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## P R E F A C E

The Appropriation Accounts, Finance accounts and Audit Report for the year 1999-2000 (comprising the following volumes) were initially referred by the Governor to the ad hoc Public Accounts Committee on 9 Feb 2002:-

1. Appropriation Accounts
2. Finance Accounts
3. Audit Report Vol-I (Civil Departments)
4. Audit Report Vol-II (Works Departments)
5. Audit Report Vol-III (Revenue Receipts Departments)
6. Audit Report Vol-IV (Public Sector Enterprise and Zakat Fund)
7. Audit Report Vol-V Performance Audit Reports, Subject Study Report and Special Audit Reports

On the constitution of the Provincial Assembly of the Punjab w.e.f. 25 November 2002, the ad hoc Public Accounts Committee ceased to exist. The present Public Accounts Committee-II comprising the following members was constituted on 6-8-2003 :

- |    |                                                                                   |                   |
|----|-----------------------------------------------------------------------------------|-------------------|
| 1. | Mr Asif Saeed Khan Manais, MPA (PP-238)                                           | Chairman          |
| 2. | Sardar Hasnain Bahadur Dreshak,<br>Minister for Finance, Government of the Punjab | ex-officio Member |
| 3. | Makhdoom Syed Iftikhar Hassan Gillani, MPA (PP-267)                               | Member            |
| 4. | Mr Najaf Abbas Sial, MPA (PP-83)                                                  | Member            |
| 5. | Sardar Dildar Ahmed Cheema, MPA (PP-61)                                           | Member            |
| 6. | Sardar Muhammad Rafique Ahmad, MPA (PP-107)                                       | Member            |
| 7. | Ch. Mumtaz Hussain, MPA (PP-229)                                                  | Member            |
| 8. | Malik Zulqarnain Dogar, MPA (PP-172)                                              | Member            |
| 9. | Sheikh Amjad Aziz (upto 17 Feb 2004)                                              | Member            |
| 10 | Syed Mujahid Ali Shah, MPA (w.e.f. 20-09-2004)(PP-206)                            | Member            |
| 11 | Ch Muhammad Shafique Anwar, MPA (PP-296)                                          | Member            |
| 12 | Makhdoom Syed Muhammad Mukhtar Hussain, MPA (PP-212)                              | Member            |
| 13 | Mr Muhammad Ishaq Bucha, MPA (PP-198)                                             | Member            |
| 14 | Raja Muhammad Shafqat Khan Abbasi, Advocate, MPA (PP-1)                           | Member            |
| 15 | Mr Tanvir Ashraf Kaira, MPA (PP-112)                                              | Member            |

Through a motion in the House the unfinished work of ad hoc Public Accounts Committee in

respect of Audit Report 1999-2000 was referred to PAC-II on 5 August 2003. On the expiry of the initial period of one year for submission of report of PAC-II to the Assembly, the time was extended upto 4 August 2005 and again upto 4 August 2006. During this period the Committee held 99 meetings for examination of the Appropriation Accounts and Audit Report for the year 1999-2000. The Committee also appointed six Sub Committees, from time to time, for detailed examination of certain paras of the Audit Report.

This report of the Public Accounts Committee-II on the Appropriation Accounts and Audit Report for the year 1999-2000 is comprised of the deliberations and recommendations recorded in the minutes of the above mentioned meetings of the Committee, and is presented to the Provincial Assembly of Punjab under rule 178 read with rule 166(2)(C) of the Rules of procedure of the Provincial Assembly of the Punjab, 1997.

*Dated Lahore, the  
February 2007*

*(Asif Saeed Khan Manais)  
Chairman  
Public Accounts Committee-II*

<b>GRANTS FINALLY SETTLED</b>				
<b>Grant No. &amp; Title</b>	<b>Final Grant (Rs)</b>	<b>Actual Expenditure (Rs)</b>	<b>Excess/Saving (Rs)</b>	<b>Remarks</b>
<b>1-Opium</b>	951,000	902,348	(-)48,652 (5.12%)	Minutes dated 28.04.2004 issued vide letter No.PAP/ PAC-II/2003/06/5435 dated 21 July 2004
<b>2-Land Revenue</b>	491,862,000	487,178,248	(-)4,683,752 (0.95%)	Minutes dated 25.09.2003 issued vide letter No.PAP/ PAC-II/2003/06/9546 dated 25 October 2003
<b>3-Provincial Excise</b>	71,353,000	68,255,349	(-)3,097,651 (4.34%)	Minutes dated 28.04.2004 issued vide letter No.PAP/ PAC-II/2003/06/5435 dated 21 July 2004
<b>4-Stamps</b>	36,613,000	37,655,234	(+)1,042,234 (2.85%)	Minutes dated 25.09.2003 issued vide letter No.PAP/ PAC-II/2003/06/9546 dated 25 October 2003
<b>6-Registration</b>	10,616,000	10,235,228	(-)380,772 (3.58%)	Minutes dated 25.09.2003 issued vide letter No.PAP/ PAC-II/2003/06/9546 dated 25 October 2003
<b>7-Charges on Account of Motor Vehicle Acts</b>	44,337,000	39,633,660	(-)4,703,340 (10.61%)	Minutes dated 31.07.2002,28.04.2004, 31.12.2004 issued vide letter No. PAC(3)/96-97/97- 98/98-99/99- 2000/2002/10/25 dated 17 September 2002 letter No.PAP/PAC- II/2003/06/5435 dated 25 July 2004 letter No.PAP/PAC- II/2003/06/1902 dated 22 March 2005

<b>11-Administration of Justice</b>	<b>Charged</b>	197,798,000 <b>197,798,000</b>	194,710,148 <b>194,387,003</b>	(-)3,087,852 (1.56%) <b>(-)3,410,997*</b> (1.72%)	Minutes dated 22.07.2002, 15.07.2002, 17.04.2004, 19.04.2004 issued vide letter No. PAC(3)/97-98/98-99/99-2000/2002/8793 dated 28 August 2002 letter No. PAC(3)/97-98/ 98-99/99-2000/2002/8656 dated 21 August 2002 letter No. PAP/PAC-II/2003/06/5433 dated 21 July 2004
	<b>Voted</b>	487,500,000 <b>487,500,000</b>	472,076,241 <b>472,399,386</b>	(-)15,423,759 (3.16%) <b>(-)15,100,614*</b> (3.0%)	
<b>12-Jails and Convicts Settlements</b>		686,908,000	668,877,834	(-)18,030,166 (2.62%)	Minutes dated 26.01.2005 issued vide letter No. PAP/PAC-II/2003/06/1719 dated 15 March 2005
<b>13-Police</b>		7,310,229,000 <b>7,300,229,000</b>	7,456,461,859 <b>7,456,461,859</b>	(+)146,232,859 (2.00%) <b>(+)156,232,859*</b> (2.1%)	Minutes dated 17.12.2003 and 28.08.2004 issued vide letter No.PAP/PAC-II/2003/06/3605 dated 20 May 2004 letter No. PAP/PAC-II/2003/06/8263 dated 03 November 2004
<b>14-Museums</b>		9,336,000 <b>9,125,000</b>	9,299,344 <b>9,124,548</b>	(-)58,640 (0.63%) <b>(-)452*</b> (0.00%)	Minutes dated 18.12.2004 issued vide letter No.PAP/PAC-II/2003/06/1485 dated 03 March 2005

<b>15-Education</b>	26,123,864,000	22,898,947,082	(-)3,328,543,660 (12.74%)	Minutes dated 10.07.2002, 20.11.2003,30.07.2004 16.05.2005, issued vide letter No.PAC(3)/ 99-2000/2002/8540 dated 15 August 2002 letter No.PAP/PAC-II/2003/06/2836 dated 14 April 2004 letter No.PAP/PAC-II/2003/06/744 dated 02 October 2004 letter No.PAP/PAC-II/2003/06/Vol-II/383 dated 16 July 2005
	<b>26,123,864,000</b>	<b>22,904,191,074</b>	<b>(-)3,219,672,926*</b> (12.32%)	

<b>18-Agriculture</b>	1,722,651,000	1,707,682,469	(-)14,968,531 (0.87%)	Minutes dated 16.09.2003, issued vide letter No.PAP/PAC- II/2003/06/9534 dated 24 October 2005
<b>19-Fisheries</b>	98,256,000	99,275,799	(+)1,019,799 (1.04%)	Minutes dated 31.07.2004, issued vide letter No.PAP/PAC- II/2003/06/8231 dated 01 November 2004
<b>20-Veternary</b>	794,395,000	772,254,043	(-)22,140,957 (2.79%)	Minutes dated 19.11.2004, issued vide letter No.PAP/PAC- II/2003/06/753 dated 02 February 2005
<b>25-Communication</b>	1,610,654,000	1,548,079,891	(-)62,574,109 (3.89%)	Minutes dated 17.05.2004, issued vide letter No.PAP/PAC- II/2003/06/5728 dated 02 August 2004
<b>26-Housing &amp; Physical Planning</b>	110,353,000	106,631,426	(-)3,721,574 (3.37%)	Minutes dated 29.03.2004, issued vide letter No.PAP/PAC- II/2003/06/4910 dated 30 June 2004

<b>27-Releif</b>	109,630,000	107,067,270	(-)2,562,730 (2.34%)	Minutes dated 25.09.2003, issued vide letter No.PAP/PAC- II/2003/06/9546 dated 25 October 2003
<b>28-Pensions</b>	7,540,000,000	7,862,130,516	(+)322,130,516 (4.27%)	Minutes dated 19.11.2003, issued vide letter No.PAP/PAC- II/2003/06/2835 dated 14 April 2004
<b>30-Subsidies</b>	4,500,000,000	3,500,000,000	1,000,000,000 (22.22%)	Minutes dated 29.07.2002, issued vide letter No.PAC(3)/97-98/ 2002/10017 dated 10 September 2002

<b>32-Civil Defence</b>		35,654,000	35,328,086	(-)325,914 (0.95%)	Minutes dated 17.12.2003, issued vide letter No. PAP/ PAC- II/2003/ 06/3605 dated 20 May 2004
<b>33-State Trading in Food Grain &amp; Sugar</b>	<b>(Charged)</b>	1,219,610,000	304,282,870	(-)915,327,130 (75.5%)	Minutes dated 29.07.2002, issued vide letter No.PAC (3)/97- 98/2002 /10017 dated 10 September 2002
	<b>(Voted)</b>	28,697,060,000	47,210,836,835	(+)18,513,776,835 (64.5%)	
<b>34-State Trading in Medical Stores &amp; Coal</b>		323,276,000	317,638,164	5,637,836 (1.74%)	Minutes dated 22.07.2002, issued vide letter No.PAC(3) /99- 2000/2002/8793 dated 28 August 2002

<b>35-Loans to Government Servants</b>		47,500,000	47,407,010	(-)92,990 (0.20%)	Minutes dated 19.11.2003, issued vide letter No. PAP/PAC-II/ 2003 /06/2835 dated 14 April 2004
<b>38-Agriculture &amp; Research (Dev)</b>		46,165,000	44,405,880	(-)1,759,120 (3.81%)	Minutes dated 16.09.2003, issued vide letter No.PAP/PAC-II/ 2003/06/9534 dated 24 October 2005
<b>40-Town Development</b>		102,100,000	29,978,413	(-)72,121,587 (70.64%)	Minutes dated 29.03.2004, issued vide letter No.PAP/PAC- II/2003/06/4910 dated 30 June 2004
<b>Permanent Debt</b>		78,617,000	78,516,500	(-)101,000 (0.13%)	Minutes dated 19.11.2003, issued vide letter No.PAP /PAC- II/2003/06 2835 dated 14.4 04
<b>Repayment of Loans From the Federal Government</b>		3,397,058,000	3,396,400,444	(-)657,556 (0.02%)	Minutes dated 19.11.2003, issued vide letter No.PAP/PAC- II/2003/06/2835 dated 14 April 2004
<b>Nil-Interest on Debt and Other Obligations</b>		14,811,349,000	14,743,095,382	(-)68,253,618 (0.43%)	Minutes dated 19.11.2003, issued vide letter No.PAP /PAC- II/2003/06/2835 dated 14 April 2004

<b>Privy Purses</b>	1,600,000	0	1,600,000 (100%)	Minutes dated 28.07.2005, issued vide letter No. PAP /PAC-II/2003/ 06/ Vol-II/1106 dated 01 September 2005
	<b>1,600,000</b>	<b>1,200,000</b>	<b>(-)400,000* (25%)</b>	
<b>Nil-Floating Debt</b>	20,386,685,000	17,907,000,000	(-)479,685,000 (12.16%)	Minutes dated 29.07. 2002, issued vide letter No .PAC (3)/99-00/02/ 10017 dated 10-9-02

**\*After Reconciliation**

<b>GRANT SETTLED SUBJECT TO REGULARIZATION BY FINANCE DEPARTMENT</b>				
<b>Grant No. &amp; Title</b>	<b>Final Grant (Rs)</b>	<b>Actual Expenditure (Rs)</b>	<b>Excess/Savings (Rs)</b>	<b>Remarks</b>
05-Forest	484,372,000	472,553,700	(-)11,818,300 (2.44%)	Minutes dated 01.07.2002, issued vide letter No.PAC(3)/97-98/99-2000/2002/8124 dated 24 July 2002
16-Health	7,500,914,000	6,177,824,000	(-)1,323,089,104 (17.64%)	Minutes dated 22.07.2002, issued vide letter No.PAC(3)/97-98/99-2000/2002/8793 dated 28 August 2002
21-Cooperation	168,114,000	167,315,952	(-)798,048 (0.47%)	Minutes dated 09.07.2002, issued vide letter No.PAC(3)/99-2000/2002/8540 dated 15 August 2002

The following grants were partly settled/kept pending mainly due to the reason that reconciliation of figures was not carried out by the administrative departments.

