003 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.

**109. Para No.167: Page 114 – Overpayments – Rs.1,049,450**

Audit had observed: “A division paid earth work excavation outside borrowpits in excess of the sanctioned lead. The measurement of lead of earth work against the sanctioned estimate resulted in overpayment of Rs.1,049,450 to the contractor in November 1996.”

**19-8-2002:** 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 31 January 2003 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.

**110. Para No.168: Page 114 – Overpayments – Rs.152,951**

Audit had observed: “In a division 149608 cft stone was paid with 125 miles lead instead of 110 miles lead provided in agreement/Bill of Quantities and in comparative statements resulting in excess payment. The payment for excessive lead resulted in excess payment of Rs.152,951.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**111. Para No.169: Page 115 – Overpayments – Rs.58,087**



Audit had observed: “A division measured and paid lead of 450’ against the sanctioned lead of 50’ for undressed earth work. The measurement of excessive lead resulted in overpayment of Rs.58,087 in June 1997.”

**19-8-2002:** 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 31 January 2003 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.

**112. Para No.172: Page 116 – Overpayments – Rs.184, 685**

Audit had observed: “A division paid the rate of Rs.536.90 per % cft for 267814 cft earth work excavation from outside borrowpits lead up to 3 miles against the rate of Rs.105.90 per % cft with lead of 100 feet as per provision of the agreement. The payment of 3 miles lead against the agreed provision of 100 feet lead resulted in excess payment of Rs.184,685.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**113. Para No.173: Page 117 – Overpayments – Rs.71,174**

Audit had observed: “A division made payment of earth work excavation outside borrowpits for different leads without provision in the technically sanctioned estimate. Payment of earth work with different lead without sanction of lead resulted in overpayment of Rs.71,174 in March 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**114. Para No.174: Page 117 – Overpayments – Rs.162,659**

Audit had observed: “A division made payment for rehandling of earth work 51670 cft obtained from excavation in foundation of buildings which included rehandling etc (item 21(b) page, 32 Composite Schedule of Rates 1979). The contractor was also allowed 500 feet lead without any provision in the sanctioned estimate. The extra payment for rehandling of earth and unauthorised lead resulted in overpayment of Rs.162,659 in March 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**115. Para No.176: Page 118 – Overpayments – Rs.306,486**

Audit had observed: “A division paid the rate of Rs.476.90 per % cft for earth work excavation from outside borrowpits lead up to 2 miles against the admissible rate of Rs.130.40 per % cft for 250 feet lead provided in the agreement/DNIT. The payment of excessive lead resulted in overpayment of Rs.306,486.”

**19-8-2002:** 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 31 January 2003 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.

**116. Para No.178: Page 119 – Overpayments – Rs.77,588**

Audit had observed: “A division made payment for the carriage of trees for 4-10 mile lead, whereas one mile lead was provided in the technically sanctioned estimate. The payment for excessive lead resulted in overpayment of Rs.77,588.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**117. Para No.180: Page 120 – Overpayments – Rs.155,931**

Audit had observed: “A division paid lead of 3 miles for earth work 1505308 cft against the provision of 821400 cft and lead of one mile for 490140 cft against the provision of 6130000 cft. Thus paid excessive lead of two miles for 683908 cft earth work. Payment of excessive lead of two miles for 683908 cft earth work resulted in overpayment of Rs.155,931.”

**19-8-2002:** 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 31 January 2003 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.

**118. Para No.181: Page 121 – Overpayments – Rs.74,650**

Audit had observed: “In a division lead for carriage of stone from approved quarry was measured and paid in excess of the lead sanctioned by the competent authority. Payment of lead in excess of the sanctioned estimate resulted in overpayment of Rs.74,650 in August 1994.”

**19-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**119. Para No.183: Pages 121-122 – Overpayments – Rs.57,922**

Audit had observed: “A division paid rates of Rs.280.90 and 382.90 per % cft. For the item earth work excavation from outside borrowpit lead 2640 feet and 4620 feet against the admissible rate of Rs.105.90 per % cft. for a lead of 100 feet as per provision of the agreement. The payment for excessive lead over the provision of the agreement resulted in overpayment of Rs.57,922 in July 1995.”

**19-8-2002:** 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 31 January 2003 in the light of the decision of the SDAC. The action taken in the matter shall be reported to the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**120. Para No.184: Page 122 – Overpayment – Rs.60,128**

**29-5-2002:** The Department explained that full amount of Rs.60,128 had been recovered from the contractor concerned and deposited into Government Treasury.

The Committee **settled the para** subject to verification of record by Audit and directed that the Department should take appropriate action against the officer responsible for overpayment in the first instance.

**121. Para No.186: Page 123 – Overpayment – Rs.99,339**

**27-5-2002:** The Department explained that the payment had been made for the carriage of brush wood from canal plantation provided in the detailed estimate sanctioned by the Competent Authority. No overpayment was involved. The Committee **settled the para** subject to verification of record by Audit.

**122. Para No.193: Page 127 – Overpayment – Rs.153,861**

**27-5-2002:** Audit had pointed out that while granting technical sanction the Chief Engineer had scored out the items of “Extra allowance for slush/wet earth work.” The Department explained that said item had been incorporated in the revised Variation Statement approved by the Chief Engineer on 20 September 1997.

The Committee directed that appropriate action should be taken against the officers who allowed extra allowance for slush without prior approval of the Chief Engineer. The Finance Department was directed to monitor the same. Subject to this direction, **the para was settled.**

**123. Para No.194: Page 127 – Overpayments – Rs.58,721**

Audit had observed: “A division made payment for supply and filling sand under floor plugging distributary without provision in the estimate sanctioned technically by the Chief Engineer. Payment for filling sand without provision in the sanctioned estimate resulted in unjustified expenditure of Rs.58,721 in March 1995.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the**

**following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**124. Para No.195: Page 128 – Overpayments – Rs.54,030**

Audit had observed: “In a division an item of work “Formation Dressing and Preparing Sub-grade on Slope” was measured and paid without any provision in the technically sanctioned estimate. The excess payment of Rs.54,030 was pointed out in December 1997. The Department admitted the excess payment and promised to make recovery/adjustment.”

**19-8-2002: 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 January 2003. 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.

**125. Para No.199: Page 129 – Overpayments – Rs.74,784**

Audit had observed: “In a division income tax was deducted after making recovery of security deposit from the total value of work done. According to the rules, security deposit and income tax were required to be deducted on the amount of total work done. Non-recovery of Income tax on amount of total work done resulted in overpayment of Rs.74,784.”

**19-8-2002: On consideration of the facts of the case, the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**126. Para No.200: Page 130 – Overpayment – Rs.73,037**

**23-4-2002:** Audit pointed out that the Department measured and paid excessive quantity on account of wrong calculation which resulted into an excess payment of Rs.73,037.

The Department explained that the excessive quantity had been adjusted and recovered. The amount of Rs.10,101 was omitted which had also been recovered from the contractor.

The Committee directed that action should be taken against the persons including the Divisional Accountant responsible making error in the calculation, and the record should be produced to Audit. **The para was settled** subject to the above mentioned direction.

**127. Para No.201: Page 130 – Overpayments – Rs.57,426**

Audit had observed: “A division measured excessive quantity for cement plaster/formation dressing etc on slopes by adding extra width and also paid incorrect rates for certain items. The excessive measurements and payment of incorrect rates resulted in overpayment of Rs.57,426.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover the loss, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**128. Para No.202: Page 131 – Overpayments – Rs.1,055,017**

Audit had observed: “A division made an advance payment to a sister division for supply of stone material during September 1991 to June 1994. Neither the stone was obtained nor the amount got refunded. This led to unjustified payment of Rs.1,055,017.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**129. Para No.203: Page 131 – Overpayments – Rs.97,276**

Audit had observed: “A division made payment for excessive quantities and for excessive lead. Payment of the excessive lead resulted in excess payment of Rs.97,276 to the contractor.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.



**130. Para No.204: Pages 131 and 132 – Overpayments – Rs.239,950**

Audit had observed: “A division made payment on account of price variation on material and labour without provision in the agreement. Payment of escalation on material/labour without provision in the agreement resulted in overpayment of Rs.239,950 in March 1997.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**131. Para No.206: Page 132 – Overpayments – Rs.202,045**

Audit had observed: “In a division labour rate was paid for 25508 cft dumping stone without issuance of stone from stock. Further excessive quantity of trangers 4214 Nos. was also paid. The payment for dumping without availability of stone and excessive measurements for the item of tranger resulted in excess payment of Rs.202,045.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**132. Para No.208: Page 133 – Overpayments – Rs.48,075**

Audit had observed: “A division paid excessive quantities for stone filling (8023 cft) and for short carriage (8827 cft) and did not account for the balance stone 8827 cft out of 149615 cft carted to site of a work. Payment for excessive quantities resulted in excess payment of Rs.33,399 and the non accountal of balance stone led to loss of Rs.14,675.”

**19-8-2002:** 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 31 January 2003 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.

**133. Para No.209: Page 134 – Overpayments – Rs.50,967**

**22-4-2002:** Audit reported in the meeting that the para to the extent of the amount of Rs.50,967 had been settled and the Department had been required to produce the relevant record in respect of the balance amount of Rs.45,024. **The para was settled** subject to verification by Audit.

**134. Para No.210: Page 134 – Overpayments – Rs.253,241**

Audit had observed: “In a formation a payment of Rs.253,241 was made to contractor for restoring tubewells/overhauling Diesel Engines (supplied/installed to execute the work at site) and for lining of canals. According to agreement the contractor was responsible for the restoration of the Tubewells and for lining of canals etc. Payment for the items which were the responsibility of the contractor resulted in overpayment of Rs.253,241.”

**19-8-2002:** 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 31 January 2003 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.

**135. Para No.213: Page 136 – Overpayments – Rs.52,423**

Audit had observed: “A division made payment for stone dumping and stone pitching without application of deduction factor introduced by the Standing Rate Committee. In another case carriage of brush wood was allowed for 4 to 14 miles without provision of lead in the sanctioned estimate. Non-application of the deduction factor in consumption of stone and the payment of lead of brush wood without sanction of the competent authority resulted in excess payment of Rs.52,423 in May 1997.”

**19-8-2002:** 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 31 January 2003 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.

**136. Para No.214: Page 136 – Overpayments – Rs.355,153**

Audit had observed: “In a division a contractor was paid cost of stone in addition to the payment for supply and dumping on composite rate. The extra payment for cost of stone and the payment of all stone work at composite rates resulted in double payment of Rs.355,153 to the contractor August 1995.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall produce the relevant record for verification by the Audit and take further necessary action including recovery, if any, as per observation of the Audit after such verification. The action shall be completed, and reported to the Finance Department and the Assembly Secretariat by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**137. Para No.215: Page 137 – Overpayment – Rs.– Rs.346,000**

**29-5-2002:** The Department explained that the payment of Rs.346,000 for the item dewatering/lowering of sub soil water had been made to the contractor in accordance with the provision of technically sanctioned estimate. The Department stated that the payment related to deposit work executed on behalf of the local irrigators and Government funds were not involved. **The para was settled** subject to verification of record by Audit.

**138. Para No.216: Page 138 – Violation of rules – Rs.414,587**

**23-4-2002:** The Department explained that the rough cost estimate was framed on the basis of general premium approved by the Chief Engineer. The lowest rates quoted by the contractors in the tenders were subsequently approved by the Chief Engineer. The estimates for both the works were sanctioned technically on the basis of rates approved by the Chief Engineer, paid and reimbursed by Donor Agencies.

The Committee observed that calling of tenders without a technical sanction was irregular for which appropriate action had to be taken. The Committee **settled the para** subject to the above observation and verification of record by Audit.

**139. Para No.217: Page 138 – Violation of rules – Rs.113,402**

**6-2-2002:** Audit had pointed out that earth brought from outside was paid as undressed instead of dressed as provided in the estimate. Audit had further pointed out that the tender had been accepted beyond permissible limit of 4.5% of the technically sanctioned estimate. The Department explained that the contractor had dressed the earth as provided in the estimate but the dressing was unsatisfactory. Therefore, he was paid for undressed earth. The Department further stated that the total cost of work was within the Administrative Approval. However, Technical Sanction was issued after acceptance of tender. The Department was directed to get the record verified by Audit and also get condonation from the Finance Department for accepting the tender before technical sanction.

**The para was settled** subject to grant of condonation by Finance Department and verification of record by Audit.

**140. Para No.218: Page 139 – Violation of rules – Rs.2,675,228**

**6-2-2002:** The Department explained that tenders were accepted within the permissible limit of 4.5% of the technically sanctioned estimate. However, Audit had pointed out that the technical sanction was accorded after receipt of tender. The Department was directed to get the record verified by Audit and to obtain condonation from the Finance Department for calling tenders before technical sanction. **The para was settled** subject to condonation by Finance Department and verification by Audit.

**141. Para No.221: Page 141 – Violation of Rules – Rs.63,292**

Audit had observed: “A division accepted tender of a work at tendered cost of Rs.1,876,091 against the technical sanctioned cost of Rs.1,737,586. Thus allowed premium at 7.9% against the limit of 4.5% prescribed under the Delegation of Powers Rules 1990. The acceptance of tender on higher rates resulted in loss of Rs.63,292 to the Government.”

**19-8-2002:** 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 31 January 2003 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.

**142. Para No.223: Page 142 – Violation of Rules – Rs.161,464**

Audit had observed: “A division accepted tenders for a work at 32.673% above the technically sanctioned estimate against the prescribed limit of 4.5% above fixed by the Government under Delegation of

Financial Powers Rules, 1990. The acceptance of tender beyond the prescribed limit was irregular and resulted in loss of Rs.161,464.”

**19-8-2002:** 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 31 January 2003 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.

**143. Para No.224: Page 143 – Violation of Rules – Rs.1,096,750**

Audit had observed: “A division accepted tender of a work for Rs.6,622,150 against the admissible cost of Rs.5,525,400(5,287,464 + 4.5% ) as per item No.2 Page-64 of Delegation of Financial Powers Rules, 1990. The acceptance of tender beyond the prescribed limit of 4.5% above resulted in loss of Rs.1,096,750.”

**19-8-2002:** 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 31 January 2003 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.

**144. Para No.226: Page 144 – Violation of Rules – Rs.198,580**

Audit had observed: “A division accepted the tenders at 23.85% and 13.29% above the estimated cost (put to tenders) against the permissible limit of 4.5% above fixed by the Government under Delegation of Financial Powers Rules 1990. The irregular acceptance of tenders at higher rates beyond the prescribed limit resulted in loss of Rs.198,580.”

**19-8-2002:** 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 31 January 2003 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.

**145. Para No.228: Page 145 – Violation of Rules – Rs.653,871**

**22-4-2002:** The Department explained that the estimate of the work had been technically sanctioned by the Competent Authority. Audit however, pointed out that tenders were called and payment was made without technically sanctioned estimate.

The Committee directed that disciplinary action should be taken against the officers responsible for the above mentioned irregularity and the expenditure should be got regularized by the Finance Department should monitor progress in this case. Subject to this direction, **the para was settled.**

**146. Para No.230: Page 146 – Violation of Rules – Rs.308,047**

Audit had observed: “A division did not dispose off the old and unserviceable stock articles. This resulted in blockade of stores worth Rs.308,047.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**147. Para No.231: Page 146 – Violation of Rules – Rs.13,727,174**

Audit had observed: “A division failed to dispose off the old and unserviceable stock material through open auction. The non-disposal of unserviceable stock material resulted in loss/blockade of stores worth Rs.13,727,174 during 1994-95 to 1996-97.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**148. Para No.232: Pages 146-147 – Violation of Rules – Rs.3,348,000**

**24-4-2002:** The Department explained that the Audit had pointed out application of prescribed rates of machinery charges on account of work done for other divisions in three cases. However, according to the factual position there was no less charging in case of transfer entry No.4 less charging to the extent of



Rs.5,600 and Rs.2,080 was found in cases of TE No.6 and TE No.3 respectively and accordingly additional bill had been sent.

The Committee directed that this para should be considered and decided by SDAC, and its decision communicated to the PAC Secretariat. Subject to this direction, **the para was settled.**

**149. Para No.233: Page 147 – Violation of Rules – Rs.450,000**

Audit had observed: “A division failed to auction the pulled out material of Tubewells during 1996-97. The delay in disposal of old material might lead to loss of materials worth Rs.450,000.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**150. Para No.234: Page 147 – Violation of Rules – Rs.142,673**

**24-4-2002:** The Department explained that the survey report of the surplus electric store articles to be auctioned had been got approved and further action was under progress. The Committee **settled the para** subject to completion of auction and verification of record by audit.

**151. Para No.236: Page 148 – Violation of Rules – Rs.1,863,323**

**24-4-2002:** The Department explained that the entire material in question was auctioned for Rs.1,503,415/27. The Committee **settled the para** subject to verification of record by Audit.

**152. Para No.237: Page 149 – Violation of Rules – Rs.1,511,577**

**24-4-2002:** The Department explained that the amount of this para had already been taken up in the Draft para No.236 for the year 1997-98. The duplication would be got verified by the Audit at the earliest. The Committee **settled the para** subject to verification of record by Audit.

**153. Para No.238: Page 149 – Violation of Rules – Rs.2,324,656**

**24-4-2002:** The Department stated that the draft para was based on two advance Paras and explained as under-

**(i) AP No.7673/96-97**

The Department explained that 4 Nos. condemned vehicles had since been auctioned for Rs.130,000 which had been credited to the government revenue.

**(ii) AP No.7674/96-97**

The Department explained that this para was a duplication of draft para No.239/97-98.

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

**154. Para No.239: Pages 149-150 – Violation of Rules – Rs.3,780,377**

**24-4-2002:** The Department explained that the stock of unused M.S. round was auctioned on 5-12-2001 for Rs.2,802,404 which had been deposited in government account. The Department further explained that the auction of the store of unused M.S.-Bar was in process. **The para was settled** subject to completion of auction and verification of deposit and record by Audit.

**155. Para No.241: Page 151 – Violation of Rules – Rs.1,134,435**

**28-5-2002:** The Department explained that old material of tube-wells had been auctioned for Rs.1,058,518 and certain old vehicles auctioned for Rs.132,510 on 4 December 2001 and the remaining vehicles would also be disposed of at the earliest.

The Department was directed to complete the auction of unserviceable material without further loss of time and get it verified by Audit. **The para was settled** subject to verification by Audit.

**156. Para No.242: Page 151 – Violation of Rules – Rs.128,323**

**22-4-2002:** The Department explained that the new and the old carpets had been entered in the relevant stock register and the old carpet would be disposed of separately. **The para was settled** subject to verification of record by Audit.

**157. Para No.243: Pages 151-152 – Violation of Rules – Rs.750,000**

Audit had observed: “In a division an iron gate of barrage (damaged in floods in 1992) and 3 Nos. vehicles were not disposed off since long. The delay in disposal might lead to loss of Rs.750,000.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**158. Para No.244: Page 152 – Violation of Rules – Rs.234,177**

**24-4-2002:** The Department explained that the work was abandoned by the contractor after receiving running payment and the item of tying of bamboos with munj-patha ban was done through work charged establishment. The contractor was penalized by forfeiture of his security. Audit demanded that completion note should be shown to Audit. The Committee **settled the para** subject to verification of record by Audit.

**159. Para No.245: Page 152 – Violation of Rules – Rs.79,175**

Audit had observed: “A division packed the brush wood into bamboos without wattling between stacks and tying around the bamboos with S.W.G.Wire. The deviation from the specified procedure resulted in wasteful expenditure of Rs.79,175.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**160. Para No.250: Page 155 – Violation of Rules – Rs.3,849,655**

Audit had observed: “A division incurred an expenditure of Rs.10,168,235 against the budget allotment of Rs.6,318,580 during 1995-96. The incurrence of expenditure in excess of budget allotment resulted in irregular expenditure of Rs.3,849,655.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**161. Para No.251: Page 155 – Violation of Rules – Rs.1,315,612**

Audit had observed: “A division incurred expenditure of Rs.1,315,612 on the items general overhauling to pile machine supplying pile driving hammer etc and temporary connection of electricity charges, although it was the responsibility of the contractor to whom the complete items “Driving Steel Sheets” “Straightening Old Re-extracted Steel Sheet Piles” and Repairing holes etc of old steel Sheet Piles were awarded on composite rates. The incurrence of unjustified expenditure resulted in loss of Rs.1,315,612 to the Government.”

**19-8-2002:** 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 31 January 2003 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.

**162. Para No.255: Page 157 – Violation of Propriety – Rs.1,317,907**

Audit had observed: “A division paid short carriage which was not due as the stone was available at site. Further in the presence of stock at site composite rate was paid for supplying/filling stone in tranger and dumping stone without boat instead of labour rate only. The payment of short carriage and composite rate instead of labour rate resulted in unjustified expenditure Rs.1,317,907.”

**19-8-2002:** 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 31 January 2003 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.

**163. Para No.265: Page 162 – Recoverables – Rs.600,000**

**24-4-2002:** The Department explained that the late deposit fine for the 3rd and 4th installments on account of toll tax had been included in the amount of the para No.263 for the year 1997-98 and the latest position in respect of the recovery had been explained in reply to the said para.

The Department was directed to produce the relevant record to Audit for its latest comments. The Committee decided to **settle the para** subject to verifications by Audit.

**164. Para No.267: Page 163 – Recoverables – Rs.9,963,181**

Audit had observed: “A division failed to recover outstanding amount from other Divisions on account of hire charges and shifting charges of machinery for the period 1996-97. Due to non-recovery Government might sustained financial loss of Rs.9,963,181.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**165. Para No.268: Page 163 – Recoverables – Rs.33,642,906**

Audit had observed: “A division failed to recover outstanding amount Rs.33,642,906 from various Divisions on account of hire charges of machinery and cost of material. The delay in recovery might lead to huge loss of Rs.33,642,906. Audit advised (i) detailed investigation in each case (ii) early recovery (iii) suitable disciplinary action against the person(s) at fault for delaying and (iv) necessary corrective action to prevent accumulation of such huge recoveries in future.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**166. Para No.269: Page 164 – Recoverables – Rs.2,132,683**

Audit had observed: “A division failed to recover the long outstanding dues on account of hire charges of machinery and cost of stone from other Division. The non-recovery might result in loss of Rs.2,132,683.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**167. Para No.272: Page 165 – Recoverables – Rs.654,177**

Audit had observed: “A division failed to recover the water charges from the Government employees on whose behalf lumpsum payment was made to WASA. The non-recovery of water charges resulted in loss of Rs.654,177 during 1994-95 to 1997-98.”

**19-8-2002:** 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 31 January 2003 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.

**168. Para No.275: Pages 166-167 – Recoverables – Rs.69,550**

**24-4-2002:** The Department explained that the recovery of actual recoverable amount of Rs.7,850 on account of renewal/enlistment fee had been made. The Committee **settled the para** subject to verification of record by Audit.

**169. Para No.276: Page 167 – Recoverables – Rs.366,174**

Audit had observed: “A division failed to recover electricity charges from the Government employees during 1991-92 to 1993-94. Non-recovery of electricity charges resulted in loss of Rs.366,174.”

**19-8-2002:** 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 January 2003. 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.

**170. Para No.279: Page 168 – Recoverables – Rs.43,181****(i) AP No.7710 for Rs.18,264**

**27-5-2002:** The Department explained that entire recovery had been effected from the contractor concerned. The Committee settled the advance para.

**(ii) AP No.7711 for Rs.28,042**

**27-5-2002:** The Department explained that the matter had been taken up with the DCO Shekhupura to effect the recovery on account of less deduction of income tax @ 3% instead of 5% as arrears of Land Revenue. The Department was directed to effect the recovery and also refer the matter to Income Tax Department for appropriate action.

The Committee observed that action should have been taken against the officials (including the Divisional Accountant) who failed to deduct the correct amounts of the tax in the first instance.

Subject to this direction, **this advance para was settled.**

**171. Para No.282: Page 169 – Recoverables – Rs.50,000**



**24-4-2002:** The Department explained that the recovery of actual recoverable amount on account of deduction of income tax at a lesser rate instead of 5% had been made from the contractor concerned. The Committee **settled the para** subject to verification of record by Audit.

**172. Para No.283: Page 170 – Recoverables – Rs.637,650**

**24-4-2002:** The Department explained that the actual recoverable amount of Rs.689,359 on account of increase in the rate of income tax from 3% to 5% had been recovered from the contractor concerned. The Committee **settled the para** subject to verification **of record by audit**.

**173. Para No.285: Pages 170-171 – Recoverables – Rs.63,254**

**24-4-2002:** The Department explained that the total amount of recovery on account of increase in the rate of income tax from 3% to 5% had since been made. **The para was settled** subject to verification of record by Audit.

**174. Para No.286: Page 171 – Recoverables – Rs.155,568**

Audit had observed: “In a division recovery of Income Tax was effected from a contractor @ 3% against the prescribed rate of 5%. Application of incorrect rate resulted in short recovery of Income Tax Rs.155,568.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**175. Para No.287: Page 171 – Recoverables – Rs.533,360**

Audit had observed: “A division made recovery of income tax from a contractor @ 3% or 3½% instead of 5% as required under Income Tax Ordinance.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**176. Para No.289: Page 172 – Recoverables – Rs.1,153,000**

**27-5-2002:** The Department explained that out of the total recoverable amount of less deduction of income tax @ 3% instead of 5% amounting to Rs.1,153,000, an amount of Rs.615,187 had been recovered and verified by Audit. An amount of Rs.274,415 was involved in other draft paras.

The Department explained that the recovery of the balance amount would be made from the contractors as arrears of Land Revenue.

The Committee directed that the matter should also be referred to Income Tax Department for necessary action. The Finance Department should monitor the case. Subject to this direction, **the para was settled.**

**177. Para No.292: Page 173 – Recoverables – Rs.66,772**

Audit had observed: “A division deducted income tax at source, at the rate of 3% instead of 5% applicable w.e.f. 1-7-95. The recovery of income tax at lesser rate resulted in short recovery of Rs.66,772.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**178. Para No.293: Page 174 – Recoverables – Rs.67,664**

**28-5-2002:** Audit had pointed out that income tax was deducted @ 3% instead of 5% on the payments made after 1 July 1995. The Department explained that the Income Tax Department had been requested to recover the balance amount from the contractor.

**The para was settled** subject to recovery and disciplinary action against the officers responsible for the above mentioned omission and also for delay in starting the necessary action.

**179. Para No.294: Page 174 – Recoverables – Rs.111,613**

Audit had observed: “In a formation Income Tax was recovered from contractors @ 3% instead of 5% leading to short recovery of Rs.111,613.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall inform the Income Tax Department about the lesser/non-deduction of income tax. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**180. Para No.295: Page 175 – Recoverables – Rs.215,800**

**24-4-2002:** The Department stated that the para comprised two parts and explained as under:-

**(i) Renewal Fee Rs.29,300**

The Department explained that an amount of Rs.13,250 had been recovered and efforts were being made to recover the balance amount of Rs.16,050.

**This part was settled** subject to balance recovery and its verification by Audit.

**(ii) Professional Tax Rs.186,500**

The Department explained that an amount of Rs.22,000 had been recovered from six contractors while some other contractors had pleaded that they have deposited the professional tax with income tax department.

The Committee observed that there was no legal obligation on the DDO for deducting professional tax at source while making payment. However, the provision of the contracts, for production of certificate of payment of professional tax should have been implemented.

Subject to this direction, **this part was settled.**

**181. Para No.297: Page 175 – Recoverables – Rs.162,500**

**24-4-2002:** The Department stated that this draft para was based on two Advance paras and explained as under:-

**(i) AP No.8078 for Rs.104,000**

The Department explained that there was no legal obligation on the Department to deduct professional tax at source.

The Committee accepted the explanation and observed that the department should consider to make a provision in the contract agreement for production of certificate of payment of profession tax by the contractors as had been provided by the C & W Department.

**(ii) AP No.8079 for Rs.58,500**

The Department explained that an amount of Rs.7,600 had since been made on account of renewal fee and all out efforts were being made for recovery of the balance amount.

**The para was settled** subject to balance recovery and verification by Audit.

**182. Para No.300: Pages 176-177 – Recoverables – Rs.659,190**

**24-4-2002:** The Department explained that the recovery of Rs.177,849 had been effected from different divisions on account of repair charges, and efforts were in progress to recover balance amount of Rs.91,046.

The Committee directed that the Department should effect the balance recovery by 30 June 2002.

**The para was settled** subject to verification by Audit.

**183. Para No.301: Page 177 – Recoverables – Rs.745,480**

**24-4-2002:** The Department explained that Audit had pointed out application of less-than-prescribed rates of machinery charges on account of work done for other divisions in three cases. However, according to the factual position there was no less-charging in case of transfer entry No.4. Less charging to the extent of Rs.5,600 and Rs.2,080 was found in cases of TE No.6 and TE No.3 respectively and accordingly additional bill had been sent.

The Committee directed that this para should be considered and decided by SDAC, and its decision should be communicated to the PAC Secretariat. Subject to this direction, **the para was settled**.

**184. Para No.304: Page 178 – Recoverables – Rs.242,500**

**23-4-2002:** The Department stated during the meeting that payment for procurement of stone to the sister Division was made in December 1998. However, stone upto 50% quantity had not yet been received.

The Committee directed that adjustment of outstanding payment should be made at the earliest. Moreover, disciplinary action should be taken against the officer who made payment for an item not required for immediate use. **The para was settled** subject to the above directions and verification of record by Audit.

**185. Para No.305: Page 179 – Recoverables – Rs.146,051**

**24-4-2002:** The Department stated in the meeting that all the amount of advance payments made to other divisions on account of shifting charges had since been adjusted. The Committee **settled the para** subject to verification of record by Audit.

**186. Para No.306: Page 179 – Recoverables – Rs.520,527**

**24-4-2002:** The Department explained that the recovery/adjustment of Rs.317,328 had been effected from other divisions on account of use of vehicles etc. Efforts were in progress to recover balance amount of Rs.203,189.

The Committee directed that the Department should effect the balance recovery by 30 June 2002. **The para was settled** subject to verification by Audit.

**187. Para No.307: Page 180 – Recoverables – Rs.26,272,386**

Audit had observed: “A division failed to recover cost of work done on behalf of another division. The further delay in recovery might result in loss of Rs.26,272,386.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take action in accordance with the observations/suggestions made by the Audit, and report compliance to the Assembly Secretariat, the Finance Department and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**188. Para No.308: Page 180 – Recoverables – Rs.2,451,342**

Audit had observed: “A division failed to recover cost of work done Rs.2,451,342 from a sister division. Execution of work without advance and delay in recovery accumulated huge amount of Rs.2,451,342 up to December 1997.”

**19-8-2002:** 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 January 2003. 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.

**189. Para No.309: Page 181 – Recoverables – Rs.383,901**

Audit had observed: “A division placed certain amounts in Miscellaneous P.W. Advances recoverable from other sister divisions but failed to recover/adjust the amounts despite lapse of considerable period. The inordinate delay in recovery might lead to loss of Rs.383,901.”

**19-8-2002:** 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 January 2003. 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.

**190. Para No.311: Page 181 – Recoverables – Rs.71,783**

Audit had observed: “A division made advance payment to another Division for supply of stones and placed the amount in Miscellaneous P.W. Advances in February 1985. The division failed to recover/adjust the advance payment which resulted in non-recovery of Rs.71,783.”

**19-8-2002:** 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 January 2003. 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.

**191. Para No.312: Page 182 – Recoverables – Rs.860,000**

Audit had observed: “A division made advance payment to a sister division in January and March 1991 for shifting of machinery but neither the machinery was shifted nor the amount was got refunded resulting in non-recovery of Rs.860,000.”

**19-8-2002:** 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 January 2003. 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.

**192. Para No.313: Page 182 – Recoverables – Rs.461,151**

Audit had observed: “A division placed various items in Miscellaneous P.W. Advances recoverable from officials/ officers/contractors but failed to recover the amounts despite lapse of a considerable period. This resulted in non-recovery of Rs.461,151.”



**19-8-2002:** 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 January 2003. 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.

**193. Para No.314: Page 183 – Recoverables – Rs.1,543,488**

**24-4-2002:** The Department explained that an amount of Rs.1,207,682 had been cleared/adjusted from other divisions on account of various items in Miscellaneous PW Advance. Efforts were in progress to reconcile balance amount of Rs.335,806 with the Irrigation Workshop Division Bhalwal. The same would be cleared at the earliest.

The Committee directed that the Department should effect the balance recovery by 30 June 2002. **The para was settled** subject to verification by Audit.

**194. Para No.315: Page 183 – Recoverables – Rs.1,302,297**

Audit had observed: “A division placed cost of various jobs in Miscellaneous P.W. Advances recoverable from other Divisions but failed to recover the outstanding amounts despite lapse of considerable period resulting in non-recovery of Rs.1,302,297.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**195. Para No.316: Pages 183-184 – Recoverable – Rs.1,249,161**

**24-4-2002:** The Department explained that outstanding amounts recoverable from various divisions to the extent of Rs.745,172 had been cleared and action for recovery/adjustment of the balance amount of Rs.503,989 was in process.

The Committee **settled the para** with the direction that the Department should clear the outstanding amounts through recovery/adjustment by 30<sup>th</sup> June 2002.

**196. Para No.317: Page 184 – Recoverables – Rs.404,868**

Audit had observed: “A division incurred the expenditure on repair work and placed the amount of

Rs.404,868 under Miscellaneous P.W. Advances in May 1993 but failed to recover/adjust the same despite lapse of considerable period. The delay in investigation/recovery of unjustified expenditure might lead to loss of Rs.404,868.”

**19-8-2002:** 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 January 2003. 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.

**197. Para No.318: Page 184 – Recoverables – Rs.374,934**

Audit had observed: “A division failed to recover Rs.374,934 incurred on deposit works in excess of the deposit funds received. The incurrence of expenditure without deposits resulted in non-recovery of Rs.374,934.”

**19-8-2002:** 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 January 2003. 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.

**198. Para No.320: Page 185 – Recoverables – Rs.1,027,786**

**24-4-2002:** The Department explained that the amounts outstanding against other divisions on account of execution of deposit works had been recovered/adjusted to the extent of Rs.893,674/78 and recovery/adjustment of balance amount of Rs.134,111/66 was in process.

**The para was settled** subject to verification of recovery of the whole amount of the para and taking of appropriate action against the officers who executed the deposit work without receiving the deposit.

**199. Para No.321: Pages 185-186 – Recoverables – Rs.880,458**

**24-4-2002:** The Department explained that out of total recoverable amount Rs.880,458 from other divisions on account of repair of electric motors, pumps/vehicles etc. an amount of Rs.195,779/45 had already been recovered in November 1995. The book adjustment of Rs.684,678 had been made during March 2002. The Committee **settled the para** subject to verification of record by Audit.

**200. Para No.322: Page 186 – Recoverables – Rs.72,066**

**23-4-2002:** Audit pointed out that the Department had failed to recover an amount of Rs.72,066 from officers on account of use of government vehicles and cost of T & P articles.

The Department explained that the process of recovery against 4 officers/officials had been initiated and the same was under process. The recovery would be effected, at the earliest. **The para was settled** subject to recovery and its verification by Audit.

**201. Para No.323: Page 186 – Recoverables – Rs.988,289**

Audit had observed: “A division failed to recover the excess cost of remaining 390 Nos. Gabions (paid to second contractor) from the original contractor whose contract was finalised before completion of the job. The non-recovery of the extra cost from the original contractor resulted in loss of Rs.117,000.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take disciplinary action against the persons at fault, and approach the Finance Department for regularization of expense. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**202. Para No.324: Page 187 – Recoverables – Rs.988,289**

Audit had observed: “A division failed to recover huge amounts from tenants on account of cost of wheat bhusa Sugar Cane, Barseem, etc. The inordinate delay in recovery might lead to loss of Rs.988,289.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**203. Para No.325: Page 187 – Recoverables – Rs.589,717**

Audit had observed: “A division did not effect recovery of Rs.589,717 from a contractor on account of cost of old stone used on closure bund as provided in the estimate. Deviation from the estimate resulted in loss of Rs.589,717.”

**19-8-2002:** 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 31 January 2003 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.

**204. Para No.327: Page 188 – Recoverables – Rs.72,829**

Audit had observed: “A division recovered cost of old material at lesser rate, from the contractors. Recovery of material at lesser rate resulted in less recovery of Rs.72,829 in June 1994.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall investigate the matter, recover overpayment, if any, and get it verified by the Audit. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Assembly Secretariat, the Audit and the Finance Department by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**205. Para No.329: Page 189 – Recoverables – Rs.221,000**

**23-4-2002:** The Department explained that on account of shortage of 221 trees, the Sub-Engineer concerned was proceeded against under the E & D Rules, 1999 and major penalty of recovery of Rs.91,784 was imposed upon him which would be recovered from him in monthly installments @ 1/3 of his pay. The Committee **settled the para** subject to recovery and its verification by Audit.

**206. Para No.331: Page 190 – Recoverables – Rs.321,424**

Audit had observed: “A division failed to recover the Tubewell material costing Rs.321,424 found short against a Sub Engineer at the time of handing over charge in March 1993. This resulted in loss to Government.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the

implementation of the directive of the PAC.

**207. Para No.332: Page 190 – Recoverables – Rs.313,675**

Audit had observed: “A division made advance payment of Rs.313,675 to a Sub Engineer in 1993 but failed to recover/adjust the same despite lapse of considerable period. The non-recovery/adjustment of the advance payment resulted in loss of Rs.313,675.”

**19-8-2002:** On consideration of the facts of the case, **the Committee settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

**208. Para No.338: Page 193 – Recoverables – Rs.100,000**

**27-5-2002:** The Department explained that amount of Rs.100,000 paid to Agriculture Department on account of hire charges of Bulldozer in March 1995 had been received back and credited to Revenue Head vide transfer entry dated 30 March 2002.

The Committee **settled the para** with the direction that the officer responsible for delay in recovery may be warned.

**209. Para No.341: Page 194 – Recoverables – Rs.102,161**

Audit had observed: “A division paid temporary advances on account of pay of work charge establishment to different Sub Engineers. But even after lapsing considerable period, the paid vouchers duly verified by the S.D.O. concerned were not incorporated accounts. This clearly indicated that the self cheques were drawn fictitiously. Non adjustment of the long outstanding temporary advances resulted in loss of Rs.102,161.”

**19-8-2002:** 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 31 January 2003 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.

**210. Para No.342: Page 195 – Recoverables – Rs.458,084**

Audit had observed: “A division placed amount of Rs.458,084 in Schedule of Miscellaneous: P.W. Advances in June 1993, August 1994, October 1994 and October 1995 recoverable from certain Officers/officials under the orders of the High Court but failed to recover. The delay in recovery resulted in loss of Rs.458,084.”

**19-8-2002:** 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 31 January 2003 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.

**211. Para No.343: Page 195 – Recoverbles – Rs.76,000**

**23-4-2002:** Audit pointed out that a division made payment of rent of circle office and placed the amount in Misc: P.W. Advance.

The Department explained that the outstanding amount would be cleared as soon as the funds were received from the Finance Department.

The Committee observed that charging of the expenditure on account of rent of office building to the suspense head was irregular. Appropriate action should be taken against the officers responsible (including the Divisional Accountant) for this irregularity.

The Finance Department was directed to monitor further action in the case. Subject to the above observation, **the para was settled.**

**212. Para No.344: Page 195 – Recoverables – Rs.8,161,971**

**23-4-2002:** Audit pointed out that a division placed certain amounts totalling Rs.8,161,971 in Misc: P.W. Advances during 1990-91 pending recovery/adjustment but failed to recover the amounts from the Divisions/contractors concerned.

The Department explained that an amount of Rs.7,661,971 would be adjusted in the monthly account and for the remaining amount a Special Funds Application had been moved and adjustment would be made upon the receipt of funds from the Finance Department.

The Committee directed that the contention of the Department in this para should be considered and decided by the SDAC and the conclusion of the SDAC should be communicated to the PAC Secretariat. Subject to this direction, **the para was settled.**

**213. Para No.348: Page 197 – Recoverables – Rs.336,112**

Audit had observed: “A division purchased insecticides medicines without sanctioned estimates and



without calling of quotations in August and September 1996. This resulted in irregular purchase worth Rs.336,112.”

**19-8-2002:** 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 31 January 2003 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.

**214. Para No.353: Page 199 – Others – Rs.8,848,314**

**6-2-2002:** The Department explained that the reserve stock of stone of Kot Adu Canal Division was lying on spurs to meet with flood fighting operations. The Department further clarified that the stock of stone as reflected in form PWA-29 was available at spurs. The Committee decided to **settle the para** subject to verification by Audit.

**215. Para No.355: Page 200 – Others – Rs.23,157,039**

Audit had observed: “In a division stock valuing Rs.23,157,039 was lying unutilized since June 1995 under Other Sub-heads which led to non adjustments/ misappropriations and blockade worth Rs.23,157,039.”

**19-8-2002:** 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 31 January 2003 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.

## Revenue Receipts Audit

**1. Para No.6.1: Page 37 – Non-recovery of water charges for supply of canal water for non-irrigation use – Rs.1,065,610**

**7-2-2002:** The Committee directed that the cases of recovery/finalization should be expedited. The court cases with Government departments should be got settled at higher level and the cases of delay in recovery from private firms should be explained to Committee. The para was kept pending.

**(c) PDP No.4713 (New Central Jail Faisalabad) DCO Hafizabad Division Faisalabad – Rs.759,783**

**22-4-2002:** The Department explained that out of 5 cases included in this para, the actual recoverable amounts in three cases i.e. Rs.7,742, Rs.828 and Rs.2,310 had been recovered. While the cases of actual recoverable amount of Rs.385,251 from WAPDA Authorities and Rs.180,413 from District Courts, Faisalabad were still in process. The para was kept pending for balance recovery.

**29-5-2002:** The para was considered in the light of discussions of PAC held on 22 April 2002.

The Committee directed that Finance Department should monitor the recovery of Rs.385,251 from WAPDA and Rs.180,413 from District Council, Faisalabad. A copy of the agreement with WAPDA should be supplied to Audit. Subject to this direction, **the para was settled.**

**2. Para No.6.2: Page 39 – Blockade of likely government revenue due to non-finalization of cases of special charges – Rs.1,654,864**

**7-2-2002:** The Committee directed that the cases of recovery/finalization should be expedited. The court cases with Government departments should be got settled at higher level and the cases of delay in recovery from private firms should be explained to Committee. The para was kept pending.

**PDP No.4706 Rs.172,264**

**22-4-2002:** In its latest comments, Audit had verified that the cases of Tawan involved in this para had been decided by the Divisional Canal Officer concerned and sent to Revenue Authorities for effecting recoveries but no progress of recoveries had been reported by the Department as yet. The para was kept pending.

**29-5-2002:** The para was considered in the light of discussions of the Committee on 22 April 2002.

The Committee directed that the progress of the recovery of the cases involved in this para should be monitored by the Finance Department and progress report submitted to the PAC. Subject to this direction, **the para was settled.**

**PDP No.4707 – Rs.156,819**

**22-4-2002:** In its latest comments, Audit had reported that the cases of tawan involved in this para had been decided by the Divisional Canal Officer concerned and sent to Revenue Authorities for effecting recovery of decided amount of Rs.48,037/63 but no progress of recovery had been reported as yet. The para was kept pending.

**29-5-2002:** The para was considered in the light of discussions of the Committee held on 22 April 2002.

The Committee directed that the progress of the recovery of the cases involved in this para should be monitored by the Finance Department and progress report submitted to the PAC. Subject to this direction, **the para was settled.**

**PDP No.4712 DCO Hafizabad Division Faisalabad – Rs.631,972.**

**22-4-2002:** In its latest comments, Audit pointed out that all the Tawan cases involved in the para, after decision of Canal Officer concerned, were sent to the revenue authorities for recovery.

The recovery certificates issued by the Revenue Department had been seen and verified. The Committee settled the para.

**29-5-2002:** The para was considered in the light of discussions of the Committee held on 22 April 2002.

The Committee directed that the progress of the recovery of the cases involved in this para should be monitored by the Finance Department and progress report submitted to the PAC. Subject to this direction, **the para was settled.**

**PDP No.4715 – Rs.116,202**

**22-4-2002:** In its latest comments, Audit had verified the recovery of Rs.8,896 and the amount of general calamity of Rs.78,176 and stated that no progress for the balance recoverable amount of Rs.22,164 had been reported by the Department. The para was kept pending.

**29-5-2002:** The para was considered in the light of discussions of PAC held on 22 April 2002.

The Department explained that for the recovery of the balance amount of Rs.22,164 on account of Tawan, the Khataunis had been forwarded to the District Collector. The Finance Department was directed to monitor the recovery. Subject to this direction, **the para was settled.**

**PDP No.4716 – Rs.579,407**

**22-4-2002:** In its latest comments, Audit had verified that all the 19 cases of Tawan had been decided by the Divisional Canal Officer and Tawan of Rs.519,474 had been imposed and sent to Revenue Authorities for recoveries, but there was no progress of recovery as yet. The para was kept pending.

**29-5-2002:** The para was considered in the light of discussions during the Committee's meeting held on 22 April 2002.

The Committee directed that the progress of the recovery in the 19 cases involved in this para should be monitored by the Finance Department and progress report submitted to the PAC. Subject to this direction, **the para was settled.**

# Paras Pended Works Audit

## 1. Para No.2: Page 37 – Suspected frauds, mis-appropriations and thefts – Rs.738,612

**22-4-2002:** Audit had pointed out that payment of tipping of crates without the use of boat appeared to be fictitious. The Department explained that the matter had been referred to the Standing Rates Committee for clarification of the rates. **The para was kept pending.**

## 2. Para No.4: Page 38 – Suspected frauds, mis-appropriations and thefts – Rs.1,221,583

**6-2-2002:** Audit had pointed out that payment had been made for slush and wet earth without record entries in the Measurement Book.

The Department explained that all the quantities for extra allowance of wet/slush earth were duly recorded and payment was made after approval of consultants M/s. NESPAK.

The Department was directed to produce the record to Audit for scrutiny and comments. **The para was kept pending.**

## 3. Para No.6: Page 39 – Fictitious payment of Rs.279,189

**28-5-2002:** The Department explained that the addition of 20% wastage of earth during the final closing operation of gap of the main creek was quite justified. However, after seeing the measurement, Audit had commented that 20% for wastage was added without any detailed record entries. Moreover, no proof in support of provision of 20% wastage of earth in the technical sanction was produced.

The Committee was not satisfied with the explanation of the Department and directed

that the amount overpaid should be recovered. The Committee further directed that the matter of wastage of earth in plugging the breaches and the mode of measurement of such wastage should be examined in depth and a proper procedure devised in consultation with the Finance Department. **The para was kept pending.**

**4. Para No.7: Page 39 – Fictitious payment for excessive lead – Rs.214,836**

**23-4-2002:** Audit had pointed out that the Department enhanced the earth work lead 150' in final payment whereas as per the record measurement in the running bill the lead was 50'.

The Department explained that payment of extra lead of 150' was justified as the total lead provided in the technically sanctioned estimate was 200' (50'+150'). The Department stated that Haroonabad drain having average bed width of 351' was excavated through machinery. The earth was placed at 50' in the first instance (according to the boom length of machines) and paid to the contractor at the reduced rate of Rs.218 per % Cft instead of Rs.239 (tender rate) of item rate. Subsequently the contractor disposed of the excavated earth at an extra lead of 150' that was in accordance with technically sanctioned estimate.

The Committee directed that an inquiry should be held into facts of the case about the provisions of technically sanctioned estimate and actual execution of work and action taken accordingly. **The para was kept pending.**

**5. Para No.14: Page 43 – Fictitious payment of electricity charges for closed tube-wells – Rs.110,525**

**23-4-2002:** Audit pointed out that the Department had made fictitious payment of Rs.110,525 on account of electricity charges to WAPDA in connection with damaged and closed tube-wells.

The Department explained that the excess payment was wrongly made to WAPDA for closed tube-wells. WAPDA authorities had been approached for reconciliation/adjustment of overpayment.

The Department further explained that the action under E&D rules had been initiated against the persons at fault. The Department was directed to complete the action at the earliest. **The para was kept pending.**

**6. Para No.24: Page 48 – Misappropriation – Rs.1,300,156**

**28-5-2002:** The Department stated that this Audit para was based on two advance Paras as under:-

**(i) AP No.13397(D) Non-accountal of stone Rs.192,718.**

The Department explained that actual recoverable amount on account of non-accountal of stone was being recovered from the Sub-Engineer concerned.

**(ii) AP No.13412 Non-accountal of stone amounting to Rs.1,106,605 and overpayment Rs.833**

The Department explained that all the stone under observation in this para had been accounted for. Moreover, payment had been made at the correct rates.

The Committee directed that the Department should show the record to Audit at the earliest for verification and comments.

**The para was kept pending.**

**7. Para No.25: Page 48 – Suspected Frauds, Misappropriation and Theft – Rs.1,873,934**

**7-2-2002:** The Department explained that the para was drafted by Audit on the basis of first running bill. However, almost the same quantity of stone (1,924,477 Cft.) was consumed against the quantity carted (1,924,610 Cft.) from quarry to Trimmu Barrage on the completion of the work. The Department further stated that only a quantity of 39469 Cft. stone dumping was paid in excess amounting to Rs.83,295 to the contractor which was later recovered from his security and adjusted vide Transfer Entry dated January 26, 2002.

The Committee observed that the excess payment was pointed out by Audit and the internal system of check and control appeared to have failed. The Committee directed that disciplinary action should be taken against the concerned Executive Engineer, SDO, Sub Engineer and Divisional Accountant for the overpayment in the first instance and for the delay of more than 5 years in adjustment and recovery. The charge sheet should also be shown to Audit. The recovery/record should be got verified by Audit. **The para was kept pending.**

**8. Para No.27: Page 49 – Misappropriation Worth Rs.6,267,498**

**27-5-2002:** The Department verbally stated that inquiry into case had been finalized about two days ago. The



inquiry report was being considered by the Competent Authority.

The Committee directed that necessary action/recovery should be completed expeditiously. A copy of the inquiry report should be supplied to Audit. The Administrative Department should also see why the inquiry was not held when the damage was reported. **The para was kept pending.**

## **9. Para No.34: Page 52 – Misappropriation – Rs.114,830**

**22-4-2002:** The Department explained that Advance Para No.14184 for 1997-98 was dropped vide DGA(Works) Lahore No.IR-II/AP2-4(15)97/98/9, dated 19 February 1999. Audit however, pointed out that this para had not been dropped.

The Committee observed that the Departmental reply in the working paper was misleading and action should be taken against the officers responsible for preparing the working paper.

The Department was directed to provide full explanation of the Audit Para and to report action taken against the officer responsible for providing the incorrect information to the Committee. **The para was kept pending.**

## **10. Para No 36: Page 53 – Suspected Frauds, Misappropriations and Thefts – Rs.3,514,478**

**4-2-2002:** Audit had pointed out that there was a possibility of misappropriation as no dismantled material had been received and accounted for against material which had been issued during 1981 to 1985.

The Department explained that the amounts in question were placed in the Miscellaneous PW-Advance by the XEN in September 1995. However, inquiries against the concerned officers were conducted by the Superintending Engineer who decided that the action of the XEN for placing the amount in Misc.PW Advance was totally incorrect and unjustified and advised cancellation of transfer entries under which Misc. Advance were booked. As such special funds were required to clear the Misc.-Advance which was in process with the Department.

The Committee directed that all the relevant record along with the enquiry report should be produced to Audit for scrutiny and comments. Audit should also comment as to why special funds were necessary for cancellation of the transfer entries in the miscellaneous PW Advance in this case. **The para was kept pending.**

## **11. Para No 37: Page 54 – Suspected Frauds, Misappropriations and Thefts – Rs.6,987,729**

**6-2-2002:** The Department explained that the T & P articles were purchased by the consultants as per

provisions of the consultancy agreement, but on completion of the Project the same had been taken over in the T & P Register of the Department.

The Department was directed to produce the relevant record to Audit for scrutiny and comments. **The para was kept pending.**

#### **12. Para No.51: Page 60 of Audit Report for the year 1997-98 – Loss of Rs.141,300.**

**28-5-2002:** The Department explained that the cases of theft of government property including Railway Line, Electric Wire and T Iron were reported to the Police on 26 August 1995, 30 August 1995 and 8 January 1996, and after investigation police declared the theft as untraceable vide their report dated 17 January 2002. On a query the Department stated that no departmental enquiry was held into the above mentioned theft cases. The Department was directed to conduct an inquiry into the theft under the relevant rules. Another inquiry should also be held to fix responsibility for not holding the departmental inquiry at proper time. **The para was kept pending.**

#### **13. Para No.58: Page 63 – Overpayment – Rs.122,184**

**29-5-2002:** The Department explained that the recovery of Rs.122,184 had been made from the 2<sup>nd</sup> and final bill of the contractor and after devolution the final bill was pending with the Provincial Coordinator for reimbursement of the amount of the bill.

The Committee wondered why the Provincial Coordinator had not reimbursed the amount so far and directed that an inquiry should be held within one month and appropriate action should be taken in the light of its report. **The para was kept pending.**

#### **14. Para No.61: Pages 64-65 – Overpayments – Rs.90,834**

**22-4-2002:** The Department explained that the work was executed as per requirements of the site. The estimate was prepared and sanctioned. No overpayment was made.

Audit pointed out that the relevant record was not produced to it.

The Department was directed to produce the record to Audit for verification. **The para was kept pending.**

#### **15. Para No.64: Page 66 – Overpayment – Rs.769,423**

**27-5-2002:** In its latest comments, Audit pointed out that the tenders of the work were called without technical sanction estimate. Moreover, as per DNIT/BOQ, for the lead of 175 miles, the contractor quoted the rate of Rs.1300 per Cft. However, the stone was carted from 163 miles but the same rate was paid to the contractor without proportional reduction. The Committee directed that an inquiry should be held into the matter to fix the responsibility and complete the necessary action/recovery expeditiously. **The para was kept pending.**

**16. Para No.65: Page 66 – Overpayment – Rs.557,188**

**28-5-2002:** The Department explained that para related to three works. The lowest bid exceeded the permissible limit over DNIT. In the meanwhile the premium was revised by the Chief Engineer. The bid consequently became within the permissible limit and was accepted.

The Finance Department commented that after revision of premium fresh tenders should have been invited. The Department insisted that the practice of revising the premium for acceptance of tenders instead of inviting fresh tenders after revision of premium was in vogue in Irrigation and Power Department and followed by almost all the Chief Engineers.

The Committee was not satisfied with the explanation of the Department and observed that Chief Engineer had wrongly used his powers and directed that recovery should be made from the Chief Engineer concerned. Furthermore, the practice of revising the premium on the basis of bids should be discontinued. **The para was kept pending.**

**17. Para No.74: Page 71 – Overpayment – Rs.59,293**

**28-5-2002:** The Department explained that the dressing of earth work was carried out at the same time when earth work was executed at site. The dressing was done and recorded in the MB and was made for the whole volume of earth work @ Rs.10.90 per % 0 cft and not the surface only. No excess payment was involved.

The Department was directed to show the record to Audit at the earliest for verification and comments. **The para was kept pending.**

**18. Para No.78: Page 73 – Overpayment – Rs.111,506**

**28-5-2002:** The Department explained that lead provided in NIT (PC-I) was on the basis of rough cost estimate whereas in the technically sanctioned estimate the lead was provided as per site conditions.

Audit, however, pointed out that the reply of the Department was not acceptable because tenders were invited without technical sanction. Moreover, the lead provided in the DNIT was agreed to by the contractor and its subsequent enhancement was irregular.

The Department was directed to effect the recovery from the contractor concerned, at the earliest, and to take disciplinary action against the officers responsible for the irregularity and overpayment. **The para was kept pending.**

#### **19. Para No.84: Page 76 – Overpayment – Rs.2,332,897**

**7-2-2002:** Audit had pointed out that at the time of acceptance of tender, the contractor had voluntarily reduced his tender rates for earthwork by machinery from Rs.395 to Rs.150 per 100 cft, so that the cost of the tender remained within 4-5% of the estimate, but during the execution of work the quantity of earthwork was increased and the increased quantity was paid at the tendered rate of Rs.395 per 100 cft.

The Department explained that the quantity of earthwork was increased by the consultants (M/s NESPAK) and the rate for increased quantity was approved by the Chief Engineer who accorded technical sanction on the basis of work done. The Committee observed that the scope of work had been changed and technical sanction had been made on the basis of work done. The Committee directed that a probe should be held into the matter by the Secretary of the Administrative Department and action taken accordingly. **The para was kept pending.**

#### **20. Para No.85: Page 76 – Overpayment – Rs.1,412,575**

**7-2-2002:** Audit pointed out that short carriage had been made without provision in DNIT/acceptance of tender. The Department explained that short carriage was necessary according to field conditions. During discussion it transpired that technical sanction had been accorded after calling the tenders. The Secretary of the Department was directed to enquire into the matter and initiate necessary action including recoveries and disciplinary action. All the relevant record should also be produced to Audit for scrutiny and comments. **The para was kept pending.**

**21. Para No.89: Page 78 – Overpayment – Rs.450,800**

**27-5-2002:** The Department explained that rate for earth work done by machinery had been revised and technically sanctioned by the Chief Engineer concerned and payment was made accordingly. No excess payment was involved.

The Department was directed to produce the requisite record to Audit for scrutiny and comments. **The para was kept pending.**

**22. Para No.102: Page 84 – Overpayment – Rs.49,269**

**29-5-2002:** Audit had pointed out that the deduction factor had not been applied on the item of stone dumping which resulted into excess payment of Rs.49,269 to the contractor. The Department explained that the contractor had filed a civil suit and the court had appointed arbitrators and further action would be taken after the decision of the Court. The Department further stated that the Chief Engineer vide his order dated 16 May 2002 had appointed an Inquiry Officer to probe into the matter and fix responsibility for the excess payment.

The Department was directed to pursue the court case, complete the departmental inquiry and take action accordingly. **The para was kept pending.**

**23. Para No.108: Page 87 – Overpayment – Rs.91,050****(i) Constructing of Sallai Head Link Channel Noorwah on Kaha Hill Torrent**

**28-5-2002:** In its latest comments, Audit had pointed out that the final bill of the contractor showed carriage of 560,236.61 cft stone from quarry whereas consumption of stone worked out to 573,505 cft, as such a quantity of 13,267.39 cft had been shown consumed fictitiously without any carriage. Contrary to what had been stated in the working paper, the Department admitted over-payment of Rs.57,038, which had to be recovered from the contractor or the officials responsible for the overpayment.

**(ii) Non application of deduction factor**

The Department explained that the contention of Audit was not correct. Instead of applying factor 110/100 (loose/finished), Audit had applied 100/110 which was incorrect.

The Committee directed that in respect of part-I of the para, the Department should complete recovery and disciplinary action against the officer responsible for the overpayment. In respect of part-II of the para, the Committee directed that the matter should be referred to the Standing Rates Committee with the request to give its decision within one month.

**The para was kept pending.**

#### **24. Para No.121: Pages 92-93 – Overpayments – Rs.97,191**

**22-4-2002:** Audit had pointed out that overpayment of Rs.97,191 had been made due to non-application of deduction factor on the carriage of stone by paying for 583,501 Cft instead of 552,272 Cft.

The Department explained that the contractor had already been less paid by not applying 110/100 on dumping quantities. The quantities of finished item of work laid in apron were measured at site which was 611,250 Cft as such quantity of 583,501 Cft stone had been correctly paid to the contractor. The Department explained that the above mentioned procedure was provided in the Chief Engineer, Irrigation Multan Zone letter No.9749-53 dated 26 April 1993. Moreover, the measurement had been approved by the consultant M/S NESPAK.

Audit however, pointed out that the carriage of 607499 Cft stone and its grant on finished item was paid without applying deduction factor i.e. 100/110 which resulted in excess grant of 31,229 Cft stone for Rs.97,191.

The Committee directed that the Department should hold an inquiry into the matter and make recovery of the overpayment if established, as per the latest Audit comments. **The para was kept pending.**

#### **25. Para No.122: Page 93 – Overpayment – Rs.1,360,135**

**6-2-2002:** Audit had pointed out that deduction factors had not been applied on pitching and dumping of stone as per decision of the Standing Rates Committee. The Department explained that payment had been made according to the finished work as per the instructions. Therefore, the matter should be examined whether Chief



Engineer was competent to issue instructions contrary to the decision of the Finance Department. **The para was kept pending.**

**26. Para No.123: Page 93 – Overpayment – Rs.64,880**

**23-4-2002:** The Department explained that Audit observation was not correct. The deduction of earth work for berm cutting and unloading of banks was made and recorded in the measurement book. The Department was directed to produce the relevant record to Audit for verification and comment. **The para was kept pending.**

**27. Para No.124: Page 94 – Overpayment – Rs.107,721**

**23-4-2002:** The Department explained that the available quantity of earth had already been deducted from the payment made to the contractor and the remaining amount of Rs.60,692 would be recovered from the contractor who was working with Communications & Works Department at Multan.

The Committee directed that the outstanding recovery should be effected, at the earliest. Moreover, disciplinary action should be taken against the officer responsible for non deduction of the available earth work and recovery should also be effected from them if it could not be made from the contractor. **The para was kept pending.**

**28. Para No.128: Page 96 – Overpayment – Rs.308,456**

**29-5-2002:** The Department explained that in the technically sanctioned estimate quantities of carriage and supply of stone were erroneously kept equal without applying the reduction factor, however, the reduction factor on the item “supplying and dumping of stone” i. e. 110/100 was correctly applied during record entry. No excess payment was involved.

The Department was directed to show the record to Audit at the earliest for verification and comments. **The para was kept pending.**

**29. Para No.129: Page 96 – Overpayment – Rs.9,234,721**

**7-2-2002:** The Department explained that over-writing made by the Sub Engineer in measurement book No.1575 and the difference of quantity had been adjusted by him in the overall measurement and the earthwork was executed within the limit of the sanctioned estimate. The Department further stated that the work was carried out through machinery and it was not possible to measure the borrow pits in detail, therefore, the bank measurements were recorded by the Sub Engineer as overall measurements. Audit pointed out that quantities over-written were neither checked nor signed by the SDO and the XEN and the record was not produced to compare the quantities. The Committee observed that the overwriting of the quantities was established and called for disciplinary action against the persons concerned. The Committee directed the Department to produce the relevant record including X-sections to Audit for scrutiny and comments. **The para was kept pending.**

### **30. Para No.132: Page 98 – Overpayment – Rs.586,430**

**22-4-2002:** The Department explained that the para consisted of three items as under:-

#### **(i) Supplying and dumping of Stone – Rs.319,236**

The Department explained that this amount was included in Audit Para No.1-D-2 of Audit Report 1996-97.

The Committee **dropped the item.**

#### **(ii) Pitching of Stone Rs.73,168**

#### **(iii) Filling Stone in Wire crates Rs.100,768**

The Department explained that the finished items had been measured and paid and the contractor had been paid less carriage.

The Department was directed to produce the relevant record to Audit for verification. **The items were kept pending.**

**31. Para No.140: Page 101 – Overpayment – Rs.2,390,456**

**7-2-2002:** The Department explained that after verification of record, Audit had reduced the amount of the para to Rs.101, 152. The Department further explained that no excess was involved. The Department was directed to produce the relevant record including Technical Sanction, Measurement Book and bills to Audit for verification. **The para was kept pending.**

**32. Para No.157: Page 109 – Overpayment – Rs.2,009,910**

**7-2-2002:** The Department explained that while the Protection Bund was under construction, the completed earth work was damaged due to freshlet in the river. The damages were incorporated in the estimate for Technical Sanction which was then under process. The Committee was not satisfied with the explanation of the Department given for payment of excessive quantity of earth work. The Committee directed that a probe into the matter should be held at the Secretariat level. Legality and justification for incorporating damages into the estimate for the original work should also be enquired into. **The para was kept pending.**

**33. Para No.160: Pages 110-111 – Overpayment – Rs.1,182,051**

**4-2-2002:** The Department explained that the contractor was paid for carriage within the sanctioned quantity of estimate and item for filling of stone was also paid against sanctioned quantity provided in the estimate. Audit stated that the Department should produce final bill and relevant measurement book in support of its contention. The Committee directed the Department to produce the relevant record to Audit for verification. **The para was kept pending.**

**34. Para No.162: Pages 111-112 – Overpayment – Rs.172,810**

**28-5-2002:** The Department explained that during execution of work the Tube Wall under the stone pitching was constructed for a length of 1600 feet against 1400 feet provided in the technically sanctioned estimates to fulfill the technical requirements at site. The total payment made to the contractor was within the sanctioned amount of the estimate. No excess payment was involved.

Audit, however, pointed out that the reply of the Department was not acceptable because no excess over the revised technical sanction was admissible. After discussion the Committee directed that the Administrative Department should hold an inquiry into the matter to establish facts and take action accordingly. **The para was kept pending.**

**35. Para No.165: Page 113 – Overpayment – Rs.3,839,540**

**6-2-2002:** The Department explained that the payment for the damages during the execution of the work had been made to the contractor after acceptance of the damages by consultants (M/s NESPAK). The Department stated that earlier the Planning and Development Department had not approved the payment of damages caused during the execution of work. The Committee directed that:-

- (i) comments of Planning and Development Department and Finance Department in this case should also be provided to the Committee;
- (ii) the payment may be got regularized by the Competent Authority; and
- (iii) detailed working paper should be submitted in the next meeting.

**The para was kept pending.**

**36. Para No.166 Page 113 – Overpayment – Rs.7,146,575**

**6-2-2002:** The Department explained that the payment for the damages during the execution of the work had been made to the contractor after acceptance of the damages by consultants (M/s NESPAK). The Department stated that earlier the Planning and Development Department had not approved the payment of damages caused during the execution of work. The Committee directed that:-

- (i) comments of Planning and Development Department and Finance Department in this case should also be provided to the Committee;
- (ii) the payment may be got regularized by the Competent Authority; and
- (iii) detailed working paper should be submitted in the next meeting.

**The para was kept pending.**

**37. Para No.170: Page 115 – Overpayment – Rs.116,519**

**28-5-2002:** Contrary to what had been explained in the working paper, the Department stated in the meeting that the lead recorded in M.B. was 22 miles and payment was made accordingly, but later on all the payment was made for the lead of 29 miles.

The Committee directed that the Department should complete recovery and disciplinary action against the officers responsible for overpayment, at the earliest. **The para was kept pending.**

**38. Para No.171: Page 116 – Overpayment – Rs.98,997**

**23-4-2002:** The Department explained that the surroundings of the site of work was hit by the flood water and earth was not available within 100 feet lead provided in the original technically sanctioned estimate. It was brought from a lead of 1500 feet which was covered in the revised technically sanctioned estimate and approved by the Federal Coordinator.

The Department was directed to produce the relevant record to Audit and explain why the original estimate with 100 feet lead was defective. **The para was kept pending.**

**39. Para No.175: Page 118 – Overpayment – Rs.1,270,587**

**6-2-2002:** Audit had pointed out that lead for earth work entered in the measurement book for ½ mile was converted into one mile by over-writing. The Department explained that the cutting was made for correcting the entry and it was vetted by the SDO while approving the bill. After checking the record, Audit had pointed out that the cutting in the measurement book had not actually been verified by the SDO. Moreover, lead chart was not attached. The Department was directed to probe the matter and take action against all concerned inter alia, for non preparation of lead charts and non attestation of entries in the measurement books.

**The para was kept pending.**

**40. Para No.177: Page 119 – Overpayment – Rs.131,128**

**24-4-2002:** Audit pointed out that the Department made payment for lead 6 miles instead of 5 miles for earthwork excavation without sanction by the competent authority.

The Department explained that the lead of 6 miles earthwork excavation was provided in the revised technically sanctioned estimate. Hence no overpayment was involved.

In its latest comments, the Audit had remarked that tenders were called on 12-6-1991 whereas estimate was sanctioned on 22-2-1992. The lead was revised from 5 to 6 miles in the revised technical sanction during 8/93.

The Committee directed that all the relevant record including the lead chart should be produced to Audit for scrutiny. In case the contention of the Department could not be established, the recovery should be enforced along with disciplinary action against officers responsible. **The para was kept pending.**

**41. Para No.185: Page 123 – Overpayment – Rs.818,639**

**7-2-2002:** The Department explained that lead of 108 miles was originally proposed in the BOQ prepared by the consultants (M/s NESPAK) but in actual sanction of the estimate the lead was provided as 119 miles which was cleared by the consultants. The lead chart was available. Audit pointed out that technical sanction was made on the basis of work done. The Committee observed that it was not original work but remodeling of the existing work. The lead allowed in the original work should also be checked up. Moreover, the date of approval and date of payment should also be given in the working paper of the next meeting. **The para was kept pending.**

**42. Para No.187: Page 123 – Unauthorized payment beyond the agreed cost without approval – Rs.1,225,878 (Irrigation Division Faisalabad)**

**7-2-2002:** Audit had pointed out that payment of Rs.7,215,878 had been made against the contract agreement of Rs.5,990,000. The Department explained that the expenditure was within the approved estimate of Rs.9,480,000. Moreover, approval of the competent authority for enhancement was under process. The Committee observed that payment had been made beyond agreement and directed that action should be taken against the concerned officers under the Punjab Removal from Service (Special Powers) Ordinance 2000. The causes of delay should also be explained to the Committee. **The para was kept pending.**

**43. Para No.188: Page 124 – Unauthorized payment beyond the agreed cost without approval – Rs.410,432**



**23-4-2002:** Audit had pointed out that the amount of contract had been enhanced from Rs.1,491,800 to Rs.1,902,322. During discussion, the Department stated that enhancement had been approved after revision of the technically sanctioned estimates.

The Committee directed that the Department should probe into the causes which necessitated the enhancement of the amount of the contract and to ascertain the facts of the case (including the reasons for not approving the enhancement of the agreement at the time of revising the technical sanction) for taking necessary action in the matter. **The para was kept pending.**

#### **44. Para No.189: Page 125 – Overpayment – Rs.3,558,877**

**7-2-2002:** The Department explained that according to clause 42 of the agreement with the contractor, the Executive Engineer was competent to enhance the contracted amount upto 20%. In this case the variations in the agreement amount and paid amount were less than this percentage. Audit contended that the Executive Engineer should have obtained approval from the authority who had accorded technical sanction. The Committee directed that the requisite approval of the competent authority should be obtained and provided to Audit. **The para was kept pending.**

#### **45. Para No.191: Pages 125-126 – Overpayment – Rs.4,488,254**

**27-5-2002:** Audit had pointed out that a division had made excess payment of Rs.2,588,000 upto 9<sup>th</sup> running bill without getting approval to the enhancement of the contract and also paid Rs.4,488,254 for damages caused due to flood during the execution of work against the provisions of clause 14 of the agreement.

The Department explained that the agreement had been enhanced from Rs.10,700,000 to Rs.15,600,000 on 6 December 1997. Moreover, the damage due to causes beyond the control of the contractor, was not covered under clause 14 of the agreement. Therefore, the item of flood damages had been incorporated in the revised Variation Statement approved by the Chief Engineer on 20 September 1997.

The Committee directed that the Administrative Department should re-examine the case in the light of clause 14 of the agreement and see why payment had been made to the contractor against the provision of the agreement and why post-facto sanction had been granted after two years. Necessary action should be completed within two months. **The para was kept pending.**

#### **46. Para No.192: Page 126 – Un-authorized payment without any provision in the approved D.N.I.T. – Rs.64,226**

**23-4-2002:** Audit pointed out that the Department made unauthorized payment of Rs.64,226 for earth work excavation from outside borrow pits without provision in the DNIT of the scheme.

The Department explained that the provision of earth work with a quantity of 464,189 Cft existed in PC-I duly approved by the Secretary, Irrigation & Power Department. The provision of the

same item was also made in the detailed estimate with revised quantity of earth work which was sanctioned by the Superintending Engineer. Audit pointed out that such revision could only had been made by the Secretary, Irrigation & Power Department who had approved the PC-I.

The Committee directed that the Department should probe into the matter and complete action/recovery if established, at the earliest. **The para was kept pending.**

**47. Para No.196: Page 128 – Overpayment – Rs.1,399,028**

**6-2-2002:** Audit had pointed out that record entries had been made for undressed earth but payment had been made for dressed earth.

The Department explained that subsequently the undressed earth was dressed by the contractor and payment was correctly made after approval of consultant (M/s NESPAK). The Department was directed to produce the relevant record to Audit for scrutiny and comments. **The para was kept pending.**

**48. Para No.197: Page 128 – Overpayments – Rs.1,154,672**

Audit had observed: “In a division a quantity of 2337885 cft was increased to 3160037 cft against Earth Work Excavation in Foundation/Structure and similarly a quantity of 4445405 cft was increased to 5075635 cft against Excavation in Irrigation Channels, while carrying forward the quantities of both the items from 3<sup>rd</sup> running bill to 4<sup>th</sup> running bill. An undue increasing of quantities in overall measurements resulted in overpayment of Rs.1,154,672 to the contractor.”

**19-8-2002:** On consideration of the facts, **the Committee pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**49. Para No.198: Page 129 – Overpayment – Rs.635,372**

**6-2-2002:** The Department explained that the audit observation was not correct. Actually, an amount of Rs.12,531,321 was paid to the contractor and record was shown to Audit. However, the latest audit comments had been received during the meeting and the record will be again shown to Audit. The Department was directed to attend to the latest audit observations. **The para was kept pending.**

**50. Para No.205: Page 132 – Overpayment – Rs.1,006,365**

**6-2-2002:** The Department explained that Audit observation was not correct because carriage was not

included in the analysis of rate of the item providing and laying crushed stone as approved by the Superintending Engineer.

The Department was directed to produce the relevant record for scrutiny and comments. **The para was kept pending**

**51. Para No.212: Pages 135-136 – Overpayment – Rs.169,387**

**28-5-2002:** Audit pointed out that the Department made payment for supplying stone at site for initial launching in November 1993 whereas the work was started in June 1992. Moreover, there was no such item of work in the Composite Schedule of Rates. Thus fictitious payment of Rs.169,387 was made to the contractor.

The Department explained that the item under observation was provided by Consultants (M/s NESPAK) to keep some stone in reserve for emergency launching, if required. This was a simple item of supplying stone and it was stacked on the apron for the purpose.

This simple items of supplying stone was provided in CSR 1979 and the provision was also available in the technically sanctioned estimate.

The Committee was not satisfied with the explanation of the Department and directed that an inquiry should be held at Secretariat level and action taken in the light of its findings. **The para was kept pending.**

**52. Para No.220: Page 140 – Overpayment – Rs.548,686**

**29-5-2002:** The Department explained that the estimated cost of the scheme was Rs.20 lacs and against the prevailing premium of 145%, the contractor quoted higher premium of 255% for the carriage of pitching stone. The Chief Engineer approved the premium specifically for this work at 230% above CSR 1979. In this way against the carriage component of Rs.1,817,207 in the sanctioned estimate payment of Rs.2,447,667 was made.

The Committee did not accept the explanation of the Department and directed that Department should effect the recovery of the amount paid beyond the ceiling of 4.5% of the estimated cost from the Chief Engineer concerned and complete the action, at the earliest. **The para was kept pending.**

**53. Para No.222: Page 141 – Overpayment – Rs.187,342**

**29-5-2002:** The Department explained that the scheme under observation was administratively approved on 31 March 1995 for Rs.2,086,000. The tenders were opened on 17 May 1995 and the lowest tender for Rs.2,157,636 was approved. The detailed estimate was sanctioned on 29 June 1995 for Rs.2,233,153.

Audit commented that tenders had been accepted beyond 4.5% of the DNIT and technical sanction was granted on the basis of tenders received.

The Committee directed that payment made beyond 4.5% should be recovered from the officers responsible for this overpayment. **The para was kept pending.**

**54. Para No 225: Page 143 – Violation of Rules – Rs.3,709,277**

**4-2-2002:** Audit had pointed out that a tender had been accepted beyond 4.5% of the technically sanctioned estimate. The Department explained that the acceptance of tenders with higher premium was accorded by the Chief Engineer who was fully competent to do so.

The Committee was not satisfied with the explanation of the Department given in the working papers and directed that the situation called for an inquiry and disciplinary action against the officers responsible for irregularity as pointed out by Audit. **The para was kept pending.**

**55. Para No 227: Pages 144-145 – Violation of Rules – Rs.1,458,480**

**6-2-2002:** The Department explained that the non-schedule item under observation in this para was approved by the competent authority before the start of the work and copy of approval of non-schedule item was endorsed to the Standing Rates Committee. The Department was directed to produce the relevant record to Audit, who will examine whether the tenders had been accepted before issuance of technical sanction and the item of work was executed after approval of non-schedule item. **The para was kept pending.**

**56. Para No.235: Page 148 – Violation of Rules – Rs.482,390**

**28-5-2002:** Audit had pointed out that material was purchased without demand during 1992-93 which was not used over a long time and became junk and unserviceable. The Department explained that the material lying in store was damaged during severe flood of 1992.

The Committee was not satisfied with the explanation of the Department and observed that the Department should have given year-wise quantities purchased and used for maintenance of tube-wells. The Department was directed to hold an inquiry, fix responsibility and take appropriate action against the officers responsible for un-necessary purchases and accumulation of stock within two months. **The para was kept pending.**

**57. Para No.240: Page 150 – Violation of Rules – Rs.1,143,005**

Audit had observed: “A division purchased stock articles during June 1994 but the same were not utilized. Moreover all items were of perishable nature except were rope. The Department purchased the material only to utilize the funds which resulted in loss of Rs.1,143,005.”

**19-8-2002:** On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**58. Para No.246: Page 153 – Violation of Rules**

Audit had observed: “In a division 92 kanals Government land of Hussain Khan Wala Rest House was given to a party without approval of the competent authority and without executing proper agreement.”

**19-8-2002:** On consideration of the facts, **the Committee pended the para with the direction** that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**59. Para No.247: Page 153 – Violation of Rules – Rs.451,669**

**23-4-2002:** The Department explained that the item “formation, dressing and preparing sub grade in bed, cement plaster on bed and brick lining on bed” had been provided in the revised technically sanctioned estimate. During discussion, the Department stated that the item in question was not included in the original technically sanctioned estimate but was necessary and it was provided in the revised technically sanctioned estimate.

However, the technical sanction was revised before execution of work.

The Committee directed that all the relevant record including PC-I and administrative approval should be shown to Audit. The Committee further directed that the officer who prepared the original technical sanction and made an obvious omission of a necessary item should be asked to explain his position. **The para was kept pending.**

**60. Para No.249: Page 154 – Violation of Rules – Rs.170,121**

**24-4-2002:** Audit had pointed out that the Department had allowed payment for substandard work because 587,318 Cft earth excavation was required to be compacted by the contractor out of which he compacted only 134,504 Cft and left 452,816 Cft as loose/un-compacted.

The Department explained that payment to contractor was made only for the compacted portion and not for the un-compacted portion.

The Committee was not satisfied with the explanation of the Department, making payment for sub-standard work. The Committee directed that an inquiry should be held and recovery of the amount of the para should be effected beside taking action against the DDO and Divisional Accountant. **The para was kept pending.**

**61. Para No.253: Page 156 – Violation of Rules – Rs.2,055,447**

**7-2-2002:** The Department explained that an inquiry was conducted into earthwork damage during flood of July/August 1994 on the basis of the enquiry report. The estimate was technically sanctioned by Chief Engineer on work done basis. Audit pointed out that entry of item “excavation in ordinary soil” was made on June 23, 1994, while the inquiry was conducted in May 1995. Moreover, the extent of damages was also not mentioned in the inquiry report. The Committee directed the Department to hold an inquiry in this case also as for para 157 and to produce the relevant record to Audit showing the extent of work done before the flood and the extent of damage caused during flood. **The para was kept pending.**

**62. Para No.254: Page 157 – Violation of Propriety – Rs.169,189**

**22-4-2002:** The Department explained that the reserve stock of stones was only for emergency works, which was lying at different sites. The supply in question was arranged for a new work rather than an emergency. The Department further explained that there was no excess stock at any site.

The Department was directed to explain what was the reserve limit of stone prescribed



for each site and what was the actual stock at the particular time under observation. **The para was kept pending.**

### **63. Para No.258: Page 159 – Violation of Propriety – Rs.405,436**

**22-4-2002:** The Department explained that the work was executed by the different contractors as per site requirement and in accordance with the technically sanctioned estimate.

The Department was directed to produce the record to Audit for verification. **The para was kept pending.**

### **64. Para No.259: Pages 159-160 – Recoverables – Rs.66,968**

**24-4-2002:** The Department explained that vide notification dated 29 June 1995 toll tax was levied w.e.f. 1 July 1995. The said notification was received in the office of the XEN on 15 July 1995 and after floating the tender in the newspapers the collection of toll tax was started on 22 July 1995.

The Committee was not satisfied with the explanation of the Department for non-collection of the toll tax for the period from 1 July 1995 to 21 July 1995.

The Department was directed to give full justification for non-collection of the toll tax for the said period and fix responsibility for the same and take appropriate action in the matter. The Administrative Secretary should also examine the circumstances under which the notification was issued belatedly. **The para was kept pending.**

### **65. Para No 260: Page 160 – Recoverables – Rs.1,338,751**

**4-2-2002:** The Department explained that the matter of recovery of outstanding govt dues from the contractor M/s Akbar Badshah and Co. on account of the contract for collection of toll tax at Jinnah Barrage for the year 1995-96 was subjudice in the court of Additional District Judge, Mianwali. The recovery had been stayed and the next date of hearing was February 6, 2002. The Department was directed to pursue the case for recovery of the outstanding government dues.

The Department was further directed to provide the comparative statement of bids for the collection of toll tax at Jinnah Barrage for three years i.e. the concerned year, the preceding and the succeeding years.