<b>GRANTS PARTLY SETTLED/PENDING</b>				
<b>Grant No. &amp; Title</b>	<b>Final Grant (Rs)</b>	<b>Actual Expenditure (Rs)</b>	<b>Excess/Savings (Rs)</b>	<b>Remarks</b>
<b>8-Other Taxes and Duties</b>	107,764,000	107,313,654	450,346 (0.42%)	Minutes dated 28.04.2004 issued vide letter No.PAP /PAC-II/2003/06/ 5435 dated 21. July 2004



<b>9-Irrigation &amp; Land Reclamation</b>		5,174,508,000	3,067,837,142	(-)2,106,670,858	Minutes dated 16.02.2004, 29.04.2004 issued vide letter No. PAP /PAC-II/2003 /06 /4907 dated 30 June 2004,letter No. PAP/ PAC-II/2003/06/5435 dated 21 July 2004
<b>10-General Administration</b>	<b>Charged</b>	71,499,000	71,061,847	(-)437,153 (0.61%)	Minutes dated 29.03.2004,31.01.2005 issued vide letter No. PAP/ PAC-II/ 2003/06/ 2836 dated 21 July 2004, letter No. PAP PAC-II/2003 /06/5435 dated 21 July 2004
	<b>Voted</b>	3,727,247,000	5,593,311,483	(+)1,866,064,483 (5.07%)	
<b>17-Public Health</b>		548,297,000	447,794,298	(-)100,502,702 (18.33%)	Minutes dated 29.12.2004 & 31.08.2005 issued vide letter No. PAP/ PAC-II/2003 /06/Vol-II/2780 & 4285 dated 25.04 2005 and13.01.06
<b>22-Industries</b>		970,362,000	929,655,828	(-)40,706,172 (1.19%)	Minutes dated 16.03.2004 issued vide letter No.PAP / PAC-II/2003 /06/ 5133 dated 10.7.04

<b>23-Miscellaneous</b>	593,399,000	390,925,856	(-)202,473,144 (34.12%)	Minutes dated 17.12.2004,18.12.2004 issued vide letter No.PAP/ PAC-II/2003/ 06/1249 dated 22 Feb 2005 letter No.PAP/PAC-II/2003 /06/1485 dated 03 March 2005
<b>24-Civil Works</b>	1,365,100,000	907,334,655	457,765,345 (33.14%)	Minutes dated 16.02.04 & 29.03.04, issued vide letter No.PAP/PAC-II/2003/ 06/4907 dated 30 June 2004 letter No.PAP / PAC-II/2003/ 06/ 4910 dated 30 June 2004

<b>29-Stationary &amp; Printing</b>	90,915,000	58,307,451	(-)32,607,549 (35.87%)	Minutes dated 16.03.2004,25.09.2003, issued vide letter No. PAP/PAC-II/2003/ 06/5133 dated 10 July 2004 letter No.PAP/PAC- II/2003/ 06/9546 dated 25 October 2003
<b>31- Miscellaneous</b>	10,169,562,000	10,037,282,967	(-)132,279,033 (1.30%)	Minutes dated 28.07.005,31.01.2005 issued vide letter No.PAP/ PAC-II/2003/ 06/Vol- II/1106 dated 01 September 2005 letter No.PAP/PAC- II/2003/06/1902 dated 22 March 2005
<b>36-Development</b>	8,799,376,000	9,831,379,921	(+)1,032,003,921 (11.73%)	Minutes dated 28.07.2005,27.04.2004 issued vide letter No. PAP/PAC-II/2003/06/ Vol-II/1106 dated 01 September 2005 letter No.PAP/PAC- II/2003/06/7441 dated 02 October 2004

<b>37-Irrigation Works</b>	1,437,033,000	1,430,781,244	(-)6,251,756 (0.44%)	Minutes dated 16.02.2004,29.04.2005 issued vide letter No.PAP/ PAC-II/2003/ 06 /4907 dated 30 June 2004 letter No.PAP/PAC-II/ 2003/06/344 dated 15 7. 2005
<b>41-Roads &amp; Bridges (Development)</b>	4,268,548,000	2,009,811,903	(-)2,258,738,097 (52.92%)	Minutes dated 17.05.2004, issued vide letter No.PAP/ PAC-II/ 2003/06/5728 dated 02 August 2004
<b>42-Government Buildings</b>	2,027,989,000	1,501,021,540	(-)526,967,460 (25.98%)	Minutes dated 20.07.2004,16.04.2005& 29.03.04, issued vide letter No.PAP/PAC-II/2003/ 06/7428 dated 01 October 2004 letter No.PAP/PAC- II/2003/ 06/3868 dated 04 June 2005 letter No.PAP/ PAC-II/2003/06/4910 dated 30.6 2004

<b>43-Loans to Municipalities Autonomous Bodies</b>	2,466,013,000	2,314,235,200	(-)151,777,800 (6.15%)	Minutes dated 31.07. 2002 & 29.03.2004 issued vide letter No.PAC(3)/96-97/97- 98/98-99/ 1999-2000/02/ 10125 dated 17 Sep 2002 letter No.PAP/PAC- II/2003/ 06/4910 dated 30 June 2004
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The paras were discussed in the meetings of PAC-II held on 19.09.2003, 17.09.2003, 18.09.2003, 16.04.2004, 28.05.2005, 30.05.2005 and 31.05.2005.

## **Draft Paras (Commercial) for the Year 1999-2000.**

### **1. Para No.36 Page 9 of Audit Report for the year 1999-2000; Working Results.**

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**30.05.2005** Audit had pointed out that concrete efforts were required to improve the efficiency of the machinery purchased by the Department.

The Department explained that record of the AE division Bahawalpur revealed that profit of the division was increasing against the loss sustained in previous years and efforts were being made for improving the profit. As such performance of the division was constantly improving.

The Committee accepted the departmental reply and **settled the para.**

### **2. Para No.37 Page 10 of Audit Report for the year 1999-2000; Working Results.**

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**30.05.2005** The Department explained that the target of the income was fixed by the FD and the Administrative Department decided the number of working hours and machines to be operated to achieve the said target. Since most of the bulldozers had covered their economic life and new bulldozers were not received, therefore, efforts were being made to rehabilitate bulldozers through ADP projects.

The Committee accepted the departmental reply and **settled the para** with the directions that department should take appropriate action to improve its efficiency.

### **3. Para No.38 Page 11 of Audit Report for the year 1999-2000; Working Results.**

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**30.05.2005** The Department explained that certified accounts upto the year 2003-4 had been produced to audit for verification.

On recommendation of audit, **the para was settled.**

### **4. Para No.39 Page 12 of Audit Report for the year 1999-2000; Misappropriation of Rs.0.808 Million by the Operator Due to Unauthorized operation of the Bulldozer.**

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**30.05.2005** The Department explained that the matter had been investigated three times and finally DG Agriculture (Field) had appointed a committee and the findings of probe committee were under process for fixing the responsibility.

**The para was kept pending** with the direction that inquiry report be completed within 90 days.

**5. Para No.40 Page 13 of Audit Report for the year 1999-2000; Working Results.**

**6. Para No.41 Page 14 of Audit Report for the year 1999-2000; Working Results.**

**7. Para No.42 Page 15 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** The Department explained that all the requisite accounts had been submitted to audit for verification.

On recommendation of audit, the committee **settled the paras.**

**8. Para No.43 Page 15 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** Audit had pointed out that there was need for increasing the operational hours of Agricultural Engineering Gujranwala Division.

The Department explained that sufficient funds were not available to rehabilitate the bulldozers which resulted parking of the idle bulldozers. However, ADP project for the year 2005-7 had been approved to rehabilitate 60 bulldozers.

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

**9. Para No.44 Page 16 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** Audit had pointed out non-recovery of hire charges by the Department.

The Department explained that an amount of 13,373/29 had been written off by the competent authority whereas the remaining amount was also written off later on which had been verified by audit.

On recommendation of audit, **the para was settled.**

**10. Para No.45 Page 16 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** Audit had pointed out that number of idle bulldozers had increased during 1996-97.

The Department explained that 8 bulldozers involved in audit observation had completed their physical life and the Chief Minister had allowed the Department to sell them to heavy mechanical complex Taxila. Whereas remaining bulldozers would be rehabilitated in next ADP project.

**The para was conditionally settled** subject to verification of relevant record by Audit.

#### **11. Para No.46 Page 16 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** Audit had pointed out uneconomical operation of combine harvesters.

The Department explained that one harvester was operated on rent during 1996-97 and leased during 1997-98 and was later on disposed off. Whereas remaining 16 harvesters were useful for harvesting rice and they were rented out on lease during 1998-99. The Department further stated that Provincial Disposal Committee made all efforts to sell the machines but could not succeed due to low price offered.

**The para was kept pending** with the directions that Provincial Disposal Committee should decide the matter within 90 days.

#### **12. Para No.47 Page 16 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** Audit had pointed out excess purchase of POL as compared to the requirements of the Department.

The Department explained that no blockage of POL had occurred and balances of POL were consumed during the month of July. As such no loss to government had taken place.

**The para was conditionally settled** subject to verification of relevant record by Audit.

#### **13. Para No.48 Page 17 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** The Department explained that certified accounts upto the year 2002-3 had been provided to audit for verification.

On recommendation of Audit, **the para was settled.**

**14. Para No.49 Page 18 of Audit Report for the year 1999-2000; Working Results.****15. Para No.52 Page 20 of Audit Report for the year 1999-2000; Working Results.****16. Para No.55 Page 22 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** The Department explained that certified accounts upto the year 2003-4 had been provided to audit for verification.

On recommendation of Audit, **the paras were settled.**

**17. Para No.50 Page 18 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** Audit had pointed out profit of AE division Multan had decreased due to decrease in working hours.

The Department explained that working hours had decreased due to frequent defects in the old fleets of bulldozers and heavy repair was carried out which resulted in decrease of efficiency in the following period.

The Committee accepted the departmental reply and **settled the para.**

**18. Para No.51 Page 19 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** Audit had pointed out that increase in spare parts of workshop and POL as compared to the previous year.

The Department explained that spare parts were imported and POL was purchased to ensure smooth operation of the machinery during July. However, keeping in view audit observation the carry over inventory was reduced in subsequent year.

The Committee **conditionally settled the para** with the direction that details of maximum and minimum inventory level be got verified by Audit.

**19. Para No.53 Page 21 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** The Department explained that profit of the division was constantly increasing due to increase in working hours and efforts were being made to keep up this momentum.

On recommendation of audit, **the para was settled.**

**20. Para No.54 Page 21 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** The Department explained that only three bulldozers were standing for auction which were being disposed off to heavy mechanical complex Taxila after approval of the Chief Minister.

The Committee directed that the matter be finalized within 90 days under intimation to the PAC.

**The para was kept pending.**

#### **21. Para No.56 Page 22 of Audit Report for the year 1999-2000; Working Results.**

**30.05.2005** Audit had pointed out that the number of machinery under repair was quite alarming which required immediate attention of the management.

The Department explained that functioning of the division was improving and the targets of income were fixed by the Finance Department and the number of working bulldozers were decided accordingly.

The Committee accepted the departmental reply and **settled the para.**

#### **22. Para No.57 Page 24 of Audit Report for the year 1999-2000; Shortage/ misappropriation of spare parts valuing Rs.222,779/-.**

**30.05.2005** The Department explained that the matter of misappropriation of stores had been thoroughly investigated and the Inquiry Officer concluded that no charges could be proved against the accused officer. Consequently the competent authority had exonerated the accused person vide orders dated 12-1-2001.

The Committee was not satisfied with the explanation of the department and directed to hold a fresh inquiry and fix responsibility under intimation to the PAC within 90 days.

**The para was kept pending.**

#### **23. Para No.58 Pages 24 & 25 of Audit Report for the year 1999-2000; Misappropriation of hire charges of Rs.171,120/-.**

**30.05.2005** The Department explained that charge sheet was issued against the accused officer but no allegations were proved against him. Subsequently he was exonerated by the competent authority.

**The para was kept pending** for verification of relevant record by audit.

#### **24. Para No.59: Page 26 of Audit Report for the year 1999-2000; Working Results.**



**16.09.03** Audit observed that the accounts for 1998-99 and 1999-2000 of the Punjab Agricultural Development and Supplies Corporation were not provided up to 15-2-2001.