The Committee further suggested that the Finance Department should prescribe a standard contract form for collection of toll tax. **The para was kept pending.**

**66. Para No.261: Page 160 – Recoverables of Rs.5,677,118**

**7-2-2002:** Audit had pointed out the loss of Rs.5,677,118 due to non-recovery of toll tax.

The Department explained that the possession of the site at Trimmu Barrage for recovery of toll tax was handed over to contractor (Mian Ghulam Yasin) on August 1, 1995 for Rs.6,500,805 without approval and signing of the contract. The contractor deposited only the first installment of Rs.650,008 and instead of depositing the 2<sup>nd</sup> and subsequent installments, he always produced a copy of the stay order of the High Court. Subsequently, the Advocate General Punjab vide his letter dated June 5, 1996 issued instructions for effecting the recovery and the contractor left the site on the same day. Since then efforts were being made to effect the recovery of Rs.5,677,118 from the contractor as arrears of Land Revenue. However, Tehsildar Multan had intimated that the defaulter had owned a very meager property and the recovery of the requisite amount was not possible from him.

The Department further stated that a preliminary inquiry had been held for fixing responsibility of the officer for non-recovery of the Government dues and inquiry report was being examined by the Administrative Department.

The Committee was not satisfied with the action taken by the Department in the matter. The Department could not explain as to why the contractor was allowed to collect toll tax without contract agreement and why action was not taken for recovery from the contractor for three years.

The Committee directed that action should be taken under the Punjab Removal from Service (Special Powers) Ordinance 2000 against the officers found responsible. The recovery of the amount should also be included in the charge sheet. The action should be completed before the next meeting. The Department should also consider referring the case of the officers found responsible to the National Accountability Bureau/Regional Accountability Bureau. **The para was kept pending.**

**67. Para No.263: Page 161 – Recoverables – Rs.236,000**

**24-4-2002:** The Department explained that late deposit fine of Rs.236,000 on Ist, IInd, 3rd and 4th installments of the toll tax had not been recovered from the contractor as pointed out by Audit. DCO, Mandi Bahaiddin had been requested on 28-3-2001 to recover the said amount from the contractors as arrears of land revenue.

The Department further stated that disciplinary action against the concerned Executive Engineer and Divisional Accounts Officer was in process. The Department was directed to complete the recovery and disciplinary action at the earliest. **The para was kept pending.**

**68. Para No 264: Page 162 – Recoverables – Rs.400,000**

**4-2-2002:** Audit had pointed out that the Department had accepted a forged deposit challan from a contractor the amount of which had been changed from Rs.400 to Rs.400,000. The Department explained that the case had been registered against the contractor for the fraud. The recovery was also being pursued. The Department further explained that disciplinary proceedings were conducted against the concerned officials/officers and various penalties had been imposed on four persons. Two XENs and Head Clerk have been awarded minor penalties of “Censure” and stoppage of two increments while the sub-divisional clerk who was the main culprit was awarded major penalty of compulsory retirement. The Committee observed that the action taken by the Department was badly delayed and the situation also called for disciplinary action against the officers responsible for the delay.

The Department was advised to consider whether fresh action could be initiated at this stage and seek legal advice in this respect. The committee desired that full details of the case should be provided in the working paper for the next meeting. **The para was kept pending.**

#### **69. Para No.266: Page 163 – Recoverables – Rs.180,000**

Audit had observed: “A division failed to recover fixed charges for use of drain from the owners of the factories. This resulted in non-recovery of revenue Rs.180,000.”

**19-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

#### **70. Para No.270: Page 164 – Recoverables – Rs.397,610,114**

**27-5-2002:** The Department explained that the amount under observation in this para was recoverable from the Public Health Engineering Department and Rawalpindi Development Authority for supply of water to Rawalpindi city.

The Department further explained that the outstanding amount was increasing day by day and the latest balance was Rs.636.469 million. The Committee observed that the action taken so far by the Department was not satisfactory. The matter had to be tackled at a higher level. The Committee directed that the accounts should be settled without further delay in consultation with the Finance Department. The Administrative Department should make a comprehensive reference to Finance Department in this respect within a fortnight. **The para was kept pending.**

#### **71. Para No.271: Page 165 – Recoverables – Rs.1,025,748**

**27-5-2002:** The Department explained that the Demand Statement (Khatooni) on account of water charges was sent to the concerned Tehsildars. Certificates of recovery received from Tehsildars were available.

The Department was directed to explain whether under the existing rules Board of Revenue was required to report the recovery position in respect of each demand to the Irrigation & Power Department. The whole procedure of sending Demand Statements to the Tehsildars and watching the progress of recovery of each demand should be explained in the next meeting. **The para was kept pending.**

**72. Para No.273: Page 166 – Recoverables – Rs.49,332**

Audit had observed: “A division reserved Canal Rest House with effect from 2-1-95 to 5-11-95 for marriage function but failed to recover full amount of rent. The total rent worked out to Rs.117,000 out of which a sum of Rs.67,668 was recovered leaving a balance recovery of Rs.49,332.”

**19-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**73. Para No.274: Page 166 – Recoverables – Rs.124,420**

Audit had observed: “A division allotted Canal Rest House to different persons in 1989, 1990-, 1991, 1992 and 1997 but failed to recover the rent from the occupants. The delay in recovery of rent might lead to loss of Rs.124,420.”

**19-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**74. Para No.277: Page 167 – Recoverables – Rs.73,450**

**24-4-2002:** The Department explained that recovery amounting to Rs.11,020 had been effected from different contractors and efforts were being made to recover the balance of Rs.62,430 on account of deposit of renewal fee at lesser rate.

The Committee directed that the Department should recover the balance amount, take disciplinary action against the officers responsible for acceptance of renewal fee at lesser rate. The record should also be got verified by Audit. **The para was kept pending.**

**75. Para No.278: Page 168 – Recoverables – Rs.200,000**

**24-4-2002:** The Department explained that lot No.17 Pond areas Trimmu was auctioned at Rs.300,000 for the period of 3 years from 1 October 1996 to 30 September 1999. The bidder was allowed to pay auction money at Rs.100,000 each year in advance. He occupied the lot for two years from 1996 to 1998 and paid Rs.200,000. After his vacation, the lot was further auctioned for an amount of Rs.215,000 for three years 1998-2001 which included the last year left by the previous bidder. Thus actually an amount of Rs.271,666 stood recovered for the period 1996-99.

During the meeting, however, Audit pointed out that only Rs.189,000 was recovered and Rs.10,000 related to some other lot.

The Committee directed the Administrative Department to enquire into the matter and take disciplinary action accordingly. Appropriate action should also be taken for making misrepresentation of facts to Audit **The para was kept pending.**

**76. Para No.302: Page 177 – Recoverables – Rs.9,555,221**

**6-2-2002:** The Department explained that the amount in question was paid to a sister division for acquisition of land through Land Acquisition Collector Canal and Drainage Faisalabad who had intimated that the total amount had been paid to the affected land owners. During discussion Audit pointed out that the payment was made to land owners on behalf of WAPDA. The Committee directed that an inquiry should be held to determine the facts of the case and to fix responsibility for making payment of huge amount without proper authority. **The para was kept pending.**

**77. Para No 303: Page 178 – Recoverables – Rs.3,298,083**

**4-2-2002:** Audit had pointed out that the amount placed in PW Advance since 1981 to 1983 was recoverable from other divisions/departments/officers/officials.

The Department explained that the actual recoverable amount was Rs.4,828,083 instead of Rs.3,298,083 as pointed out by Audit. An amount of Rs.1,700,000 had been reconciled while the balance amount of Rs.3,128,083 was being reconciled with the concerned divisions/departments for recovery/adjustment.

The Committee observed that the action had been badly delayed and the situation called for disciplinary action against the officers responsible for delay in the non-recovery or adjustment of the PW-Advance.

The Committee also wanted to know whether the divisions/departments against which the amount had been shown as outstanding had accepted the liability and whether there was any built-in system to monitor the progress of recoveries placed in PW-Advance. **The para was kept pending.**

**78. Para No.310: Page 181 – Recoverables – Rs.9,001,975**

**24-4-2002:** The Department explained that the actual outstanding amounts in Misc. PW Advance was Rs.3,666,145/70, out of which an amount of Rs.3,439,813/49 had been recovered leaving an outstanding balance of Rs.226,332/21, recovery/ adjustment of the same was being pursued.

The Committee directed that the Department should recover the balance amount at the earliest and get it verified by Audit. **The para was kept pending.**

**79. Para No.319: Page 185 – Recoverables – Rs.1,161,648**

**23-4-2002:** Audit pointed out that the Department had failed to recover an amount of Rs.1,161,648 on account of cost of work executed without the receipt of the deposits.

The Department stated in the meeting that the report of the fact finding inquiry was received but the Chief Engineer was not satisfied with the findings of the inquiry.

The Committee directed that an inquiry should be held and action should be taken against the officers (including the Divisional Accountant) responsible for executing the deposit works without having received the deposits. Appropriate action should also be taken against the officers responsible for delay in starting the necessary action. **The para was kept pending.**

**80. Para No.326: Page 188 – Recoverables – Rs.1,777,052**

Audit had observed: “A division recovered the cost of C.I.Casting/M.G. Casting at rates lesser than the rates approved in the estimates for 1992-93 and 1993-94. This resulted in loss of Rs.1,777,052.”

**19-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**81. Para No.330: Page 189 – Recoverables – Rs.1,000,533**

**6-2-2002:** The Department explained that the outstanding amount of Miscellaneous P.W. Advance relating to the period from February 1992 to January 1996 had since been adjusted in all the 15 cases involved and the record had been produced to Audit for verification. The Committee observed that adjustment/recovery had not been made at proper time. Disciplinary action should be



taken against the officer responsible for delay in adjustment/recovery. **The para was kept pending.**

## **82. Para No.333: Page 190 – Recoverables – Rs.439,083**

**24-4-2002:** The Department explained that the amount mentioned in this para was placed in PW Miscellaneous Advance against Sub Divisional Officer on account of non-submission of sanctioned estimates and copy of the log books of the machine. However, the estimates were sanctioned during the same financial year. The Misc. Advance would be cleared at the time of closing of manufacture account of the machinery.

The Committee directed that the Department should produce record to Audit and take action for delay in clearance of Misc. Advance. **The para was kept pending.**

## **83. Para No.334: Page 191 – Recoverables – Rs.1,429,361**

**4-2-2002:** Audit had pointed out that loss amounting to Rs.1,429,361 was sustained by Government due to shortage of material/burnt copper wire.

The Department explained that four officers/officials were involved in this case but two of them, (Sub-Engineer Abdul Ghafoor Gill and Sub-Engineer Abdul Razzak) had been exonerated. Another Sub-Engineer Muhammad Akram was also exonerated as a result of an inquiry and the recovery of Rs.142,264/91 had been ordered against Store Keeper (dismissed) Hamid Khan as arrear of Land Revenue.

The Committee observed that disciplinary action was initiated after the retirement of the concerned officers/officials. The amount involved should be recovered from the officers responsible for this negligence. The Committee directed that the inquiry report and all the relevant record should be produced to Audit for scrutiny and comments. **The para was kept pending.**

## **84. Para No.335: Page 191 – Recoverables – Rs.6,884,149**

**27-5-2002:** Audit had pointed out that huge amounts were outstanding in the schedule of Miscellaneous Advance against officers/officials since long. The Department explained that out of total amount of Rs.6,884,149, an amount of Rs.31,856 had already been recovered and verified by Audit. An amount of Rs.219,039 is involved in other draft para. Thus the net balance amount was Rs.6,561,254. The Department further explained that an inquiry was held and 25 persons were found responsible for non-recovery/non-adjustment of the Misc: Advance. The case had been referred to Administrative Department for initiating disciplinary action.

The Committee directed that necessary action and recovery should be completed, at the earliest. A copy of the inquiry report should be provided to Audit. **The para was kept pending.**

**85. Para No.336: Page 192 – Recoverables – Rs.1,672,000**

Audit had observed: “In a division payment of Rs.1,672,000 was made in excess of allotment and amount was placed in Miscellaneous P.W. Advances in June 1995 (Final) against three officers. Non adjustment/recovery resulted in loss of Rs.1,672,000 to public exchequer.”

**19-8-2002:** On consideration of the facts, the Committee **pended the para** with the direction that the SDAC shall consider the matter and submit its report by 31 January 2003 for consideration by the PAC.

**86. Para No.337: Page 192 – Recoverables – Rs.745,337**

**29-5-2002:** The Department explained that according to the inspection report of the consultant (M/s NESPAK) dated 10 March 1997, the work executed by the Contractor was declared deficient. Thus the final bill of the contractor as corrected by M/s NESPAK by applying 37% deficient formula on all the work turned out into minus amount of Rs.745,337. The contractor had filed a civil suit and the matter was subjudice.

Audit pointed out that the facts of the case indicated that excessive/fictitious measurements were made in the running bills.

The Department stated that the Chief Engineer vide his order dated 16 May 2002 had appointed an inquiry officer to probe into the matter and fix responsibility for excessive payments in the running bills.

The Committee directed that court case should be pursued and the departmental inquiry should be completed and action taken accordingly. **The para was kept pending.**

**87. Para No.339: Page 193 – Recoverables – Rs.142,542**

**28-5-2002:** Audit had pointed out that non disposal of balance quantity of “cutting and supply brush wood” along with its extra carriage resulted in excess payment of Rs.142,542 to the contractor.

The Committee directed that this para should be considered by SDAC and its recommendations submitted to the PAC. **The para was kept pending.**

**88. Para No.340: Pages 193-194 – Recoverables – Rs.99,528**

**29-5-2002:** Audit pointed out that the Department awarded repair and restoration of damages of Qadirabad Link Canal to a contractor and made payment for the said work. During execution of work, a separate payment of Rs.99,829 was also made to another contractor for repair of damages. The Department explained that the first contract was awarded on 6 November 1994 which covered RD 270-386. However, the earth-work included in that contract was only from RD 292-324. The Department stated that at the time of initiating the scheme there were no cuts in the reach RD 287-291, hence no provision was made in the said scheme. Due to heavy rains during 1994-95 the rain cuts occurred in the said reach and accordingly the earth work was awarded to another contractor.

The Committee was not satisfied with the explanation of the Department and directed that an inquiry into the matter should be held by the Secretary within one month and a report submitted to the Committee. **The para was kept pending.**

**89. Para No.345: Page 196 – Recoverables – Rs.907,408**

**23-4-2002:** Audit had pointed out that the Department failed to recover an amount of Rs.907,408 lying in the Miscellaneous PW Advance against various officers/officials.

The Department explained that the Finance Department had been requested for provision of funds to clear the Miscellaneous PW advance.

The Committee observed that the expenditure had been made without budgetary allocation and directed that an inquiry should be held to fix the responsibility for illegal expenditure, involving the XEN, SDO, Sub Engineer and Divisional Accountant concerned. Appropriate action should also be taken against the officers responsible for delay in initiating necessary action in the matter. **The para was kept pending.**

**90. Para No.346: Page 196 – Recoverables – Rs.59,691**

**24-4-2002:** The Department explained that the recovery of Rs.20588/87 had been made and accounted for in the monthly account. The balance amount of Rs.39,103 would be recovered shortly.

The Committee directed that the Department should effect the balance recovery at the earliest and take action against the officers/officials responsible for delay in recovery. **The para was kept pending.**

**91. Para No.347: Page 197 – Recoverables – Rs.3,514,432**

**7-2-2002:** The Department explained that against technically sanctioned estimate of Rs.17,926,321, tender had been accepted for Rs.22,240,457 in July 1992. The Contractor received first running payment of Rs.803,900 and abandoned the work. The work was subsequently re-allotted to a second contractor in January 1994 at the risk and cost of the first contractor. The technically sanctioned estimate was subsequently revised to Rs.26,660,064 in November 1997. Efforts were being made to recover the amount of Rs.3,514,422 on account of risk and cost of the first contractor. The Committee observed that the tender had been accepted beyond 4.5% of the technically sanctioned estimate. The action taken by the Department for recovery from the first contractor was also inordinately delayed. The Committee directed that action be taken against the concerned officers under the Punjab Removal from Service (Special Powers) Ordinance 2000. All the relevant record should also be shown to Audit for scrutiny and comments. Audit should also check that the second contractor was not paid for the work done by the first contractor. Appropriate action should also be taken against the officers responsible for delay in taking necessary action in the matter. **The para was kept pending.**

**92. Para No.350: Page 198 – Recoverables – Rs.6,017,025**

**27-5-2002:** Audit had pointed out that the Department incurred an expenditure of Rs.6,017,025 without budget allotment and placed the amount in Miscellaneous PW Advance. The Department stated in the meeting that the expenditure incurred by the Division could not be charged to the Suspense Head. The Committee directed that an inquiry should be held into the matter and action taken, at the earliest. **The para was kept pending.**

**93. Para No.351: Pages 198-199 – Recoverables – Rs.1,018,000**

**6-2-2002:** Audit had pointed out that amount of penalty for late execution of work had not been recovered from the contractor. The Department explained that payment was made to the contractor in accordance with the decision of the court based on arbitration. The Department was directed to provide a (legible) copy of the judgement/arbitration to Audit for examining the case whether there was any negligence on the part of the Department. **The para was kept pending.**

**94. Para No.352: Page 199 – Recoverables – Rs.117,238**

**6-2-2002:** The Department explained that the payment in question was made to a contractor in accordance with the decision of the court. It had wrongly been placed in Miscellaneous P.W. Advance recoverable from the officers. The Committee directed that an inquiry should be held to ascertain the full facts of the case (including the basis of departmental appeals) and further action should be taken in the light of the conclusion of the inquiry. A copy of the court judgement should be supplied to Audit. **The para was kept pending.**

# Revenue Receipts Audit

## **1. Para No.6.1: Page 37 – Non-recovery of water charges for supply of canal water for non-irrigation use – Rs.1,065,610**

**7-2-2002:** The Committee directed that the cases of recovery/finalization should be expedited. The court cases with Government departments should be got settled at higher level and the cases of delay in recovery from private firms should be explained to Committee. **The paras were kept pending.**

### **(a) PDP No.4714 DCO Burala Division Faisalabad – Rs.3,699,072.**

**22-4-2002:** The para was considered on 22 and 23 April 2002.

Audit had pointed out that as per letter of Ziladar, the supply of water of 2 cusec to Tandlianwala Sugar Mills continued for the period from November 1995 to March 1997. The Department however, replied that as per certificate of the SDO concerned, the water supply was discontinued during the said period. In its detailed comments, Audit had discussed the reasons why the departmental reply was not considered maintainable.

The Committee directed that a high level inquiry should be held to establish the factual position and if recovery was not possible from the Sugar Mill, it should be recovered from the officers concerned besides taking disciplinary action against them. It should also be examined why the XEN had not taken prompt action in the matter. The para was kept pending.

**29-5-2002:** The para was considered in the light of the PAC directive dated 22 and 23 April 2002.

The Committee re-iterated its previous directive. **The para was kept pending.**

### **(b) PDP No.4710 – Rs.5,135,285 DCO Hafizabad Division**

**22-4-2002:** In its latest comments, Audit had reported that recovery of Rs.354,728 had been verified leaving a balance of Rs.4,708,857. Audit had further pointed out that no progress for the recovery of the balance amount had been reported by the Department. **The para was kept pending.**

**29-5-2002:** The para was considered in the light of discussions of PAC held on 22 April 2002.

Audit had pointed out that an amount of Rs.5,135,285 was recoverable from an Industrial Unit in Faisalabad on account of supply of one cusec water daily w.e.f. 01 September 1992. Audit further pointed out that besides the regular supply of One cusec water daily to the said Industrial Unit there was also illegal fitting of two pipes and twelve pumps taking water direct from the canal in addition to installation of two pipes for throwing water in the canal.

The Department explained that as per departmental inquiry report and office record, the consumer had been depositing the water supply charges as per demand notices for the tube-wells. As regards the canal water being used through pipe outlet, the Department explained that the pipe outlet was fixed on 1 October 1992 after approval and sanction of A-Form of the outlet for 0.5 cusec only. The factory was allowed dropping 0.5 cusec waste water into the irrigation channel. The Department stated that as bulk supply of canal water was sanctioned 0.5 cusec only the demand notices were revised for the period from 01 October 1992 to 30 September 1998 amounting to Rs.424,450 after adjustment of Rs.15,187 received as advance payment. The consumers have deposited the amount vide cheque dated 30 November 1999.

In its latest comments, Audit had verified the recovery of Rs.354,728 and had suggested that balance amount of Rs.4,708,857 should also be recovered. During the meeting Audit also produced a copy of an agreement bearing same number and date showing the supply of 1.0 cusec water to the Industrial Unit instead of 0.5 cusec stated by the Department.

The Administrative Secretary assured the Committee that he would hold an inquiry into the matter covering all aspects of the Audit para and the latest comments. The Committee directed that inquiry should be completed within one month and necessary action taken accordingly. **The para was kept pending.**

**(d) PDP No.4718 – Rs.1,041,470.**

**22-4-2002:** In its latest comments, Audit had stated that recovery of Rs.300,000 had been made leaving outstanding balance of Rs.741,470.

The Department explained that the recovery of the above mentioned balance amount from Railways, Town Committee Pirmahal, PASSCO and Rural Water Supply Rajana was in process. The para was kept pending.

**29-5-2002:** The para was considered in the light of discussions during the Committee's meeting held on 22 April 2002.

The Committee observed that no progress had been reported in this case and reiterated its previous directive and **kept the para pending** for balance recovery.



# Labour and Manpower Department

## Overview

Total Paras	Commercial
1	1

### Abstract

Status	Decision	Para Nos.	Total	Page No.
<b>Paras Finally Settled</b>  <b>1</b>	The para was finally settled as the requisite action had been taken.	<b>Commercial: 3(xxiv)</b>	<b>1</b>	<b>823</b>

Discussed on 13 May 2002

## Paras Finally Settled Commercial Audit

### 1. Para No. 3(xxiv): Page 7; Punjab Employees Social Security Institution, Lahore, non-submission of Accounts for the years 1994-95 to 1997-98

**13-5-2002:** Audit stated in the meeting that the accounts for the years 1994-95 to 1997-98 had since been received and would be commented on in the next Audit Report. **The para to the extent of non-submission of accounts was settled.**

The Committee, however, observed that the Chartered Accountants had expressed as many as twelve reservations about the organization's financial statements, and, therefore, their audit certificate must be treated as a qualified certificate. The Government and the organization's Governing Body should pay immediate attention to the accounting and financial affairs of PESSI.



# Livestock & Dairy Development Department

## Overview

Total Paras	Commercial
7	7

## Abstract

Status	Decision	Para Nos.	Total	Page Nos.
<b>Paras Finally Settled</b>  4	Paras finally settled as the requisite action had been taken.	<b>Commercial:</b> 77, 78, 79, 82	<b>4</b>	<b>829</b>
<b>Paras Conditionally Settled</b>  2	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Commercial:</b> 80, 81	<b>2</b>	<b>830</b>
<b>Paras Pended</b>  1	The para was pended because the Department had not taken satisfactory action.	<b>Commercial:</b> 83	<b>1</b>	<b>831</b>

Discussed on 24 January and 9 April 2002

## Paras Finally Settled Commercial Audit The Punjab Dairy Corporation

### 1. Para No.77: Page 53 – Working Results

**24-1-2002:** The Department explained that a Joint Venture Agreement between the Punjab Dairy Corporation and Idara-e-Kisan was signed on November 3, 1996 for a period of 20 years. The plant started operations from May, 1998 and was now running in profit. The statement was **noted and para settled** by the Committee.

## **2. Para No.78: Page 53 – Working Results**

**24-1-2002:** In its latest comments, Audit had pointed out that all obsolete stock had been transferred to Idara-e-Kissan by Punjab Dairy Corporation and the position had been verified. **The para was settled.**

## **3. Para No.79: Page 54 – Working Results**

**24-1-2002:** The Department explained that the value of machinery and equipment of the Lahore Milk Plant was now available and would be shown to Audit. **This was noted and para was settled.**

## **4. Para No.82: Page 54 – Working Results**

**24-1-2002:** The Department explained that audit observation regarding making provision of interest on the loans obtained from IBRD and Government of Punjab in the accounts of the organization had been noted for compliance. **The para was settled.**

# **Paras Conditionally Settled Commercial Audit**

## **1. Para No.80: Page 54 – Working Results**

**24-1-2002:** The Department was directed to pursue the recovery of outstanding amount from the trade debtors and Finance Department was directed to help the Administrative Department in making recoveries from other Government Departments and also to monitor the case. Subject to this direction, **the para was settled.**

## **2. Para No.81: Page 54 – Working Results**

**24-1-2002:** The Department was directed to pursue the recovery of the outstanding advances and

the Finance Department was directed to monitor the case. Subject to this direction, **the para was settled.**

## Paras Pended Commercial Audit Punjab Dairy Corporation Limited, Lahore

### **1. Para No. 83: Page 54; Working Results**

**24-1-2002:** The Department explained that the matters pointed out by Audit in this para were being inquired into. The Department was directed to complete inquiry/action expeditiously. The para was kept pending.

**9-4-2002:** The para was considered in the light of the PAC directive dated 24 January 2002.

The Department explained that as per departmental record, an amount of Rs.2,764,000 had been illegally drawn from the contributory Provident Fund and utilized towards the expenditure of Punjab Dairy Corporation and Dr Abdul Wahab Khan, the then Chief Executive was responsible for the irregularity. The Department further stated that the amounts of the Distributors' securities were also illegally withdrawn and utilized towards the expenditure of the Punjab Dairy Corporation and Ch. Muhammad Iqbal Khokhar, the then Administrator of Punjab Dairy Corporation was responsible for the said irregularities.

The Department further explained that certain serious irregularities and mis-appropriation of funds had taken place during the tenure of Dr Abdul Wahab Khan as Chief Executive of the Punjab Dairy Corporation and the Department was considering to refer the case against him to the Regional Accountability Bureau or Anti-Corruption Establishment.

In this connection a show cause notice had been sent to him on 18 September 2001. In the said show cause notice 8 allegations had been enumerated including the illegal withdrawal of Rs.2,764,000 from the Contributory Provident Fund and diversion towards other heads. But he had not responded to the said show cause notice and the Department would now proceed further in the matter.

The Committee directed the Department to expedite appropriate decision/action in the matter. **The para was kept pending.**

# Local Government and Rural Development Department

## Overview

<b>Total Paras</b>	<b>Civil</b>	<b>Works</b>	<b>Revenue Receipts</b>
<b>304</b>	<b>39</b>	<b>260</b>	<b>5</b>

## Abstract

<b>Status</b>	<b>Decision</b>	<b>Para Nos.</b>	<b>Total</b>	<b>Page No.</b>
<b>Paras Finally Settled</b>  <b>38</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 4.2, 4.3, 7.1, 7.3, 7.4, 7.6, 7.7, 7.9, 8, 9, 10, 11.1, 11.3, 11.6	<b>14</b>	<b>837-839</b>
		<b>Works:</b> 4, 7, 10, 22, 68, 71, 93, 97, 126, 132, 138, 140, 141, 142, 143, 151, 152, 171, 193, 198, 220, 224, 231, 254	<b>24</b>	<b>839-843</b>
<b>Paras Conditionally Settled</b>  <b>83</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Civil:</b> 6, 7.2, 7.5, 7.8, 11.2, 11.4, 11.5, 15	<b>8</b>	<b>844-846</b>
		<b>Works:</b> 14, 17, 52, 67, 69, 82, 84, 99, 111, 113, 116, 118, 120, 121, 124, 128, 130, 131, 133, 135, 137, 139, 145, 146, 149, 154, 155, 156, 157, 160, 164, 165, 166, 167, 168, 174, 175, 176, 177, 178, 185, 192, 194, 195, 205, 206, 208, 211, 212, 214, 216, 217, 219, 229, 232, 233, 236, 238, 239, 240, 241, 242, 245, 248, 250, 251, 253, 255, 256, 257	<b>70</b>	<b>847-865</b>
		<b>Revenue Receipts:</b> 1.3 (4895), 1.4(4869), 1.5(4896, 4868), 1.8(4898)	<b>5</b>	<b>866</b>
<b>Paras Pended</b>	Paras pended either because the Department had not taken	<b>Civil:</b> 1.1, 1.2, 2, 3, 4.1, 5.1, 5.2, 7.10, 7.11, 12.1, 12.2,	<b>17</b>	<b>867-873</b>



183	satisfactory action or the Committee decided to have working papers for consideration.	13.1, 13.2, 14.1, 14.2, 16, 17 <b>Works:</b> 1, 2, 3, 5, 6, 8, 9, 11, 12, 13, 15, 16, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 70, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 83, 85, 86, 87, 88, 89, 90, 91, 92, 94, 95, 96, 98, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 112, 114, 115, 117, 119, 122, 123, 125, 127, 129, 134, 136, 144, 147, 148, 150, 153, 158, 159, 161, 162, 163, 169, 170, 172, 173, 179, 180, 181, 182, 183, 184, 186, 187, 188, 189, 190, 191, 196, 197, 199, 200, 201, 202, 203, 204, 207, 209, 210, 213, 215, 218, 221, 222, 223, 225, 226, 227, 228, 230, 234, 235, 237, 243, 244, 246, 247, 249, 252, 258, 259, 260	166	874-919
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Discussed on 7-9 January, 26-28 March, 15-17 July and 19 August 2002

## Paras Finally Settled Civil Audit

### 1. Para No.4.2: Pages 14-15 – Misappropriation of stores/money worth Rs.133,856

#### 4.2 Director, LG & RD, Bahawalpur – Rs.29,898

**26-3-2002:** According to its latest comments, Audit had verified the recovery of Rs.770 and the contention of the Department in respect of the remaining amount. Audit had recommended the para for settlement. **The para was settled.**

## **2. Para No.4.3: Pages 14-15 – Project Manager, Bosan Multan – Rs.28,958**

**26-3-2002:** Audit stated in the meeting that the requisite record had been seen and verified. The Committee **settled the para.**

## **3. Para No.7.1: Page 20 – Irregular drawal of Rs.142,963 on account of irregular appointment of officials**

**26-3-2002:** According to its latest comments, Audit had verified that appointment of the official in question had been regularized by the Competent Authority, and had recommended the para for settlement. **The para was settled.**

## **4. Para No.7.3: Page 20 – Irregular drawal of Rs.637,667 on account of irregular appointment of officials**

**7-1-2002:** Audit had pointed out that the appointments had been made in violation of the Government instructions.

The Committee observed that irregular appointment should be got regularized by the competent authority. With the above observation, **the para was settled.**

## **5. Para No.7.4: Page 20 – Irregular drawal of Rs.29,878 on account of irregular appointment of officials**

**26-3-2002:** The Department explained that the appointment of RD worker was regularized under the order of Lahore High Court, Bahawalpur Bench. The record in support of departmental contention was verified by Audit in the meeting. **The para was settled.**

## **6. Para No.7.6: Page 20 – Irregular drawal of Rs.135,237 on account of irregular appointment of officials**

**26-3-2002:** The Department explained that the appointment of official in question had been regularized in pursuance of sanction accorded by the Notification No.SOR-III-2-54/87 dated 27 June 1989. The position had been verified by Audit. **The para was settled.**

## **7. Para No.7.7: Page 20 – Irregular drawal of Rs.168,890 on account of irregular appointment of officials**

**26-3-2002:** The Department explained that the appointment of official in question had been

regularized in pursuance of sanction accorded by the Notification No.SOR-III-2-54/87 dated 27 June 1989. The position had been verified by Audit. **The para was settled.**

**8. Para No.7.9: Page 20 – Irregular drawal of Rs.299,859 on account of irregular appointment of officials**

**7-1-2002:** Audit had pointed out that the appointment had been made without advertisement of the vacancy in the Press.

The Committee observed that Assistant Director, Local Government was not competent to regularize the appointment in this case. The Department was directed to get the appointments regularized by the competent authority. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the services of official in question had been regularized by the Director, LG&RD Bahawalpur, being the competent authority, in pursuance of Notification No.SOR-III-2/54/87 dated 27 June 1989. **The para was settled.**

**9. Para No.8: Page 21 – Incurring of expenditure amounting to Rs.571,541 on account of pay and allowances in excess of budget allocation**

**7-1-2002:** Audit had pointed out that the expenditure of a formation in respect of pay and allowances had exceeded the budgetary allocations for the years 1994-95, 1995-96 and 1996-97. The Department explained that there was overall saving in the relevant grant during the said years. The Committee observed that the DDOs should have asked for the necessary re-appropriation of funds to meet the additional requirements under pay and allowances.

**The para was settled.** However, the Finance Department was advised to consider to make a provision that the pay bills were also accompanied by the appropriation statement as was done in the case of contingency bills to ensure that the expenditure of Pay & Allowances did not exceed the budgetary allocation.

**10. Para No.9: Page 21 & 22 – unauthorized use of staff car involving Rs.491,990**

**7-1-2002:** The Department explained that para was settled in the SDAC meeting held on October 16, 1998 after verification of approved tour programmes, tour duties and log books of the vehicles. The Committee **accordingly agreed to settle the para.**

**11. Para No.10: Page 24 – Loss of Rs.102,074 Inflicted to the Government exchequer**

**26-3-2002:** According to its latest comments, Audit had verified the write off sanction for Rs.102,074 issued by the Competent Authority on 11 January 1999. **The para was settled.**

**12. Para No.11: Pages 24-25 – Recovery of Rs.295,484 on account of irregular drawal of house**

rent allowance**11.1 Project Manager, Local Government & Rural Development Markiz Kot Momin – Rs.65,183.**

**26-3-2002:** The Department explained that the para was settled in the SDAC meeting subject to provision of DDO's certificate that the building in question had not been used for residential purposes. Audit had verified the DDO's certificate. **The para was settled.**

**13. Para No.11.3: Page 25 – Principal, Local Government Training Institute Lala Musa – Rs.35,774.**

**26-3-2002:** The Department explained that the requisite certificate indicating that the said building was unfit for residential purposes from the XEN, Provincial Building Division, Gujrat was produced and got verified by Audit. The Committee **settled the para.**

**14. Para No.11.6: Page 25 – Project Manager, Kasur – Rs.51,660**

**7-1-2002:** Audit had pointed out that designated residence was available for Project Director Ganda Singh Wala but he had drawn house rent allowance. The Department explained that the said building was being used as a store of UNICEF equipment. The case had been referred to Finance Department for regularization of use of the said house and in case the requisite regularization was not granted, the amount mentioned in the para would be recovered from the officers concerned.

The Department was directed to complete appropriate action expeditiously. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that a reference for declaration of Project Manager's residence at Ganda Singh Wala as UNICEF store had been made to Finance Department vide No.EXA(LG)14-9/2001 dated 3 January 2002. **The para was settled.**

## Works Audit

**1. Para No.4: Page 30 – Suspected Frauds – Amount Rs.500,000**

**27-3-2002:** The Department explained that the site plan of the scheme along with brief history clearly indicated that the portion of the road was completed by the Department and there was no duplicate payment involved.

The position had been verified by Audit during the meeting. **The para was settled.**

**2. Para No.7: Page No.32 – Suspected Frauds – Rs.222,129**

**27-3-2002:** Audit stated during the meeting that the relevant record had been verified. **The para was accordingly settled.**

### **3. Para No.10: Page 33 – Suspected Frauds – Rs.1,641,438**

**8-1-2002:** Audit had pointed out that payments of Rs.1,505,362 and Rs.541,076 had been made against agreements amounting to Rs.320,000 and Rs.85,000 respectively. The Department explained that in case of Advance Para No.788 the disputed amount as pointed out by Audit could not be paid due to lapse of funds at the end of the financial year 1996-97. Similarly, in case of Advance Para No.792 the amount of 4th running bill could not be paid due to lapse of funds. The explanation of the Department was accepted. **The para was settled.**

### **4. Para No.22: Page 38 – Suspected Frauds – Rs.529,301**

**28-3-2002:** In its latest comments, Audit had recommended the para for settlement. **The para was accordingly settled.**

### **5. Para No.68: Page 60 – Suspected Frauds – Rs.585,453**

**9-1-2002:** The Department explained that the amount involved in this para had been deposited in the relevant receipt head and the para was settled in the Special DAC meeting held on November 19, 1998. The Committee agreed with the recommendations of the SDAC and **settled the para.**

### **6. Para No.71: Page 61 – Loss of Rs.350,000**

**15-7-2002:** The Department explained that the land for construction of farm-to-market road was provided by the land owners. The trees standing on the land and falling within the alignment of the road were cut by the contractor and handed over to the land owners. Audit had verified the position. **The para was settled.**

### **7. Para No.93: Page 70 – Excess Payment of Rs.1,538,281 (D.G. Khan Development Authority)**

**8-1-2002:** Audit had pointed out that the available quantity of earth and road crust was not deducted from the quantity measured and paid. The Department explained that quantity of earth work had been adjusted and no excess payment was involved.

The Department was directed to get the record verified by Audit on January 9, 2002.

On January 9, 2002, Audit stated in the meeting that record had since been verified. **The para was settled.**

**8. Para No.97: Page 72 – Overpayment of Rs.86,026**

**28-3-2002:** Audit stated in the meeting that the recovery from the final bill had been verified. **The para was settled.**

**9. Para No.126: Pages 84 & 85 – Overpayment of Rs.205,744**

**15-7-2002:** The Department explained that PDP No.249 was settled in the Special DAC meeting held on 19 November 1998. However, in the minutes of the said meeting the number of the para was misprinted as PDP No.294.

Audit verified the contention of the Department in the meeting. **The para was settled.**

**10. Para No.132: Page 87 – Overpayment of Rs.292,709**

**28-3-2002:** The Department explained that Audit picked up the quantities of earthwork when the work was in progress.

The final quantity of earthwork was within the quantity of earthwork provided in the technically sanctioned estimate. No overpayment was involved.

The record was seen and verified by Audit. **The para was settled.**

**11. Para No.138: Pages 89-90 – Overpayment of Rs.66,816**

**15-7-2002:** The Department explained that the item of masonry under observation in this para was provided in the detailed estimate duly sanctioned by the competent authority.

Audit verified the contention of the Department in the meeting. **The para was settled.**

**12. Para No.140: Pages 90-91 – Overpayment – Rs.50,091**

**16-7-2002:** The Department explained that report of the Inquiry Officer had been received and the case for disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 was being processed.

The Committee directed that disciplinary action should be completed within the stipulated period and recovery, if established should also be made. Subject to this direction, **the para was settled.**

**13. Para No.141: Page 91 – Overpayment – Rs.65,187**

**16-7-2002:** The Department explained that the findings of the departmental inquiry report were as under:-



**(i) AP-616**

Only an excess payment of Rs.8,385 was established instead of Rs.44,625 because the items were covered in the revised estimate.

**(ii) AP-622**

Irregular payment of Rs.20,562 as per audit observation was established.

The Department further stated that the case for disciplinary action against the persons responsible for excess payment was being processed.

The Committee directed that disciplinary action and recovery, if established should be completed within the stipulated period. Subject to this direction, **the para was settled.**

**14. Para No.142: Page 91 – Overpayment – Rs.78,466**

**16-7-2002:** The Department explained that report of the Inquiry Officer, endorsing Audit contention had been received and the same was being processed for taking disciplinary action against the persons responsible for the irregularity.

The Committee directed that action under the Punjab Removal from Service (Special Powers) Ordinance 2000 and recovery, if established, should be completed within the stipulated period. Subject to this direction, **the para was settled.**

**15. Para No.143: Page 91 – Overpayment – Rs.516,351**

**9-1-2002:** The Department explained that increased quantities of items were covered in the revised technical estimates. Revision of administrative approval was not needed because the expenditure was within the permissible limit. The explanation of the Department was accepted and **the para was settled.**

**16. Para No.151: Page 95 – Overpayment – Rs.267,242**

**16-7-2002:** Audit had pointed out that the item of sand filling under sub base had been executed without provision in the agreement.

The Department explained that sand filling was justified from a technical point of view because of an existing drain along the road and a separation between the road and the drain. After discussion, **the para was settled.**

**17. Para No.152: Pages 95-96 – Overpayment – Rs.210,734**

**16-7-2002:** The Department explained that on the basis of fact finding inquiry report, disciplinary action was being processed against the responsible persons.

The Department was directed to complete disciplinary action and effect recovery, if established, within the stipulated period. Subject to this direction, **the para was settled.**

#### **18. Para No.171: Page 104 – Overpayment – Rs.474,657**

**16-7-2002:** The para was considered on 16<sup>th</sup> and 17<sup>th</sup> July 2002.

In its latest comments, Audit pointed out that the Departmental contention that “reduction in rate was not required because the measurement of the quantity was recorded and paid in sft not in cft has been verified.”

The Committee **settled the para** on recommendation of Audit. The Committee also directed that Audit should take suitable action to guide the auditor who had raised the objection in this para.

#### **19. Para No.193: Page 114 – Violation of Rules – Rs.1,687,643**

**9-1-2002:** The Department explained that the work on the schemes in question had been executed in accordance with the approval and no noticeable variation was involved.

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

**27-3-2002:** The Committee reiterated its previous decision. The para was kept pending.

**16-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

Audit stated in the meeting that the departmental contention had been verified from the record produced by the Department. On the recommendation of Audit, the Committee **settled the para.**

#### **20. Para No.198: Page 116 – Violation of rules – Rs.431,263**

**28-3-2002:** In its latest comments, Audit had recommended the para for settlement on the grounds that it was duplication of Para No.III-C-2 of Audit Report for the year 1996-97. **The para was accordingly deleted.**

#### **21. Para No.220: Page 125 – Violation of Rules – Rs.25,244,000**

**9-1-2002:** The Committee directed that copy of letter of Secretary Education should be provided to Audit so that Audit may make further comments on the explanation of the Department. The para was kept pending.

**27-3-2002:** The Department explained that in compliance with the PAC directive dated 9 January 2002, a copy of the letter of the Secretary Education had been provided to Audit. The schemes in question had been implemented as per policy decision of the Government.

Audit had agreed to the contention of the Department. **The para was settled accordingly.**

**22. Para No.224: Page 127 – Violation of Rules – Rs.1,536,000**

**9-1-2002:** The Department explained that under the Local Government Manual, the Assistant Engineer was competent to grant technical sanction of schemes upto the cost of Rs.1 lac.

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

**23. Para No.231: Pages 130 and 131 – Violation of Rules – Rs.318,525**

**17-7-2002:** The Department explained that the specification of steel girders and T-iron was adopted for the roofs of 259 school buildings, instead of pre-stressed/pre-cast roofing as these items were not available in Jhang District during the year 1986-87.

Audit had verified the departmental contention in the meeting. **The para was settled.**

**24. Para No.254: Page 140 – Recoverable – Rs.410,150**

**28-3-2002:** The Department explained that the para was settled in Special DAC meeting held on 25 November 1998 on the ground that extension in time limit was granted by the ADLG who was competent.

Audit had verified the position in the meeting. **The para was settled.**

## **Paras Conditionally Settled Civil Audit**

**1. Para No.6: Page 18 – Loss of Rs.1,567,560 to Government exchequer due to destruction of Government residences and recovery of Rs.367,560**

**7-1-2002:** Audit had pointed out that designated houses for the Project Manager had been provided at Pasrur and Daska. The drawal of house rent allowance by the Project Managers was irregular and secondly the said houses deteriorated very rapidly because the Project Managers did not reside in the houses.

The Department explained that the recovery of the house rent allowance drawn by the officers

concerned would be made and an inquiry would be held to determine the causes of deterioration of the buildings.

The Department was directed to produce the recovery order to Audit. A copy of the report on the causes of the deterioration should also be supplied to Audit. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the recovery of the amount as pointed out by Audit had been ordered through the respective District Accounts Officers from the salaries of the Project Managers concerned.

The Department further explained that the deterioration of the residences of the Project Managers was due to lack of maintenance on account of non-availability of funds. The Committee directed that the amount of recovery should be reconciled with Audit. **The para was settled** subject to verification by Audit.

## **2. Para No.7: Page 20 – Irregular drawal of Rs.3,227,619 on account of irregular appointment of officials**

### **Para No.7.2: Project Manager (RDM), Dera Bhakha District Bahawalpur – Rs.120,410**

**26-3-2002:** The Department explained that the case for regularization of the appointments under observation in this para was being sent to S&GAD.

The Committee **settled the para** subject to regularization of the appointments by S&GAD and verification by Audit.

## **3. Para No.7.5: Page 20 – Assistant Director Local Government & Rural Development, Gujrat – Rs.222,125**

**7-1-2002:** Audit had pointed out that the appointments had been made in violation of the Government instructions.

The Department had decided to hold an inquiry to probe into the matter. The Committee noted that full facts of the case should be reported in its next meeting. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that as per findings of the departmental inquiry report appointments had been made during the period when there was no ban on recruitment. Moreover, the appointments were made by the District Recruitment Committee. The Committee **settled the para** subject to verification of record by Audit.

## **4. Para No.7.8: Page 20 – Assistant Director Local Government & Rural Development, Kasur – Rs.742,425**

**7-1-2002:** The Department explained that the Secretaries of the Union Councils were initially appointed against leave vacancies but were later on regularized by the Departmental Selection Committee. The Department was directed to produce the relevant record to Audit and further action in the matter should be taken as per audit comments. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

In its latest comments, Audit had stated that regularization of appointment of three officials by the Departmental Selection Committee had been verified and only action in respect of one irregular appointee involving an amount of Rs.209,352 was outstanding. The Committee directed that the case should be referred to S&GAD for advice and action should be taken accordingly. Subject to this direction, **the para was settled.**

#### **5. Para No.11: Page 24 – Recovery of Rs.295,484 on account of irregular drawal of house rent allowance**

##### **Para No.11.2: Page 24 – Project Manager, Boshia Multan – Rs.72,324**

**7-1-2002:** Audit had pointed out that the accommodation was available for Project Manager, Bosan but he had drawn house rent allowance. The Department stated that the recovery would be made from the officer who remained posted there and drew house rent allowance.

The Committee directed to complete the recovery expeditiously. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the DAOs concerned had been requested to make the recovery from the Project Managers concerned. A copy of the recovery order had been provided to Audit.

**The para was settled** subject to total recovery and its verification by Audit.

#### **6. Para No.11.4: Page 24 – Project Manager, Local Government & Rural Development, Soddar Sialkot – Rs.28,256**

**26-3-2002:** The Department explained that no recovery of house rent allowance was due in this case. **The para was settled** subject to verification by Audit.

#### **7. Para No.11.5: Page 25 – Project Manager, Local Government & Rural Development, Sialkot – Rs.42,287.**

**26-3-2002:** The Department explained that no deduction of house rent was due from any officer in this case.

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

## **8. Para No.15: Page 28 – Loss of Rs.201,018 to Government and recovery thereof**

**7-1-2002:** The Department explained that during the financial year 1996-97 the income from the farm under observation was Rs.143,982 and expenditure was Rs.30,459.

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

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the requisite record complete in all respects was ready for verification.

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

## **Works Audit**

### **1. Para No.14: Page 35 – Suspected Frauds Misuses and Mis-appropriation – Rs.1,320,874**

**8-1-2002:** Audit had pointed out that an amount of Rs.1,320,874 had been drawn fraudulently. The Department explained that the Assistant Director LG&RD, Gujranwala and the office Accountant concerned were proceeded against and the penalty of stoppage of one increment was imposed on Assistant Director LG&RD while the penalty of dismissal from service and recovery of the amount fraudulently drawn was imposed on Accountant concerned. Efforts were being made to recover the amount as arrears of Land Revenue.

In its latest comments, Audit had pointed out that the cheques were cleared by the District Accounts Officer in utter contravention of the laid down rules/instructions. Moreover, the accused had been allowed to handle the cash even after commitment of embezzlement of staff salary in 1992-94. The Committee directed that a detailed inquiry should be held into points raised by Audit and appropriate action be completed expeditiously. The progress on the recovery of the amount as arrears of Land Revenue should also be reported. The para was kept pending.

**27-3-2002:** The Department explained that as a result of disciplinary proceedings, the Assistant Director, Local Government was awarded minor penalty of stoppage of one increment and the Accountant was awarded major penalty of dismissal from service and recovery of fraudulent drawal



of Government funds through forged signatures of Assistant Director, Local Government and the recovery was being pursued as arrears of Land Revenue.

The Committee directed that the Administrative Department should effect the recovery and Finance Department should monitor the case. Subject to this direction, **the para was settled.**

## **2. Para No.17: Page 36 – Misuses – Rs.2,086,515**

**27-3-2002:** The Department explained that total amount of Rs.2,086,515 was drawn from PLA through 26 different cheques on account of security deposits of the contractors which were deducted from the bills.

**The para was settled** subject to verification of requisite documents as mentioned in the latest Audit Comments.

## **3. Para No.52: Page 52 – Mis-appropriation – Rs.2,536,000**

**8-1-2002:** The Department explained that bitumen worth Rs.2,536,000 was issued to contractors and the whole amount had since been recovered. The Department was directed to produce the record to Audit for verification. The para was settled subject to verification.

**27-3-2002:** The Committee re-iterated its previous directive/decision for **settlement of para** subject to verification of record by Audit.

## **4. Para No.67: Page 59 – Misuse – Rs.1,023,934**

**9-1-2002:** Audit pointed out that a formation had deposited the revenue receipts in Personal Ledger Account instead of the Government Treasury. The Department explained that the DAC in its meeting held on November 25, 1998 had discussed the issue and decided that the irregularity may be got regularized by the Finance Department. However, before referring the case to the Finance Department an inquiry had been initiated into the facts of the case and if the amount was mis-utilized, action would be taken against the persons responsible for the irregularity but if the amount was deposited in the wrong head, it would be got regularized.

The Department was directed to complete the inquiry/action within 3 months. However, before proceeding with the inquiry, advice of the Finance Department on the issues involved in this matter would be obtained within 7 days. The para was kept pending.

**27-3-2002:** The Department explained that the case had been referred to the Finance Department for advice. **The para was settled** subject to the decision of the Finance Department in the matter.

## **5. Para No.69: Page 60 – Suspected Frauds – Rs.50,750**

**27-3-2002:** The Department explained that an amount of Rs.49,750 and Rs.1,000 collected as cost of tender forms and renewal fee of the contractors was deposited in the PLA instead of the

Government Treasury. The Department was directed to refer the matter to the Finance Department for advice/regularization and take further action accordingly. **The para was settled** subject to the decision of the Finance Department.

#### **6. Para No.82 (PDP 230): Page 66 – Suspected Frauds – Rs.245,665**

**28-3-2002:** Audit had pointed out that tenders had been invited for supply and installation of streetlights as non-scheduled item instead of scheduled item.

The Department explained that the schedule item referred to by Audit simply consisted of tube rods along with choke, starter and the putty fitting on the room walls. In this case, tube lights were to be installed as street lights consisting of some other items and the non-schedule item was technically sanctioned by the Superintending Engineer, LG&RD, Punjab, being the competent authority. The Committee **settled the para** subject to verification of record by Audit.

#### **7. Para No.84: Page 67 – Suspected Frauds – Rs.63,349**

**28-3-2002:** The Department explained that the work had been executed and payment made in accordance with the technically sanctioned estimates. The Committee **settled the para** subject to verification of record by Audit.

#### **8. Para No.99: Page 73 – Overpayment – Rs.144,942**

**28-3-2002:** The Department explained that the actual recoverable amount of Rs.92,634 had been recovered from the contractor.

The Committee **settled the para** subject to verification by Audit of the record and justification for reduction in the amount.

#### **9. Para No.111: Page 78 – Overpayment of Rs.71,898**

**15-7-2002:** The Department explained that according to the findings of the departmental inquiry report, no excess payment was established because entries made in the measurement book indicated payment of over lying layer of earthwork and was not meant to indicate double payment in the same layer. Audit however, commented that the findings of the inquiry report recorded for second and 3rd layer were not acceptable because separate measurement was required to be recorded for each layer.

The Committee directed that the Department should effect recovery as pointed out in Audit comments and take disciplinary action against the officers responsible for overpayment. The Finance Department was directed to monitor implementation of the directive of the Committee. Subject to this direction, **the para was settled.**

**10. Para No.113: Page 79 – Overpayment – Rs.233,062**

**28-3-2002:** The Department explained that the entire recovery on account of over payment from the security of the contractor had been effected. The record was available for verification. The Committee settled the para subject to verification of record by Audit.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Committee re-iterated its previous decision of **settling the para** subject to verification of record by Audit.

**11. Para No.116: Page 80 – Overpayment of Rs.772,286**

**28-3-2002:** The Department explained that due to flow of heavy traffic and rain water, the work executed by the contractor had deteriorated and some shortcomings had occurred which had been rectified by the contractor and the same had been checked on 19 February 2002 by a committee constituted by DC Muzaffargarh.

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

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

In the previous meeting, the Department was directed to produce the relevant record to Audit in support of its contention, but the Department had failed to do so. The Committee again directed the Department to produce the relevant record to Audit within seven days. **The para was settled** subject to verification of record by Audit.

**12. Para No.118: Page 81 – Overpayment of Rs.101,250**

**15-7-2002:** The Department explained that 10” thickness had been provided for both the sub base course (6”) and the base course (4”). For the purpose of calculating quantity of stone for payment of the secured advance, the quantity of stone was worked out for total of 13”, keeping in view the loose factor and thereafter total quantity was reduced to 75% of the material supplied.

The Department further stated that the bill in question had actually not been paid to the contractor due to non-availability of funds. As such no overpayment was involved.

Audit however, commented that the contractor quoted rates for sub base/base course. Therefore, the measurement of stone as loose quantity was irregular.

The Committee observed that had the funds been available, the bill would have been paid.

The Committee directed that disciplinary action should be taken against the officer responsible for measuring stone as loose quantity instead of measuring sub base/base course. It should also be ensured that the bill is not paid at a later stage, just because funds are available.

The Finance Department was directed to monitor the implementation of the directives of the Committee. Subject to this direction, **the para was settled.**

### **13. Para No.120: Page 82 – Overpayment of Rs.108,027**

**15-7-2002:** The para was considered on 15 and 16 July 2002.

The Department explained that the report of the inquiry officer had been received in which he had concluded that the issue of excess payment was not established because extra base course material was used/provided as over lay course to restore proper level in the existing 2800 rft road. However, on 16 July 2002 after seeing the inquiry report Audit demanded technical sanction and design of the road.

The Committee directed that all the relevant record should be shown to Audit. **The para was settled** subject to verification by Audit.

### **14. Para No.121: Page 82 – Overpayment of Rs.108,000**

**15-7-2002:** The Department explained that 10” thickness had been provided for both the sub-base course and the base course. For the purpose of calculating quantity of stone for payment of the secured advance, the quantity of stone was worked out for total of 13”, keeping in view the loose factor and thereafter total quantity was reduced to 75% of the material supplied.

The Department further stated that the bill in question had actually not been paid to the contractor due to non-availability of funds. As such no overpayment was involved.

Audit however, commented that the contractor quoted rates for sub base/base course. Therefore, the measurement of stone as loose quantity was irregular.

The Committee observed that had the funds been available, the bill would have been paid.

The Committee directed that disciplinary action should be taken against the officer responsible for measuring stone as loose quantity instead of measuring sub base/base course. It should also be ensured that the bill is not paid at a later stage just because funds are available.

The Finance Department was directed to monitor the implementation of the directives of the Committee. Subject to this direction, **the para was settled.**

### **15. Para No.124: Page 84 – Overpayment of Rs.109,313**

**15-7-2002:** The Department explained that the recovery of excess payment pointed out by Audit in this para had been effected. The Sub Engineer concerned had already been retired from service in another case. **The para was settled** subject to verification by Audit.

#### **16. Para No.128: Pages 84 & 85 – Overpayment of Rs.78,238**

**(i) AP-656 (Rs.44,332)**

**15-7-2002:** The Department explained that the work of T.S.T. had been executed in accordance with the site plan and no overpayment was involved. **This part was settled** subject to verification of record by Audit.

**(ii) AP No.666**

The Department explained that this advance para was duplication of AP No.710 included in Audit Para No.129. Audit had verified the duplication. This part was dropped.

#### **17. Para No.130(208): Page 86 – Overpayment of Rs.57,561**

**15-7-2002:** The Department explained that on the basis of a fact finding inquiry, Audit contention had been found correct and accordingly the case of recovery/ disciplinary action was being processed.

The Committee directed that recovery/disciplinary action should be completed, at the earliest. The Finance Department was directed to monitor the implementation of the directive of the Committee. The action taken should be reported to the PAC Secretariat by 31 October 2002. Subject to this direction, **the para was settled.**

#### **18. Para No.131: Page 87 – Overpayment of Rs.90,929**

**15-7-2002:** Audit pointed out that the base course and T.S.T had been laid on an excessive length than that of sub base course which appeared to be fictitious.

The Department explained that the work had been executed and paid according to the technical sanction and no overpayment was involved.

The Department was directed to produce the relevant record to Audit. **The para was settled** subject to verification of record by Audit.

**19. Para No.133: Page 87 – Overpayment – Rs.364,904**

**9-1-2002:** The Department explained that the increased quantities of earthwork had been covered in the revised technical sanction and administrative approval. The Department was directed to produce the record to Audit in support of its explanation. The para was settled subject to verification by Audit.

**27-3-2002:** The Department was directed to produce the record to Audit in support of its explanation.

The Committee reiterated its previous decision, for settlement of the para subject to verification of record by Audit.

**15-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The para had been settled subject to verification of record.

The Department explained that the record was produced to Audit. Audit had demanded the measurement book for verification.

The Department was directed to produce the Measurement Book to Audit.

In connection with a component of this para involving Rs.57,013, the Department was asked to produce the revised administrative approval and technical sanction for Audit verification. The Committee **settled the para** subject to verification of record by Audit.

**20. Para No.135: Page 88 – Overpayment of Rs.219,106**

**15-7-2002:** The Department explained that the excessive quantities of items under observation in this para were executed as per site requirements and subsequently covered by the revised technically sanctioned estimate.

Audit commented that the expenditure involved required regularization by the Finance Department.

The Committee directed that disciplinary action should be taken against the officers



responsible for excess payment, and the expenditure should be got regularized by the Finance Department. The Finance Department was directed to monitor implementation on the PAC directive. Subject to this direction, **the para was settled.**

## **21. Para No.137: Page 89 – Overpayment of Rs.70,745**

**15-7-2002:** The Department explained that the excess quantity of steel under observation in this para was used for an item of work which was omitted in the original estimate but had been included in the revised estimate approved by the Superintending Engineer. Audit however, commented that no excess over the revised estimate could be incurred.

The Committee directed that the relevant record shown to Audit and the expenditure should be got regularized by the Finance Department. Finance Department was directed to monitor implementation on PAC directive. Subject to this directions, **the para was settled.**

## **22. Para No.139: Page 90 – Overpayment of Rs.82,970**

**15-7-2002:** The Department explained that the report of the inquiry officer had been received and case for disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 was under process.

The Committee directed that the recovery and disciplinary action should be completed, at the earliest. The Finance Department was directed to monitor implementation on PAC directive. With the above PAC directions, **the para was settled.**

## **23. Para No.145: Page 92 – Overpayment – Rs.240,684**

**16-7-2002:** The Department explained that the Inquiry Officer had concluded that in case of AP Nos.425 and 490 the item paid was justified and also in accordance with the technically sanctioned estimate. However, in case of AP No.487 the action under the Punjab Removal from Service (Special Powers) Ordinance 2000 had been initiated against the persons responsible for over-payment.

The Committee **settled AP Nos.425 and 490** subject to verification of record by Audit.

## **24. Para No.146: Page 93 – Overpayment – Rs.71,066**

**16-7-2002:** The Department explained that the excess quantity of earth filling in streets was covered by the revised technical sanction.

Moreover, the excess payments of Rs.10,551 and Rs.29,916 made due to calculation mistake was adjusted in the subsequent bills.

The Committee directed that relevant record should be shown to Audit and appropriate action should be taken against the persons responsible for calculation mistake. Subject to this direction, **the para was settled.**

## **25. Para No.149: Page 94 – Overpayment – Rs.392,998**

**16-7-2002:** The Department explained that the scope of work was enhanced from original contract cost of Rs.6.50 lac to Rs.12.50 lac and as such the increase in the quantity of earth work was due to increase in the length of the road. The Committee **settled the para** subject to verification of record by Audit.

## **26. Para No.154: Page 96 – Overpayment – Rs.90,215**

**16-7-2002:** The Department explained that the variations incorporated in the detailed estimate were beyond the competence of the field staff and Deputy Director (Inquiries) had been directed to initiate disciplinary action against the officers responsible for excessive measurement/payment.

The Department also assured that order for initiating disciplinary action would be issued shortly. The Department was directed to complete the action/recovery, at the earliest.

The Finance Department was directed to monitor implementation of the PAC directive. Subject to this directions, **the para was settled.**

## **27. Para No.155: Page 97 – Overpayment – Rs.349,824**

**9-1-2002:** Audit had pointed out that a formation measured and paid the item of earthwork with lead of one mile against 100 feet provided in the agreement without proper sanction.

The Committee was not satisfied with the explanation given by the Department in the working paper and directed that an inquiry should be held to fix responsibility, recover the excess payment and take action against the person responsible for the excess payment. The para was kept pending.

**27-3-2002:** The Department explained that in compliance with the PAC directive a fact finding inquiry was ordered to establish the full facts of the case and fixing the responsibility regarding unauthorized payment on the responsible person. The Department was directed to complete the inquiry/ action/recovery. The para was kept pending.

**16-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that in compliance with PAC directive the inquiry had been completed and was being examined in the office of Director General Local Government.

The Department was directed to complete the action/recovery, at the earliest.

The Finance Department was directed to monitor implementation of PAC directive. Subject to this direction, **the para was settled.**

## **28. Para No.156: Page 97 – Overpayment of Rs.163,154**

**28-3-2002:** The Department explained that as per decision of the High Court and contractor's undertaking an amount of Rs.163,154 had been adjusted from his available security deposits against another development work. Complete record was available for verification.

The Committee settled the para subject to verification of record by Audit and directed that the Department should take action against the officer responsible for overpayment in the first instance.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that as per directive of the Committee, disciplinary action had been initiated against the officers at fault vide No.DCO/4777 dated 8 July 2002. Moreover, the relevant record as per contention of the Department was available for verification by Audit.

The Committee reiterated its previous decision for **settlement of the para** subject to completion of disciplinary action and verification of record by Audit.

## **29. Para No.157: Page 98 – Overpayment – Rs.131,220**

**16-7-2002:** The Department explained that provision of lead was justified and deduction for road crust was not required. No excess payment was, therefore, involved. Audit, however, commented that the Department had admitted that tenders were called without technical sanction and lead chart.

The Committee directed that disciplinary action, including recovery, if established, should be completed, at the earliest.

The Finance Department was directed to monitor implementation of the PAC directive. Subject to this direction, **the para was settled.**

## **30. Para No.160: Page 99 – Overpayment – Rs.238,052**

**16-7-2002:** The Department explained that the difference of cost due to changes incorporated

between the rates of first lowest and second lowest bidder, amounting to Rs.8,698 had been recovered from the contractor and got verified by Audit. As regards calling of tender without technical sanction, officers responsible for the irregularity had been issued a warning.

Audit, however, pointed out that excess quantities of work valuing Rs.229,354 beyond the agreed quantities were irregular.

The Committee directed that excess expenditure should be got regularized by the Finance Department. **The para was settled** subject to regularization.

### **31. Para No.164: Page 101 – Overpayment – Rs.59,198**

**16-7-2002:** The Department explained that extra length of executed work was taken up and completed at per request of the sponsor and local inhabitants. The variation of scope was also technically sanctioned. The Committee **settled the para** subject to verification of record by Audit.

### **32. Para No.165: Page 101 – Overpayments – Rs.767,401**

**9-1-2002:** The Department explained that the variation in the items of work pointed out by Audit was justified as per actual requirements of work.

The Department was directed to produce the relevant record to Audit in support of its contention. The para was kept pending.

**27-3-2002:** The Committee reiterated its previous decision. The para was kept pending.

**16-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that increase in cost of structure was justified and was of vital importance in hilly area like Murree.

However, Audit pointed out that cost of road structure had been increased while the length of road had been decreased which required revised administrative approval.

The Committee **settled the para** subject to revised administrative approval and its report to the PAC Secretariat.

### **33. Para No.166: Page 102 – Overpayment – Rs.310,624**

**16-7-2002:** The Department explained that audit observation was correct and the field formation had accepted the mistake which was rectified in the 6<sup>th</sup> running bill. Excess payment stood adjusted.

The Department was directed to produce the record to Audit. The Committee **settled the para** subject to verification by Audit.

### **34. Para No.167: Page 102 – Overpayment – Rs.99,889**

**16-7-2002:** The Department explained that after inquiry the disciplinary action/ recovery against the responsible person for overpayment was in progress.

The Department was directed to complete disciplinary action/recovery, if established, at the

earliest.

The Finance Department was directed to monitor implementation of the PAC directive. Subject to this direction, **the para was settled.**

### **35. Para No.168: Pages 102-103 – Overpayment – Rs.60,164**

**16-7-2002:** The Department explained that after inquiry the disciplinary action/ recovery against the responsible person for overpayment was in progress.

The Department was directed to complete disciplinary action/recovery, if established, at the earliest.

The Finance Department was directed to monitor implementation of the PAC directive. Subject to this direction, **the para was settled.**

### **36. Para No.174: Page 105 – Overpayment – Rs.209,576**

**16-7-2002:** The Department explained that after an inquiry disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 had been initiated against the responsible person for excess payment to the contractor.

The Committee directed that disciplinary action/recovery, if established should be completed at the earliest.

The Finance Department was directed to monitor implementation of PAC directive. Subject to this direction, **the para was settled.**

### **37. Para No.175: Pages 105 & 106 – Overpayment – Rs.89,441**

**16-7-2002:** The para was considered on 16<sup>th</sup> and 17<sup>th</sup> July 2002.

The Department explained that the term “extra bars” had been used by the field formation for steel re-enforcement provided at the points of negative bending moments i.e. at supports like walls and beams as well as for torsion steel at the corners of RCC slabs over rooms of school buildings.

The Department was directed to produce the relevant record/provisions in support of its contention to audit. The Committee **settled the para** subject to verification by Audit.

### **38. Para No.176: Page 106 – Overpayment – Rs.76,148**

**16-7-2002:** The Department explained that in case of AP No.768 the concerned field formation had been directed to produce verification certificate of DAO for recovery of Rs.39,287. Moreover, in case of AP No.768 the concerned officials were directed to deposit the amount of excess payment. Accordingly, the case for recovery/disciplinary action was being processed.

The Department was directed to complete recovery/disciplinary action at the earliest. Subject to this direction, **the para was settled.**

### **39. Para No.177: Page 106 – Overpayment – Rs.74,043**

**16-7-2002:** The para was considered on 16<sup>th</sup> and 17<sup>th</sup> July 2002.

The Department explained that after inquiry it had been established that no excess payment was involved because due to sub-soil condition, withdrawal of casing pipe was not preferred for protection of the main suction pipe.

The Department was directed to produce the relevant record to Audit. The Committee **settled the para** subject to verification of record by Audit.

#### **40. Para No.178: Page 107 – Overpayment – Rs.59,293**

**16-7-2002:** The Department explained that the work was executed in proper order but entries for executed items earlier were erroneously omitted in the 1<sup>st</sup> and 2<sup>nd</sup> running bills – the same were entered in the Measurement Book during overall measurement of work. The error was acknowledged and noted by the concerned officials for guidance in future. The Committee **settled the para** subject to verification of record by Audit.

#### **41. Para No.185: Page 110 – Violation of Rules – Rs.434,118**

**16-7-2002:** The Department explained that after inquiry the case for recovery/ disciplinary action was being processed against the responsible persons.

The Committee directed that disciplinary action/ recovery, if established, should be completed at the earliest.

The Finance Department was directed to monitor implementation of PAC directive. Subject to this direction, para was settled.

#### **42. Para No.192: Page 113 – Violation of Rules – Rs.500,000**

**16-7-2002:** The Department explained that an amount of Rs.500,000 was paid to the owner of land for purchase of two canal & 5 marlas of land for Federal Government High School Chamanabad. The scheme was sponsored by the local MPA and land stood transferred to Federal Government. Audit, however, pointed out that the land was acquired without proper land award and as such the authenticity of the rate paid could not be verified.

The Committee wondered whether it was proper to acquire land for the Federal Government out of provincial funds.

The Department undertook to take action against the officer who did not follow proper procedures for acquisition of land. The Department was directed to complete appropriate action to settle the matter at the earliest. With the above directive, **the para was settled.**

#### **43. Para No.194: Page 114 – Violation of Rules – Rs.1,259,640**

**16-7-2002:** The Department explained that after inquiry it had been established that the scheme



was executed according to the approved scope of work for which administrative approval as well as technical sanction was obtained from the competent authority. The Committee **settled the para** subject to verification of record by Audit.

#### **44. Para No.195: Pages 114-115 – Violation of Rules – Rs.770,795**

**16-7-2002:** The Department explained that after inquiry disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 was being processed against the responsible person for irregular payment.

The Committee directed that disciplinary action/recovery, if established should be completed at the earliest.

The Finance Department was directed to monitor implementation of PAC directive. Subject to this direction, **the para was settled.**

#### **45. Para No.205: Page 119 – Violation of Rules – Rs.189,611**

**17-7-2002:** The Department explained that after fact finding inquiry, the irregularity was established and the issuance of show cause notices to the responsible persons under the Punjab Removal from Service (Special Powers) Ordinance 2000 was in progress.

The Committee **settled the para** subject to disciplinary action and recovery, and its monitoring by the Finance Department.

#### **46. Para No.206: Pages 119-120 – Violation of Rules – Rs.150,000**

**17-7-2002:** The Department explained that the work in question was inspected by the Executive Engineer Incharge in June 1996 and certain deficiencies were pointed out. The same were rectified by the contractor. Later on, overall work was assessed and an amount of Rs.29,316 was recovered from the contractor concerned.

The Committee observed that there was difference between amount pointed out by Audit and that recovered by the Department.

The Committee directed that reduction in the amount and all the relevant record should be produced to Audit for verification. **The para was settled** subject to verification by Audit.

#### **47. Para No.208: Page 120 – Violation of Rules – Rs.67,076**

**17-7-2002:** The Department explained that on the basis of recommendations of inquiry officer, show cause notices were issued under the Punjab Removal from Service (Special Powers) Ordinance 2000 to the persons responsible for unjustified measurement of defective work and its payment. The

proceedings were in progress.

The Department was directed to complete disciplinary action and recovery, if established, at the earliest. Finance Department was directed to monitor implementation of the PAC directive. Subject to this directions, **the para was settled.**

#### **48. Para No.211: Page 122 – Violation of Rules – Rs.98,366**

**17-7-2002:** Audit had pointed out that the base course of the road had been executed below standard specifications.

The Department explained that the work was executed in the street of Rehmania Colony, Multan with low traffic density against the provision of 4” base course. The payment was made for actual thickness of base course from 3” to 3-¾”. The work done was accepted and the payment was made on the basis of actual measurement and no financial bungling was involved.

The Committee directed that disciplinary action should be taken against the officer responsible for execution of work below specifications. Subject to this direction, **the para was settled.**

#### **49. Para No.212: Page 122 – Violation of Rules – Rs.1,617,829**

**9-1-2002:** The Department explained that an inquiry has been ordered into the irregularity pointed out by Audit. The Committee directed that after due procedure, recovery and disciplinary action should be completed expeditiously. The para was kept pending.

**27-3-2002:** The Department explained that in compliance with the directive of PAC, an inquiry had been conducted and the inquiry report was under examination in the office of Director General, Local Government, Punjab.

The Committee directed that the disciplinary action/recovery should be completed, at the earliest. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that after inquiry it had been decided to proceed against the officials concerned and show cause notice had been issued to them under the Punjab Removal from Service (Special Powers) Ordinance 2000. The proceedings were in progress.

The Committee **settled the para** subject to disciplinary action and recovery, and its monitoring by the Finance Department.

#### **50. Para No.214: Page 123 – Violation of Rules – Rs.457,070**

**17-7-2002:** The Department explained that after inquiry it had been decided to proceed against the persons responsible and show cause notices had been issued to them under the Punjab Removal from Service (Special Powers) Ordinance 2000. The proceedings were in progress.

The Committee **settled the para** subject to disciplinary action and recovery, and its monitoring by the Finance Department.

**51. Para No.216: Page 124 – Violation of Rules – Rs.101,239**

**17-7-2002:** The Department explained that after inquiry it had been decided to proceed against the persons responsible and show cause notices had been issued to them under the Punjab Removal from Service (Special Powers) Ordinance 2000. The proceedings were in progress.

The Committee **settled the para** subject to disciplinary action and recovery, and its monitoring by Finance Department.

**52. Para No.217: Page 124 – Violation of Rules – Rs.66,392**

**17-7-2002:** The Department explained that after inquiry it had been decided to proceed against the persons responsible and show cause notices had been issued to them under the Punjab Removal from Service (Special Powers) Ordinance 2000. The proceedings were in progress.

The Committee **settled the para** subject to disciplinary action and recovery, and its monitoring by the Finance Department.

**53. Para No.219: Page 125 – Violation of Rules – Rs.50,420**

**17-7-2002:** The Department explained that after inquiry it had been decided to proceed against the officials responsible and show cause notices had been issued to them under the Punjab Removal from Service (Special Powers) Ordinance 2000. The proceedings were in progress.

The Committee **settled the para** subject to disciplinary action and recovery, and its monitoring by the Finance Department.

**54. Para No.229: Page 130 – Violation of Rules – Rs.675,570**

**17-7-2002:** The Department explained that after inquiry it had been decided to proceed against the officials responsible under the Punjab Removal from Service (Special Powers) Ordinance 2000. The proceedings were in progress.

The Committee **settled the para** subject to disciplinary action and recovery, and its monitoring by the Finance Department.

**55. Para No.232: Page 131 – Violation of Rules – Rs.194,966**

**17-7-2002:** The Department explained that the contractor completed the project in question but part of the payment amounting to Rs.194,906 was held up due to lapse of funds.

Later on, DG, LG&RD allowed the Assistant Director, LG&RD Multan to clear the liability of the contractor out of available savings of the development projects. No unauthorized payment was involved.

The Committee **settled the para** subject to regularization of the payment made to the contractors out of savings of other schemes by the Finance Department and its verification by Audit.

**56. Para No.233: Pages 131-132 – Violation of Propriety – Rs.743,596**

**17-7-2002:** After considering the reply of the Department, the Committee decided that this para should be considered and decided by the Special Departmental Accounts Committee. Subject to this direction, **the para was settled.**

**57. Para No.236: Page 133 – Recoverable of Rs.3,837,108**

**9-1-2002:** The Department explained that different quantities of bitumen were issued to 35 contractors during the period from 1987 to 1995. Moreover, bitumen valuing Rs.182,470 was also unaccounted for and upto now, an amount of Rs.266,811 only had been recovered. The Department assured that criminal case will be registered with the Anti Corruption Establishment. Moreover, action would also be taken against the officer responsible for the loss under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Department was directed to complete the recovery/action expeditiously. The para was kept pending.

**27-3-2002:** The para was considered in the light of PAC directive dated 9 January 2002.

The Department explained that Anti-Corruption Establishment had been moved for registration of a criminal case. The Committee directed that Departmental action/ disciplinary proceedings should also be conducted simultaneously. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that the case for recovery/disciplinary action against the responsible persons had been initiated under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee **settled the para** subject to disciplinary action and recovery, and its monitoring by the Finance Department.

**58. Para No.238: Page 134 – Recoverables – Rs.636,567**

Audit had observed: “A formation failed to recover the cost of bitumen issued to contractors from April 1987 to August 1993 from the payments for work done made to them. Non-observance of financial rules regarding recovery of the cost of material issued resulted in non-recovery of Rs.636,567.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**59. Para No.239: Page 134 – Recoverables – Rs.519,674**

Audit had observed: “A formation issued certain quantity of bitumen to contractors without the stipulation in the agreements. The cost thereof was required to be recovered at issue rate of prevailing market rate whichever was greater. The department failed to recover the cost of bitumen supplied. Non-observance of rules and lack of timely action resulted in non-recovery of Rs.519,674.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**60. Para No.240: Pages 134-135 – Recoverables – Rs.127,502**

Audit had observed: “A formation issued bitumen in excess of requirement of work and recovered its cost as per rate stipulated in the agreement instead of market rate. Non-recovery of cost of material issued in excess of requirement of work resulted in less recovery of Rs.127,502 in April 1996.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**61. Para No.241: Page 135 – Recoverables – Rs.120,148**

Audit had observed: “A formation issued bitumen to those contractors whose contract agreements had no such stipulation and recovery was made at lesser rate than the issue rate or prevailing market rate whichever was greater. Less recovery in violation of codal rules resulted in loss of Rs.120,148 to government.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**62. Para No.242: Page 135 – Recoverables – Rs.65,922**

Audit had observed: “A formation issued bitumen costing Rs.106, 142 to contractor s and recovered Rs.40,220 from the security deposits instead of recovery of the whole amount from the bills in which material was consumed. Non-observance of codal rules and lack of timely action resulted in non-recovery of Rs.65,922.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**63. Para No.245: Page 137 – Recoverable of Rs.3,285,719**

**28-3-2002:** The Department explained that recovery of the requisite amount from the contractors as arrears of Land Revenue was in process.

The Department was directed to take appropriate action against the persons responsible for not taking the required action well in time. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the recovery as arrears of Land Revenue was under process with the concerned District Collectors. Moreover, inquiry against the persons at fault had also been ordered on 8 July 2002 under the Punjab Removal from Service (Special Powers) Ordinance 2000. The same was in progress.



The Committee **settled the para** subject to Departmental action/recovery and its monitoring by the Finance Department.

**64. Para No.248: Page 138 – Recoverables – Rs.77,752**

Audit had observed: “A formation failed to forfeit the call deposit of a contractor who did not start the work and his agreement was rescinded. Moreover the additional expenditure incurred at the risk and cost of the defaulting contractor on higher rates was not recovered. Non-forfeiture of call deposit and re-allotment of work at higher rates resulted in non-recovery of Rs.77,752 (14000 +63752) from the contractors “

**19-8-2002:** 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 31 January 2003 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.

**65. Para No.250: Page 139 – Recoverables – Rs.435,963**

Audit had observed: “A formation paid non-schedule item costing Rs.435,963 without approval of analysis of rate by the competent authority and also failed to recover the amount of Secured Advance of Rs.218,175 till October 1996. Payment of non-schedule items without approval of analysis of rate resulted in irregular expenditure of Rs.435,963.”

**19-8-2002:** 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 31 January 2003 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 No.251: Page 139 – Recoverables – Rs.53,138**

Audit had observed: “A formation failed to effect recovery of secured advance and cost of dismantled material despite lapse of five years. Amount of secured advance and cost of dismantled material resulted in non-recovery of Rs.53,138 despite lapse of five years.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department

shall monitor the implementation of the directive of the PAC.

**67. Para No.253: Page 140 – Recoverable of Rs.560,500**

**28-3-2002:** The Department explained that the housing schemes in question were situated in the limits of the Municipal Committee D.G.Khan and the governing body of the D.G Khan Development Authority had decided on 10 April 1989 that D.G. Khan Development Authority should not interfere in such housing schemes. The Committee decided to settle the para subject to Audit verification.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

In its latest comments, Audit had pointed out that the Department failed to produce the record in compliance with the PAC directive.

The Department explained that all the relevant record was available and ready for verification. The Committee **settled the para** subject to verification of record by Audit within one week.

**68. Para No.255: Page 141 – Recoverables – Rs.381,807**

Audit had observed: “A formation measured and paid on account of dismantling the existing roads but failed to recover the cost of dismantled material. Failure to recover the material or cost thereof resulted in non-recovery of Rs.381,807 from the contractors.”

**19-8-2002:** 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 January 2003. Disciplinary action shall also be taken against the persons at fault. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**69. Para No.256: Page 141 – Recoverables – Rs.259,600**

Audit had observed: “A formation maintained improperly the log book of a road roller without showing the name of works where the machinery worked and also failed to recover the hire charges for 472 days. Failure to recovery the hire charges resulted in non-recovery of Rs.259,600.”

**19-8-2002:** 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 January 2003. The action taken shall be reported to the Finance Department and the Assembly Secretariat. Finance Department shall monitor the implementation of the directive of the PAC.

**70. Para No.257: Page 142 – Recoverables – Rs.55,600**

Audit had observed: “A formation failed to recover the revenue on account of stamp duty levied on contract agreement by the government. Non-affixation of revenue stamps resulted in loss of Rs.55,600 to the government.”

**19-8-2002:** On consideration of the facts of the case, the Committee **settled the para subject to the following direction –**

The Department shall take appropriate action to settle the matter. The action taken shall be reported to the Finance Department, the Assembly Secretariat and the Audit by 31 January 2003. Finance Department shall monitor the implementation of the directive of the PAC.

## Revenue Receipts Audit

*(The following paras were transferred from Revenue Receipts Audit Report Vol-III, (1997-98) Excise and Taxation Department to Local Government & Rural Development Department)*

### **1. Para No.1.3: Short-realization of Tax Due to Non Levy of Additional Tax – Rs.1,047,468**

**DP No.4895-ETO, Zone B, Lahore – Rs.25,160**

### **2. Para No.1.4: Non-realisation of Property Tax Due to Omission in Carrying Forward of Arrears – Rs.555,759**

**DP No.4869: ETO Zone VIII, Lahore – Rs.335,198**

### **3. Para No.1.5 : Non-realisation of Tax Due to Allowing Unlawful Exemptions – Rs.590,514**

(i) **DP No.4896: ETO Zone III, Lahore, Faisalabad & Sheikhpura – Rs.458,559**

(ii) **DP No.4868 : ETO Zone VI, Lahore – Rs. 50,955**

### **4. Para No.1.8: Short-realization of Property Tax Due to Computational Error – Rs.190,767**

**DP No.4898: ETO Zone-II, Lahore – Rs.14,207**

**19-8-2002:** On consideration of the facts of the case, the Committee **settled the paras** subject to the direction that the Administrative Department should pursue the recovery and Finance Department should monitor further action/recovery. The action taken shall be reported to the Assembly Secretariat and the Audit by 31 January 2003.