The Department explained that the PAD&SC was dissolved on 11-4-1998 and employees of the corporation were dispensed with effect the same day. Only the skeleton staff was appointed on contract basis to deal with the issues of immediate nature. That's why the accounts could not be prepared upto the scheduled date. However, these accounts had already been prepared and submitted to the office of the Director General Audit and Evaluation for certification.

The Committee directed the Corporation to submit its accounts for comments by the Audit for evaluation of its past performance.

The para was kept pending.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003. The Committee had directed the Corporation to submit its accounts for comments by Audit for evaluation of its past performance.

The department explained that in compliance with the directions of PAC, PAD&SC had submitted replies to the Audits comments to the office of DG Audit and Evaluation, Lahore.

In his comments DG Commercial Audit stated that the accounts of PAD&SC had been received up to 2002-03 and recommended the para for settlement.

The Committee **settled the para accordingly.**

## **25. Para No.61: Page 27 of Audit Report for the year 1999-2000; Working Results.**

**16.09.03** Audit had observed that there was decrease in sales from Rs.1176.990 million in 1998-99 to Rs.933.340 million in 1999-2000. The gross profit decreased to Rs.132.755 million in 1999-2000 from Rs.134.763 million in the previous year. Thus the Corporation sustained a loss of Rs.2.571 million in 1999-2000.

The Department explained that the decrease in profit was due to the following reasons:-

- a) Decrease in sale prices of Cotton Lint in 1999-2000 as compared to 1998-1999.
- b) Increase in the Admn. and General expenses i.e. salaries and allowances, incremental increase in the Basic Pay, Special Additional Allowance at the rate of 20% to the Employees in BS: 17-22 and 25% to those in BS: 1-16, Medical

Expenses, POL, repair and maintenance of vehicles, rates of advertisement in Electronic and Print Media, Storage charges, Electricity and Gas charges and increase in the Financial charges by 5.14%.

The Committee expressed its concern over the unsatisfactory performance of the Punjab Seed Corporation and decided to appoint a Sub-Committee comprising the following for detailed examination of the working of the Punjab Seed Corporation and submitting its report to the Committee within two months:-

- |                                                        |          |
|--------------------------------------------------------|----------|
| 1. Mr Najaf Abbas Sial, MPA (PP-83)                    | Convener |
| 2. Makhdoom Syed Iftikhar Hassan Gillani, MPA (PP-267) | Member   |
| 3. Ch Muhammad Shafique Anwar, MPA (PP-296)            | Member   |
| 4. Additional Secretary (Agriculture)                  |          |

The para was kept pending.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003 which had constituted a Sub Committee to submit its report within one month.

It was explained that the para had been discussed in the sub committee meeting held on 25-3-2004 at Rahim Yar Khan and the matter was still under consideration of the Sub Committee.

The Committee directed that the sub committee should finalize the matter and submit its report at an early date.

**The para was kept pending.**

## **26. Para No.62: Page 27 of Audit Report for the year 1999-2000 Working Results.**

**16.09.03** The Audit observed that the Stock in trade Rs.463.152 million as on June 30, 1998 had increased to Rs.489.880 million on June 30, 1999 which further increased to Rs.732.174 million on 30-6-2000. The main reason of increase in stock in trade was a large quantity of left over wheat seed.

The Department explained that the left over quantity of wheat seed had been sold in the year 2000-2001.

The Committee decided to settle the para subject to fulfilling the codal formalities and verification of the Audit.

The Committee desired that the list of farmer registered with the Corporation be provided to the Committee.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003 and was settled subject to fulfilling the codal formalities and verification by the Audit with the further direction that the list of farmers registered with the Corporation be provided to the Committee.

The department explained that the list of farmers had been supplied to PAC vide letter dated 10-10-2003 and the record had also been seen and verified by Audit.

The Audit in its comments stated that all the left over seeds were disposed off/sold during the year 2000-2001 which stood verified and recommended the para for settlement.

The committee accordingly **settled the para.**

**27. Para No.63: Page 28 of Audit Report for the year 1999-2000; Loss of Rs.4.93 Million due to excess wheat seed losses during processing.**

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**16.09.03** The Audit observed that there was loss of wheat seed 7.17% in 1996-97 and production of Wheat Kachra was 6.33% in processing of the total wheat processed by processing plant at Rahim Yar Khan but during 1997-98 seed losses increased to 10.35% and Wheat Kachra 8.88% and in 1998-99 losses further increased to 13.17% and 10.86% respectively and thus the corporation sustained loss of Rs.4.393 million during 1997-98 and 1998-99 as compared to the year 1996-97.

The Department explained that the loss was due to climatic conditions i.e. temperature at the time of grain development/physiological maturity stages in the month of March and April.

The Committee directed that a minimum limit of the loss of wheat seed be fixed, the system of processing of wheat seed and performance of corporation be increased.

The Committee decided that a probe into the increasing trend of loss in the processing of seed be made and responsibility be fixed therefore.

The para was kept pending.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003 which had directed the department to fix minimum limit for processing losses and to probe into the

increasing trend of loss in the processing of seed for fixing responsibility.

The department explained that in compliance with the directive of the PAC, an inquiry had been got conducted into this matter. As per the findings of the inquiry report, the standards/parameters of seed losses for various crops seeds had been indicated as guidelines for the field officers. It was explained that main factors such as unfavourable climate conditions, abnormal temperature and water shortage were involved in the seed losses for which nobody was to be blamed and that fixing of minimum standards could be counter productive. However, guidelines had been indicated and monitoring was being done.

The Finance Department observed that a comprehensive report was required to be submitted by the department to the PAC.

The Committee directed that the department should submit a self contained report containing full justification/explanation to the PAC. With this direction **the para was kept pending.**

**28. Para No.64: Page 29 of Audit Report for the year 1999-2000 ; Infuctuous expenditure of Rs.172,400/- on repair of damaged power factor improvement panel.**

**16.09.03** Audit observed that the Punjab Seed Corporation Processing Plants Rahim Yar Khan and Khanewal almost since inception had been paying Low Power Factor penalty. To avoid this penalty the management in Jan, 1994 installed power factor instrument (PFI) panels at these plants incurring a cost of Rs.1.2 million which failed. Resultantly the plant Management paid a sum of Rs.886,215 on account of penalty during the period from Feb, 1999 to June, 1999. The local management got repair of PFI panels in June 1999 against a payment of Rs.172,400. It was noticed that even after repair/modification of panels, the plant management paid Rs.388,499 to WAPDA as low power factor penalty for the period from July 1999 to April, 2000 which indicated that power factor instrument (PFI) had not been working properly and as such expenditure of Rs.172,400 incurred on their repair/modification had gone waste.

The Department stated that at the time of getting power connection from WAPDA in 1979-80, the total load was considered on safe side as there might be some over lapping in cotton ginning and cereal section operation due to enhanced target of cereal crop seeds. The WAPDA was charging the low power factor penalty due to less consumption of electricity against the supplied electricity according to approved load. Messrs PEL who had supplied the PFI plants were contacted. They visited the site and had given their estimates to the tune of Rs.223,560 for Khanewal and also claimed Rs.24,000 for their visit charges but they were not giving fault free guarantee of the equipments due to substantial variation in voltages. PSC considered it advisable to get it repaired from market accordingly work was entrusted to Messrs Gunj Shakkar Electric

who installed the new capacitors at all the sites. The new capacitors at PSC Sahiwal, Khanewal and R.Y.Khan were installed to save low power factor penalty imposed by WAPDA. These capacitors presently were being operated manually and the PSC was making efforts to convert these capacitors on automation by adding some device after consulting WAPDA. The capacitors at Sahiwal and R.Y.Khan were working satisfactorily. Presently no penalty was being paid to WAPDA at Sahiwal and R.Y.Khan Plants. While at Khanewal efforts were being made to improve the effective working of the capacitors.

The Committee directed the department that responsibility be fixed against the persons due to whose negligence the department had suffered the loss and the loss be recovered from them. A report be submitted to the Committee within one month.

The para was kept pending.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003. The Committee had directed the department to fix responsibility against the persons due to whose negligence the department had suffered the loss which should be recovered from them under intimation to the PAC within one month.

The Department explained that an inquiry had been held according to which the Punjab Seed Corporation was not found responsible. Highlighting the technical reasons, it was stated that PFI (Power Factor Improvement Device) had been installed which had reduced the penalty factor and that for the last 2/3 years, the department was not paying any penalty to WAPDA.

Finance Department observed that it was merely a fact findings inquiry which did not fix specific responsibility against the persons concerned. Some lapse was there and the Administrative Secretary should look into the matter again.

The Committee was not satisfied with the explanation of the department and directed that the department should submit a detailed report to PAC in its next meeting after fixing responsibility in the light of PAC directions given in the previous meeting.

The para was kept pending.

## **Audit Paras (Civil) for the year 1999-2000**

**1. Para No.1 Page 10 of Audit Report for the year 1999-2000; Misappropriation of auction money Rs.120,718/- of Rabi Crop-1997-98.**

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**2. Para No. 18 Page 24 of Audit Report for the year 1999-2000; Non-recovery of**



## **outstanding dues amounting to Rs.12,06,955/- dues from Pattadars**

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### **3. Para No.30 Page 31 of Audit Report for the year 1999-2000; Loss of green vegetable fodder amounting to Rs.2,60,727/-**

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Para No.1, 18 and 30 relating to DDOA (Ext), Sahiwal were jointly considered.

**18.09.03** The Department explained that the amount was to be recovered from the Pattadars of Agriculture Farm, Sahiwal. The said Farm had since been transferred to Punjab Seed Corporation. On the request of farm management, the District Collector, Sahiwal, declared an amount of Rs.649,947/- as arrears of land revenue against 27 Pattadars on 31.7.2001. The Pattadars had filed a Civil Suit in the Civil Court. However, there was no stay order and the recovery was being pursued.

The Committee directed that the progress of the Court case and the recovery case should be given in the working paper for the next meeting of the Committee.

The Committee further directed that the Managing Director, Punjab Seed Corporation, EDO(R) Sahiwal and DDO(R) Sahiwal should also attend the next meeting of the Committee and explain the action taken by them for recovery of the Government dues.

Paras No.1, 18 and 30 were kept pending.

**16.04.04** These paras were considered in the PAC meetings held on 16-18 September 2003. The Committee had directed that the progress of Court Cases should be reflected in the working papers for the next meeting of the Committee. It was further directed that the Managing Director, Punjab Seed Corporation, EDO ( R ), Sahiwal and DDO ( R ), Sahiwal should also attend the next meeting to explain the action taken by them for recovery of Government Dues.

The department explained that cases along with stay orders were pending in the Sessions Court. It was not possible to effect recovery till the vacation of stay orders or decision of the Court. The next date of hearing was 10-5-2004.

In view of the fact that the matter was subjudice, **the paras were kept pending** with the direction to the department to pursue the matter in the court.

### **4. Para No.2 Pages 10 & 11 of Audit Report for the year 1999-2000; Likely Misappropriation of Store Valuing Rs.162,803/-**

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**30.05.2005** The Department explained that the matter had been investigated into by the Director General Agriculture (Research), who concluded that audit observation was not based on facts and

pesticides were purchased after following proper procedure and were also utilized properly which had been verified by Audit.

On recommendation of audit, **the para was settled.**

**5. Para No.3.1 Pages 11, 12 & 56 of Audit Report for the year 1999-2000;  
Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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PD(Eng) Water lifting Device R/Pindi – Rs.32,295/-

**28.05.2005** The Department explained that a sum of Rs.16,000/- had been recovered and deposited into the government treasury. So far as the misappropriation of Rs.14,040/- on account of crush was concerned, the matter was inquired into and it was proved that the material had been consumed at sites and the completion reports were also verified by Assistant Agriculture Engineer.

The Committee **settled the para** subject to approval of inquiry by the competent authority.