## Paras Pended Civil Audit

### 1. Para No.1: Page 13 – Embezzlement of Rs.106,829

#### Para No.1.1: Assistant Director Local Government & Rural Development Multan – Rs.63,941

**7-1-2002:** The Department explained that a case had been registered with the Anti-corruption Establishment, Multan and disciplinary proceedings against the accused were in process. The Committee directed that the recovery and disciplinary proceedings be completed expeditiously against all the responsible persons including the Assistant Director Local Government and detailed working paper giving full facts and figures of the case should be submitted for the next meeting. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the case with Anti-Corruption Establishment was still in progress. The Department further stated that disciplinary proceedings under the Punjab Removal from Service (Special Powers) Ordinance 2000 were also being initiated against the concerned officials/officers.

The Department was directed to pursue the anti-corruption case and complete the disciplinary proceedings at the earliest. **The para was kept pending.**

### 2. Para No.1.2: Project Manager, Sadiqabad – Rs.42,888

**7-1-2002:** Audit had pointed out that the departmental order dated March 7, 1985 whereby the accused official was removed from service and recovery of embezzled amount was imposed on him, was set aside by the Punjab Service Tribunal in 1986 and the Tribunal had also ordered that fresh inquiry under the Efficiency & Discipline Rules should be held. The official was continuing in service and no de novo inquiry had been held so far.

The Department explained that a de novo inquiry against the accused had been ordered now.

Moreover, the Assistant Director Local Government who did not implement the order of the Punjab Service Tribunal for holding fresh inquiry at proper time would also be proceeded against.

The Committee directed that both the actions should be completed within three months. Moreover, a copy of the decision of Punjab Service Tribunal should be provided to Audit. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that after decision of the Punjab Service Tribunal fresh proceedings under the Efficiency and Discipline Rules were conducted against the accused official. He was exonerated and the period of his termination from 8 March 1985 to 7 July 1986 was treated as leave. However, the actual embezzled amount of Rs.14,000 was recovered from the accused official and deposited in the Government account. The Department was directed to produce the relevant record including the inquiry report to Audit for comments. The figures of the embezzled and recovered amounts should also be rechecked and verified. **The para was kept pending.**

### **3. Para No.2: Page 13 – Double and unjustified drawal of pay and allowances amounting to Rs.38,544**

**7-1-2002:** The Department was directed to refer to Audit observations on the working paper and complete the inquiry expeditiously. The scope of the inquiry should include looking into the responsibility of the DDO and DAO in this case. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Committee was not satisfied with the explanation of the Department and directed that the salary for the period from 6 December 1995 to 11 May 1996 during which Mr Muhammad Qasim, Naib Qasid served in the Municipal Corporation, Multan should be claimed from the said Corporation. Moreover, action should be taken against the Drawing & Disbursing Officers who unauthorizedly paid salary to the official for the said period from out of the Government account. The case should also be got regularized from the Finance Department. **The para was kept pending.**

### **4. Para No.3: Page 14 – Doubtful expenditure of Rs.404,292 on telephone trunk calls. Recovery of the stated amount**

**7-1-2002:** The Department was directed to hold a fresh inquiry within one month and complete the necessary action expeditiously. It should be examined why the prescribed registers had not been maintained. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that as per directive of the PAC an inquiry into the matter had been ordered. The Committee directed that a copy of the orders starting the inquiry should be produced to Audit, and the inquiry along with the action for enforcing the recovery, if due should be completed within one month. **The para was kept pending.**

### **5. Para No.4: Page 15 – Misappropriation of stores/money worth Rs.133,856**

**Para No.4.1: Project Manager, Sadiqabad – Rs.75,000**

**26-3-2002:** The Department explained that the inquiry officer concluded that all the articles/items were available in the stock and there was no misappropriation.

Audit however, pointed out that no record was produced for verification on the date fixed for the purpose.

The Department was directed to hold an inquiry and take action accordingly at the earliest.  
**The para was kept pending.**

**6. Para No.5: Pages 15-16 – Misuse of government vehicles. Recovery of Rs.667,430 on account of POL charges****Para No.5.1: Director General Local Government & Rural Development Punjab, Lahore – Rs.482,400**

**7-1-2002:** The Department had not mentioned full facts of the case in the working paper. However, in its comments Audit had pointed out that the SDAC in its meeting held on October 16, 1998 had decided to make a recovery of Rs.482,400. The Committee directed that the recovery should be made as per decision of the SDAC and full facts of the case should be mentioned in the working paper for the next meeting. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the case for regularization of expenditure in question had been referred to the Finance Department on 2 March 2002.

The Committee observed that the Special DAC and the *ad hoc* PAC had directed that an inquiry should be held into the unauthorized expenditure of Rs.482,400 and recovery should be made. However, the Administrative Department had now referred the matter to Finance Department for regularization of the expenditure. The Committee did not accept the explanation of the Department and reiterated its previous decision for holding an inquiry, making recovery in accordance with the rules on the subject and taking disciplinary action for the delay in implementation of the directives. **The para was kept pending.**

**7. Para No.5.2: Page 16 – Director General Local Government & Rural Development Department, Lahore – Rs.185,030**

**7-1-2002:** In its comments Audit had pointed out that the SDAC in its meeting held on October 16, 1998 had decided to recover the amount of Rs.87,874. The Committee directed that recovery should be effected as per decision of the SDAC expeditiously. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the case for regularization of expenditure in question had been referred to the Finance Department on 2 March 2002.

The Committee observed that the Special DAC and the *ad hoc* PAC had directed that an



inquiry should be held into the unauthorized expenditure of Rs.185,030 and recovery should be made. However, the Administrative Department had now referred the matter to Finance Department for regularization of the expenditure.

The Committee did not accept the explanation of the Department and reiterated its previous decision for holding an inquiry, making recovery in accordance with the rules on the subject and taking disciplinary action for the delay in implementation of the directives. **The para was kept pending.**

#### **8. Para No.7: Page 21 – Irregular drawal of Rs.481,660 on account of irregular appointment of officials**

##### **Para No.7.10: Project Manager Fort Abbas – Rs.481,660**

**7-1-2002:** Audit had pointed out that certain ad hoc appointments had been continued without regularization by the competent authority.

The Department was directed to get the appointments regularized by the competent authority. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the case for regularization of *ad hoc* appointees had been referred to the Finance Department

The Committee directed that the case should also be referred to S&GAD for advice and the instructions given by the Finance Department and S&GAD should be acted upon. **The para was kept pending.**

#### **9. Para No.7.11: Page 21;Project Manager Noorpur District Bahawalpur – Rs.246,505**

**7-1-2002:** Audit had pointed out that certain ad hoc appointments had been continued without regularization by the competent authority.

The Department was directed to get the appointments regularized by the competent authority. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the services of official in question had been regularized by the competent authority in pursuance of Notification No.SOR-III-2-54/87 dated 27 June 1989. However, in its original observation, Audit had pointed out that the appointment had not been made after advertising the vacancy according to the decision of the Supreme Court dated 19 January 1993 circulated vide S&GAD Notification No.III 2-2/91 dated 31 January 1993.

The Department was directed that the matter should be referred to the S&GAD for advice and take action accordingly. **The para was kept pending.**

#### **10. Para No.12: Page 25 – Recovery of Rs.2,228,000 on account of non-realization of**

**overpayment rest house dues****Para No.12.1: Project Manager, LG & RD, Murree – Rs.648,000**

**7-1-2002:** The Department explained that a preliminary inquiry had been ordered to ascertain the facts of the case. The Committee directed the Department to produce the relevant record including the Finance Department's order for converting the P.M's residence into rest house/camp office and also to complete the requisite inquiry into the facts of the case expeditiously. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that a reference for declaring the Project Manager's residence at Murree as camp office had been made to the Finance Department. Moreover, a fact finding inquiry had been ordered.

The Committee directed that the inquiry should also cover the following points-

- (i) when was the building of the Project Manager's residence at Murree constructed?
- (ii) when was it converted into rest house/camp office?
- (iii) names of the persons who had stayed in the said camp office/rest house from the date of its conversion to-date.

The Department was directed to complete the inquiry/appropriate action at the earliest. **The para was kept pending.**

**11. Para No.12: Page 26 – Embezzlement of Rs.106,829****Para No.12.2: Page 26 – Assistant Director, LG & RD, Rawalpindi – Rs.1,580,000**

**7-1-2002:** The Department explained that efforts were being made to trace the record for effecting recovery from those who stayed in the rest house. The Committee directed the Department to complete the probe/necessary action before the next meeting. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that a senior Secretariat officer (in grade 19) had been appointed as Inquiry Officer to probe into the matter just one week ago.

The Committee directed that inquiry should be completed within one month and action taken accordingly. **The para was kept pending.**

**12. Para No.13: Page 23 – Misuse of telephone recovery of Rs.63,773****Para No.13.1: Assistant Director, Local Government & Rural Development, Rahim yar Khan – Rs.275,687.**

**7-1-2002:** The Department explained that detailed scrutiny of the bills was underway to calculate the exact recoverable amount from the officeRs.The Department was directed to complete the probe and necessary action expeditiously. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the telephone in question was a residential telephone which was converted into official telephone in 1993. The amount of the para did not tally with the amount of telephone bills paid during the period under audit observation. DCO Rahim Yar Khan had been requested to enquire into the matter and inform the Department about the facts and figures of the case.

The Department was directed to complete the probe/action, at the earliest. **The para was kept pending.**

**13. Para No.13.2: Page 23 – Director, LG & RD, Sargodha Division Sargodha – Rs.362,044**

**7-1-2002:** The Department explained that an inquiry was held and according to the findings of the inquiry report the telephone under observation had been used for official purposes during the General Elections 1993 and 1997, and floods etc. and the inquiry report had been sent to Audit. The Department was directed to probe the matter to determine whether the trunk calls were actually made on official business and take action accordingly. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department was directed to complete the inquiry/action at the earliest. **The para was kept pending.**

**14. Para No.14: Page 27 – Irregular installation of telephones at the office and residence of the Minister-recovery of Rs.330,029****Para No.14.1: Director General, Local Government & Rural Development Punjab, Lahore – Rs.83,553.**

**7-1-2002:** The Department explained that the case had been referred to the Finance Department for regularization. The Committee directed that the expenditure be got regularized or recovered, and full facts of the case should be given in the working paper for the next meeting. The para was kept

pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the case for regularization of irregular expenditure of Rs.83,553 had been sent to the Finance Department.

The Department was directed to complete the appropriate action at the earliest. **The para was kept pending.**

#### **15. Para No.14.2: Director General, LG & RD Punjab, Labore – Rs.246,476**

**7-1-2002:** The Department explained that an amount of Rs.127,106 was paid by the Department while the balance amount of Rs.119,370 was paid by the Minister from his own resources.

The Committee directed that the expenditure incurred by the Department should be got regularized or recovered from the persons concerned. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that the case for regularization of the expenditure of Rs.127,106 had been sent to the Finance Department.

The Department was directed to complete the appropriate action, at the earliest. **The para was kept pending.**

#### **16. Para No.16: Page 28 – Purchase of Gestetner duplicating Machine and manual English Typewriter in excess of contract rate and recovery of Rs.40,660**

**26-3-2002:** The Department explained that the purchase of duplicating machines and typewriters had been made in the prescribed manner on competitive rates during the period when there was no rate contract. Audit, however, pointed out that the rates paid by the Department were much higher than the contract rates.

The Committee directed that an inquiry should be held into the case and action taken accordingly. **The para was kept pending.**

#### **17. Para No.17: Page 30 – Non-production of record**

##### **Project Manager Local Government & Rural Development Markaz Kot Moman**

**7-1-2002:** The Department explained that all the relevant record was available for verification. The Committee observed that the Principal Accounting Officers should take serious notice of reports of non-production of records by their subordinate formations for audit. The Department was directed to get the record verified by Audit positively before the next meeting. The para was kept pending.

**26-3-2002:** The para was considered in the light of the PAC directive dated 7 January 2002.

The Department explained that DG Audit Punjab was requested to depute an audit party to carry out audit inspection of the accounts record for the period 1988 to 1997. Moreover, the explanation of the PM, Rural Development Markaz, Kot Moman had been called for non-production of record.

The Department was directed to complete the appropriate action at the earliest. **The para was kept pending.**

## Works Audit

### **1. Para No.1: Page 29 – Suspected Frauds – Rs.4,800,000**

**8-1-2002:** The Department explained that Rs.3,124,000 and Rs.1,675,000 were drawn from PLA by the Assistant Director LG&RD, Dera Ghazi Khan and deposited in his official account in Commercial Banks to avoid lapse of funds in good faith owing to the reason that the lapsed funds were usually reauthorized late with the result progress on the development scheme was affected. On a query by the Committee the Department stated that the officer issued cheques in favour of the contractors but deposited these cheques in his own account.

The Department stated that the officer had committed serious financial irregularity and would be proceeded against in this case. The para was kept pending for detailed inquiry and appropriate action against the officials concerned including those responsible for pre-audit in the Local Fund Audit Department.

**27-3-2002:** The Department explained that on the basis of the findings of the preliminary inquiry the Administrative Department had decided to take action under the Punjab Removal from Service (Special Powers) Ordinance 2000 against the Assistant Director, Local Government concerned who un-authorizedly drew the cheques for payment to contractors.

The Department was directed to complete the action/recovery at the earliest. **The para was kept pending.**

**2. Para No.2: Page 29 – Suspected Frauds, Misuse and Misappropriation – Rs.851,446**

**27-3-2002:** The Department explained that different amounts were paid to two contractors on account of construction for different schemes in accordance with the codal formalities. The record was available.

The Department was directed to produce the record to Audit for verification. **The para was kept pending.**

**3. Para No.3: Page 30 – Suspected Frauds, Misuse and Misappropriation – Rs.240,500**

**27-3-2002:** The Department explained that the amount of Rs.136,500 was paid to the contractor on account of supply of bitumen through second running bill and the surface treatment was done later on and bitumen was consumed. However, Audit pointed out that premium was not admissible to be paid on supply of bitumen which resulted in overpayment of Rs.136,500.

The Committee directed that Administrative Department should further investigate the matter and take action for recovery of overpayment. **The para was kept pending.**

**4. Para No.5: Page 31 – Suspected Frauds, Misuse and Misappropriation – Rs.106,692**

**27-3-2002:** The Department explained that the project was executed in the municipal limit of MC Depalpur with estimated cost of Rs.900,000 and sewer lines were laid in low lying streets as per requirement. However, Audit pointed out that concrete pipe could not be laid without excavation for trenches and proper alignment.

The Committee directed that the Department should hold an inquiry and take action accordingly. **The para was kept pending.**

**5. Para No.6: Page 31 – Suspected Frauds, Misuse and Misappropriation – Rs.234,000**

**27-3-2002:** Audit had pointed out that an amount of Rs.234,000 had been spent on the repair of road Rollers, but the sanction for expenditure and the log books of the road rollers and record of realization of hire charges was not shown to Audit.

The Department was directed to produce the relevant record to Audit for verification failing which inquiry should be held and action taken accordingly. **The para was kept pending.**

**6. Para No.8: Page 32 – Suspected Frauds, Misuse and Misappropriation – Rs.76,622**

**27-3-2002:** The Department explained that the earth work for embankment on existing road was



done to restore geometric features of the existing embankment according to new embankment raised on adjacent part of the road.

The Department was directed to produce the relevant record to Audit in support of its contention. **The para was kept pending.**

**7. Para No.9: Page 32 – Suspected Frauds, Misuse and Misappropriation – Rs.1,492,793**

**27-3-2002:** Audit had pointed out that payment of Rs.1,492,793 had been made against some measurements which were not traceable in the measurement books.

The Department stated that the matter needed inquiry as it related to two road projects which were executed during the year 1990-91. The Department was directed to complete inquiry/action/recovery expeditiously. **The para was kept pending.**

**8. Para No.11: Page 33 – Suspected Frauds, Misuse and Misappropriation – Rs.50,000**

**27-3-2002:** Audit had pointed out that after pre-audit of a bill its amount had been changed from Rs.339,803 to 389,803 and an amount of Rs.50,000 was overdrawn. The Department explained that the said manipulation of figures had come to the notice of the Department and was rectified/recovered in the final bill.

The Department was directed to hold an inquiry and take disciplinary action against the persons responsible for the said fraudulent payment. **The para was kept pending.**

**9. Para No.12: Page 34 – Suspected Frauds, Misuse and Misappropriation – Rs.80,928**

**27-3-2002:** Audit had pointed out that overpayment of Rs.80,928 had been drawn by manipulating the quoted rates of Rs.300 and Rs.1,300 into Rs.390 and 1,390. The Department was directed to complete the inquiry/action/recovery at the earliest. **The para was kept pending.**

**10. Para No.13: Page 34 – Suspected Frauds, Misuse and Misappropriation – Rs.60,187**

**27-3-2002:** Audit had pointed out that an amount of Rs.60,187 had been over drawn by overwriting the tendered rates. The Department stated that the matter needed inquiry.

The Department was directed to complete the inquiry/action/ recovery, at the earliest. **The para was kept pending.**

**11. Para No.15: Page 35 – Suspected Frauds, Misuses and Misappropriation – Rs.238,170,000**

**8-1-2002:** It was reported that a sum of Rs.238,170,000 was drawn from the PLA in favour of Assistant Director Local Government, Sub Engineer and Accountant attached with the various Project Managers of Rural Centers without sanction of competent authority and the Department failed to produce the vouched account.

The Department stated that vouched accounts were available at Local Council level. The Committee observed that the expenditure in question related to a period of over 6 years. Audit may depute special parties to conduct a sample verification of record, vouchers and other procedural lapses, and report its conclusion to the Committee. The para was kept pending.

**27-3-2002:** Audit stated that in compliance with the PAC directive an audit team had been deputed for verification of the record.

The Committee directed that the verification should be completed, at the earliest. **The para was kept pending.**

## **12. Para No.16: Page 36 – Suspected Frauds, Misuses and Misappropriation – Rs.15,115,236**

**8-1-2002:** The Department made an oral statement during the discussions of this para that an inquiry had been ordered into the audit para. The Committee directed that inquiry/action should be completed expeditiously and detailed revised working paper with Audit comments should be submitted in the next meeting. The para was kept pending.

**27-3-2002:** Audit stated that in compliance with the PAC directive an Audit team had been deputed for the verification of the record.

The Committee directed that the verification should be completed, at the earliest. **The para was kept pending.**

## **13. Para No.18: Page 36 – Suspected Frauds, Misuse and Misappropriation – Rs.2,798,119**

**27-3-2002:** The Department explained that vouched accounts of the expenditure of Rs.2,798,119 were available. The Department further stated that Serial No.18, 20 and 207 related to the same payments.

The Department was directed to produce the relevant record for scrutiny and comments. **The para was kept pending.**

## **14. Para No.19: Page 37 – Suspected Frauds, Misuse and Misappropriation – Rs.2,233,533**

**27-3-2002:** The Department explained that the amount from PLA was drawn and contingent expenditure was made. Such expenditures were covered in the sanctioned estimate as development contingencies and payments were authorized/approved by the project director.

Vouched accounts were available and would be produced to Audit.

The Department was directed to produce the record to Audit for scrutiny and comments. **The**

**para was kept pending.**

**15. Para No.20: Page 37 – Suspected Frauds, Misuse and Misappropriation – Rs.3,003,100**

**8-1-2002:** The Department explained that the expenditure was incurred for removing the defects as pointed out by NESPAK. The Department was directed to get the record verified by Audit, who should, *inter alia*, check up and report whether payment had been made in Phase-I for such items as had to be provided in Phase-II. The para was kept pending.

**27-3-2002:** The Department explained that the para pertained to 55 school buildings and all the relevant record was available for verification.

The Department was directed to produce the record to Audit for scrutiny and comments. **The para was kept pending.**

**16. Para No.21: Page 38 – Suspected Frauds, Misuse and Misappropriation – Rs.1,836,804**

**27-3-2002:** The Department explained that the vouched accounts of expenditure amounting to Rs.1,836,804 drawn from PLA and paid to Sub Engineers, were available and would be shown to Audit. The Department was directed to produce the relevant record to Audit for scrutiny and comments. The Authority under which the amounts were advanced to the Sub Engineer should also be quoted and explained. **The para was kept pending.**

**17. Para No.23: Page 39 – Suspected Frauds, Misuse and Misappropriation – Rs.295,085**

**27-3-2002:** The Department explained that the vouched accounts of all expenditures in question were available for verification. The Department was directed to produce the relevant record to Audit for scrutiny and comments.

The Administrative Department should examine whether the practice of advancing money to the officials for the expenditure involved in this para was according to the law and procedure. **The para was kept pending.**

**18. Para No.24: Page 39 – Suspected frauds, Misuses and Misappropriation – Rs.220,000**

**28-3-2002:** The Department explained that for completion of work left incomplete by a contractor an amount of Rs.220,000 was advanced to Assistant Director (Engineering) Mr Mamoon Ishaq. The work was completed by him.

The Department further stated that on receipt of the Audit para an amount of Rs.100,449 was recovered from the salary of the said officer but the balance recovery could not be made due to his sudden death.

The Committee directed that an inquiry should be held and responsibility determined of the officer who decided to advance the amount to the said Assistant Director for departmental execution of the incomplete work, disciplinary action taken, and recovery of the outstanding amount should be effected from him.

The inquiry should be held at the Secretariat level, the recovery already made should be got verified by Audit. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that inquiry into the matter by Deputy Secretary (Coord-II) has been ordered on 6 July 2002 who is to finalize the inquiry proceedings within three weeks.

The Committee directed that action on its previous directive should be completed expeditiously. **The para was kept pending.**

#### **19. Para No.25: Page 40 – Suspected Frauds, Misuse and Misappropriation – Rs.215,000**

**27-3-2002:** The Department explained that vouched accounts of expenses of Rs.180,000 were available. However, an amount of Rs.35,000 was given to Mr Allah Bakhsh, Sub Engineer for purchase of Motor-cycle. This matter was being investigated.

The Department was directed to produce the record of vouched accounts to Audit for scrutiny and comments. Moreover, inquiry/action/recovery in respect of the remaining amount of Rs.35,000 should be completed at the earliest. The officer who issued the cheque for this amount should also be held responsible. **The para was kept pending.**

#### **20. Para No.26: Page 40 – Suspected Frauds, Misuse and Misappropriation – Rs.11,572,700**

**8-1-2002:** The Department was directed to produce the record to Audit in support of its explanation given in the working paper. The verification should be got completed within 3 months and an interim progress report should be submitted in the next meeting to be held in March 2002. The procedures followed for and controls exercised on the transfer of funds for the LG & RD projects should also be examined and commented upon. The para was kept pending.

**27-3-2002:** The Department explained that in compliance with the PAC directive, the Director General Works (Audit) had deputed Deputy Director, Branch Audit Office, Islamabad to carry out audit/verification of relevant record.

The Committee directed the Department to complete the verification of record, at the earliest. **The para was kept pending.**

## **21. Para No.27: Page 40 – Suspected Frauds, Misuse and Misappropriation – Rs.8,417,488**

**8-1-2002:** Audit pointed out that certain amounts out of the provision of the head “contingencies” were transferred to the Director General and Director and proper vouched account had not been submitted by the recipients. The Department explained that the share of contingency for Provincial as well as Divisional offices was sent during the period of 1995-96 for supervision and control over the execution of the development work. The Department further explained that in the light of the direction of the Committee given on Para VI-A-4 of Audit Report for the year 1996-97, action would be taken against persons at fault under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Committee directed that necessary action should be completed expeditiously. The para was kept pending.

**27-3-2002:** The Department explained that in compliance with the PAC directive a fact finding inquiry to establish all the facts in detail and fix the responsibility was underway.

The Department was directed to complete the inquiry/action, at the earliest. **The para was kept pending.**

## **22. Para No.28: Page 41 – Suspected Frauds, Misuse and Misappropriation – Rs.5,681,550**

**27-3-2002:** Audit had pointed out that an amount of Rs.5,681,550 out of the provision of “contingency” on the development schemes was transferred by Assistant Director, Local Government, Gujranwala to Director General, Local Government & Rural Development Department,

Lahore and vouched accounts of the expenditure were not produced to Audit. The Department stated that action in the case of all similar draft paras would be taken on receipt of the fact finding inquiry ordered in respect of Audit Para Nos.IV-A-2, IV-A-4 and IV-A-5 of Audit Report for the year 1996-97.

The Department was directed to complete inquiry/action, at the earliest. **The para was kept pending.**

### **23. Para No.29: Page 41 – Suspected Frauds, Misuse and Misappropriation – Rs.5,089,835**

**27-3-2002:** Audit had pointed out that an amount of Rs.5,089,835 out of the provision of “contingency” of the development schemes was transferred by Assistant Director Local Government & Rural Development Department, Rawalpindi to Director General Local Government & Rural Development Department, Lahore and vouched accounts of the expenditure was not produced to Audit.

The Department stated that action in case of all similar draft paras would be taken on receipt of the fact finding inquiry ordered in respect of Audit Para Nos.IV-A-2, IV-A-4 and IV-A-5 of Audit Report for the year 1996-97. The Department was directed to complete inquiry/action, at the earliest. **The para was kept pending.**

### **24. Para No.30: Page 42 – Suspected Frauds, Misuse and Misappropriation – Rs.3,000,000**

**27-3-2002:** The Department explained that the funds of Rs.300,000 were redeposited in the PLA of Assistant Director Multan and later on, the same was utilized to clear the outstanding payments of the contractor. The vouched accounts were available for verification.

The Department was directed to produce the relevant record to Audit for scrutiny and comments. **The para was kept pending.**

### **25. Para No.31: Page 42 – Suspected Frauds, Misuse and Misappropriation – Rs.638,140**

**27-3-2002:** Audit had pointed out that an amount of Rs.638,140 out of the provision of “contingency” of the development schemes was transferred by Assistant Director, Local Government, D.G. Khan to Director General, Local Government & Rural Development Department, Lahore and vouched accounts of the expenditure was not produced to Audit. The Department stated that action in the case of all similar draft Paras would be taken on receipt of the fact finding inquiry ordered in respect of Audit Para Nos.IV-A-2, IV-A-4 and IV-A-5 of Audit Report for the year 1996-97.

The Department was directed to complete necessary action/recovery at the earliest. **The para was kept pending.**

### **26. Para No.32: Page 43 – Suspected Frauds, Misuse and Misappropriation – Rs.300,000**



**27-3-2002:** The Department explained that an amount of Rs.300,000 pertaining to “contingency of work” was transferred from PLA to National Bank of Pakistan to meet expenditure on account of salary of work charge establishment and other petty expenses in the public interest. However, Audit pointed out that withdrawal of money was unauthorized.

The Department was directed to produce the record to Audit for verification and conduct an inquiry and take appropriate action in the matter, at the earliest. **The para was kept pending.**

## **27. Para No.33: Page 43 – Suspected Frauds, Misuse and Misappropriation – Rs.94,958,188**

**8-1-2002:** The Department was directed to produce the relevant record to Audit in support of its explanation given in the working paper. The verification should be got completed within 3 months and an interim progress report should be submitted in the next meeting. The procedures followed for and controls exercised on the transfer of funds for the projects should also be examined and commented upon. The para was kept pending.

**27-3-2002:** Audit stated that in compliance with the directive of PAC, an Audit team had been constituted for verification of record relating to Personal Ledger Accounts.

The Committee directed that Audit should simultaneously conduct verification of record relating to PLAs under the Local Government and Rural Development Department in all districts. **The para was kept pending.**

## **28. Para No.34: Page 44 – Suspected Frauds, Misuse and Misappropriation – Rs.93,170,000**

**27-3-2002:** The Department explained that an amount of Rs.93,170,000 was transferred from PLA to various Project Managers for implementation of development schemes during the period 1986 to 1993. However, Audit pointed out that the amount had been drawn un-authorizedly. The Department was directed to produce the relevant record to Audit for scrutiny and comments and hold an inquiry and take appropriate action in the matter at the earliest. **The para was kept pending.**

## **29. Para No.35: Page 44 – Suspected Frauds, Misuse and Misappropriation – Rs.96,400,000**

**8-1-2002:** The Department was directed to produce the relevant record to Audit in support of its explanation given in the working paper. The verification should be got completed within 3 months and an interim progress report should be submitted in the next meeting. The procedures followed for and controls exercised on the transfer of funds for the projects should also be examined and

commented upon. The para was kept pending.

**27-3-2002:** Audit stated that in compliance with the directive of PAC, an Audit team had been constituted for verification of record relating to Personal Ledger Accounts.

The Committee directed that Audit should simultaneously conduct verification of record relating to PLAs under the Local Government and Rural Development Department in all districts. **The para was kept pending.**

### **30. Para No.36: Page 45 – Suspected Frauds, Misuse and Misappropriation – Rs.46,422,963**

**8-1-2002:** The Department was directed to produce the relevant record to Audit in support of its explanation given in the working paper. The verification should be got completed within 3 months and an interim progress report should be submitted in the next meeting. The procedures followed for and controls exercised on the transfer of funds for the projects should also be examined and commented upon. The para was kept pending.

**27-3-2002:** Audit stated that in compliance with the directive of PAC, an Audit team had been constituted for verification of record relating to Personal Ledger Accounts.

The Committee directed that Audit should simultaneously conduct verification of record relating to PLAs under the Local Government and Rural Development Department in all districts. **The para was kept pending.**

### **31. Para No.37: Page 45 – Suspected Frauds, Misuse and Misappropriation – Rs.23,755,308**

**8-1-2002:** The Department was directed to produce the relevant record to Audit in support of its explanation given in the working paper. The verification should be got completed within 3 months and an interim progress report should be submitted in the next meeting. The procedures followed for and controls exercised on the transfer of funds for the projects should also be examined and commented upon. The para was kept pending.

**27-3-2002:** Audit stated that in compliance with the directive of PAC, an Audit team had been constituted for verification of record relating to Personal Ledger Accounts.

The Committee directed that Audit should simultaneously conduct verification of record relating to PLAs under the Local Government and Rural Development Department in all districts. **The para was kept pending.**

### **32. Para No.38: Page 46 – Suspected Frauds, Misuse and Misappropriation – Rs.23,074,529**

**8-1-2002:** The Department was directed to produce the relevant record to Audit in support of its explanation given in the working paper. The verification should be got completed within 3 months and an interim progress report should be submitted in the next meeting. The procedures followed for and controls exercised on the transfer of funds for the projects should also be examined and commented upon. The para was kept pending.

**27-3-2002:** Audit stated that in compliance with the directive of PAC, an Audit team had been constituted for verification of record relating to Personal Ledger Accounts.

The Committee directed that Audit should simultaneously conduct verification of record relating to PLAs under the Local Government and Rural Development Department in all districts. **The para was kept pending.**

### **33. Para No.39: Page 46 – Suspected Frauds, Misuse and Misappropriation – Rs.17,880,000**

**27-3-2002:** The Department explained that an amount of Rs.17,880,000 was transferred from PLA to various Project Managers for implementation of development schemes during the period 1986 to 1992. However, Audit pointed out that the amount had been drawn unauthorizedly.

The Department was directed to produce the record to Audit for scrutiny and comments and hold an inquiry and take appropriate action in the matter, at the earliest. **The para was kept pending.**

### **34. Para No.40: Page 47 – Suspected Frauds, Misuse and Misappropriation – Rs.10,816,352**

**27-3-2002:** The Department explained that an amount of Rs.10,816,352 was transferred from PLA to various Project Managers for implementation of development schemes during the period 1986 to 1992. However, Audit pointed out that the amount had been drawn unauthorizedly.

The Department was directed to produce the relevant record to Audit for scrutiny and comments, and hold an inquiry and take appropriate action in the matter, at the earliest. **The para was kept pending.**

### **35. Para No.41: Page 47 – Suspected Frauds, Misuse and Misappropriation – Rs.3,005,000**

**27-3-2002:** The Department explained that the amount in question was transferred to Rawalpindi and Kahuta Development Authority for execution of approved development schemes. Audit pointed out that the amount had been drawn unauthorizedly.

The Department was directed to produce the authority for release of the amount to Rawalpindi and KDA and also vouched accounts of the expenditure to Audit for verification and comments. **The para was kept pending.**

### **36. Para No.42: Page 47 – Suspected Frauds, Misuse and Misappropriation – Rs.986,300**

**27-3-2002:** The Department explained that the total amount of this para related to Advance para Nos.525, 523, 496 and 508. The requisite sanctions and vouched accounts of expenditure were

available. The Department was directed to produce the relevant record to Audit for scrutiny and comments. **The para was kept pending.**

### **37. Para No.43: Page 48 – Suspected Frauds, Misuse and Misappropriation – Rs.1,000,000**

**27-3-2002:** Audit had pointed out that an amount of Rs.1,000,000 had been paid to two public representatives during 1987 who had not submitted the vouched accounts to the Department.

The Committee directed that the officer who issued the cheques to the public representatives should be proceeded against under the Punjab Removal from Service (Special Powers) Ordinance 2000. Moreover, vouched accounts of the expenditure should be produced to Audit. **The para was kept pending.**

### **38. Para No.44: Page 48 – Suspected Frauds, Misuse and Misappropriation – Rs.720,928**

**27-3-2002:** The Department explained that the para related to three development projects. The amounts of Rs.275,671, Rs.90,000 and Rs.82,000 had been recovered from the contractors, in the respective projects.

Audit pointed out that the amount of recovery was far less than the amount of the para.

The Department was directed to hold an inquiry, take appropriate action and produce the relevant record to Audit. **The para was kept pending.**

### **39. Para No.45: Page 49 – Suspected Frauds, Misuse and Misappropriation – Rs.707,790**

**27-3-2002:** The Department explained that different amounts were released to Project Manager, Assistant Engineer and a Sub Engineer for purchase of land for a high school building, purchase of bitumen and completion of development projects. Vouched accounts against these advances were available. Audit pointed out that the amounts had been paid to the officials in advance in violation of the order of the Finance Department.

The Department was directed to take appropriate action against the officer who advanced the money to the officials. The Vouched accounts of expenditure should also be produced to Audit. **The para was kept pending.**

### **40. Para No.46: Page 49 – Suspected Frauds, Misuse and Misappropriation – Rs.379,000**

**27-3-2002:** The Department explained that an amount of Rs.55,000 was advanced to Deputy Commissioner, Gujranwala as loan to meet the expenses relating to Local Councils Elections during November 1991. Another amount of Rs.32,400 was spent on payment of honoraria to the teachers of

Adult Education Centres during 1986 on behalf of Zila Councils. Audit pointed out that these transactions were irregular. The Department was directed to hold an inquiry and take appropriate action in the matter. Moreover, the relevant record should be produced to Audit for verification. **The para was kept pending.**

#### **41. Para No.47: Page 50 – Suspected Frauds, Misuse and Misappropriation – Rs.14,900,000**

**8-1-2002:** The Department was directed to produce the relevant record, including vouched accounts, to Audit in support of its explanation given in the working paper. The para was kept pending.

**27-3-2002:** The Department explained that the General Manager, National Highways Authority, had been requested to provide certificate of vouched accounts for verification by Audit.

The Department was directed to supply the copy of the decision of the Government of the Punjab for making payment to National Highways Authority. **The para was kept pending.**

#### **42. Para No.48: Page 50 – Suspected Frauds, Misuse and Misappropriation – Rs.8,605,250**

**27-3-2002:** The Department explained that the amounts of Rs.6,530,000, Rs.1,240,250, Rs.350,000 and Rs.485,000 were released to XEN Pakistan PWD, XEN PHE Department, XEN OPP and XEN Buildings respectively for execution of approved development schemes.

The Department was directed to produce the relevant record to Audit for scrutiny and comments. **The para was kept pending.**

#### **43. Para No.49: Page 51 – Suspected Frauds, Misuse and Misappropriation – Rs.1,529,365**

**27-3-2002:** The Department explained that on the request of the MNA and the MPA the development funds allocated in their names were released to different formations of PHE Department for execution of their schemes during the year 1991-92.

The Committee directed that the Department should provide the authority under which the said amount was released to PHE Department and also a certificate that amounts had been spent for the schemes for which these amounts were allocated. As to the Vouched Accounts, Audit was advised to conduct audit of the executing agency and convey its observations to that Department. **The para was kept pending.**

#### **44. Para No.50: Page 51 – Suspected Frauds, Misuse and Misappropriation – Rs.680,000**

**27-3-2002:** The Department explained that the amounts of Rs.580,000, Rs.400,000 and Rs.309,961 were transferred to the Al-Shifa Trust Eye Hospital Rawalpindi. Moreover, an amount of Rs.100,000 was transferred to Chairman Zila Council, Rawalpindi an amount of Rs.100,000 was transferred to Chairman, Zila Council on account of three approved schemes. The Department was directed to produce the Authority under which the amounts were transferred and also the relevant record to Audit for verification. **The para was kept pending.**



**45. Para No.51: Page 52 – Mis-appropriation – Rs.2,622,890**

**8-1-2002:** Audit stated in the meeting that the record relating to the amount of Rs.994,890 had been verified and the record relating to the balance amount of Rs.1,628,400 had not yet been produced.

The Department stated that all the record was available for verification. The Department was directed to get the record verified by Audit. The para was settled subject to verification by Audit.

**27-3-2002:** The Committee expressed its displeasure over the fact that the Department had not yet produced the relevant record to Audit as per its previous directives.

The Committee therefore, decided to revise its decision and the Department was directed to produce the relevant record to Audit for verification and comments. **The para was kept pending.**

**46. Para No.53: Page 53 – Suspected Frauds, Misuse and Misappropriation – Rs.538,227**

**27-3-2002:** The Department explained that the accountal and consumption of the bitumen valuing Rs.538,227 was available.

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

**47. Para No.54: Page 53 – Suspected Frauds, Misuse and Misappropriation – Rs.447,671**

**27-3-2002:** The Department explained that amounts of Rs.151,990, Rs.90,000 and Rs.82,000 had been recovered from the contractor. Audit pointed out that amount of Rs.123,681 was still outstanding. The Committee directed that an inquiry should be held and action taken against the officers responsible for not making the recovery from the contractors at the appropriate time. Moreover, the recoveries should also be got verified and balance amount should be recovered. **The para was kept pending.**

**48. Para No.55: Page 54 – Suspected Frauds, Misuse and Misappropriation – Rs.428,523**

**27-3-2002:** The Department explained that the relevant record regarding recovery of Rs.428,523 on account of cost of bitumen was being traced out.

The Department was directed to hold an inquiry and take appropriate action at the earliest. **The para was kept pending.**

**49. Para No.56: Page 54 – Suspected Frauds, Misuse and Misappropriation – Rs.299,520**

**27-3-2002:** The Department explained that bitumen costing Rs.299,520 was issued to Sub-



Engineers and District Council Okara. Neither the amount had been recovered from Zila Council nor Sub-Engineers had submitted the vouched accounts about the consumption of the bitumen.

The Department was directed to hold an inquiry and take appropriate action in the matter, at the earliest. **The para was kept pending.**

#### **50. Para No.57: Page 54 – Suspected Frauds, Misuse and Misappropriation – Rs.1,439,798**

**9-1-2002:** The Department explained that an FIR regarding purchase of poor quality bitumen had been registered with Anti Corruption Establishment, Faisalabad against the Ex-ADLG, Assistant, and Accountant. However, during discussion it transpired that the FIR was not registered on the complaint of the Department but it was registered on the complaint of a private citizen. Moreover, no regular departmental inquiry had been held into the case as yet.

The Department stated that a preliminary inquiry had been ordered a week ago and further action would be taken in the light of the findings of the preliminary inquiry. The Committee directed that inquiry/action should be completed expeditiously. The para was kept pending.

**27-3-2002:** The Department explained that implementation on the previous directive of the PAC would be completed within one month.

The Committee reiterated its previous decision. **The para was kept pending.**

#### **51. Para No.58: Page 55 – Suspected Frauds, Misuse and Misappropriation – Rs.157,734**

**27-3-2002:** The Department explained that the field formation had failed to provide reasons for non-accountal of bitumen worth Rs.157,734. The Department was directed to hold an inquiry and take appropriate action in the matter at the earliest. **The para was kept pending.**

#### **52. Para No.59: Page 55 – Suspected Frauds, Misuse and Misappropriation – Rs.836,324**

**27-3-2002:** The Department explained that GI pipe worth Rs.170,720 was purchased and issued to various people on the recommendation of the sponsor on self-help basis for laying.

Audit pointed out that this para consisted of two advance Paras, one relating to GI pipe and other relating to furniture.

The Department had given no explanation in respect of the advance Para relating to furniture.

The Department was directed to provide full facts of both the advance Paras and explain the manner and justification for distribution of pipe and furniture to the people and take appropriate action against the officers responsible for irregularity. **The para was kept pending.**

**53. Para No.60: Page 56 – Suspected Frauds, Misuse and Misappropriation – Rs.135,360**

**27-3-2002:** The Department explained that the record relating to the utilization of manhole covers and GI pipes were available.

The Department was directed to show the stock registers and measurement books to Audit for verification. **The para was kept pending.**

**54. Para No.61: Page 56 – Suspected Frauds, Misuse and Misappropriation – Rs.108,824**

**27-3-2002:** Audit had pointed out misappropriation of material (bricks) worth Rs.108,824 and doubtful consumption of material (bricks) worth Rs.544,176.

The Department was directed to hold inquiry and take appropriate action in the matter, at the earliest. **The para was kept pending.**

**55. Para No.62: Page 57 – Suspected Frauds, Misuse and Misappropriation – Rs.57,810**

**27-3-2002:** Audit had pointed out misappropriation of material (82586 bricks) and also an amount of Rs.57,810.

The Department explained that the reply received from field formation was not convincing.

The Department was directed to hold an inquiry and take appropriate action in the matter, at the earliest. **The para was kept pending.**

**56. Para No.63: Page 57 – Suspected Frauds, Misuse and Misappropriation – Rs.62,904**

**27-3-2002:** Audit had pointed out that payment of Rs.62,904 on account of supply of stone had been made to a contractor but the consumption of the stone was not produced. The Department explained that the reply received from the field formation was not convincing. The Department was directed to hold an inquiry and take appropriate action in the matter, at the earliest. **The para was kept pending.**

**57. Para No.64: Page 58 – Suspected Frauds, Misuse and Misappropriation – Rs.185,579**

**27-3-2002:** The Department explained that an amount of Rs.185,579 was spent on purchase of certain articles for furnishing of the auditorium having retiring room and guest rooms. However, these items were not provided in the project.

The Department was directed to hold an inquiry and take appropriate action in the matter, at the earliest. Moreover, corrective measures should be taken to avoid recurrence of such irregularities in future. **The para was kept pending.**

**58. Para No.65: Page 58 – Suspected Frauds, Misuse and Misappropriation – Rs.58,625**

**27-3-2002:** Audit had pointed out that consumption of material worth Rs.58,625 was not shown. The Department explained that complete record was available for verification.

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

**59. Para No.66: Page 59 – Suspected Frauds, Misuse and Misappropriation – Rs.124,506**

**27-3-2002:** The Department explained that Fax and Photostat machines were purchased with the sanction of the competent authority.

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

**60. Para No.70: Page 60 – Suspected Frauds, Misuse and Misappropriation – Rs.427,353**

**27-3-2002:** The Department explained that amount of recovery of bitumen entered on the receipt side of the cash book had been deposited in the PLA.

The Department was directed to get the record verified by audit. **The para was kept pending.**

**61. Para No.72: Page 61 – Overpayments – Rs.890,291**

**9-1-2002:** Audit pointed out that higher rates were allowed and paid to the contractor than agreed to in the contract. The Department admitted that tenders had been invited on the basis of rough cost estimates without technically sanctioned estimates.

The Department was directed to hold an inquiry, fix responsibility, recover excess payment and take action against the officer responsible for allowing higher rates resulting in excess payment. The para was kept pending.

**27-3-2002:** The Department explained that in compliance with the PAC directive, a fact finding inquiry was ordered to establish full facts of the case and fixing the responsibility regarding payment of higher rate to the contractor.

The Department was directed to complete the inquiry/action/recovery, at the earliest. **The para was kept pending.**

**62. Para No.73: Page 62 – Overpayments – Rs.424,357**

**27-3-2002:** Audit had pointed out overpayment of Rs.424,357 to the contractors on account of higher rates for certain items of road work than provided in the agreement.

The Department explained that the reply received from the field formation was not convincing.

The Department was directed to hold an inquiry and take appropriate action in the matter, at the earliest. **The para was kept pending.**

### **63. Para No.74: Page 62 – Overpayments – Rs.387,932**

**28-3-2002:** The Department explained that the reply received from the field formation was not convincing, and a fact-finding inquiry had been ordered to establish full facts and to fix responsibility for the irregularities.

The Department was directed to complete the inquiry and take necessary action in the matter at the earliest. Moreover, appropriate action should also be taken against the persons responsible for delay in taking the required action well in time. **The para was kept pending.**

### **64. Para No.75: Page 63 – Overpayments – Rs.349,421**

**28-3-2002:** The Department explained that the reply received from the field formation was incomplete/un-convincing, and a fact-finding inquiry had been ordered to establish full facts and to fix responsibility.

The Department was directed to complete the inquiry and take necessary action in the matter at the earliest. Moreover, appropriate action should also be taken against the persons responsible for delay in taking the required action well in time. **The para was kept pending.**

### **65. Para No.76: Page 63 – Overpayments – Rs.201,621.**

**28-3-2002:** Audit had pointed out that the agreement had been irregularly enhanced from Rs.500,000 to Rs.2,500,000. Moreover, payment had been made for “Tar steel” instead of “deformed steel bar” as provided in the Technical Sanction. The Committee was not satisfied with the meagre explanation given in the working paper and directed that Administrative Department should conduct an inquiry into the case to find out full facts of the case including such issues as the scope of the original work at the estimated cost of Rs.500,000, the scope of the enhanced work at the cost of Rs.2,500,000, and whether the enhancement and the changes in specifications had been made by the Competent Authority.

The Department should take further action on the findings of the inquiry report at the earliest. **The para was kept pending.**

### **66. Para No.77: Page 63 – Overpayments – Rs.152,054**

**28-3-2002:** Audit had pointed out that the lead for earth work had been paid for 1/2, 3/4 and 1 mile instead of 100 feet provided in the technically sanctioned estimate. The explanation of the Department was not accepted and the Department was directed that an inquiry should be held into the

matter. Moreover, appropriate action should be taken against the persons responsible for delay in taking the required action well in time. **The para was kept pending.**

**67. Para No.78: Page 64 – Overpayments – Rs.84,760**

**28-3-2002:** The Department explained that the reply received from the field formation was not convincing, and action would be taken against those held responsible on the basis of a fact -finding inquiry already ordered.

The Department was directed to complete the inquiry and take necessary action in the matter at the earliest. Moreover, appropriate action should also be taken against the persons responsible for delay in taking the required action well in time. **The para was kept pending.**

**68. Para No.79: Page 65 – Overpayments – Rs.71,321**

**28-3-2002:** The Department explained that the reply received from field formation was not convincing, and a fact-finding inquiry had been ordered. The report of the inquiry officer had been received and was under examination.

The Department was directed to take necessary action in the matter at the earliest. Moreover, appropriate action should also be taken against the persons responsible for delay in taking the required action well in time. **The para was kept pending.**

**69. Para No.80: Page 65 – Overpayments – Rs.60,180**

**28-3-2002:** The Department explained that the reply received from field formation was not convincing, and a fact-finding inquiry had been ordered to establish full facts and fix responsibility in case any irregularity or excess payment is established.

The Department was directed to complete the inquiry and take necessary action in the matter at the earliest. Moreover, appropriate action should also be taken against the persons responsible for delay in taking the required action well in time. **The para was kept pending.**

**70. Para No.81: Page 65 – Overpayments – Rs.50,238**

**28-3-2002:** Audit had pointed out that higher rates had been paid for earth-work and sewer than provided in the technically sanctioned estimates.

The Committee was not satisfied with the explanation of the Department and directed that the Department should probe into the matter to establish full facts, to fix responsibility for irregularities/ excess payment, and to complete action/recovery at the earliest. The record regarding the grant of secured advance in this case should be shown to Audit. **The para was kept pending.**

**71. Para No.83: Page 66 – Overpayments – Rs.70,250**

**28-3-2002:** The Department explained that the reply received from the field formation was not

convincing, and a fact finding inquiry had been ordered to establish full facts and to fix responsibility.

The Department was directed to complete the inquiry and take necessary action at the earliest. Moreover, appropriate action should also be taken against the persons responsible for delay in taking the required action well in time. **The para was kept pending.**

## **72. Para No.85: Page 67 – Overpayments – Rs.66,262**

**28-3-2002:** The Department explained that the Assistant Engineer, Incharge at the time of verification of the first running bill, visited the site but was unable to verify the actual lead of one mile and as such recommended the payment of item of earthwork at the reduced lumpsum rate of Rs.300 per 1000 cft. However, after verification of the source, actual lead and corresponding rate of rupees 450 per 1000 cft was allowed by the Assistant Engineer in the subsequent bills. The Committee observed that the officer ought not have allowed payment without verification.

The Department was directed to produce the relevant record to Audit as per latest audit comments for scrutiny and to effect recovery, if established after verification of record. **The para was kept pending.**

## **73. Para No.86: Page 68 – Overpayments – Rs.202,268**

**28-3-2002:** Audit had pointed out that tenders were invited without technically sanctioned estimates and later on the rates quoted by the contractor and evaluated by the Department were irregularly enhanced.

The Committee did not accept the explanation of the Department and directed the Department to initiate disciplinary proceedings and recovery of excess payment by holding an inquiry at the earliest. **The para was kept pending.**

## **74. Para No.87: Page 68 – Overpayments – Rs.110,595**

**28-3-2002:** The Department explained that the reply received from the field formation was not convincing and a fact-finding inquiry had been ordered to establish full facts and to fix responsibility.

The Department was directed to complete the inquiry and take necessary action/recovery at the earliest. **The para was kept pending.**

## **75. Para No.88: Page 69 – Overpayments – Rs.547,650**

**9-1-2002:** The Department admitted that the agreement deed was doubtful and higher premium was paid without revised administrative approval. The Department stated that Inquiry would be held to determine full facts of the case, to fix the responsibility, recover excess payment and take action against the defaulters. The para was kept pending.



**27-3-2002:** The Department explained that a fact finding inquiry was ordered to establish the full facts of the case and fixing the responsibility regarding irregularity of higher premium and higher rates of payment on the responsible persons.

The Department was directed to complete the inquiry/action /recovery, at the earliest. **The para was kept pending.**

**76. Para No.89: Page 69 – Overpayments – Rs.500,616**

**28-3-2002:** The Department explained that the reply received from the field formation was not convincing and a fact-finding inquiry had been ordered to establish full facts and to fix responsibility.

The Department was directed to complete the inquiry and take necessary action/recovery at the earliest. **The para was kept pending.**

**77. Para No.90: Page 69 – Overpayments – Rs.89,649**

**28-3-2002:** The Department explained that the reply received from the field formation was not convincing, and a fact-findings inquiry had been ordered to establish full facts and to fix responsibility.

The Department was directed to complete the inquiry and take necessary action/recovery at the earliest. **The para was kept pending.**

**78. Para No.91: Page 70 – Overpayments – Rs.62,267**

**28-3-2002:** The Department explained that in respect of Advance Para No.856 the overpayment of Rs.40,327 pointed out by Audit had been recovered from the contractor. The Department further stated that in respect of Advance Para No.773, the recovery of Rs.21,946 pointed out by Audit would also be recovered from the contractor. The recovery already made would be got verified by Audit. **The para was kept pending.**

**79. Para No.92: Page 70 – Overpayments – Rs.55,918**

**28-3-2002:** The Department explained that the item of base course was paid for increased quantity because of certain existing depression on the old-soled road and no payment of excessive rates was involved. However, Audit was of the view that the work had not been improved by the contractor and further pointed out that neither any provision for depressed area was made in the technically sanctioned estimate nor the same was measured distinctly.

The Department was directed to hold an inquiry and complete disciplinary action and recovery at the earliest. **The para was kept pending.**

**80. Para No.94: Page 71 – Overpayment- Rs.514,359**

**28-3-2002:** The Department stated that exact measurements of the road embankment were not taken by the technical staff who were inexperienced and were dealing with hundreds of small schemes in one district. However, payments were made on the safe side and no excess payment was involved.

The Department was directed to produce the measurement books and record of payments to Audit for verification. **The para was kept pending.**

**81. Para No.95: Page 71 – Overpayments – Rs.143,924**

**28-3-2002:** The Department explained that the reply received from the field formation was not convincing, and a fact-finding inquiry had been ordered to establish full facts and to fix responsibility.

The Department was directed to complete the inquiry and take necessary action/recovery at the earliest. **The para was kept pending.**

**82. Para No.96: Page 72 – Overpayments – Rs.102,939**

**28-3-2002:** The Department explained that the reply received from the field formation was not convincing, and a fact-finding inquiry had been ordered to establish full facts and to fix responsibility.

The Department was directed to complete the inquiry and take necessary action/recovery at the earliest. **The para was kept pending.**

**83. Para No.98: Page 73 – Overpayments – Rs.64,928**

**28-3-2002:** The Department explained that the reply received from the field formation was not convincing, and a fact-finding inquiry had been ordered to establish full facts and to fix responsibility.

The Department was directed to complete the inquiry and take necessary action/recovery at the earliest. **The para was kept pending.**

**84. Para No.100: Page 73 – Overpayments – Rs.120,446**

**28-3-2002:** The Department submitted that the embankment top was measured as per practice and no extra payment was allowed to the contractor.

The Committee directed that the record required by Audit should be produced for verification and comments. **The para was kept pending.**

**85. Para No.101: Page 74 – Overpayments – Rs.111,808**

**28-3-2002:** The Department explained that extra 500 rft. over the approved length of 4500 rft. road was constructed on the demand of the sponsor and local people and the variation was within the

permissible limit. Moreover, no overpayment was involved on account of earth work.

The Department was directed to produce the record to Audit for verification. **The para was kept pending.**

**86. Para No.102: Page 74 – Overpayments – Rs.104,101**

**28-3-2002:** The Department explained that no overpayment was involved in the earth work in Advance Para Nos.42 and 59 mentioned in this para.

The Department was directed to get the record verified by Audit and **the para was kept pending.**

**87. Para No.103: Page 75 – Overpayments – Rs.93,177**

**28-3-2002:** The Department explained that the overpayment of Rs.30,769 involved in Advance Para No.761 had already been recovered from the contractor. The Department further stated that overpayment of Rs.62,403 pointed out by Audit in Advance Para No.772 would be recovered from the contractor shortly.

The Department was directed to get the amount recovered and verified by Audit and effect the balance recovery, at the earliest, if necessary from the officer responsible for making the overpayment. **The para was kept pending.**

**88. Para No.104: Page 75 – Overpayments – Rs.57,729**

**28-3-2002:** Audit pointed out that shrinkage allowance of earth work was changed from 6% to 3% which was irregular. The Department explained that deduction rate of 6% was applied at the time of first running bill and the deduction rate of 3% was applied at the time of second running bill on the basis of visual judgement regarding the level of compaction made by the Assistant Engineer Incharge.

The Committee was not satisfied with the explanation of the Department.

The Department was directed to hold an inquiry and complete disciplinary action/recovery at the earliest. **The para was kept pending.**

**89. Para No.105: Page 75 – Overpayments – Rs.777,701**

**28-3-2002:** The Department explained that due to limited right-of-way, the embankment slope of about 1:1½ were maintained instead of 1:2.

The Committee directed that the Administrative Department should arrange physical verification of the concerned roads, and effect recovery of overpayment, if warranted. A revised working paper should be submitted for the next meeting of the Committee. **The para was kept pending.**

**90. Para No.106: Page 76 – Overpayments – Rs.383,042**

**28-3-2002:** The Department explained that the top and bottom widths of the roads were measured as per site conditions and the side slopes were adjusted accordingly and no overpayment was involved.

The Committee directed that the Administrative Department should arrange physical verification of the concerned roads and effect the recovery of overpayment, if warranted. **The para was kept pending.**

**91. Para No.107: Page 76 – Overpayments – Rs.248,740**

**28-3-2002:** The Department explained that the top and bottom widths of the roads were measured as per site conditions and the slopes were adjusted accordingly and no overpayment was involved.

The Committee directed that the Administrative Department should arrange physical verification of the concerned roads and effect the recovery of overpayment, if warranted. **The para was kept pending.**

**92. Para No.108: Page 77 – Overpayments – Rs.242,797**

**28-3-2002:** The field formation had explained that most of the portion of the road was situated along the bank of a canal where existing embankment was extended by 10 feet to 12 feet with provision of slopes. However the Director General, Local Government had not found the reply as convincing and had decided to hold a fact-finding inquiry to establish full facts and fix responsibility.

The Committee directed that the Administrative Department should complete the inquiry and the necessary disciplinary action and recoveries expeditiously. **The para was kept pending.**

**93. Para No.109: Page 77 – Overpayments – Rs.274,770**

**28-3-2002:** The Department explained that the reply received from the field formation was not convincing and a fact-finding inquiry had been ordered to establish full facts and to fix responsibility.

The Department was directed to complete the inquiry and take necessary action/recovery at the earliest. **The para was kept pending.**

**94. Para No.110: Page 78 – Overpayment of Rs.95,175**

**15-7-2002:** The para was considered on 15 and 16 July 2002.

The Department explained that according to the findings of the departmental inquiry report payment was made in accordance with the provisions of the technically sanctioned estimate.

The Department was directed to provide a copy of the inquiry report to Audit. On 16 July 2002, Audit verbally commented that excess length of road had been executed than provided in the technically sanctioned estimate. Thus the scope of work was changed. Revision of the technical sanction and administrative approval was required. The Department was directed to show all the relevant record to Audit in support of its contention. The Administrative Secretary was also asked to

review the case and initiate disciplinary action, if necessary, in this case. **The para was kept pending.**

**95. Para No.112: Pages 78-79 – Excess Payment Rs.1,311,583**

**8-1-2002:** The Department explained that as directed by Audit, an inquiry had been initiated to fix responsibility for an excess payment of Rs.1,311,583 and Executive District Officer (Works and Services) D.G. Khan had been appointed as Inquiry Officer.

The Department was directed to complete the inquiry/appropriate action in the matter on the lines suggested by Audit expeditiously. The para was kept pending.

**28-3-2002:** The para was considered in the light of PAC directive dated 8 January 2002. Reiterating its previous decision the Committee added that the probe in the matter should be completed expeditiously. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the inquiry proceedings could not be completed as the status quo was granted by the Lahore High Court in writ petition No.1821/2002 filed by the accused, Mr Jamshed Aziz Buzdar, Ex-Deputy Director (Engg) who is under suspension.

The Department was directed to pursue the case in the court of law for early vacation of stay order and disposal of the case. **The para was kept pending.**

**96. Para No.114: Page 79 – Overpayment of Rs.187,528**

**28-3-2002:** The Department explained that the recovery of the overpayment to the contractor was being pursued as arrears of Land Revenue.

The Committee directed that the Department should hold an inquiry and fix responsibility for the overpayment in the first instance and complete appropriate disciplinary action/recovery at the earliest. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that inquiry was ordered into the matter by appointing EDO (W&S), D. G. Khan as inquiry officer but the inquiry could not be finalized due to status quo granted by Lahore High Court in Writ Petition No.1821/2002 filed by Mr Jamshaid Aziz Buzdar, Ex-Deputy Director (Engg).

The Department further stated that record relating to this para was with National

Accountability Bureau who had directed the Department not to proceed further to avoid any duplication (conflict) with their investigation.

The Department was directed to pursue the High Court/National Accountability Bureau cases for early disposal. **The para was kept pending.**

#### **97. Para No.115: Page 80 – Overpayment of Rs.353,441**

**28-3-2002:** The Department explained that the recovery of Rs.353,441 was under process in the office of District Collector DG Khan under the Land Revenue Act – meanwhile, the contractor concerned went to litigation in the court of Mohtasib.

The Department was directed to pursue the case/recovery with all concerned for early finalization. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the inquiry proceedings could not be completed as the status quo was granted by the Lahore High Court in writ petition No.1821/2002 filed by the accused Mr Jamshaid Aziz Buzdar, ex-Deputy Director(Engg).

The Department was directed to pursue the case in the court of law for early vacation of stay order. **The para was kept pending.**

#### **98. Para No.117: Page 81 – Overpayment of Rs.418,821**

**28-3-2002:** The Department explained that Audit had based its observation on a letter of Deputy Director (Engineering) which was attached in the file instead of verifying the original record. The Department further explained that the work was in progress when some shortcomings were pointed out by the Deputy Director (Engineering). These shortcomings/minor defects were rectified by the contractor and also checked by the committee constituted by Deputy Commissioner, Muzaffargarh on 19 February 2000. However, Audit pointed out that the Department had earlier replied to Audit that recovery of Rs.418,821 had been effected from the contractor's bills vide Measurement Book No.1511, Pages 137 to 151. The Department was asked to produce the relevant record under memo dated 26 July 2001 but no record was produced and now the Department had submitted a different reply.

The Department was directed to hold a Secretariat level inquiry and complete action and verification of record by Audit expeditiously. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.



The Department explained that Deputy Secretary (Coord-II) had been appointed as Inquiry Officer to enquire into the matter.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

#### **99. Para No.119: Page 81 – Overpayment of Rs.197,257**

**28-3-2002:** The Department explained that a probe into the matter was ordered regarding overpayment of Rs.197,257 and same could not be finalized as the relevant record was in the custody of RAB.

The Committee expressed its concern over the delay on the part of the Department in taking action in the matter and directed that the Department should investigate the reasons and responsibility for the delay. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the record of the case was with NAB. However, action for delay in taking proper action in the matter had also been initiated.

The Department was directed to pursue the NAB case for early disposal, and finalize, at the earliest, the investigation into the reasons and responsibility for the delay in recovery of the overpayment. **The para was kept pending.**

#### **100. Para No.122: Page 83 – Overpayment of Rs.81,002**

**15-7-2002:** The para was considered on 15 and 16 July 2002.

The Department explained that in the first phase of the road, 4” sub base course was executed. The next phase was taken up after about 2 years when the volume of traffic on the road had increased. Thus the thickness of sub-base was increased to 6” with the approval of the technical/competent authority. Audit however, commented that 4” thickness of sub-base course was provided in PC-I. Therefore, increase in thickness of sub base course from 4” to 6” required revision of the administrative approval in this case.

The Committee directed that disciplinary action should be taken against the officer responsible for the irregularity pointed by Audit. Moreover, revised Administrative approval should be obtained. **The para was kept pending.**

#### **101. Para No.123: Page 83 – Overpayment of Rs.321,269**

**28-3-2002:** The Department explained that the recovery of Rs.321,269 was under process in

the office of District collector concerned under the Land Revenue Act.

The Department was directed to effect the recovery at the earliest and take disciplinary action against the officers responsible for overpayment.

The matter of delay in taking action should also be investigated and appropriate action taken. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the inquiry proceedings could not be completed as the status quo was granted by the Lahore High Court in writ petition No.1821/2002 filed by Mr Jamshaid Aziz Buzdar, Ex-Deputy Director (Engg). However, action for delay in taking proper action in the matter had also been initiated.

The Department was directed to pursue the case in the court of law for early vacation of stay order, and finalize the investigation into the reasons and responsibility for the delay in the recovery of the overpayment. **The para was kept pending.**

#### **102. Para No.125: Page 84 – Overpayment of Rs.283,373**

**28-3-2002:** The Department explained that the case/record relating to this para was in the custody of NAB.

The Committee expressed its concern over the delay on the part of the Department in taking action in the matter and directed that the Department should take appropriate action against the persons responsible for delay for not taking the required action well in time. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the Departmental action could not be initiated as the case was under investigation with the NAB Authorities along with the entire relevant record which had not so far been returned.

The Department was directed to pursue the case with the concerned quarter for early finalization of the matter, and finalize the investigation into the reasons and responsibility for delay in the matter. **The para was kept pending.**

#### **103. Para No.127: Page 84 – Overpayment of Rs.161,460**

**15-7-2002:** The Department explained that the matter of bogus payment pointed out in this para was under investigated with the Anti-Corruption Establishment, Faisalabad where a criminal case had been registered against the concerned Assistant Director, Local Government, two Assistant Engineers and two Sub-Engineers.

The Department further stated that an Assistant Director had been deputed to collect the original record to fix the responsibility for fictitious measurement/bogus payment.

The Department was directed to complete the inquiry and fix responsibility within one month. **The para was kept pending.**

#### **104. Para No.129: Page 86 – Overpayment of Rs.99,171**

##### **(i) AP No.708 (Rs.65,265)**

**15-7-2002:** The Department explained that the work of carpeting had been executed in accordance with the technical sanction estimate. No excess payment was involved.

##### **(ii) AP No.710 (Rs.33,906)**

The Department explained that excess carpeting of 322 rft was laid on the portion of the road left uncarpeted by Municipal Corporation Gujranwala and the variation was within permissible limit.

The Department was directed to produce the relevant record to Audit for scrutiny and comments.

**The para was kept pending.**

#### **105. Para No.134: Page 88 – Overpayment of Rs.133,344**

**15-7-2002:** Audit had pointed out that the excess quantities of earth work had been paid over & above those provided in estimate.

The Department explained that the matter was being enquired into.

The Department was directed to complete the inquiry and consequential action at the earliest. **The para was kept pending.**

#### **106. Para No.136: Page 89 – Overpayment of Rs.62,996**

**15-7-2002:** The Department explained that the para related to the work entitled “Supply of RCC Pipe to Ashraf Sugar Mills, Bahawalpur” at estimated cost of Rs.500,000, 5370 Rft Rcc pipe 15” dia was required to be supplied to the Mills against which 4936 rft pipe was actually supplied. Audit however, commented that as against the provision of 537 Nos. RCC Pipes of 8’ x 18” size, 617 No.RCC Pipe of 8’ x 15” size had been measured. Therefore, the payment of excess quantity of 640 rft Rcc Pipe was not justified.

The Committee directed that the matter should be investigated and full facts of the case should be given in the working paper for the next meeting. The Administrative Secretary should investigate and report as to why the Department got involved in this case of supply of pipes to a private party. **The para was kept pending.**

#### **107. Para No.144: Page 92 – Overpayment – Rs.74,415**

**16-7-2002:** Audit had pointed out that excessive quantities of items of earth embankment base course and carpeting had been made by adopting increased width than that provided in the technically sanctioned estimate.

The reply of the Department given in the working paper was not relevant to the Audit observation.

However, AP No.487 was kept pending for completion of disciplinary action under the Punjab Removal from Service (Special Powers) Ordinance 2000 and recovery, if established.

The Department was directed to hold an inquiry to establish full facts, effect the recovery, if established, and take necessary action against the persons responsible for unauthorized payment. **The para was kept pending.**

#### **108. Para No.147: Page 93 – Overpayment – Rs.65,760**

**16-7-2002:** The Department explained that the work was executed in the office of Deputy Commissioner and Additional Deputy Commissioner (General) Sargodha. Later on, the estimate was revised due to enhancement in allocation from Rs.4.29 lac to 6.29 lac and then up to 7.34 lac.

Audit, however, pointed out that excess expenditure had been incurred over the revised estimate.

The Department could not explain how the funds of MNA/MPA priority scheme were utilized on the work in an office building.

The Department was directed to hold an inquiry to establish the full facts of the case and initiate appropriate action in the light of the inquiry. **The para was kept pending.**

#### **109. Para No.148: Page 94 – Overpayment of Rs.324,212**

**28-3-2002:** The Department explained that the recovery demand had been created and referred to the District Collector, Sahiwal under the Land Revenue Act.

The Department was directed to take appropriate action against the officers responsible for delay for not taking the required action well in time. The Committee further directed to recover the amount at the earliest. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the inquiry proceedings could not be completed as the *status quo* was granted by the Lahore High Court in writ petition No.1821/2002 filed by Mr Jamshaid Aziz Buzdar, Ex-Deputy Director (Engg).

The Department was directed to pursue the case in the court of law for early vacation of stay order, and finalize the investigation into the reasons and responsibility for delay in taking action for recovery of the overpayment. **The para was kept pending.**

#### **110. Para No.150: Page 95 – Overpayment – Rs.349,070**

**16-7-2002:** The para was considered on 16<sup>th</sup> and 17<sup>th</sup> July 2002.

The Department explained that according to the findings of the departmental inquiry report the scheme was enhanced from Rs.1.50 lac to Rs.3.50 lac and the changed scope of the work had been covered in the revised administrative approval. Therefore, no unauthorized payment was involved.

The Department was directed to produce the relevant record to Audit as per latest audit comments. **The para was kept pending.**

#### **111. Para No.153: Page 96 – Overpayment – Rs.109,559**

**16-7-2002:** The para was considered on 16<sup>th</sup> and 17<sup>th</sup> July 2002.

Audit had pointed out that the item of brick edging in soling work had been executed without provision in the estimate and the agreement. Moreover, earth work for making embankment was measured with excessive height than admissible with designed slope of 1:2.

The Department explained that brick on edge ending was provided in the technically sanctioned estimate. Moreover, the height of earthen embankment was fixed keeping in view the site conditions, whereas bottom width was restricted on the basis of the available strip. As such no excess payment was involved.

Audit had, however, made further observation on seeing the record that the work was originally sanctioned for Rs.50,000 and was awarded on single tender basis, but later on the estimate was revised to Rs.500,000. As such the tenders were called before technical sanction and no provision of brick edging existed in the technically sanctioned estimate.

The Department explained that the latest audit comments would be examined in the light of the record and action would be taken accordingly.

The Department was directed to complete necessary action, at the earliest. **The para was kept pending.**

#### **112. Para No.158: Page 98 – Overpayment – Rs.130,347**

**16-7-2002:** Audit had pointed out that as against the provision of 100 feet lead payment had been made for a lead of 1 mile.

The Department explained that the Deputy Director (Inquiries) had been directed to initiate disciplinary action, if provision of lead was not covered in the administrative approval.

The Department was directed to complete the inquiry/disciplinary action/ recovery, if established, at the earliest. **The para was kept pending.**

#### **113. Para No.159: Page 99 – Overpayment – Rs.79,194**

**16-7-2002:** The Department explained that Deputy Director (Inquiries) had been directed to examine the issues framed by Audit in the light of original record and initiate disciplinary action if extra lead was not justified.

The Department was directed to complete the inquiry/disciplinary action/ recovery, if established, at the earliest. **The para was kept pending.**

#### **114. Para No.161: Pages 99-100 – Overpayment – Rs.223,416**

**16-7-2002:** The Department explained that according to the findings of the departmental inquiry report, the changes made in the scope of work were covered in the revised administrative approval and technical sanction.

Audit, however, pointed out that findings of the inquiry report were not convincing as tenders were called without administrative approval and technical sanction.

The Committee directed that the Department should re-investigate the matter and take appropriate action in the light of the established facts and irregularities. **The para was kept pending.**



**115. Para No.162: Page 100 – Overpayment – Rs.127,967**

**16-7-2002:** The Department explained that after inquiry it had been established that the changes in the scope of work were covered in the revised administrative approval and technical sanction.

The Department was directed to produce the record to Audit for verification. **The para was kept pending.**

**116. Para No.163: Pages 100-101 – Overpayment – Rs.63,696**

**16-7-2002:** The Department explained that the inquiry report had not yet been finalized.

The Committee directed that inquiry/action/recovery, if established, should be completed at the earliest. An inquiry should also be held in the matter for non production of record and appropriate disciplinary action taken. **The para was kept pending.**

**117. Para No.169: Page 103 – Overpayment – Rs.50,484**

**16-7-2002:** The Department explained that the matter was under investigation with the Anti-Corruption Establishment, Faisalabad Region as well as a fact finding inquiry was also ordered for fixing the responsibility for overpayment but the same had not been finalized due to non-production of record by the Anti-Corruption Establishment.

The Department was directed to pursue the Anti-Corruption case and complete the departmental inquiry/action at the earliest. **The para was kept pending.**

**118. Para No.170: Page 103 – Overpayment – Rs.503,169**

**9-1-2002:** The Department stated that the list of schemes involved had not been mentioned in the para and the same were being identified. The Committee was not satisfied with the explanation of the Department and directed the Department to hold an inquiry, fix responsibility for failing to take action on the matter for long time. Moreover, necessary action on the audit observation should be completed expeditiously. The para was kept pending.

**27-3-2002:** The Committee re-iterated its previous decision. The para was kept pending.

**16-7-2002:** The para was considered on 16<sup>th</sup> and 17<sup>th</sup> July 2002 in the light of PAC directive dated 27 March 2002.

The Committee directed that inquiry/disciplinary action/recovery, if established should be completed at the earliest. **The para was kept pending.**

**119. Para No.172: Page 104 – Overpayment – Rs.290,045**

**16-7-2002:** The Department explained that the inquiry report regarding unjustified payment for employment of labour was awaited.

The Department was directed to complete the inquiry/disciplinary action/recovery, if established, at the earliest. **The para was kept pending.**

**120. Para No.173: Page 104 – Overpayments – Rs.240,000**

**9-1-2002:** The Department explained that the amount would be recovered from the final bill of the contractor which was positive. The Committee observed that the amount of secured advance should have been adjusted in the subsequent bill of the contractor and directed that recovery should be made from the officer who failed to make the adjustment in the subsequent bill. Moreover, the recovery already made from the contractor should be got verified by the Audit. The para was kept pending.

**27-3-2002:** The Committee re-iterated its previous decision. The para was kept pending.

**16-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that Deputy Director (Inquiries) had been directed to fix responsibility and initiate action against the officer responsible for not adjusting the total amount of the secured advance from the subsequent bill of the contractor.

The Department further explained that final bill of the contractor was still pending for want of funds.

The Department was directed to complete the appropriate action in the matter at the earliest. **The para was kept pending.**

**121. Para No.179: Page 107 – Overpayment – Rs.59,203**

**16-7-2002:** The Department explained that the work was executed and the payments were made on the basis of technically sanctioned estimate after pre-audit scrutiny.

The Department was directed to ascertain full facts of the case and produce the original record to Audit for verification at the earliest. **The para was kept pending.**

**122. Para No.180: Page 108 – Violation of Rules – Rs.2,619,271**

**9-1-2002:** The Department explained that the field formation misunderstood the Delegation of Financial Power Rules 1990 regarding acceptance of tenders which resulted in unauthorized acceptance of tenders beyond the permissible limit. The Committee was not satisfied with the explanation of the Department and directed to hold an inquiry, fix responsibility, recover the excess payment and take action against the persons responsible for the excess payment. The para was kept pending.

**27-3-2002:** The Committee re-iterated its previous decision. The para was kept pending.

**16-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that according to the findings of the inquiry report, the notification regarding Delegation of Financial Power Rules, 1990 was not quite clear with regard to utilization of 10% cushion for the purpose of acceptance of tenders. In view of conflicting opinion of inquiry officer and Audit the matter had been referred to Finance Department for advice.

The Department was directed to pursue the case with the Finance Department for advice and take action accordingly. **The para was kept pending.**

### **123. Para No.181: Page 108 – Violation of Rules – Rs.1,460,921**

**8-1-2002:** The Department explained that an inquiry was under process with the NAB and the record was also with the NAB. The Committee decided to keep the para pending.

**28-3-2002:** The Department explained that inquiry regarding excess payment of Rs.1,460,921 was under process but the same could not be completed because the record was in the custody of RAB.

The Department was directed to take appropriate action against the persons responsible for not taking the appropriate action well in time. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the action had been initiated but could not be proceeded further as the case was under investigation with the NAB Authorities who had restrained the Department from taking departmental action to avoid duplication (conflict) with their investigation.

The Department was directed to pursue the case with the concerned quarter for early finalization of the matter, and finalize the investigation into the reasons and responsibility for not taking the appropriate action well in time. **The para was kept pending.**

### **124. Para No.182: Page 109 – Violation of Rules – Rs.1,245,973**

**28-3-2002:** The Department explained that the matter was under investigation with RAB.

The Department was directed to take appropriate action against the persons responsible for not taking the appropriate action well in time. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the action had been initiated but could not be proceeded further as the case was under investigation with the NAB Authorities who had restrained the Department from taking departmental action to avoid duplication (conflict) with their investigation.

The Department was directed to pursue the case with the concerned quarter for early finalization of the matter, and finalize the investigation into the reasons and responsibility for not taking the appropriate action well in time. **The para was kept pending.**

#### **125. Para No.183: Page 109 – Violation of Rules – Rs.923,080**

**28-3-2002:** The Department explained that the case was under consideration with the NAB Authorities regarding approval of rates beyond permissible limits of acceptance. All the relevant record was in the custody of RAB Authorities.

The Department was directed to take appropriate action against the persons responsible for not taking the appropriate action well in time. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the action had been initiated but could not be proceeded further as the case was under investigation with the NAB Authorities who had restrained the Department from taking departmental action to avoid duplication (conflict) with their investigation.

The Department was directed to pursue the case with the concerned quarter for early finalization of the matter, and finalize the investigation into the reasons and responsibility for not taking appropriate action well in time. **The para was kept pending.**

#### **126. Para No.184: Page 110 – Violation of Rules – Rs.621,331**

**28-3-2002:** The Department explained that the case was under consideration with the NAB Authorities regarding approval of rates beyond permissible limits of acceptance. All the relevant record was in the custody of RAB Authorities.

The Department was directed to take appropriate action against the persons responsible for not taking the appropriate action well in time. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the action had been initiated but could not be proceeded

further as the case was under investigation with the NAB Authorities who had restrained the Department from taking departmental action to avoid duplication (conflict) with their investigation.

The Department was directed to pursue the case with the concerned quarter for early finalization of the matter, and finalize the investigation into the reasons and responsibility for not taking appropriate action well in time. **The para was kept pending.**

**127. Para No.186: Pages 110-111 – Violation of Rules – Rs.415,856**

**16-7-2002:** The para was considered on 16<sup>th</sup> and 17<sup>th</sup> July 2002.

In its latest comments, Audit pointed out that tenders were accepted beyond the limit of 4.5% above the technical sanction.

The Department explained that Finance Department had authorized Director General, Local Government to fix special premium for certain items.

The representative of the Finance Department commented that premium was meant for the purpose of estimation but not for acceptance of tenders. He categorically stated that there was no provision for exceeding the limit of 4.5% above the technically sanctioned estimates.

The Committee directed that the Department should proceed to take disciplinary action and effect recovery, if established. **The para was kept pending.**

**128. Para No.187: Page 111 – Violation of Rules – Rs.402,385**

**28-3-2002:** The Department explained that the case was under consideration with the NAB Authorities regarding approval of rates beyond permissible limits of acceptance. All the relevant record was in the custody of RAB Authorities.

The Department was directed to take appropriate action against the persons responsible for not taking the required action well in time. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the action had been initiated but could not be proceeded further as the case was under investigation with the NAB Authorities who had restrained the Department from taking departmental action to avoid duplication (conflict) with the investigation.

The Department was directed to pursue the case with the concerned quarter for early finalization of the matter, and finalize the investigation into the reasons and responsibility for not taking appropriate action well in time. **The para was kept pending.**

**129. Para No.188: Pages 111-112 – Violation of Rules – Rs.79,724**

**16-7-2002:** The para was considered on 16<sup>th</sup> and 17<sup>th</sup> July 2002.

In its latest comments, Audit pointed out that tenders were accepted beyond the limit of 4.5% above the technical sanction.

The Department explained that Finance Department had authorized Director General, Local Government to fix special premium for certain items.

The representative of the Finance Department commented that premium was meant for the purpose of estimation but not for acceptance of tenders. He categorically stated that there was no provision for exceeding the limit of 4.5% beyond the technically sanctioned estimates.

The Committee directed that the Department should proceed to take disciplinary action and effect recovery, if established. **The para was kept pending.**

### **130. Para No.189: Page 112 – Violation of Rules – Rs.6,325,000**

**9-1-2002:** The Department explained that most of the community centers in District Gujranwala were built within the church premises or on Shamlat Land. Moreover, in some cases the community centers were built on private land. The transfer of land to the Government was being pursued.

The Department was directed to produce the record of all the cases to Audit for scrutiny and comments. The para was kept pending.

**27-3-2002:** The Department explained that as per directive of the Committee, the relevant record was being collected from National Accountability Bureau for verification by Audit.

The Department was directed to report the latest position of the cases in the next meeting. The para was kept pending.

**16-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that the para related to the issue related to all community centres constructed by the defunct LG&RD Department and the same was under investigation of NAB.

The Department was directed to pursue the case with NAB for earlier finalization. **The para was kept pending.**

### **131. Para No.190: Page 112 – Violation of Rules – Rs.4,994,000**



**16-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that the para related to the issue related to all community centres constructed by the defunct LG&RD Department and the same was under investigation of NAB.

The Department was directed to pursue the case with NAB for earlier finalization. **The para was kept pending.**

**132. Para No.191: Page 113 – Violation of Rules – Rs.4,918,057**

**16-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department verbally stated that the para related to the issue related to all community centres constructed by the defunct LG&RD Department and the same was under investigation of NAB.

The Department was directed to pursue the case with NAB for earlier finalization. **The para was kept pending.**

**133. Para No.196: Page 115 – Violation of Rules – Rs.693,380**

**16-7-2002:** The Department explained that in order to establish complete facts of the case regarding wasteful expenditure the Director General LG&RD had ordered a fact finding inquiry which was in progress.