**6. Para No.3.2 Pages 11, 12 & 56 of Audit Report for the year 1999-2000;  
Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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WMC Sargodha – Rs.242,072/-

**7. Para No.3.4 Pages 11, 12 & 56 of Audit Report for the year 1999-2000;  
Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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PD SSTP – Rs.155,864/-

**8. Para No.3.5 Pages 11, 12 & 56 of Audit Report for the year 1999-2000;  
Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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WMC Gujrat – Rs.149,987/-

**9. Para No.3.6 Pages 11, 12 & 56 of Audit Report for the year 1999-2000;  
Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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WMC D.G.Khan – Rs.103,083/-

**10. Para No.3.7 Pages 11, 12 & 56 of Audit Report for the year 1999-2000;  
Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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WMC R.Y.K – Rs.122,740/-

**11. Para No.3.8 Pages 11, 12 & 56 of Audit Report for the year 1999-2000; Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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WMC R.Y.K. – Rs.815,382/-

**12. Para No.3.9 Pages 11, 12 & 56 of Audit Report for the year 1999-2000; Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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WMC RYK – Rs.7,448/-

**13. Para No.3.13 Pages 11, 12 & 56 of Audit Report for the year 1999-2000; Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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W.M.C Layyah – Rs.891,245/-

**14. Para No.3.16 Pages 11, 12 & 56 of Audit Report for the year 1999-2000; Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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W.M.C G/wala – Rs.111,644/-

**15. Para No.3.21 Pages 11, 12 & 56 of Audit Report for the year 1999-2000; Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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PDSST Project – Rs.73,750/-

**16. Para No.4.1 Pages 12 & 13 of Audit Report for the year 1999-2000; Misappropriation of RCC Pipe Nakkas Valuing Rs.430,710/-.**

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W.M.C. Lahore – Rs.150,150/-

**17. Para No.4.2 Pages 12 & 13 of Audit Report for the year 1999-2000; Misappropriation of RCC Pipe Nakkas Valuing Rs.430,710/-.**

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W.M.C. Layyah – Rs.75,050/-

**18. Para No.5.1 Pages 13 & 14 of Audit Report for the year 1999-2000; Misappropriation of Rental Charges of Tractors/Agriculture Machinery Amounting to Rs.981,927/-**

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W.M.C. Chakwal – Rs.53,919/-

**19. Para No.5.2 Pages 13 & 14 of Audit Report for the year 1999-2000; Misappropriation of Rental Charges of Tractor/Agriculture Machinery Amounting to Rs.981,927/-**

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W.M.C. Chakwal – Rs.111,690/-

**20. Para No.5.8 Pages 13 & 14 of Audit Report for the year 1999-2000; Misappropriation of Rental Charges of Tractors/Agriculture Machinery Amounting to Rs.981,927/-**

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DD (HQ) OFWM Lahore – Rs.98,579/-

**21. Para No.8 Pages 15 & 16 of Audit Report for the year 1999-2000; Misappropriation of Machinery Equipment Value Rs.231,500/- .**

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**22. Para No.10 Page 17 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.500,000/- Due to Non Accountal of Cheque.**

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**23. Para No.15 Pages 20 & 21 of Audit Report for the year 1999-2000; Overpayment of Rs.8,985,221/- in Purchase of Bricks.**

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**24. Para No.26 Pages 28 & 29 of Audit Report for the year 1999-2000; Non-Recovery of Rs.879,348/- as Farmers Share of 30% of Total Cost of Water Course.**

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**25. Para No.27.1 Page 29 of Audit Report for the year 1999-2000; Irregular Construction of Additional Lining of Water Course Recovery of Rs.2,343,081/-.**

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WMC Layyah – Rs.1,197,949/-

**26. Para No.28 & 29 Page 30 of Audit Report for the year 1999-2000; Non/Less Deduction of Income Tax Amounting to Rs.189,608/-**

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WMC Sialkot – Rs.11,954/-

**27. Para No.49 Page 43 of Audit Report for the year 1999-2000; Irregular Expenditure Rs.206,648/- From PLA on Contingencies.**

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**28. Para No.63 Page 52 of Audit Report for the year 1999-2000; Non Production of Record of Cheques Amounting to Rs.548,691/-.**

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**28.05.2005** The Department explained that the record had been produced to audit which had verified the same and recommended the paras for settlement.

On the recommendation of Audit, the above mentioned **paras were settled.**

**29. Para No.3.3 Pages 11, 12 & 56 of Audit Report for the year 1999-2000;  
Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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PD SSTP – Rs.1,293,077/-

**28.05.2005** After the detailed discussion, the Committee decided without being prejudice to appeal that the difference of Rs.26,046/- be got verified by Audit.

Audit verified the difference, **the para was settled.**

**30. Para No.3.10 Pages 11, 12 & 56 of Audit Report for the year 1999-2000;  
Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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WMC Gujrat – Rs.156,177/-

**28.05.2005** The Department explained that the responsible officer was being proceeded against under PRSO 2003 and partial recovery had also been effected from the concerned officer.

The Committee **kept the para pending** with the direction that inquiry be completed within 90 days.

**31. Para No.3.11 Pages 11, 12 & 56 of Audit Report for the year 1999-2000;  
Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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WMC R/pindi – Rs.135,753/-

**28.05.2005** The Department explained that the case to effect the recovery had been registered against the responsible with police authorities Police Station Kahota and Police Station Jhang Saddar. The recovery had been also declared as arrears of land revenue.

The Committee reduced the para to the extent of Rs.62,468/- after verification of recovery of Rs.30,167/- by Audit and directed that the balance recovery be effected at the earliest.

**The para was kept pending.**

**32. Para No.3.12 Page 11 of Audit Report for the year 1999-2000;  
Misappropriation of water course material amounting to Rs.11,505,062/-.**

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Water Management Centre, Muzaffargarh-Rs.8,509,650/-.

**17.09.03** The Department stated that the completion reports duly verified by the Asian Development Bank's Consultants were available with them but the Audit did not verify the same. Whereas the audit contention was that it had seen all the records and raised the objection after the scrutiny of the completion reports that the material was issued in excess of the requirements, as verified by the Asian Development Bank's Consultants.

The Committee directed the Department to produce all the relevant record required by Audit including field stock register, main stock register and completion reports to Audit for verification before 1<sup>st</sup> week of November 2003.

The para was kept pending.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003 and was kept pending with the directions that the department should produce all the relevant record required by Audit for verification.

The Audit in its comments stated that the department had produced completion report out of which recovery of Rs.34,731/- pointed out by consultants had been seen and verified.

On the recommendation of Audit, **the para was settled.**

**33. Para No.3.14 Page 11 of Audit Report for the year 1999-2000;  
Misappropriation of water course material amounting to Rs.11,505,062/-.**

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Water Management Centre, Dera Ghazi Khan-Rs.5,357,722/-.

**17.09.03** The Department stated that the completion reports duly verified by the Asian Development Bank's Consultants were available with them but the Audit did not verify the same. Whereas the audit contention was that it had seen all the records and raised the objection after the scrutiny of the completion reports that the material was issued in excess of the requirements, as verified by the Asian Development Bank's Consultants.

The Committee directed the department to produce all the relevant record required by Audit including field stock register, main stock register and completion reports to Audit for verification

before 1<sup>st</sup> week of November 2003.

The para was kept pending.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003. The department was directed to produce all the relevant record to Audit for verification.

The department explained that the para related to non production of completion reports at the time of Audit. When these were produced the audit after scrutinizing the completion reports had raised some observations which pertained to Draft Paras 3.19 and 26 of 1999-2000 and Advance Paras 48 and 49 of 2000-2001. The Department, therefore, requested that this para be deleted from the Audit Report 1999-2000.

The Audit in its comments stated that the contention of the department was tenable and recommended the deletion of the para from the Audit Report of 1999-2000.

On the recommendation of Audit, the Committee allowed to **delete this para from this report.**

**34. Para No.3.15 Pages 11, 12 & 56 of Audit Report for the year 1999-2000;  
Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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W.M.C B/pur– Rs.75,791/-

**28.05.2005** The Department explained that a de novo inquiry had been initiated in the matter by the competent authority.

The Committee **pended the para** with the directions that the inquiry be completed within 90 days under intimation to PAC.

**35. Para No.3.17 Pages 11, 12 & 56 of Audit Report for the year 1999-2000;  
Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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WMC Gujrat – Rs.87,120/-

**28.05.2005** The Department explained that regarding the recovery of Rs.71,233/- Mr. Tanvir Yousaf, ex-Supervisor, Field Team Kharian was preceded under E&D Rules and had been terminated from service on 13-12-2000. The case for effecting recovery had been initiated as arrears of land revenue and criminal case had also been got registered against him.

The Committee **kept the para pending** to make vigorous efforts for recovery at the earliest.

**36. Para No.3.18 Pages 11, 12 & 56 of Audit Report for the year 1999-2000; Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

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WMC R/pindi – Rs.461,166/-

**28.05.2005** After the detailed discussion, the Committee **reduced the para** to the extent of the recovered amount subject to verification by Audit and directed **that the balance recovery be made at the earliest.**

**37. Para No.3.19 Page 11 of Audit Report for the year 1999-2000; Misappropriation of water course material amounting to Rs.11,505,062/-.**

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WMC DG Khan – Rs.549,357/-

**17.09.03** The Department explained that the para had been settled in SDAC meeting held on 23 June, 2001 and relevant record had been shown to the Audit.

Audit had verified the statement of the Department and recommended the para for settlement.

**The para was settled.**

**38. Para No.3.20 Page 11 of Audit Report for the year 1999-2000; Misappropriation of water course material amounting to Rs.11,505,062/-.**

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PDSST, Project - Rs.10,912/-

**17.09.03** The Department explained that the total amount of Rs.47,912/- had been recovered and deposited into Government Treasury.

The Department was directed to get the original treasury challan and credit verification certificate verified by Audit.

The para was settled subject to verification by Audit.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003 and was settled subject to verification of record by Audit.

The Audit in its comments verified that the department had produced the Treasury

Challans and credit verification of balance amount of Rs.10,912/-

On the recommendation of the Audit, **the para was settled.**

**39. Para No.3.22 Pages 11, 12 & 56 of Audit Report for the year 1999-2000; Misappropriation of Water Course Material Amounting to Rs.11,505,062/-.**

---

W.M.C R.Y. Khan – Rs.162,827/-

**28.05.2005** The Department explained that the cost of material valuing Rs.139,157/- had been recovered and deposited into the proper head of account. The balance amount of Rs.26,110/- was due from Mr. Rizwan Naseer, Supervisor field team, Khanpur who was proceeded under the E&D Rules and his services had been terminated. The amount had been declared for recovery as arrears of land revenue by Deputy Commissioner, Rahim Yar Khan. The recovery had to be effected by the EDO (R), Sahiwal as the defaulter is resident of Sahiwal.

The Committee **kept the para pending** with the directions that recovery be made at the earliest.

**40. Para No.4.3 Pages 12 & 13 of Audit Report for the year 1999-2000; Misappropriation of RCC Pipe Nakkas valuing Rs.430,710/-.**

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Water Management Centre, Layyah-Rs.160,000/-.

**17.09.03** The Department explained that the material in question was shifted to other water courses in District D.G. Khan. Audit had verified the contention of the Department.

The Committee **settled the para.**

**41. Para No.4.4 Pages 12 & 13 of Audit Report for the year 1999-2000; Misappropriation of RCC Pipe Nakkas valuing Rs.430,710/-.**

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Water Management Centre, Layyah-Rs.45,510/-.

**17.09.03** The Department explained that in fact 74 Nakkas valuing Rs.45,510/- were found damaged at the time of physical verification during their loading, off-loading, transportation and receipt back from the field. These damaged Nakkas were declared un-serviceable and auctioned. The auction money had been deposited into Government Treasury.

The Committee directed that the record relating to the technical sanction of the schemes in which the Nakkas were utilized and the surplus material was shifted, should be got verified by



Audit.

The para was settled subject to verification by Audit.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003. The Committee had directed that the record relating to technical sanction of the schemes in which Nakkas were utilized and the surplus material was shifted be got verified by Audit.

The department explained that previously accepted the departmental contention and had commented that the negligence on the part of Water Manage Specialists, Choti had not been proved as per inquiry report and that unserviceable material including 74 RCC pipe Nakkas had been auctioned for Rs.5,410/- and deposited into Government Treasury. The department further stated that technical sanctions of the scheme did not pertain to the observation.

The Finance Department observed that in this case, technical sanction was not required.

The Committee accepted the explanation of the department and **settled the para.**

**42. Para No.5.3 Pages 13 & 14 of Audit Report for the year 1999-2000;  
Misappropriation of Rental Charges of Tractor/Agriculture Machinery Amounting to Rs.981,927/-**

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WMC Rawalpindi – Rs.194,010/-

**28.05.2005** The Department explained that Mr. Muhammad Ashraf Sial, ex-WMS had been removed from service and the department is perusing with revenue and police authorities for recovery of Rs.69,720/- as arrears of land revenue.

The Committee **kept the para pending** with the directions that vigorous efforts be made for early recovery.

**43. Para No.5.4 Pages 13 & 14 of Audit Report for the year 1999-2000;  
Misappropriation of Rental Charges of Tractor/Agriculture Machinery Amounting to Rs.981,927/-**

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W.M.C. B/nagar – Rs.65,529/-

**28.05.2005** The Department explained that the matter had been got investigated by the two officers who had concluded/reported that the actual amount of rental charges of machinery came to Rs.25,635/- instead of Rs.65,529/-. The same had been deposited into proper head of accounts.

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

**44. Para No.5.5 Pages 13 & 14 of Audit Report for the year 1999-2000;  
Misappropriation of Rental Charges of Tractor/Agriculture Machinery Amounting to Rs.981,927/-**

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W.M.C. Chakwal – Rs.158,250/-

**28.05.2005** The Department explained that an amount of Rs.96,441/- had been recovered and got verified by Audit. Regarding the balance amount it was stated that this amount was due against Mr. Allah Baksh Joiya, ex-Deputy District Officer, Pind Dadan Khan. The officer had been charge sheeted and inquiry proceedings had been initiated under the Punjab Removal from Service (Special Powers) (Amendment) Act 2003.

**The Committee kept the para pending.**

**45. Para No.5.6 Pages 13 & 14 of Audit Report for the year 1999-2000;  
Misappropriation of rental charges of Tractors/Agriculture machinery amounting to Rs.981,927/-.**

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Water Management Centre, Sahiwal-Rs.187,500/-.

**17.09.03** The Department explained that as per the decision of the SDAC dated 25.9.2000, an inquiry was conducted and it was revealed that an amount of Rs.210,454/- for the working hours of the tractors used in the field had been deposited by the Field Team Arifwala and Pakpattan. The reasons for not using the tractor on the dates pointed out by the Audit and worked out recovery of Rs. 187,500/- were also examined by the Inquiry Officer in detail and reported that the Tractors were not used in the field because of changing of oil, minor repair of tractor and laser equipment and gazetted Holidays etc.

Audit had verified the departmental contention.

**The para was accordingly settled.**

**46. Para No.5.7 Pages 13 & 14 of Audit Report for the year 1999-2000;  
Misappropriation of rental charges of Tractors/Agriculture machinery amounting to Rs.981,927/-.**

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Water Management Centre, Gujrat-Rs.112,450/-.

**17.09.03** The Department explained that the machinery in question had been transferred from



Phalia to Mandi Baha-ud-Din and taken into stock books accordingly.

The Department further explained that the para was discussed in SDAC meeting held on 25 September, 2000 and was settled.

Audit had verified the contention of the Department.

The Committee decided to **settle the para**.

**47. Para No.6 Page 14 of Audit Report for the year 1999-2000;  
Misappropriation of Agriculture machinery articles worth Rs.220,000/-.**

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**17.09.03** The Department explained that the entries regarding use of machinery in the field were made two months later and had been shown to the Audit in SDAC meeting held on 23 June, 2001.

The Committee **settled the para** on the recommendations of the Audit.

**48. Para No.7 Page 15 of Audit Report for the year 1999-2000; Misappropriation of Some Parts of Tractor Approximate Value of Rs.50,000/- .**

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**28.05.2005** The Department explained that the responsible officer was being proceeded against under PRSO 2003.

The Committee **kept the para pending** with the directions that the inquiry be completed within 60 days.

**49. Para No.8 Pages 15 & 16 of Audit Report for the year 1999-2000;  
Misappropriation of machinery equipment valuing Rs.231,500/-.**

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**17.09.03** The Department explained that at the time of audit the stock registers were not available at the lower offices, however, later on the entries were made in the stock registers and got verified by the Audit. Audit had verified the contention of the Department.

The Committee observed that action should also have been taken against those officials responsible for not taking the machinery into stock at the proper time and directed that this action should be completed within four weeks.

Subject to the above direction, the para was settled.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003. It was observed that action should also have been taken against those officials responsible for not taking machinery into stock at the proper time.

The department explained that a preliminary inquiry was held and according to its findings Mr Abdul Sattar, ex-WMS, Muzaffargarh now Deputy District Officer OPWF, Kabirwala had been held responsible for late return of 2 land planners. It was further stated that an inquiry against Mr Abdul Sattar, Deputy District Officer had been ordered.

The Committee directed that the department should complete inquiry proceedings within 2 months and submit the report to the Committee in its next meeting.

**The para was kept pending.**

**50. Para No.9 Page 16 of Audit Report for the year 1999-2000; Fraudulent drawl of Rs.2,423,275/- out of PLA.**

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**17.09.03** The Department stated that the actual amount of the para was Rs.1,733,071/- instead of Rs.2,423,275/- as depicted in the observation due to double accounting of Rs.648,924/- and miscalculation of Rs.41,280/- in totaling. The Department also stated that the material costing Rs.484,428/- had been consumed on different watercourses and their completion reports had been verified from the World Bank Consultants. An amount of Rs.79,207/- and 5,500/- had been recovered. The balance amount of Rs.1,164,135/- was due from Mr. Munawar Hussain, Ex-W.M. Coordinator, Sialkot. The matter was got inquired under Efficiency and Discipline Rules, 1975 and he was held responsible for fraudulent drawal of Rs.1,238,550/- during he enquiry proceedings and had been penalized by the government vide order No.SO(A-III) Estt:A-III) Estt.12(3)/92 dated 3-8-2001 as under:-

“Major penalty of dismissal from service and recovery of the misappropriated amount of Rs.1,238,550/- (this includes the amount involved in the para in-question)”.

An amount of Rs.537,275/- had been recovered from him and taken into PLA cash book. Regarding balance amount of Rs.626,860/- the EDO(Revenue), Narowal had been requested to effect recovery from him as arrears of Land Revenue.

The Committee expressed its displeasure over the delayed action and non-recovery of the amount from the accused. The Committee directed that the Administrative Secretary should pursue the recovery through EDO(Revenue) under intimation to the PAC.

The para was kept pending.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003. The Committee had expressed its displeasure over delayed action and non recovery of amounts from accused with the direction to the Administrative Secretary to pursue the recover through EDO (R) under intimation to the PAC.

The department explained that the balance recovery to the tune of Rs.626,860/- had been recovered from the defaulter i.e. Munawar Hussain, Ex-Water Management Coordinator, Sialkot and deposited into proper head of account which had been verified by the Audit. It was further explained that the completion reports regarding consumption of 87,500 bricks valuing Rs.120,312/50 had been got re-verified from the Audit and the difference of Rs.41,280/- had also been justified to the Audit.

The Audit in its latest comments verified that the recoveries had been made, the Department had produced all the completion reports and the difference of Rs.41280/- had also been reconciled.

On the verification by the audit, **the para was settled.**

**51. Para No.11 Page 17 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.490,920/- Through Bogus Purchase of Material.**

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**28.05.2005** The Department explained that the amount involved in subject para had already been incorporated in DP-9 of the same report and it was deleted in the SDAC meeting held on 26.09.2000.

On the recommendation of Audit, **the Committee deleted the para.**

**52. Para No.12 Page 18 of Audit Report for the year 1999-2000; Bogus payment of Rs.18,890,717/- on account of purchase of bricks through fictitious bills**

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**17.09.03** The Department contended that 30% cost was to be borne by Water User Associations in cash or kind. According to the Department, the actual amount of the para came to Rs.16,632,573/-.

The Department further stated that as a result of inquiry shortage of material worth Rs.1,944,501/- was established and recovery was imposed on two officials vide order dated 25-1-

2003, namely; Mr Fazal Din Fazili, Ex-WMS, Khairpur Tamewali (Rs.1,989,953/-) and Mr Shahid Mahmood, Ex-Supervisor, F.T. Khairpur Tamewali (Rs.2,129,044/-). The amount shown as recoverable from the above mentioned persons also included Rs.1,944,501/- recoverable under this para. The recovery was being pursued through EDO(R) concerned as arrears of land revenue.

The Department was directed to effect the recovery at the earliest through EDO(Revenue) under intimation to the PAC. In case of non recovery, criminal cases should be got registered against these dismissed persons. The relevant record in support of departmental contention mentioned above should be produced to Audit for verification.

The para was kept pending.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003. The Committee had kept the para pending with the direction to the department to effect recovery at the earliest and also to produce relevant record to audit for verification.

The department explained that hectic of efforts were being made to effect recoveries from the defaulters i.e. M/s Fazal Din Fazli, Ex-WMS and Shahid Mahmood, Ex-Supervisor Field Team, Khairpur, Tamewali. Two criminal cases had also been got registered against the aforesaid officials. The review petition filed by Fazal Din Fazli in the Supreme Court had also been dismissed.

The department further explained that a committee was constituted on 19-9-2003 which after scrutinizing the relevant record concluded that “the actual amount against M/s Fazal Din Fazli and Shahid Mahmood was Rs.25,34,750/- instead of Rs.19,44,501/- and the amount shown as recoverable from them i.e. 41,18,987/96 also included Rs.25,34,750/-. The department requested that the para be reduced to the extent of Rs.25,34,750/-. The department further stated that the relevant record pertaining to 30% upfront recovery had been verified by Audit.

The Committee directed the department to pursue the case for balance recovery as arrears of land revenue.

The para was kept pending.

### **53. Para No.13 Page 19 of Audit Report for the year 1999-2000; Bogus Payment of Rs.1,527,900/- Through Fictitious Purchase of Bricks and Their Issuance to Water Courses.**

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**28.05.2005** The Department explained that Rs.457,000/- had been recovered and deposited into the government treasury.

The Committee decided to reduce the para to the extent of recovered amount after verification by Audit and directed that the balance amount be recovered at the earliest.

**The para was kept pending.**

**54. Para No.14 Page 20 of Audit Report for the year 1999-2000; Overpayment of Rs.3,742,837/- on Account of Purchase of Bricks and Sand.**

**28.05.2005** The Department explained that the purchases were made after completing all codal formalities provided under the rules. However, the water courses were located at remote places and the tractor trolleys had to pass through the sand dunes without proper routes for the supply of material at the sites.

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

**55. Para No.16 Page 21 of Audit Report for the year 1999-2000; Excess payment on account of purchase of cement amounting to Rs.2,553,188/- (Rs.385,325+2167863).**

**17.09.03** Audit had pointed out that the contract rate for purchase of cement was of Rs.220/- per bag but it was purchased at higher rates than the contract rates.

The Department explained that as per clause 11 of the contract, prices were to be verified according to fluctuation of market rates of cement. Later on the Departmental Purchase Committee decided on 24-5-1997 that in accordance with clause 11 of the contract, the rates of the Askari Cement Factory should be taken as “Bench Mark” for any increase/decrease in ex-factory rates instead of the rates of different factories. Therefore, there was no question of excess payment.

The Committee directed the Department that a statement showing the rates of cement per bag of different factories during the period under observation should be given in the working paper for the next meeting of the Committee.

The Department was further directed to get the original vouchers involved in the para and the copies of the rates of Askari Cement Factory at the time of submission of the claim of the bill by the contractors should be produced to Audit for verification.

The para was kept pending.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003, which

had directed the department that a statement showing the rates of cement per bag of different factories during the period under observation should be given in the working paper for the next meeting of the Committee and that the relevant record should also be produced to Audit for verification.

The department explained that the record including original vouchers and rates of Askari Cement Factory at the time of submission of bills as well as rates of other factories were presented to the Audit.

Finance Department observed that the comparative statement of the rates of cement showed that the rates of Askari Cement Factory were higher than the other cement factories. Therefore, the department was required to look into the competency of the Purchase Committee as well as other related issues and submit a report to the PAC. The Finance Department recommended that the para be pending.

The Committee directed the department to furnish a detailed report keeping in view the observations of the Finance Department.

**The para was kept pending.**

**56. Para No.17 Page 23 of Audit Report for the year 1999-2000; Irregular drawl of house rent allowance of Rs.93,954/- by the officer having designated house.**

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**18.09.03** The Department explained that on the directions of SDAC dated 22.9.2000, inquiry was conducted into the matter. According to the findings of the inquiry report, the residences in question were incomplete and had not been handed over to the Agriculture Department. After the completion of the residences, the same had now been occupied by the designated officers and house rent was being paid by them.

The Department further stated that a case for regularization of the expenditure had also been referred to the Finance Department vide U.O. No. SO(A-II) 11-15-87 dated 5.10.2002.

The para was settled subject to regularization by the Finance Department.

**16.04.04** The department explained that the case of regularization had been resubmitted to the Finance Department, whose decision was awaited.

Finance Department observed that it had raised certain queries and the matter was under consideration.



In view of the fact that matter was still pending in the Finance Department, the Committee **kept the para pending**.

**57. Para No.19 Pages 24 & 25 of Audit Report for the year 1999-2000; Non/Less Deduction of Income Tax of Rs.250,966/-.**

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**30.05.2005** The Department explained that similar nature of recovery was pointed out in the audit report for the year 1991-95 and the Income Tax Tribunal had set-aside the decision of assessing officer on the ground that most of the bidders were agriculturist/labourer and they were not involved in any business activity. Therefore, they were not liable to income tax.

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

**31.05.2005** The Department explained that an amount of Rs.67,705/- had been recovered and verified by Audit at the time of SDAC meeting dated 22-9-2004 and Rs.9,978/- had now been recovered and deposited into government treasury.

Audit was of the view that the departmental contention that Rs.67,797/- had been deposited with the Income Tax Department required verification of the record.

The Committee **settled the para** subject to verification of record by audit.

**58. Para No.20 Page 25 of Audit Report for the year 1999-2000; Irregular drawl of house rent allowance of Rs.506,982/-.**

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**18.09.03** The Department explained that the actual recovery on account of House Rent Deduction came to Rs.123,333/- as provided by the Accounts Officer, Hafizabad instead of Rs.506,982/- as pointed out by the Audit. As per direction of the SDAC dated 23.9.2000, the Department approached the S&GAD and Home Department for effecting recovery from seven ex- Deputy Superintendents of Police, Assistant Commissioners and Extra Assistant Commissioners, Pindi Bhattian. The Deptt. further explained that the matter was vigorously pursued with the S&GAD and Home Deptt. and only an amount of Rs.8,632/- had been recovered so far.