The Department was directed to complete the inquiry/action/recovery, if established, at the earliest. **The para was kept pending.**

**134. Para No.197: Pages 115-116 – Violation of Rules – Rs.672,236**

**16-7-2002:** The Department explained that inquiry report was being examined by the competent authority.

The Department was directed to finalize the action/recovery, if established, at the earliest. **The para was kept pending.**

**135. Para No.199: Page 116 – Violation of Rules – Rs.162,029**

**16-7-2002:** The Department explained that the Director General Local Government, Punjab had ordered a fact finding inquiry to fix the responsibility for gross change in scope of work. The inquiry was still in process.

The Department was directed to complete the inquiry/action/recovery, if established, at the earliest. **The para was kept pending.**

**136. Para No.200: Page 117 – Violation of Rules – Rs.155,984**

**16-7-2002:** The Department explained that the inquiry report was under consideration with the competent authority.

The Department was directed to complete the action/recovery, if established, at the earliest. **The para was kept pending.**

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the Departmental disciplinary action had been initiated but could not be proceeded further as the case was under investigation with the NAB Authorities.

The Department was directed to pursue the case with the concerned quarter for early finalization of the matter. **The para was kept pending.**

**137. Para No.201: Page 117 – Violation of Rules – Rs.126,140**

**16-7-2002:** The para was considered on 16<sup>th</sup> and 17<sup>th</sup> July 2002.

The Department explained that additional length of road of 800 ft was executed which involved earth work and culverts in order to clear the approach road upto the village on the request of the sponsor. The changes incorporated were within the competence of the field staff.

The Department was directed to produce relevant record to Audit in support of its contention. **The para was kept pending.**

**138. Para No.202: Page 118 – Violation of Rules – Rs.74,038**

**16-7-2002:** The Committee was not satisfied with the explanation/inquiry report of the Department and wanted to know as who was responsible for refunding of security to the contractor after allotment of work at his risk and cost.

The Department was directed to take action against the responsible person and effect the recovery at the earliest. **The para was kept pending.**

**139. Para No.203: Page 203 – Violation of Rules – Rs.71,226**

**16-7-2002:** The para was considered on 16<sup>th</sup> and 17<sup>th</sup> July 2002.

The Department explained that the work of the schemes was decided in consultation with the sponsor and codal formalities were completed in due course. Moreover, payments were made on the basis of technically sanctioned estimates as per actual work done.

The Department was directed to produce all the relevant record to Audit in support of its contention. **The para was kept pending.**

**140. Para No.204: Pages 118 & 119 – Violation of Rules – Rs.480,000**

**17-7-2002:** The Department explained that the accused ADLG was on bail from an Anti-Corruption Court. Moreover, process of the case for disciplinary proceedings by the Department under the Punjab Removal from Service (Special Powers) Ordinance 2000 against the accused for unjustified payment was in progress.

The Department was directed to pursue the Anti-Corruption case and complete the

Departmental action/recovery, at the earliest. **The para was kept pending.**

**141. Para No.207: Page 120 – Violation of Rules- Rs.1,066,647**

**8-1-2002:** The Department explained that the expenditure was incurred for removing the defects as pointed out by NESPAK.

The Department was directed to get the record verified by Audit, who should, *inter alia*, check up and report whether payment had been made in Phase-I for such items as had to be provided in Phase-II. The para was kept pending.

**27-3-2002:** The Department explained that the para pertained to 55 school buildings and all the relevant record was available for verification.

The Department was directed to produce the record to Audit for scrutiny and comments. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that after examination of record it was decided to hold an inquiry for fixing the responsibility for non-removal of defects by the contractors in various school buildings.

The Department was directed to complete inquiry, action and recovery, at the earliest. **The para was kept pending.**

**142. Para No.209: Page 121 – Violation of Rules – Rs.1,759,785**

**8-1-2002:** The Department explained that an inquiry had been ordered by the DCO, D.G. Khan (defunct D.G. Khan Development Authority) to determine the facts of the case.

The Committee directed that inquiry/appropriate action in the matter should be completed expeditiously. The para was kept pending.

**28-3-2002:** The Department explained that probe into the matter was under process and the same could not be finalized because the record was in the custody of RAB.

The Department was directed to take appropriate action against the persons responsible for not taking the appropriate action well in time. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the action had been initiated but could not be proceeded further as the case was under investigation with the NAB Authorities.

The Department was directed to pursue the case with the concerned quarter for early finalization of the matter, and finalize the investigation into the reasons and responsibility for delay in taking action for recovery of the overpayment. **The para was kept pending.**

**143. Para No.210: Page 121 – Violation of Rules – Rs.510,911**

**17-7-2002:** The Department explained that the para was based on AP No.557 which was settled by Director General Audit (Works) vide his letter dated 8 May 1999. Audit pointed out that it is based on AP-511 and not AP-557. As per site visit of AE LG&RD low quality stones and bricks were being used and the contractor was paid without considering the sub-standard material.

The Department was directed to enquire into the matter and complete disciplinary action and recovery, if established, at the earliest. **The para was kept pending.**

**144. Para No.213: Page 122 – Violation of Rules – Rs.1,154,118**

**9-1-2002:** Audit had pointed out that construction of community center was taken in hand without getting the land transferred to the Government. Certain items of work were got executed in contravention of the approved design/provisions of detailed estimate. The contractor abandoned the incomplete work after receiving certain running payments. The second contractor also received payments for supply of cement, steel and crushed aggregate and also left the work incomplete. The accountal/consumption of material was not shown to Audit.

The Department stated that the total amount of Rs.1,154,127 spent on the community center had been recovered from the concerned public representative and deposited into Government Treasury.

The Committee was not satisfied with the reply of the Department and directed that revised working paper giving the full facts of the case including the work executed and payments made should be submitted in the next meeting. The para was kept pending.

**27-3-2002:** The para was considered in the light of PAC directive dated 9 January 2002.

The Department explained that the record of community centres had been taken over by the National Accountability Bureau.

The Committee directed that the latest position of the case should be explained in the next meeting. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that the record of community centers had been taken over by the NAB and the case was under investigation with them.

The Department was directed to pursue the case with the concerned quarter. **The para was kept pending.**

#### **145. Para No.215: Page 123 – Violation of Rules – Rs.720,928**

**17-7-2002:** The Department explained that the contents of printed Para Nos.44 and 215 had been erroneously interchanged at the time of printing of Audit Report for the year 1997-98.

Audit commented that Para No.215 was based on Para No.44 regarding loss of Rs.301,410 due to work abandoned by the contractor and due to mistake it was printed as Para No.44.

The Committee directed that Audit should issue a corrigendum with regard to Audit para Nos.215 and 44. **The para was kept pending.**

#### **146. Para No.218: Page 125 – Violation of Rules – Rs.103,974**

**17-7-2002:** Audit had pointed out that the security of a contractor had been released irregularly who had abandoned the work incomplete after receiving the running payments. The Department explained that according to the findings of the departmental inquiry report, the funds of the scheme in question lapsed more than one month before the date of completion and were never re-authorized by the Government. Therefore, no official could be held responsible for non-completion of the scheme.

Audit commented that work order was issued on 5 January 1993 with completion period of 5 months but the agreement was signed on 5 March 1993 which resulted in non-completion of the scheme and lapse of funds before the completion period.

The Committee directed that a fresh inquiry should be held at Secretariat level for fixing responsibility and taking disciplinary action including recovery, if established. **The para was kept pending.**

#### **147. Para No.221: Page 126 – Violation of Rules – Rs.6,196,000**

**9-1-2002:** The Department explained that the scheme was undertaken under Chief Minister's directive and funds were placed at the disposal of AD, LG & RD, Gujranwala. The work was let out and started at site. Subsequently administrative approval was also obtained.

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

**27-3-2002:** The Department explained that in compliance with the PAC directive dated 9 January 2002, all the requisite record was produced to Audit for verification. However, Audit had demanded original record.

The Department was directed to get the same verified by Audit. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that as per directive of the Committee the relevant record was produced to Audit. After seeing the record, Audit commented that the work had been awarded on 23 June 1990 without administrative approval and technical sanction. Moreover, original PC-I and technical sanction for verification of scope/amount of the work had not been produced. The scheme was revised on 10 June 1993 to Rs.7,320,000 and further revised on 2 February 1999 to Rs.9,963,000.

The Committee directed that an inquiry into the matter should be held at Secretariat level to fix responsibility and take disciplinary action and effect recovery, if established, at the earliest. **The para was kept pending.**

#### **148. Para No.222: Page 127 – Violation of Rules – Rs.5,669,884**

**9-1-2002:** The Department explained that a preliminary inquiry was being ordered in this case.

The Department was directed to complete the inquiry and take appropriate action expeditiously. The para was kept pending for inquiry.

**27-3-2002:** The Committee re-iterated its previous directive. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that on the basis of departmental inquiry report, it had been decided to proceed against the official concerned under the Punjab Removal from Service (Special Powers) Ordinance 2000 and the case for disciplinary action was being processed.

The Department was directed to complete disciplinary action/recovery, if established, at



the earliest and submit a revised working paper for the next meeting giving full facts of the case.  
**The para was kept pending.**

**149. Para No.223: Page 127 – Violation of Rules – Rs.125,616**

**17-7-2002:** The Department explained that after examination of the relevant record, the DG, Local Government had ordered a fact finding inquiry for fixing the responsibility for unauthorized payment and change of scope of work.

The Department was directed to complete the inquiry, take disciplinary action and effect recovery, if established, at the earliest. **The para was kept pending.**

**150. Para No.225: Page 128 – Violation of Rules – Rs.1,151,000**

**17-7-2002:** The Department explained that after inquiry it had been decided to proceed against the persons responsible and show cause notices had been issued to them under the Punjab Removal from Service (Special Powers) Ordinance 2000. The proceedings were in progress.

The Committee settled the para subject to disciplinary action and recovery and its monitoring by the Finance Department. **The para was kept pending.**

**151. Para No.226: Page 128 – Violation of Rules – Rs.1,176,000**

**9-1-2002:** The Department explained that the administrative approval of the scheme was first accorded for Rs.1,800,000, but the technical sanction of the scheme was accorded for Rs.3,600,000 which was irregular. During discussion too, it was reiterated that a residential building was constructed instead of community center on a private land.

The Committee directed that the full facts of the case should be given in the revised working paper for the next meeting. The para was kept pending.

**27-3-2002:** The para was considered in the light of PAC directive dated 9 January 2002.

The Department explained that the whole issue of community centre buildings was under investigation by the National Accountability Bureau.

The Department was directed to give the latest position of the case in the next meeting.

The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 27 March 2002.

The Department explained that the land of this community centre had been transferred in the name of the Government and possession had also been taken over by the concerned Union Council. However, the case was being investigated by the NAB and the entire record was in their custody.

The Department was directed to pursue the case with the concerned quarter. **The para was kept pending.**

#### **152. Para No.227: Page 129 – Violation of Rules – Rs.718,000**

**17-7-2002:** Audit had pointed out that the Department had purchased two vehicles out of contingency of works.

The Department explained that the inquiry officer had concluded that field formation was not at fault because the vehicles were purchased as per policy of the Department with prior permission of the Director General. The Finance Department, however, commented that funds for this purpose should have been obtained from the Finance Department. The Department explained that the matter was under examination of the competent authority.

The Department was directed to hold inquiry at the Secretariat level for fixing responsibility and taking disciplinary action. Moreover, measures should be adopted to avoid recurrence of this irregularity. **The para was kept pending.**

#### **153. Para No.228: Page 129 – Violation of Rules – Rs.162,976**

**17-7-2002:** The Department explained that the inquiry had been ordered for fixing the responsibility for change in scope of work, its specifications and unauthorized payment.

The Department was directed to complete inquiry and take disciplinary action and effect recovery, if established, at the earliest. **The para was kept pending.**

#### **154. Para No.230: Page 130 – Violation of Rules – Rs.566,507**

**17-7-2002:** The Department explained that the case was under investigation with ACE Faisalabad Region. Efforts were being made to obtain the original record for initiating Departmental proceedings against officials responsible for unauthorized payment.

The Department was directed to pursue the Anti-Corruption case and complete the action/recovery, at the earliest. **The para was kept pending.**

**155. Para No.234: Page 132 – Violation of Propriety – Rs.726,000**

**17-7-2002:** The Department explained that the payment was made on the basis of technically sanctioned estimate and after pre-Audit scrutiny, as such no doubtful expenditure was involved. However, after seeing the record, Audit pointed out that laying of pre-mix over brick soiling was not covered under the specifications.

The Committee directed that an inquiry should be held to fix responsibility and take disciplinary action including recovery, if established, at the earliest. **The para was kept pending.**

**156. Para No.235: Pages 132-133 – Violation of Propriety – Rs.405,578**

**17-7-2002:** Audit had pointed out that plant mixed bituminous carpeting was laid on brick soling without preparing base-course as required under departmental specifications.

The Department explained that the payment in question was made on the authority of clearance of project by P&D Department after administrative approval and technically sanctioned estimate by the competent authority.

The Committee was not satisfied with the explanation of the Department and directed that the Department should hold an inquiry for fixing responsibility and taking disciplinary action including recovery, if established, at the earliest. **The para was kept pending.**

**157. Para No.237: Page 134 – Recoverable of Rs.1,992,356**

**9-1-2002:** The Department explained that the record relating to the recovery of the cost of bitumen from contractors had been traced. Besides the record pertaining to consumption of bitumen through Sub-Engineer had also been located, to be produced to Audit.

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

**27-3-2002:** The Department explained that as per findings of the inquiry report, Rs.1,740,311 on account of cost of bitumen had been recovered from the contractor. The record relating to the bitumen costing Rs.360,360 issued to a contractor was missing. Similarly,

Rs.33,600 on account of cost of bitumen was recoverable from Zila Council, Okara. The Department further stated that a case would be got registered with Anti-corruption Establishment against the defaulting contractor. The inquiry report was being further examined for action against the officers concerned.

The Department was directed to complete necessary action/recovery at the earliest. **The para was kept pending.**

**158. Para No.243: Page 136 – Recoverable Amount Rs.7,666,946 (D.G. Khan Development Authority)**

**8-1-2002:** The Department explained that an inquiry had been ordered to fix responsibility for non-recovery of the amount of 'risk and cost' from the contractor at the proper time. Moreover, the recovery from the contractor was being processed as arrears of Land Revenue.

The Department was directed to complete expeditiously the recovery from the contractor and action against the officer responsible for non-recovery at the appropriate time. The para was kept pending.

**28-3-2002:** The Department explained that a probe into the matter regarding non recovery from the contractor was under process and the same could not be finalized because the record was in the custody of RAB.

The Department was directed to take appropriate action against the persons responsible for not taking the appropriate action well in time. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the action had been initiated but could not be finalized as the case was under investigation with the NAB authorities.

The Department was directed to pursue the case with the concerned quarters for early finalization of the matter, and finalize the investigation into the reasons and responsibility for not taking appropriate action well in time. **The para was kept pending.**

**159. Para No.244: Page 136 – Recoverable of Rs.332,064**

**28-3-2002:** The Department explained that security deposit of the defaulter contractor was forfeited but the same could not be adjusted as the case was subjudice with the Provincial Mohtasib.

The Department was directed to take appropriate action against the persons responsible for not taking the appropriate action well in time. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that in compliance with the PAC directive an inquiry had been initiated against the persons at fault on 8.7.2002 under the Punjab Removal from Service (Special Powers) Ordinance 2000.

The Department was directed to finalize the action, at the earliest. **The para was kept pending.**

**160. Para No.246: Page 137 – Recoverable of Rs.2,487,074**

**28-3-2002:** The Department explained that the para related to two schemes and explained as under:-

**(i) Construction of metalled road from Layyah Kot Sultan road to Pull Pattan Chaperi Wala.**

The civil suit filed by the contractor against the recovery of risk and cost charges of Rs.1,179,723 was decided in favour of the contractor. The appeal filed by the Department in the court of Additional Sessions Judge was rejected for not of fixing stamps of appropriate value.

**(ii) Construction of metalled road from Layyah Kot Sultan road to Basti Jughlani**

The Department explained that an amount of Rs.1,292,000 was to be recovered from the Contractor as arrears of Land Revenue.

The Committee directed that:-

- (i) copies of the decision of the Civil Court, appeal filed by the Department in the Court of Additional Sessions Judge along with its decision should be supplied to Audit;
- (ii) recovery of Rs.1,292,000 should be pursued and
- (iii) inquiry should be held for fixing responsibility for not properly defending the case and for not affixing stamps of the requisite value and action should be taken against the officers at fault.

The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that the recovery of Rs.1,292,000 as arrears of Land Revenue was under process with the District Collector, Lahore. Moreover, inquiry against the persons at fault had also been initiated on 8 July 2002 for non-affixing the requisite judicial stamp in the court case and not properly defending the case in the Authorities interest.

The Department was directed to pursue the recovery, and complete the inquiry and take appropriate action accordingly, at the earliest. **The para was kept pending.**

**161. Para No.247: Pages 137-138 – Recoverable of Rs.2,358,161**

**28-3-2002:** The Department explained that demand of recovery had been created with the concerned District Collector under the Land Revenue Act but the same could not be finalized because contractor went into litigation and the case was subjudice in the court.

The Department was directed to take appropriate action against the persons responsible for not taking the required action well in time. Court case/recovery should be properly pursued. The para was kept pending.

**17-7-2002:** The para was considered in the light of PAC directive dated 28 March 2002.

The Department explained that in compliance with the PAC directive an inquiry had been ordered on 8 July 2002 against the responsible persons under the Punjab Removal from Service (Special Powers) Ordinance 2000. Moreover, the case was being pursued with the concerned District Officers (Revenue) for early recoveries under Land Revenue Act.

The Department was directed to complete the inquiry and take appropriate action accordingly, and pursue the recovery, at the earliest. **The para was kept pending.**

**162. Para No.249: Page 138 – Recoverable of – Rs.495,377**

**9-1-2002:** The Department explained that secured advance to the extent of Rs.256,170 had since been adjusted and the record relating to the remaining amount was being collected.

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

**27-3-2002:** The Department explained that the relevant record pertaining to Gujranwala District had already been produced showing adjustment of secured advance of Rs.256,170 and in another case record regarding three schools showing adjustment of secured advance of Rs.80,608 had also been produced to Audit.

Audit pointed out that original record was not produced. The Department was directed to get the same verified by Audit. **The para was kept pending.**



**163. Para No.252: Page 140 – Recoverable – Rs.710,046**

**9-1-2002:** The Department explained that inquiry/action had been initiated into the matter and would be completed at the earliest. The para was kept pending.

**27-3-2002:** The Department explained that an amount of Rs.2,430,000 was advanced by the Assistant Director, Local Government Faisalabad to the Director General, LG&RD, Punjab for supply of 300 tons of bitumen. 212.44 ton bitumen was supplied and the balance quantity was not supplied.

The Committee directed that an inquiry should be held at Secretariat level and action taken accordingly. **The para was kept pending.**

**164. Para No.258: Page 142 – Non-production of Record**

**9-1-2002:** The Department explained that an inquiry had been ordered into the serious irregularity/lapse pointed out by Audit and assured that inquiry/necessary action would be completed at the earliest. The para was kept pending.

**27-3-2002:** The Department explained that the inquiry officer had reported that 44 missing Measurements Books had been located and were available. The Department further explained that a regular inquiry regarding 67 Measurement Books was pending with the Project Manager.

The Department was directed to complete the probe, produce the Measurement Books to Audit for verification and take disciplinary against those responsible for missing Measurement Books. **The para was kept pending.**

**165. Para No.259: Page 143 – Non-production of Record**

**9-1-2002:** The Department explained that an inquiry had been ordered into the serious irregularity/lapse pointed out by Audit and assured that inquiry/necessary action would be completed at the earliest. The para was kept pending.

**27-3-2002:** The Department explained that the inquiry report in respect of this para had been received and the responsibility had been fixed. Action against the responsible persons was underway.

The Department was directed to complete the necessary action/recovery, at the earliest.

**The para was kept pending.**

**166. Para No.260: Page 143 – Non-production of Record**

**9-1-2002:** The Department explained that an inquiry had been ordered into the serious irregularity/lapse pointed out by Audit and assured that inquiry/necessary action would be completed at the earliest. The para was kept pending.

**27-3-2002:** The Department explained that an inquiry had been completed and the inquiry report was under consideration of the competent authority for fixing the responsibility.

The Department was directed to complete the action/recovery, at the earliest. **The para was kept pending.**

# Planning and Development Department

## Overview

Total Paras	<u>Works</u>
9	9

## Abstract

Status	Decision	Para Nos.	Total	Page No.
Paras Finally Settled  5	Paras finally settled as the requisite action had been taken.	<b>Works:</b> 1.1, 3.1, 3.2, 3.4, 4.2	5	925-926
Paras Conditionally Settled  4	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Works:</b> 2.1, 3.3, 4.1, 4.3	4	927-928

**Discussed on 24 January and 2 May 2002**

## Paras Finally Settled

## Works Audit

## Cholistan Development Authority

### 1. Para No. 1.1: Page 5 – Fraud of Rs.1,657,803

**24-1-2002:** The Department explained that this para related to the same allottees who were also included in Audit Para 1-1, II-A, II-A.2 and II-B-1 of Audit Report for the year 1996-97 which had already been settled in the meeting of Ad hoc Public Accounts Committee held on 22 October 2001. The Committee agreed to **drop the para.**

## **2. Para No. 3.1: Page 6 – Violation of Rules – Rs.80,616**

**24-1-2002:** Audit had pointed out that overpayment had been made due to excess measurement of length of road. The Department contended that no overpayment was involved.

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

**2-5-2002:** The Department explained that the overall quantities of Sub Base Course and T. S.T. except road edging were within those in the technically sanctioned estimate. Moreover, the final expenditure was also within the technically sanctioned estimate.

After detailed discussion the Committee decided to **settle the para**. However, it was observed that it was a case of over-estimation in the technical sanctions which should be avoided.

## **3. Para No. 3.2: Pages 6-7 – Violation of Rules – Rs.62,368**

**24-1-2002:** Audit had pointed out that the accepted tender was 6.45% above the technically sanctioned estimates as against the permissible limit of 4.5%. The Department explained that the XEN concerned was presently working in the C & W Department. A reference had been made to the competent authority for action against the persons at fault. The Department was directed to complete action/recovery expeditiously. The para was kept pending.

**2-5-2002:** In compliance with the earlier decision of the PAC, the Department explained that a reference had been made to the competent authority for action against the persons at fault.

The Committee directed that Finance Department should monitor further action in the matter. Subject to this direction, **the para was settled**.

## **4. Para No. 3.4: Pages 7-8 – Violation of Rules – Rs.325,131**

**24-1-2002:** Audit had pointed out that against the provision of 4” base course, payment had been made for 6” base course. The Department explained that the provision for 6” base course was clearly depicted in the rough cost estimate in PC-1 proforma. Audit stated in the meeting that the Departmental contention had been verified. **The para was settled.**

## **5. Para No. 4.2: Page 9 – Recoverables – Rs.80,390**

**24-1-2002:** The Department explained that as against the amount of Rs.80,390 pointed out by Audit an amount of Rs.116,838 had been recovered on account of lease money from the concerned allottees. Audit stated in the meeting that the record had since been verified. **The para was settled.**

# Paras Conditionally Settled

## 1. Para No. 2.1: Page 5 – Overpayment of Rs.139,379

**24-1-2002:** Audit had pointed out that non-deduction of road crust and miscalculation had resulted in overpayment of Rs.139,379. The Department contended that no overpayment was involved.

The Committee directed the Department to produce the relevant record to Audit in support of its contention. The para was kept pending.

**2-5-2002:** The Department explained that recovery on account of road crust as pointed out by Audit had since been made to the extent of Rs.139,359 in respect of six works.

Audit stated that the record produced by the Department was still under verification.

The Committee directed that disciplinary action should be taken against the officers responsible for making overpayment to the contractor in the first instance because if Audit had not pointed out this overpayment, it would have gone un-noticed. The Committee directed that action should be completed within three months and the Finance Department should monitor the case. **The para was settled** subject to the above direction and verification by Audit.

## 2. Para No. 3.3: Page 7 – Violation of Rules – Rs.4,626,000

**24-1-2002:** Audit had pointed out that the cost of land calculated by the Cholistan Development Authority was less than that prescribed by the Pakistan Land Commission in 1959. The Department explained that in the case of 37 persons, recovery amounting to Rs.822,800 had already been made but the relevant record was with NAB. The Department further explained that the recovery amounting to Rs.3,189,600 in respect of 126 allottees was not due. Similarly, the recovery amounting to Rs.613,600 pointed out by Audit in respect of 30 allottees was also not due. The Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

**2-5-2002:** As per earlier decision of the PAC the Department explained that recovery of cost of land from the allottees was an on-going process and was being pursued actively.

The Committee directed that the difference in the rate of cost of land as applied by the Department and as pointed out by Audit should be considered and decided by the SDAC. The decision of the SDAC should be communicated to the PAC Secretariat. Subject to this direction, **the para was settled.**

## 3. Para No. 4.1: Page 8 – Recoverable – Rs.6,430,096

**24-1-2002:** Audit had pointed out that an amount of Rs.6,430,096 was recoverable on account of water rate and land revenue. The Department explained that a sum of Rs.3,586,201 had already been recovered. An amount of Rs.684,163 was outstanding against the Forest

Department, an amount of Rs. 487,118 related to Tawan of Abiana for illegal watering which was under litigation. An amount of Rs.972,718 related to the period prior to the creation of Cholistan Development Authority in 1976 and no details of this amount were available. A further amount of Rs.699,896 was recoverable from illegal occupants. The Department explained that recovery was a continuous process and efforts were being made to recover the outstanding dues. The Committee observed that the Finance Department should be in a position to help the Authority in recovery of the amount outstanding against the Forest Department.

The Department was directed to complete the recovery/necessary action expeditiously and get the record verified by Audit. The para was kept pending.

**2-5-2002:** In compliance with the latest decision of the PAC, the Department explained that recovery of water rates is a continuous/on-going process and monitored by the BOR regularly. Efforts are being made to recover the outstanding dues. The Committee decided to **settle the para** subject to monitoring of the case by the Finance Department and verification of recovery by Audit.

#### **4. Para No. 4.3: Page 9 – Recoverable – Rs.7,783,021**

**24-1-2002:** Audit had pointed out that an amount of Rs.7,783,021 was outstanding on account of lease money from the allottees.

The Department explained that the said amount actually related to water rate/tawan for use of canal water. An amount of Rs.5,657,124 had been recovered during 1996-97 and a further amount of Rs.2,066,631 had been recovered upto October, 2001. The balance amount of Rs.194,960 would also be recovered in due course. The Department further stated that the recovery of water rate/tawan was a continuous process. The Department was directed to complete the balance recovery expeditiously. The para was kept pending.

**2-5-2002:** As per earlier decision of the PAC the Department explained that the 94.70% recovery had been made. The rest was being pursued.

The Committee observed that difference in figures should be reconciled with Audit. **The para was settled** subject to monitoring by the Finance Department and verification by Audit.



# Population Welfare Department

## Overview

Total Paras	<u>Civil</u>
53	53

## Abstract

Status	Decision	Para Nos.	<u>Total</u>	Page Nos.
Paras Finally Settled  <b>15</b>	Paras finally settled as the requisite action had been taken.	<b>Civil:</b> 2, 7, 11, 14, 15, 16, 18, 20, 26, 28, 35, 39, 50, 52, 53	<b>15</b>	<b>933-936</b>
Paras Conditionally Settled  <b>23</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same.	<b>Civil:</b> 1, 4, 6, 8, 9, 10, 12, 19, 22, 23, 24, 27, 29, 34, 40, 41, 42, 43, 44, 46, 47, 49, 51	<b>23</b>	<b>937-943</b>
<b>Paras Pended</b>  <b>15</b>	Paras pended because the Department had not taken satisfactory action.	<b>Civil:</b> 3, 5, 13, 17, 21, 25, 30, 31, 32, 33, 36, 37, 38, 45, 48	<b>15</b>	<b>944-949</b>

**Discussed on 14 January, 10 April and 25 June 2002**

## Paras Finally Settled Civil Audit

### 1. Para No. 2: Page 15 – Misappropriation of Government money amounting to Rs.559,070

**14-1-2002:** Audit had pointed out that the budgetary allocation meant for treatment of patients was drawn for payment to the staff. The Department explained that the amount in question was paid as per approved policy of the Government of Pakistan.

The Department was directed to produce the approved policy of the Government of

Pakistan to Audit along with other relevant documents. The para was settled subject to verification by Audit.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

In its latest comments, Audit had stated that the record in support of departmental contention that the amount in question had been paid as per approved policy of Government of Pakistan had been verified. Audit had recommended the para for settlement. **The para was settled.**

## **2. Para No.7: Page 18 – Misappropriation of medicines/recovery of Rs.57,502**

**10-4-2002:** As per latest Audit comments, the recovery of Rs.57,502 had been effected from the official concerned and deposited into government account.

The Department stated in the meeting that disciplinary action against the persons responsible for misappropriation was in progress.

The Committee directed that the Department should complete the action at the earliest. **The para was settled** with the above directive.

## **3. Para No. 11: Page 21 – Irregular advance drawal of public money amounting to Rs.1,017,723**

**14-1-2002:** The Department explained that entire vouched account of the amount in question was shown to the Special DAC in December 1998 and the para was settled by the SDAC.

The Committee agreed to the recommendations of the SDAC **and settled the para.**

## **4. Para No.14: Page 22 – Irregular advance drawals of Rs.165,944**

**10-4-2002:** Audit pointed out that the remaining vouched accounts amounting to Rs.18,297 had been verified. **The para was settled.**

## **5. Para No.15: Page 23 – Irregular advance drawal of Rs.289,404 and recovery of Rs.33,355**

**14-1-2002:** The Department explained that the amount under observation was drawn for official purposes including holding of workshops, training courses, symposia etc. for creating awareness about population programmes. Complete vouched account of expenditure was available while the unspent amount of Rs.33,355 had been deposited into Government Treasury. The Committee wanted to know the procedure for making allocation for the said purposes and the time gap between the drawal of the advance and its actual expenditure.

The Department was directed to produce the relevant record to Audit for verification (on a sample basis) and comments. If the prescribed rules for making advances had not been followed, approval of the Finance Department would have to be obtained. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

In its latest comments, Audit had pointed out that the record as per contention of the Department had been verified. The Committee decided to **settle the para**.

#### **6. Para No.16: Page 23 – Irregular drawal of Rs.297,000 out of P.L.A**

**14-1-2002:** Audit had pointed that the payment of traveling allowance had been made to employees out of the PLA. The Department explained that traveling allowance was part of the (Commodities and Services) as per budget classification. The budget of the Department had been bifurcated by Government of Pakistan into two major components i.e. (i) Salary and Allowances which was payable through AG Punjab (ii) Operational Cost which was to be met out of PLA. The fixed TA was part of the Operational Cost and, therefore, it had been paid out of PLA. The explanation of the Department was accepted and **the para was settled**.

#### **7. Para No.18: Page 28 – Recovery of Rs.202,597 for non-deduction of with-holding tax on payment of rent of house property**

**14-1-2002:** The Department explained that the stated amount was not deducted at source because the landlord produced an Exemption Certificate from Income Tax Commissioner. The Committee directed the Department to produce the Exemption Certificate and other relevant record to Audit for verification. **The para was kept pending**.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

The Department explained that the deduction of income tax was not applicable in the subject case. However, the case of non-deduction of withholding tax on payment of rent on house property along with exemption certificate had been referred to the Income Tax Commissioner.

The Committee directed that further action in the matter should be taken as per advice of the Income Tax Department. **The para was settled**.

#### **8. Para No.20: Page 28 – Recovery of Rs.360,917 because of doubtful purchase of engrix-B (20mg)**

**14-1-2002:** The Department explained that the medicine in question was distributed among various field offices in the Punjab. The Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

In its latest comments, Audit had pointed out that the requisite record had been seen and verified. The Committee decided to **settle the para**.

#### **9. Para No. 26: Page 31 & 32 – Irregular payment of building rent resulting into loss of Rs.466,000**

**14-1-2002:** The Department explained that the shifting of office from one rented building built on land measuring 10 marlas to another rented building built on land measuring 3 Kanal was in the public interest.

The Department was directed to produce the relevant record to Audit in support of its contention. The para was settled subject to verification by Audit.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

The Department explained that the requisite NAC had been obtained from the Buildings Department and produced to Audit for verification. The Committee **settled the para.**

#### **10. Para No.28: Page 33 – Irregular expenditure of Rs.136,945 on payment of building rent**

**10-4-2002:** The Department explained that codal formalities for payment of rent of various office buildings had been fulfilled. Moreover, the para was settled in the meeting of Special DAC held in December 1998.

The Committee **settled the para** with the direction that a copy of the minutes of the meeting of the Special DAC should be provided to Audit.

#### **11. Para No.35: Page 38 – Non-production of record involving Rs.8,949,765**

**14-1-2002:** The Department was directed to produce the relevant record to Audit for verification. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

Audit pointed out that the requisite record had been seen and verified. The Committee decided to **settle the para.**

#### **12. Para No.39: Page 41 – Outstanding liabilities of Rs.42,165,641**

**14-1-2002:** The Department explained that due to paucity of funds, the Ministry of Population, Islamabad released an amount of Rs.466.529 million against allocation of Rs.724,950 million. Thus Rs.258.422 Million was released less by the Federal Government. However the purchase orders had already been placed for total allocation. Resultantly, the remaining liability of Rs.42,165,641 was met out of the next year's budget. After discussion, **the para was settled.**

#### **13. Para No.50: Page 48 – Irregular purchase of typewriters for Rs.87,980**

**10-4-2002:** The Department explained that *ex post facto* sanction for an expenditure of

Rs.87,980 had been obtained from the competent authority. The record had been seen and verified by Audit. The Committee **settled the para.**

#### **14. Para No.52: Page 47 – Purchase of material without requirement for Rs.65,200**

**10-4-2002:** The Department explained that the material in question was purchased in accordance with the provisions of PC-I. No irregularity was committed as tenders were called and the lowest bid was accepted after completing codal formalities. The Committee **settled the para.**

#### **15. Para No.53: Page 48 – Wastage of public money amounting Rs.123,050 on purchase of equipment and furniture**

**10-4-2002:** Audit pointed out that the contention of the Department had been verified after the perusal of record. On the recommendation of Audit, the Committee **settled the para.**

## **Paras Conditionally Settled**

#### **1. Para No. 1: Page 15 – Probable misappropriation of Rs.6,057,075**

**14-1-2002:** Audit pointed out that payments were made to different suppliers/firms without receiving the furniture and taking it on stock. The Department explained that due to shortage of space in the warehouse, the purchased material was stocked at the supplier's premises. The Committee wanted to know the justification for purchase of furniture, the date on which payment was made and the date on which the delivery was taken and the date on which the furniture was distributed for use.

The Department was directed to produce all the relevant record to Audit for scrutiny and comments, and simultaneously the case should be referred to the Finance Department for regularization and action should be taken on the observation made by the Finance Department. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

In its latest comments, Audit had pointed out that in the purchase of stores worth Rs.6,057,075 advance payment had been made by the Department without seeking approval of the Finance Department. The Committee reiterated its previous directive to get the expenditure regularized by the Finance Department.

**The para was settled** subject to regularization of expenditure by Finance Department,

action (including disciplinary action), if any, to be initiated in the light of Finance Department's decision in the matter, and verification of record by Audit.

## **2. Para No.4: Page 16 – Possible misappropriation of Rs.233,932 due to non/less accountal of store**

**10-4-2002:** The Department explained that all the articles worth Rs.233,932 had been issued to the concerned quarters with the approval of the competent authority. There was no irregularity/misappropriation involved as the entries in the stock register were duly made. The Committee **settled the para** subject to verification of record by Audit.

## **3. Para No. 6: Page 17 – Recovery of Rs.200,999 due to non accountal and bogus issue of store**

**14-1-2002:** The Department explained that the items under observation were available in the concerned centres. In its latest comments, Audit stated that stock entries of the store items costing Rs.98,179 had been verified.

The Department was directed to produce the relevant record relating to the balance amount within 10-12 days to Audit for verification. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

Audit pointed out that all the items of the balance amounts had duly been accounted for in the stock registers, but the said entries were full of cuttings. Audit further pointed out that the existence of these items in the recipient centers were required to be physically verified.

The Committee **settled the para** subject to physical verification of stock in question by the Department and verification of record by Audit. Finance Department should monitor and report progress in the matter.

## **4. Para No.8: Page 20 – Advance payment of Rs.2,300,000**

**14-1-2002:** The Department explained that the advance payment, under observation was made to another organization of the same department. The Committee however, observed that the matter should be referred to the Finance Department for regularization and the observations of the Finance Department thereon should be complied with. With the above observation, the para was settled.

**10-4-2002:** The Committee reiterated its previous decision dated 14 January 2002 for **settlement of the para** subject to regularization by the Finance Department.

## **5. Para No.9: Page 20 – Drawal of Rs.266,825 without immediate disbursement**

**10-4-2002:** Audit pointed out that an amount of Rs.200,000 was drawn from the PLA account without any justification.



The Department explained that the amount had been drawn for the payment of salaries of staff expected to be appointed. However, the amount was deposited into the same account as the posts were transferred to another district.

The Committee **settled the para** subject to the direction that Audit comments/suggestions should be attended to and the case should be referred to the Finance Department for regularization.

#### **6. Para No.10: Page 20 – Irregular drawal of Rs.459,805 as advance to avoid lapse**

**14-1-2002:** The Department explained that the amount drawn was placed in PLA and the vouched account of the expenditure was available. The Department further stated that the amount was drawn from PLA and placed in Commercial Bank for payment of retainership fee to village workers. The Committee wanted to know whether opening of account in Commercial Bank was permissible and whether it had been approved by the competent authority.

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

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

In its latest comments, Audit had pointed out that vouched account of Rs.332,548 and deposit of Rs.127,257 had been verified. However, the Authority for opening a Bank Account with the Commercial Bank was not produced.

**The para was settled** subject to regularization of the opening of account with the Commercial Bank by the Finance Department and its verification by Audit.

#### **7. Para No.12: Page 22 – Irregular and unjustified advance payment of Rs.225,000**

**10-4-2002:** The Department explained that all the amounts under observation were released and spent as per approved policy of the Federal Government.

Audit pointed out that vouched account of Rs.67,718 and deposit of Rs.30,000 had been verified. However, the account of Rs.129,282 had not yet been got verified.

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

#### **8. Para No.19: Page 28 – Less deduction of income tax Rs.391,109**

**10-4-2002:** Audit pointed out that the income tax on supplies was required to be deducted @ 3.5% in accordance with the latest instructions of the Government but the same was deducted @ 2.5% which resulted in less deduction of income tax amounting Rs.391,109.

The Department explained that the firms concerned had been asked to deposit the

remaining amount.

The Committee **settled the para** with the direction that action should be taken as suggested in Audit comments in the working paper, and the Income Tax Department should be provided the particulars of the payments made to the firms concerned.

**9. Para No.22: Page 30 – Recovery of Rs.139,757 drawn excess of pay than the sanctioned strength**

**10-4-2002:** Audit had pointed out that two Deputy Welfare Officers had been appointed against one sanctioned post.

The Department explained that posting of two officers was made with the orders of the Administrative Secretary as one officer often remained on leave due to heart surgery while the other had resorted to court in connection with his transfer.

The Committee **settled the para** subject to regularization of expenditure by Finance Department.

**10. Para No.23: Page 30 – Incorrect payment of fixed T.A. amounting Rs.52,045**

**10-4-2002:** The Department explained that out of six officials pointed out by Audit, 3 officials namely M/s Muhammad Shamshair, Mushtaq Ahmad & Muhammad Aslam who had been deputed for field duty had validly drawn TA/DA. Two officials namely M/s Qadeer Hussain & Nazir Ahmad had not been paid any TA/DA. The case of one official (Mr Javid Anjum) was being checked. Audit however insisted that all the six officials had drawn TA/DA.

The Department was directed to produce the relevant record to Audit for verification and effect recovery accordingly. **The para was settled** subject to verification of record by Audit.

**11. Para No.24: Page 30 – Non-deposit of sale proceeds of contraceptives recovery of Rs.267,145**

**14-1-2002:** The Department explained that after checking of record it was found that the amount of recovery was far less than that pointed out by Audit. The actual amount involved was being recovered from the officials at fault. The Committee wanted to know how much amount had been recovered so far and directed that a copy of the enquiry report along with the order of recovery from the officials should be produced to Audit. The para was settled subject to verification by Audit.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

The Department explained that the sale proceeds (Rs.335,359) had been deposited into government account except for Rs.15,799.

The Committee **settled the para** subject to recovery of the balance, and action against the defaulting official. The amounts deposited in Government account should be verified by Audit.

## **12. Para No.27: Page 32 – Expenditure of Rs.570,000 beyond competency on account of payment of building rent**

**14-1-2002:** The Department explained that the case had been referred for obtaining the ex-post-facto sanction of the competent authority.

The para was kept pending for regularization by the competent authority.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

The Department explained that the case had been referred to Finance Department for regularization, which was still awaited.