The Committee took a serious notice of the matter and directed the Department. to effect the recovery at the earliest from all concerned and a letter be written to Secretary (Services) S&GAD and Assistant Inspector General of Police (Finance) to appear in the next meeting of the Committee to explain what steps had been taken by their Departments to recover the amounts from their employees and a copy of the same be endorsed to the Home Secretary and I.G Police for information. The Committee further directed that the Agriculture Department. should provide

the exact figures of recoverable amount and references of the letter written uptill now to the concerned Departments for recovery in the next meeting.

With the above directions, the para was kept pending.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003. The para was kept pending with certain directions regarding for effecting recovery at the earliest and writing letters to Secretary, S&GAD and AIG of Police (Finance) to appear in the next meeting to explain the steps being taken for recovering the amounts from their employees.

The department explained that total actual recoverable amount came to Rs.2,58,314/- instead of Rs.5,06,982/- as worked out by Audit, out of which Rs.1,86,290/- had already been deducted from the monthly salaries of officers of the civil administration. It was further stated that an amount of Rs.72,024/- was outstanding against 8 officers of the civil administration. Moreover, 3 officers including Deputy District Officer (Revenue), a judicial Magistrate and DSP, Pindi Bhattian were still occupying the residences of Soil Salinity Research Institute, Pindi Bhattian.

The Committee pended the consideration of para till 17-4-2004 with the direction that AIG of Police (Finance) should be invited to attend the meeting of PAC on 17-4-2004 to explain the position with regard to the occupation of Agriculture Department's residence by DSP, Pindi Bhattian.

On 17-4-2004, this para was again discussed. The meeting was also attended by a representative of o/o AIG of Police (Finance). The Committee directed that the Department should pursue the matter for effecting recovery of outstanding dues from two ACs and 6 DSPs as well as for getting the Agriculture Department's residence at Pindi Bhattian vacated by DDO,, Judicial Magistrate and DSP. The Committee further directed that a letter be written to ACS, RHC and IGP with a copy to AIG of Police (Finance) for effecting recovery and getting residences vacated by the officers under their respective administrative control at the earliest under intimation to PAC.

With the above directions, **the para was kept pending.**

**59. Para No.21 Pages 25 & 26 of Audit Report for the year 1999-2000; Misappropriation of Truck Chain Amounting to Rs.190,472/-.**

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**31.05.2005** The Department explained that an inquiry was held by Mr. Abdul Majeed the then Director Agricultural Engineering, Multan and in the light of the inquiry report the authority had imposed major penalty of dismissal from service along-with recovery of loss caused to govt. worth Rs.190,472/70 upon Mr. Naveed Ibab, ex-Unit Supervisor along with other officers/official



on 12-8-1999. It was also stated that reportedly he had proceeded abroad. Now the case for recovery as arrears of land revenue had been referred to EDO (R), Rawalpindi, who had forwarded the case to Collector, Islamabad for recovery. The Assistant Commissioner (S), Islamabad intimated that the defaulter had been shifted to some unknown address, therefore recovery could not be made and returned the case to the DO(R), Rawalpindi. The case for writing off the recoverable amount was under process. The Department also stated that a sum of Rs.48,923/- as GP fund balance was at his credit. A case with Police Department had also been got registered against the accused official on 12-9-2003 and as per the latest report the accused was still absconder.

The Committee **kept the para pending** with the direction that the GP fund of the defaulter be withheld to make good the govt. loss and the criminal case be pursued vigorously.

**60. Para No.22 Page 26 of Audit Report for the year 1999-2000; Recovery of Outstanding Loan Amounting to Rs.15,512,325/- from Market Committee.**

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**31.05.2005** The Department explained that out of total recovery of Rs.285.00 lakh a sum of Rs.266.81 had been effected and leaving the balance of Rs.18.79 lakh.

The Committee **settled the para subject to** balance recovery.

**61. Para No.23 Pages 26 & 27 of Audit Report for the year 1999-2000; Non-Realization of Lab Test Fee Rs.144,720/-.**

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**30.05.2005** The Department explained that farmers were part of pesticide quality control Programme and therefore no fee was charged for analytical services and it was not deliberate action to cause loss to the government.

The para was **kept pending** for necessary action by the Department.

**62. Para No.24 Page 27 of Audit Report for the year 1999-2000, Outstanding recovery from Tenants Rs.51,190/-**

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**18.09.03** The Department explained that the entire amount of Rs.51,190/- had been recovered from the tenants.

The Audit had verified the same.

On recommendation of Audit, **the para was settled.**

**63. Para No.25 Pages 27 & 28 of Audit Report for the year 1999-2000; Irregular**

## **Payment of Rs.44,705/- on Account of Conveyance Allowances and Research Allowance.**

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**30.05.2005** The Department explained that actual recovery involved in the para had been effected and verified by Audit.

On recommendation of audit, **the para was settled.**

### **64. Para No.28 Page 30 of Audit Report for the year 1999-2000; Non/less deduction of income tax amounting to Rs.189,608/-.**

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Water Management Centre, Mianwali-Rs.177,654/-.

**17.09.03** The Department explained that all the outstanding amount i.e. Rs.177,654/- had been recovered from the concerned firms and deposited into the Government Treasury.

Audit had verified the contention of the Department.

The Committee decided to **settle the para.**

### **65. Para No.31 Pages 31 & 32 of Audit Report for the year 1999-2000; Loss of Rs.3,778,358/- due to less realization of electricity charges.**

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**18.09.03** The Department explained that the recovery notices in the light of the audit observation were issued to the residents of the said colony but the residents had lodged a writ petition in the Lahore High Court and now the Honourable Lahore High Court, Lahore had passed judgment in their favour. In view of the judgment passed by the learned Court, the residents were being charged at the domestic rates of WAPDA.

The Committee directed that the Department should take up the matter with WAPDA for installation of individual meters at the residences in question.

With the above direction, **the para was settled.**

### **66. Para No.32 Page 32 of Audit Report for the year 1999-2000; Misuse of Government Vehicles Loss Rs.191,172/-.**

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**30.05.2005** The Department explained that school buses were purchased during 1981-82 to facilitate the school going children of employees and Rs. 0.50 was charged from the students. Later the rate of fair was increased to Rs.50/- on recommendation of a Committee appointed for the purpose.

On recommendation of audit, **the para was settled.**

**67. Para No.33 Page 33 of Audit Report for the year 1999-2000; Recoverable Rent and Electricity Charges from NBP Rs.200,400/-.**

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**30.05.2005** The Department explained that the matter was investigated into and the report had been submitted for approval of the competent authority. It was added that a separate electric meter had been installed in the premises of bank and no sui gas or water was being supplied to the bank.

**The para was conditionally settled** subject to verification of relevant record by Audit.

**68. Para No.34 Pages 33 & 34 of Audit Report for the year 1999-2000; Loss on Low Yield of Crop Rs.155,281/-.**

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**31.05.2005** The Department explained that the purpose of research station Khanpur was not to get good yield and earn profit but to improve the land and defend from the salinity.

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

**69. Para No.35 Page 34 of Audit Report for the year 1999-2000; Payment of salaries without extension/regularization of service recovery of Rs.700,700/- from appointing authority.**

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**18.09.03** The Department explained that as per the direction of SDAC in its meeting held on 22.9.2000, inquiry was conducted in the matter and it was revealed that the services of the said driver were regularized by the DPC dated 27.11.1980 but the EADA Kabirwala did not make entry of regular appointment in the Service Book due to over sight.

The Audit had verified the contention of the Department.

**The para was settled.**

**70. Para No.36 Page 35 of Audit Report for the year 1999-2000; Payment of Salaries to Driver Without Government Vehicles Rs.101,832/-.**

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**31.05.2005** The Department explained that in the light of the SDAC decision dated 23-9-2000 an inquiry was conducted by the DGA (R) through Director of Agriculture RARI, Bhawalpur. The

inquiry officer in his findings held responsible Mr. Nisar Mehmoodul Hassan, Agri-Chemist (SF), Multan and Mr. Raza Ullah Khan, Agri-Chemist(SF), DG Khan. These officers explained/justified their position that the appointment of driver was made against the sanctioned post on the recommendation of Departmental Selection Committee but provision of vehicle was not within their competency. The Department has referred the case for regularization but the decision was still awaited.

The Committee was not satisfied with the contention of the Department and directed that a fresh inquiry be conducted by the Administrative Secretary and finalized within 90 days under intimation to PAC.

**The para was kept pending.**

**71. Para No.37 Page 35 of Audit Report for the year 1999-2000; Loss of Rs.140,629/- on Account of Expiry of Cement.**

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**28.05.2005** The Department explained that the case for disciplinary action against Mr. Qamarul Islam Qamar was under process.

The Committee **kept the para pending** with the directions that the inquiry be completed within 90 days under intimation to PAC.

**72. Para No.38 Page 36 of Audit Report for the year 1999-2000; Loss of Broken Naccas Valuing Rs.98,332/-.**

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**28.05.2005** The Department explained that a Committee for auction of broken nakas was constituted by the DCO Muzafargarh dated 15-1-2005. The Committee auctioned the nakas on 4-2-2005 and auction money of Rs.41,239/- was deposited into government treasury.

The Committee conditionally **settled the para** subject to verification of record by Audit.

**73. Para No.39 Page 37 of Audit Report for the year 1999-2000; Irregular Appointment of Staff and Payment of Salaries Rs.251,306/-.**

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**31.05.2005** The Department explained that in the light of the decision of SDAC dated 23-9-2000, the matter was inquired by the Director, Maize and Millet Research Institute, Yousafwala. In the light of the fact finding report, disciplinary action had been initiated against the responsible.

The Committee **kept the para pending** with the direction that inquiry under PRSO 2000 be initiated within one week and finalized under intimation to PAC.

**74. Para No.40 Pages 37 & 38 of Audit Report for the year 1999-2000; Irregular/ Un-Economical Expenditure on Purchase of Store Worth Rs.719,332/-.**

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**31.05.2005** The Department explained that different items on different dates from different firms had been purchased after completing all codal formalities for which the DDO was competent.

Audit was of the view that the expenditure had been splited up to avoid the sanction of higher authority more over no advertisement was made despite the fact that Rs.624,006/- were spent in the month of June 1998 out of total expenditure Rs.719,332/-.

The Committee **kept the para pending** with the direction that responsibility be fixed and disciplinary action be taken against the responsible under the rules.

**75. Para No.41 Page 38 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.427,101/- on Construction Work.**

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**31.05.2005** The Department explained that the para was discussed in the SDAC meeting on 25-9-2000 and was kept pending for want of FD's clarification as to whether the department could grant TS regarding purchase beyond Rs.One lakh. The case had been referred to FD on 01-9-2003.

The Committee **kept the para pending** with the direction that the responsibility be fixed and action be taken against the responsible under the rules within 60 days under intimation to PAC.

**76. Para No.44 Pages 39 & 44 of Audit Report for the year 1999-2000; Un-Necessary Locking Up of Government Money Rs.49,885/-.**

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**77. Para No.45 Page 40 of Audit Report for the year 1999-2000; Non-Deposit of Farm Income into Government Treasury Rs.396,058/-.**

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**78. Para No.55 Pages 46 & 47 of Audit Report for the year 1999-2000; Irregular Expenditure of Payment of Contingent Staff of Rs.784,555/-.**

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**79. Para No.58 Pages 48 & 49 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.629,652/- on Daily Wages Staff.**

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**80. Para No.59 Page 49 of Audit Report for the year 1999-2000; Irregular Purchase of Chemical Worth Rs.202,921/-.**

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**31.05.2005** The Department explained that audit had accepted the explanation of the Department

and recommended these paras for settlement.

Audit verified the contention of the Department and recommended the paras for settlement.

**The paras were settled.**

**81. Para No.42 Pages 38 & 39 of Audit Report for the year 1999-2000; Advance Payment of Rs.2,166,000/- in Purchase of Cement.**

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**31.05.2005** The Department explained that the payment was made to M/s Mustehkam Cement Ltd. in advance in accordance with the rules because no cement factory was ready to supply the cement on credit. Moreover, the control/ex-factory rate of cement was Rs.3,590/- per tone while the rate in the open market was much higher due to shortage of supply and unstable market rates. The matter had already been referred to the FD for regularization.

The Committee **kept the para pending** with the direction that the responsibility be fixed against the responsables and disciplinary action be taken under the rules within 60 days under intimation to PAC.

**82. Para No.46 Page 41 of Audit Report for the year 1999-2000; Irregular Payment of Salaries of Rs.324,508/- on Shifting of Headquarter.**

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**31.05.2005** The Department explained that in the light of the SDAC decision dated 23-9-2000, the case had been referred to the Finance Department on 11-12-2003 for regularization.

The Committee **kept the para pending** till the regularization by the Finance Department.

**83. Para No.47 Pages 41 & 42 of Audit Report for the year 1999-2000; Irregular Execution of Works Valuing Rs.380,800/-.**

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**31.05.2005** The Department explained that the para consisted of two parts i.e. :-

Para No.2 amounting to Rs.380,000/- pertaining to soil conservation works and para No.3 amounting to Rs.460,633/- pertaining to construction of office building.

**Para No. 2** It was stated that all these 21 nos. soil conservation works executed for total cost of Rs.380,800/- were under taken under non-development head of account by the farmers themselves on 50% cost sharing basis. The administrative approval, detailed cost estimates/ design and TS was issued by the competent authority and the record was available for verification.



**Para No. 3** the Department explained that the amount of Rs.460,633/- related to construction of office building of Deputy Director Soil Conservation Jhelum. It was also stated that the office building was not completed due to shortage of funds in the 1st year. However, it was got completed in all respects during the subsequent year.

The Department also informed that the para was discussed in SDAC on 22-9-2000 and was settled after verification of relevant record.

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

**84. Para No.48 Page 42 of Audit Report for the year 1999-2000; Irregular purchase of stationery and store valuing Rs.123,013/-.**

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**17.09.03** The Department explained that the purchases were made within the competency after completing all the codal formalities and observing due procedure.

The para was also discussed and settled in SDAC meeting held on 25 September, 2000.

Audit had verified the contention of the Department.

The Committee decided to **settle the para**.

**85. Para No.50 Page 44 of Audit Report for the year 1999-2000; Uneconomical purchase of store worth Rs.193,557/-.**

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**18.09.03** The Department explained that an inquiry was conducted into the matter on the directive of SDAC dated 22.9.2000. It was revealed that all the codal formalities were adopted while purchasing the said stores.

The Department further stated that no income of the farm was utilized towards purchase of inputs by the Farm Management.

The Audit verified the same during the meeting.

**The para was accordingly settled.**

**86. Para No.51 Pages 44 & 45 of Audit Report for the year 1999-2000; Infructuous Expenditure of Rs.471,067/- on Payment of Salaries Without Job.**

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**31.05.2005** The Department explained that the record had been produced to Audit, who had seen



and verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**87. Para No.52 Page 45 of Audit Report for the year 1999-2000; Doubtful Expenditure of Rs.151,132/- on Repair of Vehicle.**

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**31.05.2005** The Department explained that in the light of SDAC directions an inquiry was held and it was proved that the bills for the repair of vehicle No. RIN 6501 were genuine.

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

**88. Para No.53 Pages 45 & 46 of Audit Report for the year 1999-2000; Irregular Purchase of Cement and Tyres Amounting to (Rs.506,228+2,437,200) Rs.2,943,428/-.**

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**31.05.2005** The Department explained that the cement was purchased for the execution of soil conservation work under 2<sup>nd</sup> Barani Area Development Project. It was also stated that as the Mustakham Cement Factory was state enterprise, hence the quotation was not collected. However, the case for regularization from the FD was under process.

The Committee **kept the para pending** with the directions that disciplinary action under PRSO 2000 be taken against the responsible and the recovery be effected within 90 days under intimation to PAC.

**89. Para No.54 Page 46 of Audit Report for the year 1999-2000; Irregular Expenditure on Payment of Salaries to Drivers Without Duty Rs.146,619/-.**

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**31.05.2005** The Department explained that the IDA assisted Agricultural Research Project (ARP-II) was launched to strengthen existing research institutions and introducing IPM for pest control during period 1992-93 to 1997-98. According to PC-I six vehicles for IPM component were to be procured during 1995-96 and accordingly the DG (Research) transferred and posted six regular drivers of AARI in IPM from other Research Section of Research Wing against sanctioned posts in best interest of government work.

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

**90. Para No.56 Pages 47 & 48 of Audit Report for the year 1999-2000; Un-Economical Expenditure of Rs.208,674/- Without Floating Tender.**

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**30.05.2005** The Department explained that printing paper was purchased from the local market

after observing all the codal formalities at the lowest rates. The expenditure was sanctioned by competent authority within the limits of delegation of Financial Power Rules.

On recommendation of Audit, **the para was settled.**

**91. Para No.57 Page 48 of Audit Report for the year 1999-2000; Un-Economical Purchase of Lab Articles Valuing Rs.1,977,809/-.**

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**31.05.2005** The Department explained that the DGA(R), RARI Faisalabad had deputed Dr. Muhammad Rasheed, Director Soil & Water Conservation Research Institute, Chakwal as Inquiry Officer to conduct the inquiry into the matter. The inquiry Officer had reported that the observation of Audit was correct and the required chemical was purchased without open tender in the newspaper but this was done in the public interest and the case for regularization had been sent to higher authorities.

The committee **kept the para pending** with the direction that the action against the responsible be initiated under PRSO 2000 and the report be finalized within 90 days under intimation to PAC.

**92. Para No.60 Pages 49 & 50 of Audit Report for the year 1999-2000; Un-Justified Payment of Labour and Threshing Charges Rs.176,966/-.**

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**31.05.2005** The Department explained that the six posts of Beldars were vacant during 1997-98 and 8 during 1998-99, all for operation like Irrigation, Sowing, maintenance and harvesting of experiments, collection of data and other misc. duties.

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

**93. Para No.61 Page 51 of Audit Report for the year 1999-2000; Non-Production of Consumption Account of Chemicals Worth Rs.79,096/-.**

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**31.05.2005** The Department explained that the chemical consumption register had been maintained and so far as the objection of audit regarding uniform policy in other such offices was concerned, it was not possible because some times the standard solution did not give quality results and was discarded. Some times water & soil samples were to be analyzed more than one time just to obtain the accuracy.

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

**94. Para No.62 Pages 51 & 52 of Audit Report for the year 1999-2000; Non-Production of Completion Report Amounting to Rs.256,000/-.**

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**28.05.2005** The Department explained that according to the agreement, the farmer was required to arrange pumping unit but he did not install the same after the scheme was completed. It was also stated that recovery as arrears of land revenue had been initiated and the board of Revenue had now ordered for auction of the property.

The Committee **kept the para pending** with the directions that recovery be made at the earliest.

## **UNIVERSITY OF AGRICULTURE FAISALABAD**

### **1. Para No.1 Page 116 of Audit Report for the year 1999-2000; Excess payment of Rs.32,991,047/- to WAPDA on account of electricity charges.**

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**18.09.03** The Department explained that the matter was taken up with the WAPDA Authorities and as a result of negotiations, the WAPDA Authorities agreed to provide rebate of Rs.33,000,000/- which had been adjusted in the electricity bills.

The Committee settled the para subject to verification by the Audit.

**16.04.04** The Department explained that necessary record of payments made and rebate obtained from WAPDA had been got verified by Audit which had recommended the para for settlement. The Audit verified the contention of the department.

On the recommendation of the Audit, **the para was settled.**

### **2. Para No.2 Page 117 of Audit Report for the year 1999-2000; Less recovery of Rs.2,769,261/- on account of electricity charges from the residents of the University.**

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**18.09.03** The Department explained that the same nature of draft paras were discussed in the meetings of the Adhoc Public Accounts Committee held on 19 & 20 February 2002 and the said draft paras were settled.

The Committee directed that the Finance Department should arrange a joint meeting with WAPDA and such other institutions who were taking bulk supply from WAPDA at Commercial rates and providing electricity to allottees of the residences at the domestic rates and adopt a uniform policy for all the institutions, so that this issue was settled once for all.

The para was kept pending.

**16.04.04** The Committee had directed that the Finance Department should arrange a joint meeting with WAPDA and such other institutions which were taking bulk supply from WAPDA at commercial rates and providing electricity to allottees of residences at the domestic rates and adopt a uniform policy for all the institutions with a view to settling the issue once for all.

The department explained that the matter had since been referred to the Finance Department for further action.

The Finance Department intimated the Committee that the matter was under consideration in the relevant wing of the department and necessary report in this regard would be furnished as soon as possible.

In view of the explanation given by the Finance Department, **the para was kept pending.**

**3. Para No.3 Pages 117 & 118 of Audit Report for the year 1999-2000; Non-recovery of Rs.1,043,154/- from unauthorized occupants of University residences.**

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**18.09.03** The Department explained that the matter was placed before the Syndicate in its meeting held on 6.1.2001 which decided to recover penal rent from the employees who occupied the University accommodation beyond the prescribed limit after their retirement.

The Committee directed that the recovery should be made expeditiously as per the decision of the Syndicate.

The para was kept pending.

**16.04.04** The Department explained that necessary notices for recovery of penal rent had been issued. The department further stated that in the original Audit Para, calculations for penal rent had been made by the Audit after 2 months of the retirement of the concerned employees whereas as per clause 3(d) of House Allotment Rules 1973, in the event of retirement or death of an employee, his family residing with him prior to his retirement or demise was eligible to retain the house for a maximum period of 6 months. In view of this, the actual recovery worked out to Rs.616,444/-.

The Department further explained in the meeting that it would refer the matter to the syndicate for review of its earlier decision about realization of penal rent from the employees who occupied the university accommodation beyond the prescribed limit after their retirement.

The Committee **kept the para pending** with the direction that the department should place the matter before the syndicate for review at the earliest and intimate the decision taken, to the PAC.

**4. Para No.4 Pages 118 & 119 of Audit Report for the year 1999-2000; Irregular payment of orderly allowance for Rs.537,806/- to Professors.**

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**18.09.03** The Department explained that this draft para was of the same nature, as D.P. No. 5.15 of 1996-97 which was decided by the Ad-hoc Public Accounts Committee in its meeting held on 6.8.2001 as under:

“The Department explained that University of Agriculture had obtained approval of the Syndicate for payment of orderly allowance to the Professors/Officers in BS-20 at prescribed rates on provisional basis in anticipation of the approval of the Chancellor. The Department also stated that an undertaking had been obtained from each officer to refund the payment in case of any adverse decision. The Administrative Secretary explained that he had already submitted a summary in this respect to the Governor, Punjab for taking a uniform decision in this matter because other Universities were also following the same practice”.

The Committee directed that the Administrative Department and Finance Department should take necessary steps for getting the matter decided by the Chancellor/Governor.

The para was kept pending.

**16.04.04** This para was considered in the PAC meetings held on 16-18 September 2003. The Committee had directed that the Administrative Department and Finance Department should take necessary steps for getting the matter decided by the Chancellor/Governor.

The department explained that a summary had already been submitted through the Finance Department which was pending decision by the competent authority.

The Finance Department observed that the case has since been submitted to the Chancellor and that the para be kept pending till the decision by the Competent Authority.

**The para was kept pending.**

**5. Para No.5 Pages 119 & 120 of Audit Report for the year 1999-2000; Excess Payment of Pension for Rs.357,422/- Due to Irregular Grant of Higher Scale of Pay.**

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**6. Para No.10 Page 123 of Audit Report for the year 1999-2000; Recovery of Rs.112,525/- Due to Grant of Higher Scale to Professor.**

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**28.05.2005** The Department explained that a case for regularization of irregular grant of higher pay scale had been moved to the Chancellor and last reminder had been issued on 7-5-2005. The representative of FD suggested that inquiry should be conducted and responsibility be fixed for granting pension provisionally and also recommended that Vice-Chancellor should stop such practice because it was the competence of the Chancellor to grant higher pay scale.

The Committee **kept the paras pending** with the directions that either to get the approval from the Chancellor within 90 days or to affect recovery from the beneficiaries.

**7. Para No.6 Pages 120 & 121 of Audit Report for the year 1999-2000; Non Recovery of Rs.1,113,038/- on Account of Departmental Charges Out of Funds of Research Schemes.**

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**28.05.2005** The Department explained that the approval for exemption of indirect cost @10% from the government institutions had since been obtained from the Vice-Chancellor of the University dated 6-12-2003.

The Committee **conditionally settled the para** subject to approval of syndicate and verification of record by Audit on case to case basis.

**8. Para No.7 Page 121 of Audit Report for the year 1999-2000; Loss of Rs.621,200/- Due Lease of Cafeteria and Shops on Low Rates.**

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**28.05.2005** The Department explained that the canteens/cafeteria in the University campus were not meant for general public but were meant for the welfare of the students and being run under the supervision of a Committee headed by a Director Students Affairs. The Committee had approved the grant of contract to suitable contractor and fixed reasonable rates.

The Committee kept the para pending for 30-5-2005 with the directions that audit should report that how the loss was worked out.

On 30-5-2005, audit informed the Committee that the audit officer had worked out the rate of contract of cafeteria according to the market rates.

The representative of FD was of the view that the loss worked out by Audit was presumptive and it was not the actual loss. He suggested that inquiry should be conducted to thrash out the matter.

The Committee **kept the para pending** with the direction that the Administrative Secretary should hold an inquiry into the matter and fixed responsibility within 90 days under intimation to PAC.



**9. Para No.8 Pages 15 & 16 of Audit Report for the year 1999-2000; Non-Deposit of Rs.330,000/- on Account of Auction Money of Nurseries Planted in the Residential Area.**

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**28.05.2005** The Department explained that the para of same nature was discussed in PAC-I meeting dated 03-9-2003 and after detail discussion it was settled.

Audit was of the view that no doubt the para was settled by PAC-I for the year 1998-99. But the para of similar nature for 2000-2001 was discussed on 12-5-2005 and the PAC had confirmed the view point of Audit and ordered for recovery.

The Committee **pended the para** till the next meeting with the direction that the Administrative Secretary should determine the mechanism of recovery and the actual volume of recoverable amount on account of auction of nurseries planted in the residential areas of officers.