The Committee **settled the para** subject to regularization by the competent authority.

## **13. Para No.29: Page 33 – Irregular expenditure on office building rent charges Rs.185,500**

**10-4-2002:** The Department explained that rent of office buildings in question had been paid with the sanction of the Competent Authority. Moreover, the para was settled in the meeting of Special DAC held in December 1998. The Committee **settled the para** subject to verification of record by Audit.

## **14. Para No.34: Page 37 – Doubtful expenditure of Rs.2,023,236 on the purchase of machinery & equipment**

**14-1-2002:** The Department explained that all the relevant record regarding the purchase of machinery and equipment under observation was available.

The Department was directed to produce the same to Audit for verification. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

Audit pointed out that during verification, the Department had produced partial record.

Neither the Stock Register had been produced nor the purchase of store items in bulk was justified.

The Department explained that the requisite record was available and ready for verification. The Committee **settled the para** subject to verification of record by Audit.

#### **15. Para No.40: Page 42 – Misappropriation of stores/stock amounting to Rs.155,888**

**10-4-2002:** The Department explained that no embezzlement was involved as the stock articles were purchased after completing all codal formalities. The relevant record was produced to Audit.

Audit pointed out that the Department had not produced the original vouchers relating to purchase of stock articles. **The para was settled** subject to verification of record by Audit.

#### **16. Para No.41: Page 23 – Misappropriation of store articles amounting to Rs.246,818**

**10-4-2002:** The Department explained that items were purchased after completing all codal formalities and entries were duly made in the stock register. The relevant record was produced to Audit.

Audit pointed out that the Department had not produced the original vouchers relating to purchase of articles. **The para was settled** subject to verification of record by Audit.

#### **17. Para No.42: Page 42 – Irregular expenditure amounting to Rs.47,420 on walk**

**10-4-2002:** The Department explained that expenditure of Rs.47,420 was made on the eve of World Population Day for holding walks, exhibitions etc in order to create awareness.

The Department further explained that the expenditure was made with the prior approval of the competent authority and vouched account had also been produced to Audit.

Audit, however, pointed out that as reported by the representative of the Department to Audit, a letter dated 2 April 2002 had been sent to the Administrative Secretary regarding ex-post facto sanction which was still awaited.

The Committee **settled the para** with the direction that the Department should get the expenditure regularized from the Competent Authority and get it verified from Audit.

#### **18. Para No.43: Page 43 – Unjustified purchase of medicines amounting to Rs.157,545**

**10-4-2002:** Audit pointed out that the medicines amounting to Rs.157,545 were purchased

without calling tenders and by ignoring other rules and regulations.

The Department explained that total amount for purchase of medicines comes to Rs.131,730 instead of Rs.157,545. There was no need to call tenders or enter into rate contract under the provisions of PC-I. However, quotations were called and the medicines were purchased @ 7% less than the market rate. The Department further explained that entries were duly made for the issuance of medicines to the patients. The Committee **settled the para** subject to verification of record by Audit.

#### **19. Para No.44: Page 44 – Local purchase of furniture amounting to Rs.224,625 without sanction and competency**

**10-4-2002:** Audit pointed out that the furniture amounting to Rs.224,625 was purchased without the sanction of the Competent Authority.

The Department explained that no irregularity was committed as the local purchase of furniture was made after completing all the codal formalities. The record was available for verification.

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

#### **20. Para No.46: Page 45 – Irregular purchase of non-recurring articles amounting to Rs.246,472**

**10-4-2002:** In its latest comments, Audit had stated that the funds for publicity were specifically provided hence the expenditure of Rs.182,472 made on publicity material was regular.

However, the expenditure of Rs.64,000 on account of purchase of four Electric Coolers had been incurred without specific provision of funds.

The Committee **settled the para** subject to regularization of expenditure of Rs.64,000 from the Competent Authority.

#### **21. Para No.47: Page 45 – Irregular/unlawful purchase of store articles amounting to Rs.167,308**

**10-4-2002:** Audit pointed out that an amount of Rs.167,308 was drawn from the PLA without the sanction of the Finance Department.

The Department explained that the case, as directed by SDAC, had been referred to the Finance Department for regularization.

The Committee **settled the para** subject to regularization by the Finance Department.

#### **22. Para No.49: Page 46 – Misappropriation of Rs.55,100**

**10-4-2002:** The Department stated that all the articles under observation in this para were purchased for use in the office of Medical Officer, RHS Centre, Rahim Yar Khan and all the vouched accounts were available. **The para was settled** subject to verification of record by Audit.

### **23. Para No.51 Page 47 – Irregular expenditure for purchase of furniture**

**10-4-2002:** Audit pointed out that the DDO made the local purchase of machinery and equipment without calling open tenders and without the approval of the competent authority.

The Department explained that Audit had incorrectly calculated the amount of Rs.461,196 against the purchase of said items. The Department further explained that unit wise expenditure comes within the competence of the DDO in accordance with the provisions of PC-I. No irregularity was committed. **The Committee settled the para** subject to verification of record by Audit.

## **Paras Pended Civil Audit**

### **1. Para No.3: Page 16 – Recovery of Rs.43,286 due to appointment during ban**

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

The Department explained that the appointments in question had been made only for approved projects on *ad hoc* basis as allowed by the Federal Government. The Department stated that the Population Welfare Department was funded by the Federal Government and the policies of the Federal Government were being implemented – the ban imposed by the Provincial Government was not applicable to this Department.

The Committee directed that the Department should take up the matter with the Finance Department for guidance/instructions on the subject. In case it was held that the ban was equally applicable to the Department, necessary action should be taken to obtain the approval of the competent authority to regularize the expenditure. **The para was kept pending.**

### **2. Para No. 5: Page 17 – Misappropriation of medicines and other miscellaneous items of store valuing Rs.295,248**



**14-1-2002:** Audit had pointed out that the record of the relevant formation revealed that the medicines and miscellaneous store items valuing Rs.295,248 were shown short by non-accountal, incorrect calculation and less carry-over. In the working paper the Department had explained that a committee for scrutiny of the relevant record had been constituted. All the stock entries were checked and found correct. However, during the meeting the Department stated that shortage of stock worth Rs.23,353 was established and the same was being recovered.

The Committee was not satisfied with the conflicting statements of the Department and directed that an inquiry should be held into all aspects of the matter pointed out in the audit para and appropriate action should be taken accordingly. Moreover, the report of the inquiry stated to have been held, should be produced to Audit. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

Audit pointed out that the Department had not so far held the inquiry in compliance with the PAC direction.

The Committee was not satisfied with the conflicting statements of the Department and directed that an inquiry should be held into all the aspects of the matter within 10 days and appropriate action should also be taken accordingly. **The para was kept pending.**

### **3. Para No.13: Page 22 – Misappropriation of government money-Rs.944,907**

**14-1-2002:** The Department explained that the amount under observation was transferred by District Population Welfare Officer, D.G. Khan to the Secretary, Population Welfare Department, Lahore. The Committee wanted to know the purpose of transfer of money and its ultimate utilization.

The Department was directed to produce the relevant record to Audit for verification of the entire transaction and for comments thereon. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

In its latest comments, Audit had pointed out that during verification the Department had not produced full record.

The Committee directed the Department to produce all the relevant record as per latest Audit comments for verification. The Department was further directed to give full details about transfer of money and its ultimate utilization in the working paper for the next meeting.

**The para was kept pending.**

#### **4. Para No.17: Page 26 – Purchase of electric appliances at exorbitant rates-recovery of Rs.623,500**

**14-1-2002:** The Department explained that officer responsible for accepting the higher rates was proceeded against under the Efficiency and Disciplinary Rules and was compulsorily retired from service by the Government of Pakistan. The Committee wanted to know the particulars of the Members of the Purchase Committee and reasons for holding only one person responsible for acceptance of higher rates.

The Department was directed to produce the relevant record to Audit for scrutiny and comments and a detailed explanation should be given in the working paper for the next meeting. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

Audit pointed out that the officer responsible for acceptance of higher rates had compulsorily been retired from service without imposing the penalty of recovery upon him.

The Committee directed that the Administrative Secretary should look into the entire matter at his personal level, particularly the reasons for holding only one person responsible for acceptance of higher rates and take the action accordingly. **The para was kept pending.**

#### **5. Para No. 21: Page 29 – Loss of Rs.1,376,000 due to damaging of TBAs/midwifery kits**

**14-1-2002:** The Department explained that 2745 kits donated by UNICEF were received from Ware House Karachi on March 27, 1997 and some of the articles had expired their validity. It was decided by the competent authority that the kits excluding the expired items may be distributed among field offices. The Committee wanted to know when the articles were received in the Warehouse at Karachi – what were their expiry dates and when were these articles received at Lahore. It should also be indicated whether items other than the expired items were actually distributed and utilized.

The Department was directed to produce the relevant record to Audit for verification including the letter written by Department to the Ministry of Population Islamabad about receipt of expired items. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

Audit pointed out that the Department had intimated to Audit that the detail as directed by the PAC was being collected from the quarters concerned.

The Committee directed that the Department should produce the requisite record to Audit for verification at the earliest, and a revised working paper should be submitted with full facts of the case. **The para was kept pending.**

## **6. Para No.25: Page 31 – Bogus payment of rent of building involving Rs.370,776**

**14-1-2002:** The Department explained that the office of the District Population Welfare Officer, Okara was shifted from one rented building to another rented building. The owner of the first building had obtained an order for payment of the rent from the Court on the plea that the department had moved out before the expiry of the notice period for vacating the house. The Department had thus to pay double rent for its office accommodation for 3 months. The Committee observed that the officer who ordered shifting of the office during the contract period was responsible for the double payment.

The Department was directed to recover the amount of total payment from the official at fault expeditiously. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

The Department explained that the officer found at fault in the departmental inquiry had retired from service.

The Committee directed that appropriate action/recovery should be completed under the Pension Rules. **The para was kept pending.**

## **7. Para No.30: Page 34 – Recovery of Rs.6,176,811 due to un-authorized use of vehicle by the minister**

**14-1-2002:** The Department explained that a case was initiated against the former Minister in the Anti Corruption Establishment. He was tried and exonerated by the Anti Corruption Court. The Committee directed that certified copy of the judgment of the Court should be forwarded to Audit. Audit was directed to comment whether proper procedure was adopted for enforcing the recovery order. The para was kept pending.

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

Audit pointed out that the Department had not produced the relevant record i.e, log books and the copy of the judgment of the court.

The Department explained that the witnesses had not supported the contention of the Department in the ACE. Now the case was under investigation with the NAB authorities.

The Department was directed to pursue the case with the NAB Authorities and take the action against the persons responsible for delay. **The para was kept pending.**

## **8. Para No.31: Page 34 – Recovery of Rs.207,024 on account of mis-use of vehicles**

**14-1-2002:** The Department explained that the log books were being maintained as per instructions conveyed by Audit. There was no misuse of any vehicle.

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

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

Audit pointed out that the Department had not produced the relevant record so far.

The Department explained that the requisite record was being obtained from the ACE. After receipt, the same would be produced to Audit for verification. **The para was kept pending.**

**9. Para No.32: Page 35 – Loss due to accident of government vehicle No.BNC-6965 amounting to Rs.40,000**

**10-4-2002:** Audit pointed out that the Government sustained a loss of Rs.40,000 due to an accident of vehicle. The Department had neither fixed the responsibility nor lodged the FIR.

The Department explained that an inquiry into the matter was in progress and action would be taken accordingly.

The Committee directed that the Department should finalize the inquiry/action expeditiously and produce the same to Audit and Finance Department.

The Committee further observed that the Department's internal control system apparently needed to be strengthened. **The para was kept pending.**

**10. Para No.33: Page 37 – Non-production of vouched account of advances of Rs.2,173,325**

**10-4-2002:** Audit pointed out that the Department had not so far produced the relevant record of vouched account of Rs.2,173,325.

The Department explained that the relevant record was available and Audit had been requested for spot verification.

The Committee directed that Audit and the Department should complete the process of spot verification within 45 days. **The para was kept pending.**

**11. Para No.36: Page 38 – Irregular drawal of Rs.350,000**

**10-4-2002:** Audit pointed out that cheques were issued to various subordinate offices for the purchase of instruments/equipment. The Department had produced the vouched account of partial amount.

The Department explained that the amount was distributed to RHS Centres for their expenditure. No audit observation was raised by Pakistan Audit Department.

The Department further explained that the complete record along with balance amount was available for verification.

Audit pointed out that complete vouched accounts had still not been produced. Moreover, expenditure had also been incurred on items other than purchase of machinery and equipment.

The Committee directed that complete record should be shown to Audit and necessary action should be initiated in respect of irregularities in this para. **The para was kept pending.**

**12. Para No.37: Page 39 – Misappropriation of stock/store articles worth Rs.74,100 and non-maintenance of main stock/store register**

**10-4-2002:** Audit pointed out that Main Stock Register was either not maintained or was missing since long.

The Department explained that the Stock Register was maintained and available for verification.

The Committee directed that the Department and Audit should complete verification at the earliest. **The para was kept pending.**

**13. Para No.38: Page 41 – Irregular expenditure of Rs.1,798,200**

**14-1-2002:** The Department explained that the equipment was purchased after examination by the Technical Committee and the distribution lists as well as acknowledgement receipts were available.

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

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

The Department explained that in compliance with the PAC directive complete record was produced to Audit.

Audit pointed out that the advance payment had been made to the firm without approval of the Finance Department, which needed regularization.

The Committee directed that the Department should initiate disciplinary action and get the expenditure regularized from the Competent Authority/Finance Department, at the earliest. **The para was kept pending.**

**14. Para No.45: Page 44 – Irregular purchase of typewriter beyond competency**

**10-4-2002:** Audit pointed out that the Department had purchased 8 typewriters beyond competency.

The Department explained that the said typewriters were purchased in two different financial years, from the approved Government Contractors at approved rates. Moreover, the funds were specifically provided for purchase of typewriters, the sanction was made under Sr. No.3(a) and not under 3(b)(xii)(a) of Delegation of Financial Powers Rules, 1990.

Audit, however, pointed out that the Department had not produced a copy of the contract made by the Government with the firm in support of its contention.

The Committee directed that the Administrative Secretary should look into the case to bring the factual position about the competence of the expenditure and existing of rate contract with the firm. **The para was kept pending.**

### **15. Para No.48: Page 46 – Doubtful expenditure of Rs.465,312**

**14-1-2002:** The Department explained that vouched accounts of the expenditure were available.

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

**10-4-2002:** The para was considered in the light of the PAC directive dated 14 January 2002.

The Department explained that the requisite record had been produced to Audit for verification.

Audit pointed out that the record produced by the Department needed detailed examination. After verification of record, the latest position would be placed before the Committee.

**The para was kept pending** with the direction that Audit should verify the record and report at the earliest.



# Services, General Administration and Information Department

## Overview

Total Paras	Civil	Performance
2	2	Report

## Abstract

Status	Decision	Para Nos.	<u>Total</u>	Page Nos.
<b>Paras Pended</b>  2	Paras pended because the Department had not taken satisfactory action.	<b>Civil:</b> 24.4, 24.5  <b>Special Audit Report:</b> Purchase of Beech Jet Air craft 400-A for the Chief Minister Punjab	<b>2</b>	<b>955-960</b>

Discussed on 25 and 26 June 2002

## Paras Pended Civil Audit

### Special Audit Report

**on Purchase of Beech Jet Aircraft-400-A –**

**for the Chief Minister of Punjab in 1994**

**included in the Audit Report for the year 1997-98**

**25-6-2002:** In view of the importance of the items comprising the agenda of the meeting, the Committee had directed the Assembly Secretariat to request the Additional Chief Secretary, being the Principal Accounting Officer of the Department, to make it convenient to attend the meeting personally. However, the Secretary Regulations, S&GAD who had come to represent the Department informed the Committee that the Additional Chief Secretary (ACS) was busy in his office with important official business relating to the appointment of the new Chief Secretary, as the present Chief Secretary was due to retire from service on 28 June 2002.

The Committee observed that the Principal Accounting Officer had not cared to send prior information (in writing or telephonically) to the Chairman, *ad hoc* Public Accounts Committee or the Secretary Assembly about his engagements and had not asked for leave of absence from the meeting. After a short discussion the Committee decided to wait for the arrival of the ACS and suggested to the Secretary Regulations to find out on telephone whether he could appear before the Committee in the later part of the day. After contacting the ACS, the Secretary Regulations informed the Committee that the former could attend the meeting of the PAC on 26 June 2002.

The Committee decided to adjourn the consideration of the business relating to the S&GAD at 9.30 a.m. till 26 June 2002.

**(i) Para No. 24.4: Page 264 of Audit Report for the year 1994-95; Overpayment amounting to Rs.14,690,900**

**(ii) Para No.24.5: Page 265; Recovery of Rs.1,435,500 (US \$ 43,500) Overpaid as ferry charges**

**26-6-2002:** The Committee had decided that Para Nos. 24.4 and 24.5 of the Audit Report for the year 1994-95 and the Special Audit Report on the purchase of Aircraft for the Chief Minister Punjab during 1994 included in the Audit Report for the year 1997-98 would be considered jointly as they related to the same subject.

In its working paper, the Services and General Administration Department had stated the following facts about the purchase of Aircraft by the Punjab Government during 1994:-

1. A technical report was received from the Chief Pilot, VIP Flight that the existing Cessna Aircraft had completed 2200 flying hours out of 3000 hours and it would require major overhaul after the completion of the said limit. The Chief Pilot had made a detailed evaluation report of three Aircrafts i.e. Lear Jet, Cessna Citation and Beech Jet and recommended Beech Jet on the grounds that it provided better comfort, better equipment, handsome warranty and simple maintenance, and was more economical.

2. On the basis of the above mentioned report a summary was submitted to the Chief Minister who approved the purchase of Beech Jet Aircraft 400-A.

3. A contract was signed on 10 April 1994 between Government of the Punjab and M/s Air Hanson Aircraft Sale Limited/Beech Aircraft Corporation USA through their exclusive agents in Pakistan M/s Pakistan General Aviation (Pvt.) Limited for supply of Beech Jet Aircraft against the payment of

US \$ 6,143,414.

4. Under the provision of clause 3.1 of the said agreement it was agreed that a non-refundable amount in Pakistani currency equivalent to US \$ 1.3 million would be paid as down payment immediately and the remaining amount would be paid on monthly installments over a period of 10 years. The Government was bound to pay interest charges @ 6.5% per annum during the first two years and thereafter at the US prime rate, adjusted quarterly. The Government was also required to complete the remaining formalities within 10 days.

5. The S&GAD stated that above mentioned agreement was duly vetted by the Law & Parliamentary Affairs Department.

6. The case was referred to the Bank of Punjab for opening a letter of credit (LC) but the Bank pointed out that letter of credit charges would be quite high. Moreover, the Government would have to pay a huge amount as interest charges if the same was paid over a period of 10 years. The Bank advised that the balance payment should be made in lumpsum. In this way, the Government would save Rs.53.5 million.

7. Keeping in view, the recommendations of the Bank of Punjab and delay on the part of the Federal Government in granting NOC and foreign exchange allocation, the Punjab Government had no alternative except to pay the balance amount in lumpsum equivalent to Pakistani currency through open market which was made to the supplier after getting the approval from the Chief Minister. The provision of clause 3.1 of the contract (which was duly vetted by the Law & Parliamentary Affairs Department) regarding the payment of Bank and other charges incurred in conversion of Pakistani rupee into US \$ was adhered to because in the absence of Foreign Exchange reserves the Government of Punjab had allowed the purchase of currency from the open market operation which was controlled and managed by the licensees of the State Bank of Pakistan. The Department stated that the difference of the amount paid for buying foreign exchange at the market rate instead of the official rate calculated by Audit as Rs.15.081 million was not correct. The actual difference came to Rs.11.19 million.

8. There was no budgetary provision for purchase of a new Aircraft during the year 1993-94. The decision to purchase was made in April 1994. Therefore all releases were made through supplementary grants which was permissible under the Constitution of Islamic Republic of Pakistan. The supplementary grants were subsequently approved by the Provincial Assembly.

9. The Beech Aircraft was ready for delivery on 31 May 1994 and an Acceptance Committee comprising the then Additional Chief Secretary and the Chief Pilot accepted the same at US air port. The Chief Pilot properly inspected and signed the inspection note under the provision of the Purchase Manual. However, the Aircraft was not physically handed over to the Acceptance Team because of non-payment of the balance amount. The Aircraft remained parked there upto October 1994. The same was brought to Pakistan through foreign pilots and it was handed over at Lahore air port on 2 November 1994.

**10.** The Governor's Secretariat approached the Federal government on 25 August 1994 for issuing NOC allocation of foreign exchange and completion of other formalities. The Federal Cabinet Division approved the purchase of the Aircraft on 25 January 1995 at a price of US \$ 6.142 million.

**11.** The new Aircraft was on the strength of governor's fleet which was exempted from custom/import duty etc. under Governor's Salaries, Allowances and Privileges Order 1975.

**12.** Under Section 50(5) of Income Tax Ordinance 1979, Provincial Governments were exempted from tax collection as importers. The position had separately been communicated to the Income Tax Department.

**13.** The payment were made to M/s Air Hansan Air craft Sale Ltd/ Beech Jet Air craft Corporation, USA and receipts/vouchers were issued by M/s Air Hansan which was not a resident of Pakistan.

**14.** Additional payments amounting to Rs.26,693,383 were made without any provision in the agreement because the Aircraft was ready for delivery on 31 May 1994 and had been accepted by the Acceptance Committee but the balance amount was paid quite late which was due to non-issuance of NOC and foreign exchange allocation by the Federal government in time. These charges related to Aircraft storage, handling and maintenance charges (US \$ 240,500), interest charges and capital loss (US \$ 344,939), fuel paid (US \$ 4862), insurance charges in USA (US \$ 21,904), crew training/accommodation (US \$ 50,738), fuel for training in USA (US \$ 2,560), cost of ferry pilots (US \$ 48,000) and Insurance charges in Pakistan (US \$ 88,256), VIP Flight crew totaling US \$ 801,753 equivalent to Pakistani Rs.26,000,849 in addition further charges on account of VIP Flight crew air fare Rs.165,000 and accommodation charges of foreign crew Rs.527,433. Thus the total extra payment came to Rs.26,693,283.

**15.** All the above mentioned payments were made after submitting bills to Accountant General Punjab who while making payment of these bills did not raise any objections at any stage.

**16.** The Cessna Aircraft was subsequently put on sale but because of lower price offered, it was not disposed of. Both aircrafts were being maintained and operated for use by Governor's Secretariat for use by Governor, Chief Minister and other VVIPs. The Government of the Punjab had, however, recently decided to charter the Cessna and Beech Jet Air crafts for private parties on payment basis.

**17.** In addition to the submission made in the working papers, the S&GAD informed the Committee that:-

- (i) Since no separate rules had been prescribed by the Government of the Punjab for purchase, maintenance and use of the Aircrafts in the VIP Fleet, the provisions of the Purchase Manual would apply to the purchase of the Aircraft and the maintenance and use of the Aircraft would be regulated by the same provisions as prescribed by Civil Aviation Authority.

(ii) On the basis of purchase of the above mentioned Beech Jet Air craft, a case against Mian Manzoor Ahmad Wattoo, the then Chief Minister of Punjab, was pending with National Accountability Bureau.

(iii) As the case was already pending with National Accountability Bureau, it might be dropped from the agenda of the Public Accounts Committee.

The Special Audit Report on purchase of Beech Jet Air craft 400-A for Chief Minister Punjab contained the following major findings:-

1. There was no immediate or actual need for the purchase of a new Aircraft.
2. The procedure, codal formalities, rules and regulations were irregularly relaxed or circumvented.
3. Rs.225.882 million were provided as supplementary grant to facilitate the purchase.
4. US dollars were purchased from open market instead of through banking channels as provided in the agreement. It caused a loss of Rs.15.081 million to the public exchequer and;
5. The Government sustained a further loss of Rs.112.000 million by paying local taxes. It was due to the agreement, which was disadvantageous to the interests of the State.

In its latest comments, Audit had pointed out that:-

(i) The Chief Minister was not empowered to sanction the replacement of existing Cessna Aircraft which was on the strength of the Governor's fleet.

(ii) The execution of the agreement, the acceptance of the Aircraft at US air port, the arrival of the Aircraft at Lahore air port had been made before the approval of the purchase and NOC of the Federal Government.

(iii) Payment in Pakistani rupees for commission into US dollars from open market was made before approval, NOC and foreign exchange allocation from the Federal Government.

(iv) Receipts/vouchers/bills regarding purchase of US dollars from the open market had not been produced to Audit.

(v) Vouchers/bills for payment of insurance premium were not produced to Audit.

(vi) Approval of the supplementary grant duly approved by the legislature was not produced to Audit.

(vii) No proof regarding custom clearance etc. was



produced to Audit.

(viii) The Chief Minister was not empowered to relax financial rules or regulations.

(ix) A valuation report of Chief Pilot regarding Cessna was not produced to Audit.

(x) The exemption certificate from Income Tax Department had not been produced to Audit.

(xi) The contention of the Department that overpayment of Rs.15.081 million incurred in conversion of Pakistani rupees into US dollars was covered by clause 3.1 of the contract was not acceptable to Audit.

(xii) The contention of the Department that the government had to pay extra charges on account of handling and maintenance of the Aircraft interest charges and capital charges due to non-issuance of NOC and foreign exchange allocation by the Federal Government well in time was not based on facts because the execution of the agreement and acceptance of Aircraft had been made earlier than the date of making reference to the Federal Government for NOC and foreign exchange allocation.

(xiii) The Department had not produced any technical report or aeronautical engineer for declaring the Cessna Aircraft outdated and not operationable in near future and needed replacement.

(xiv) Only one sanction had been made in relaxation of rules/procedure and codal formalities whereas no relaxation was produced for sanction of other payments.

The Committee discussed the matter at length and observed that the Committee had been authorized to examine the appropriation accounts and other accounts of the Government of the Punjab and the reports of the Auditor General thereon. It had also been laid down in the charter of its duties that in scrutinizing the appropriation accounts and other accounts of the Government and the Audit Reports including special audit reports and performance Audit Report of the Auditor-General of Pakistan, it shall be the duty of the Committee to satisfy itself that the moneys shown in the accounts as having been disbursed were legally available for and applicable to the service or purpose for which they had been applied or charged, that the expenditure conformed to the authority which governed it, that every re-appropriation had been made in accordance with the provision made in this behalf under the rules framed by the Finance Department and that the money shown in the Accounts was spent with due regard to regularity, propriety, economy, efficiency and effectiveness. As such the scope of inquiry by the PAC was different from the scope of inquiry at any other forum. Therefore, the Committee would examine the matter in accordance with the charter of its duties.

The Committee directed that the Additional Chief Secretary should arrange the production of all the requisite record from all the relevant departments including the Governor's Secretariat and Audit was directed to complete



its scrutiny and offer its comments within one month to the Public Accounts Committee. **Audit paras and the Special Audit Report were kept pending.**

# Transport Department

## Overview

Total Paras	Commercial	Revenue Receipts
10	1	9

## Abstract

Status	Decision	Para Nos.	Total	Page Nos.
<b>Paras Finally Settled</b>  <b>1</b>	The poara was finally settled as the requisite action had been taken.	<b>Commercial:</b> 3(xxv)	<b>1</b>	<b>965</b>
<b>Paras Conditionally Settled</b>  <b>9</b>	Paras settled with the direction that the Department shall implement the directives of the Committee and the Finance Department shall monitor the same. Both the Departments shall report compliance to the Public Accounts Committee every six months.	<b>Revenue Receipts:</b> 5.1(4719, 4804, 4840, 4874, 4875, 4782, 4783, 4784, 4785)	<b>9</b>	<b>965</b>

Discussed on 3 December 2001

## Paras Finally Settled

## Commercial Audit

**1. Para No.3(XXV): Page 8 – Punjab Road Transport Corporation Pvt. Ltd., Lahore (Defunct) Non compilation of accounts**

**3-12-2001:** Audit reported that the Accounts of the PRTC upto the year 1999-2000 had since been submitted to Audit. **The para was settled.**

Paras Conditionally Settled

## Revenue Receipts

### **1. Para No. 5.1: Page 35 – Non-realization of government revenue on account of non-renewal of route permits – Rs.1,539,484**

- (i) **PDP No.4804: Secretary R.T.A, Gujranwala – Rs.57,600**
- (ii) **PDP No.4840: Secretary R.T.A, Bahawalpur – Rs.339,950**
- (iii) **PDP No.4874: Secretary R.T.A, Lahore – Rs.244,984**
- (iv) **PDP No.4875: Secretary R.T.A, Lahore – Rs.244,984**
- (v) **PDP No.4782: Secretary R.T.A, Rawalpindi – Rs.866,550**
- (vi) **PDP No.4783: Secretary R.T.A, Rawalpindi – Rs.866,550**
- (vii) **PDP No.4784: Secretary R.T.A, Rawalpindi – Rs.866,550**
- (viii) **PDP No.4785: Secretary R.T.A, Rawalpindi – Rs.866,550**
- (ix) **PDP No.4719: Secretary R.T.A, Faisalabad – Rs.69,500**

**3-12-2001:** The Department explained that record of the route permits involved in this para was being got verified by Audit and action in each case would be taken accordingly.

The Department further informed the Committee that an amendment in the relevant law had also been proposed and sent to the Law & Parliamentary Affairs Department for further action.

During discussion regarding PDP 4783 it transpired that the Route Permit fee was enhanced w.e.f. 22 July 1996, but the notification was published in the official gazette dated 4 September 1996. The Committee observed that the notification could have been issued promptly in the Extraordinary Gazette. The Committee directed that the matter should be inquired into, and disciplinary action should be taken against the offices/officials responsible for delay in the publications of the enhanced rates.

The Committee directed that case-wise scrutiny and verification should be completed expeditiously and action taken for recovery of the government dues from the persons concerned. The Committee observed that Finance Department may monitor further progress on the directions of the PAC in this case. Subject to this direction, **the para was settled.**

# Annexure

## GOVERNMENT OF THE PUNJAB FINANCE DEPARTMENT

### NOTIFICATION

**Dated: Lahore the 20 October 2000**

**No.FD/Acctts:/(A&A)/V-7/69.** In exercise of the powers conferred upon him under the order of the Chief Executive of Pakistan contained in letter No.1(74)SO(C-2)/2000 dated 31st July 2000 read with Article 2 of the Powers and Functions of the Governors Order 19 (No.5 of 1999), the Governor of the Punjab is pleased to constitute, until further orders, an ad hoc Public Accounts Committee for examining the appropriation and other accounts of the Government of the Punjab and the reports of the Auditor General thereon and for dealing with the unfinished business of the Standing Committees on Public Accounts of the Provincial Assembly of the Punjab suspended on the twelfth day of October 1999, consisting of the following namely:

- |  |        |
|--|--------|
| 1. Mr Aftab Ahmad<br>(Retd. Secretary C&W)   | Member |
| 2. Mr Ahmad Raza Khan<br>(Retd. Addl. Secretary)                                   | Member |
| 3. Mr Ali Kazim, Advocate<br>(Retd. Civil Servant)                                 | Member |
| 4. Ch Muhammad Aslam<br>(Retd. Provincial Secretary)                               | Member |
| 5. Prof. (R) Dr Ejaz Ahsan<br>(Retd. Principal KEMC)                               | Member |
| 6. Prof. (R) Dr Khalid Hameed Sheikh<br>(Retd. Vice Chancellor, Punjab University) | Member |
| 7. Mian Abdul Qayyum<br>(Retd. Federal Secretary)                                  | Member |
| 8. Mr Muhammad Ahmad Bhatti<br>(Retd. Provincial Secretary)                        | Member |
| 9. Major General (Retd) Muhammad Akram<br>461-CC, Phase IV, DHA, Lahore            | Member |
| 10. Mr Muzaffar Mahmood Qureshi<br>(Retd. Federal Secretary)                       | Member |
| 11. Mr Riaz Hussain Bokhari,<br>(Retd. Auditor General of Pakistan)                | Member |

2. Mr Riaz Hussain Bokhari, will act as Chairman of the ad hoc Public Accounts Committee, until further orders.

3. (1) In scrutinizing the appropriation and other accounts of the government and the reports, including special audit reports and performance audit reports of the Auditor General of Pakistan thereon, it shall be the duty of the ad hoc Public Accounts Committee, hereinafter referred to as Committee, to satisfy itself:

- (a) that the moneys shown in the accounts as having been disbursed were legally available for and applicable to, the service or purpose to which they have been applied or charged.
- (b) that the expenditure conforms to the authority which governs it.
- (c) that every re-appropriation has been made in accordance with the provisions made in this behalf under the rules framed by the Finance Department.
- (d) that the money shown in the accounts was spent with due regard to regularity, propriety, economy, efficiency and effectiveness.

(2) It shall also be the duty of the Committee:-

- (a) to examine the statement of accounts showing the income and expenditure of state corporations, trading and manufacturing schemes, concerns and projects together with the balance sheets and statements of profit and loss accounts which the Governor may have required to be prepared or are prepared under the provisions of the statutory rules regulating the financing of a particular corporation, trading of manufacturing scheme or concern or project and the report of the Auditor General of Pakistan thereon;
- (b) to examine the statement of accounts showing the income and expenditure of autonomous and semi-autonomous bodies, the audit of which may be conducted by the Auditor General of Pakistan either under the directions of the Governor or under an Act of Assembly; and
- (c) to consider the report of the Auditor General of Pakistan in case where the Governor may have required him to conduct the audit of any receipts or to examine the accounts of stores and stocks.

(3) If any money has been spent on any service during a financial year in excess of the authorized grant or appropriation for that purpose, the Committee shall examine with reference to the facts of each case the circumstance leading to such an excess and make such recommendations as it may deem fit.

4. The Committee will make arrangements for clearance of backlog of audit reports passed on to it as unfinished business of the aforesaid Standing Committees of the Provincial Assembly. Recommendations of the Committee shall be submitted for final approval to the Minister for Finance Punjab within one year positively.

5. The recommendations made by the aforesaid Standing Committees of Provincial Assembly of the Punjab in the finalized reports for the previous years shall be submitted by the Committee to the Finance Minister for approval. The Committee shall also oversee implementation of its approved recommendations.

6. The Provincial Assembly Secretariat will function as the Secretariat of the Ad hoc Public Accounts Committee.

*Sd/-*  
(M. AKRAM MALIK)  
Secretary to Government of the Punjab  
Finance Department

**No. FD/Accts:/(A&A)/V-7/69**

**Dated Lahore the, 20th October 2000**

Copy forwarded for information to:-

- 1) All Administrative Secretaries to Government of the Punjab.
- 2) All Heads of Departments in the Punjab.
- 3) Secretary, Provincial Assembly of the Punjab, Lahore.

*Sd/-*  
(Muhammad Anwar Cheema)  
Under Secretary (M-1)  
Government of the Punjab  
Finance Department

**No. FD/Accts:/(A&A)/V-7/69**

**Dated Lahore the, 20th October 2000**

Copy forwarded for information to the:-

- 1) Auditor General of Pakistan, Constitution Avenue, Islamabad.
- 2) Accountant General, Punjab, Lahore.
- 3) Director General, Audit (Works), Punjab, Lahore.
- 4) Director General, Audit, Punjab, Lahore.
- 5) Director General, Commercial Audit, Lahore.
- 6) Director General, Revenue Receipt Audit, Punjab, Lahore.
- 7) Director General, Accounts (Works), Lahore.

*Sd/-*  
(Muhammad Anwar Cheema)  
Under Secretary (M-1)  
Government of the Punjab  
Finance Department



**No. FD/Acctts:/(A&A)/V-7/69**

**Dated Lahore the, 20th October 2000**

A copy is forwarded to the Superintendent Government Printing Punjab, Lahore, for publication in the Punjab Gazette and for supplying 10 printed copies to this Department for record.

*Sd/-*  
**(Muhammad Anwar Cheema)**  
**Under Secretary (M-1)**  
**Government of the Punjab**  
**Finance Department**

## Annexure-II

# THE PUNJAB ADHOC PUBLIC ACCOUNTS COMMITTEE (COMPOSITION AND FUNCTIONS) ORDINANCE, 2002

**Punjab Ordinance No. XLV of 2002**

**Dated August 21, 2002**

*An Ordinance to provide for the constitution of an Adhoc Public Accounts Committee*

**Whereas** it is expedient to provide for the constitution of an Adhoc Public Accounts Committee for examining the appropriation and other accounts of the Government of the Punjab, the reports of the Auditor General of Pakistan thereon, and for dealing with the unfinished business of the defunct Standing Committee on Public Accounts of the dissolved Provincial Assembly of the Punjab;

**And whereas** the Provincial Assembly of the Punjab is dissolved and the Governor is satisfied that circumstances exist which render it necessary to take immediate action;

**And whereas** under Article 4 of the Provisional Constitution (Amendment) Order No.9 of 1999, as amended by the Chief Executive Order No.11 of 2000, the Governor of a Province may issue and promulgate an Ordinance;

**Now, therefore,** in exercise of the aforesaid powers and all other powers enabling him in that behalf, the Governor of the Punjab is pleased to make and promulgate the following Ordinance:-

**1. Short title and commencement.**— (1) This Ordinance may be called the Punjab Adhoc Public Accounts Committee (Composition and Functions) Ordinance, 2002.

(2) It shall come into force at once and shall be deemed to have taken effect from the twentieth

day of October, 2000.

**2. Definitions.**— In this Ordinance, unless there is anything repugnant in the subject or context—

- (a) “Auditor General” means the Auditor General of Pakistan;
- (b) “Chairman” means the Chairman of the Committee;
- (c) “Committee” means the Punjab Adhoc Public Accounts Committee constituted under this Ordinance;
- (d) “defunct committee” means the Standing Committee on Public Accounts of the Provincial Assembly of the Punjab having since been dissolved;
- (e) “Government” means the Government of the Punjab;
- (f) “Governor” means the Governor of the Punjab; and
- (g) “member” means a member of the Committee.

**3. The Committee.**— (1) Subject to sub-section (2), there shall be an Adhoc Public Accounts Committee consisting of not more than eleven members including two female members. All the members shall possess such qualifications as the Governor may determine.

(2) The members of the Committee shall be appointed by the Governor on such terms and conditions as he may determine. One of the members shall be nominated by the Governor to be the Chairman of the Committee.

**4. Terms of Office.**— (1) A member shall hold office during the pleasure of the Governor.

(2) The Chairman or a member may, by writing under his hand addressed to the Governor, resign his office.

**5. Procedure.**— (1) Except as otherwise provided, the Committee shall regulate its own procedure.

(2) The quorum to constitute a sitting of the Committee shall be four including the Chairman or the member for the time being presiding the meeting.

(3) All questions at a sitting of the Committee shall be determined by majority of the members present and voting. In the event of equality of votes, the Chairman shall have a casting vote.

(4) The Committee may appoint one or more sub-committees to examine any matter that may be referred to them, and the sub-committee shall report the matter with its

recommendations to the Committee.

**6. Functions.**– (1) The Committee shall examine the accounts showing the appropriation of sums granted for the expenditure of Government, the Annual Finance Accounts of Government, the reports of the Auditor General, and such other matters as the Governor may refer to it.

(2) In scrutinising the appropriation and other accounts of Government and the reports of the Auditor General thereon, it shall be the duty of the Committee to satisfy itself–

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

(b) that the expenditure conforms to the authority which governs it; and

(c) that every re-appropriation has been made in accordance with the provisions made in this behalf under the rules framed by Government.

(3) It shall be the duty of the Committee–

(a) to examine the statement of accounts showing the income and expenditure of corporations, trading and manufacturing schemes, concerns and projects under Government or in the public sector, together with the balance sheets and statements of profit and loss accounts which the Governor may have required to be prepared or are prepared under the provisions of the law or rules regulating the financing of a particular corporation, trading or manufacturing schemes or concern or project, and the report of the Auditor General thereon’;

(b) to examine the statement of accounts showing the income and expenditure of autonomous and semi-autonomous bodies, the audit of which may be conducted by the Auditor General either on the request of the Governor or under a statute; and

(c) to consider the report of the Auditor General in cases where the Governor may have asked him to conduct the audit of any receipts or to examine the account of stores and stocks.

(4) If any money has been spent on any service during a financial year in excess of the authorized grant or appropriation for that purpose, the Committee shall examine with reference to the facts of each case the circumstances leading to such an excess and made such recommendations as it may deem fit.

**7. Reports of the Auditor General.**– The Auditor General shall submit his reports relating to the accounts of the Province to the Governor who shall refer the report to the Committee for consideration.

**8. Recommendations.**– The Committee shall examine the reports and submit its recommendations for final approval by the Governor. The Secretariat of the Provincial Assembly of Punjab shall oversee implementation of the recommendations approved by the Governor.

**9. Secretariat.**— The Secretariat of the Provincial Assembly of the Punjab shall function as the Secretariat of the Committee.

**10. Overriding effect.**— This Ordinance shall have effect notwithstanding anything contained in any other law for the time being in force.