**10. Para No.9 Pages 122 & 123 of Audit Report for the year 1999-2000; Loss of Rs.367,823/- Due to Use of Rest Houses Without Rent.**

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**28.05.2005** The Department explained that the record of guests staying at rest houses had been maintained properly and the room rent was recovered as per rules.

The Committee **conditionally settled the para** subject to verification of allotment register and other relevant record by Audit.

**11. Para No.11 Page 124 of Audit Report for the year 1999-2000; Un-Economical/ Irregular Purchase of Medicines for Rs.1,672,038/-**

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**28.05.2005** The Department explained that Rs.141,458/- were incurred for purchase of medicines as propriety items from the manufacturers/distributors and Rs.2,57,000/- were spent for local purchase in medical emergency. It was also stated that out of total amount of Rs.1,672,038/- and amount of Rs.400,000/- was allocated for four months to purchase the medicines through Purchase Committee.

The Committee **pended the para** with the direction that the department to hold inquiry and fixed responsibility within 90 days and then move the case to syndicate for regularization of the expenditure.



**12. Para No.12 Pages 124 & 125 of Audit Report for the year 1999-2000; Irregular Payment of Rs.1,130,851/- as Provident Fund to Group Promoters.**

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**28.05.2005** The Department explained that the syndicate in its meeting held on 4-8 and 14-9-1998 considered this case and decided that the provident fund be paid to the Group Promoters of the FAO.

The Committee **conditionally settled the para** subject to verification of record by Audit.

**13. Para No.13 Pages 125 & 126 of Audit Report for the year 1999-2000; Medicines for Rs.310,104/- Issued to Non-Gazetted Staff.**

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**28.05.2005** The Department explained that the medicines were purchased by the Senior Medical Officers for extending medical facilities to the university employees in pursuance of the decision of the syndicate.

The Committee **kept the para pending** with the directions that the case be sent to the Chancellor for decision.

**14. Para No.14 Page 126 of Audit Report for the year 1999-2000; Irregular Grant of Honorarium Amounting to Rs.88,480/-.**

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**28.05.2005** The Department explained that the syndicate had already accorded approval for grant of honorarium Audit was of the view that there was ban by the FD on account of austerity measures and the syndicate was not competent to grant honorarium to its employee during ban.

The Committee **pended the para** with the observation that ex-post-facto sanction/regularization by the Chancellor was required in the case.

**15. Para No.15 Page 127 of Audit Report for the year 1999-2000; Non-adjustment of advances for Rs.2,710,478/- drawn for purchases.**

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**18.09.03** The Department explained that an amount of Rs.1,224,866/- advanced to different departments had since been adjusted and the Audit Department had been requested to provide the detail of the balance amount of Rs.1,291,612/-

The Committee directed that the advances of the balance amount should be adjusted within 30 days and got verified by Audit.

The Committee further directed that the University should make by-laws for regulating

the grant of advances to the Departments and their prompt adjustment.

The para was kept pending.

**16.04.04** The Committee had directed that the advances of the balance amount should be adjusted within 30 days and that the University should also make Bye-Laws for regulating the grant of advances to the departments.

The department explained that the adjustment of advances for Rs.27,10,478/- had been got verified by the Audit. The Audit verified the contention of the department.

The Committee observed that it had also directed for the framing of Bye-Laws for regulating the grant of advances. The department explained that a draft of the said Bye-Laws would be submitted to the syndicate for approval.

The Committee **conditionally settled the para** subject to providing a copy of the Bye-Laws so framed to the PAC.

#### **16. Para No.16 Pages 127 & 128 of Audit Report for the year 1999-2000; Infructuous Expenditure of Rs.1,031,401/- in Dairy Development Project.**

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**28.05.2005** The Department explained that the posts of Dairy Development Project being used in the College had been shifted permanently into college by the Vice-Chancellor. The action of the vice-chancellor was approved by the syndicate in its meeting dated 29-9-2001.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

### **GENERAL OBSERVATION/DIRECTION.**

**16.09.03** The Chairman extended welcome to the members and other participants of the meeting. He stressed upon the maintenance of Financial discipline and Accountability in the Province. He further directed that:-

- (1) Principal Accounting Officer/Administrative Secretary should personally attend the meeting of the PAC.
- (2) The department should reconcile the record with the Audit in time.

- (3) The department should pursue the cases which were pending in the Courts.
- (4) Working Papers should be submitted to the Assembly Secretariat at least 10 days before the date fixed for the meeting.
- (5) The department should maintain proper record and produce the same for verification by the Audit.
- (6) Directions issued by the PAC must be implemented in letter and spirit.

**18.09.03** The Committee observed that the working papers submitted by the Department were not self-contained and comprehensive and the information provided therein was not up-to-date.

The Committee directed that all Administrative Departments should be advised to submit self-contained and comprehensive working papers, containing up-to-date information for consideration of the Committee.

The Committee directed that the Agriculture Department should provide a list of cases referred by them to the District Collectors for recovery as arrears of land revenue relating to the Audit paras contained in the Audit Report for the year 1999-2000 showing the reference numbers, date, amount and name of defaulters in each case.

## GENERAL OBSERVATION

**16.10.2004** The Committee was informed that the Department had submitted working papers in respect of five draft paras only instead of 40 draft paras printed in the Auditor General's Report for the year 1999-2000. The Department stated that Auditor General could not conduct audit of "Auqaf Organization" in the light of rule 20 of Punjab Waqf Properties (Accounts) Rules 1982 read with Section 9 & 11 of the Auditor General Functions & Powers (Terms & Conditions of Services) Ordinance 2001 and the decision of the Finance Department, Govt. of the Punjab conveyed vide letter No. FD(ME)D-19/2002 dated 9-6-2003.

The Administrative Secretary explained that Secretary of Auqaf Department performed his functions in two capacities i.e. as Secretary to the Government as well as Chief Administrator of Auqaf. Auqaf Organization was established and regulated under the West Pakistan Waqf Properties Ordinance of 1959/Punjab Waqf Properties Ordinance, 1979. It was a self supporting organization which generated its funds through *Nazraney* and lease money and did not receive any funds/grant through Provincial Consolidated Fund. Therefore, the audit of Auqaf organization did not fall within the purview of Auditor General. The accounts of Auqaf Department were discussed in the past in the PAC meetings but not those of Auqaf Organization. Audit of the Organization was being conducted by Local Fund Audit under the rules. The Secretary was of the view that consideration of audit report of Auqaf Organization by PAC could lead to legal complication as the actions taken in compliance of PAC directions could be challenged in the courts. He suggested that advice of the Law Department be obtained viz a viz the above issues. The Secretary added that notwithstanding this, two month's time would be required to collect information from the whole of the Punjab on audit observations with a view to submitting working papers complete in all respects.

Audit stated that audit of the Organization was conducted under Section 11.4 of the Audit Ordinance and the Report could be considered by Public Accounts Committee.

Representative of the Finance Department was of the view that since the Audit Report had been laid before the House and it had been referred to PAC by the Assembly, therefore, it was to be discussed by the Committee. He was of the view that there would be no legal complications on the actions taken by the Administrative Department as it had to proceed further on the directions of PAC and take some corrective action in the light of its own inquiries/findings.

The Secretary to the Committee pointed out that the working paper submitted by the Department was not complete and in proper format.

The Committee observed that the Audit Report of Auqaf Organization had been referred to it by the Assembly; therefore, the PAC was fully competent to consider and discuss the same. The

Committee further observed that the scope of Local Fund Audit was limited, therefore; it was in fitness of things that Audit of Auqaf Organization was conducted by the Auditor General of Pakistan.

The Committee acceded to the request of the Administrative Secretary and deferred the consideration of paras of Auqaf Organization to the next meeting with the direction that the working paper should be prepared in accordance with the directions of PAC on the subject.

**19.04.2005** Audit informed the Committee that the administrative department had submitted working papers on 13-04-05 whereas the schedule for verification had been given very earlier.

The Department explained that there was some delay in submission of working papers, on the part of department mainly due to the Urs of religious Saints including that of Hazrat Ali Hajvery and the department was fully engaged in preparations of Urses.

The Committee directed that the Department should get the record pertaining to Draft Paras verified by Audit at the earliest and prepare working papers immediately. The Committee further directed that date of the next meeting will be intimated in due course.

### **Audit paras (Civil) for the year 1999-2000**

#### **1. Para No.1 Page 8 of Audit Report for the year 1999-2000; Misappropriation of Loans Amounting To Rs.227,000/-**

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**19.10.2004** The Department explained that the amount as pointed out by Audit i.e. Rs.227,000/- had already been deposited with the Auqaf Organization. Relevant certificate issued by Auqaf Organization in this regard was available for verification.

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

**24.08.2005** Audit had pointed out mis-appropriation of loans amounting to Rs.227,000/.

The Department explained that the said amount had already been deposited with the Auqaf Organization. However, Audit contented that the bills/cash book was not produced to Audit for verification.

The Committee **pended the para** for 29-8-2005 with the direction that the relevant cash book and book transfer entry be shown to Audit.

#### **2. Para No.2 Pages 8 & 9 of Audit Report for the year 1999-2000; Likely**

**Misappropriation of Rs.90,000/- Due to Non-Production of Payees Receipts.**

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**3. Para No.3 Page 9 of Audit Report for the year 1999-2000; Misappropriation of Rs.1,804,220/- Due to Errors in Cash Book.**

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**4. Para No.4 Page 10 of Audit Report for the year 1999-2000; Likely Embezzlement of Rs.306,096/-.**

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**5. Para No.5 Pages 10 & 11 of Audit Report for the year 1999-2000; Misappropriation of Rs.171,871/- Due to Non Accountal in the Cash Book.**

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**6. Para No.7 Pages 11 & 12 of Audit Report for the year 1999-2000; Likely Misappropriation of Nazranajat Valuing Rs.74,296/-.**

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**7. Para No.8 Page 12 of Audit Report for the year 1999-2000; Misappropriation of Government Money by Ambiguous Drawal Rs.478,418/-.**

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**8. Para No.9 Page 13 of Audit Report for the year 1999-2000; Misappropriation of Cash Box Money Worth Rs.139,309/-.**

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**9. Para No.10 Pages 13 & 14 of Audit Report for the year 1999-2000; Likely Misappropriation Due to Non Deposit of Government Receipt Rs.71,329/-.**

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**10. Para No.14 Page 16 of Audit Report for the year 1999-2000; Non Production of Vouched Account of Masjid Fund Rs.637,000/-.**

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**11. Para No.15 Page 17 of Audit Report for the year 1999-2000; Overpayment of Rs.83,834/- on Account of Secretariat Allowance.**

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**12. Para No.16 Page 18 of Audit Report for the year 1999-2000; Loss of Rs.52,680/- Due to Non Auction of Waqf Land Adjacent to Masjid.**

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**13. Para No.17 Page 19 of Audit Report for the year 1999-2000; Loss of Rs.237,621/- (Approx) Due to Carelessness of Management.**

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**14. Para No.18 Pages 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.91,638/- on Account of Rent.**

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**15. Para No.19 Pages 20 & 21 of Audit Report for the year 1999-2000; Non Auction of Government Property/Land Resulting in Loss of to Rs.13,544,052/-.**

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**16. Para No.20 Page 22 of Audit Report for the year 1999-2000; Expenditure Over and Above the Budget Allocation for Rs.121,843/-.**

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**17. Para No.21 Page 23 of Audit Report for the year 1999-2000; Irregular Payment and Non Production of Vouched Account Amounting to Rs.53,901/-.**

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**18. Para No.22 Pages 23 & 24 of Audit Report for the year 1999-2000; Unauthorized Auction of Rs.1,677,400/-.**

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**19. Para No.23 Page 24 of Audit Report for the year 1999-2000; Irregular Payment of Rs.92,400/- on Account of Overtime to Drivers.**

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**20. Para No.24 Pages 24 & 25 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.315,970/-.**

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**21. Para No.25 Page 25 of Audit Report for the year 1999-2000; Irregular/ Unnecessary Expenditure Rs.21,500/- on Appointments of Consultants.**

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**22. Para No.26 Pages 25 & 26 of Audit Report for the year 1999-2000; Loss of Rs.534,800/- in Auction of Waqf Land of Kotla Rehman Tehsil Sahiwal (2394.11 Kanal).**

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**23. Para No.27 Pages 26 & 27 of Audit Report for the year 1999-2000; Irregular Occupation of Shops Resulting in a Loss of Rs.190,350/-.**

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**24. Para No.28 Page 27 of Audit Report for the year 1999-2000; Loss of Rs.104,738/- in Auction of Waqf Land.**

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**25. Para No.29 Pages 27 & 28 of Audit Report for the year 1999-2000; Loss of Rs.65,129/- in Auction of 277 Kanal Area of Masjid Kaloowal Tehsil Sargodha.**

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**26. Para No.30 Page 28 of Audit Report for the year 1999-2000; Doubtful Expenditure on Electricity Bills Valuing Rs.1,143,978/-.**

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**27. Para No.31 Page 29 of Audit Report for the year 1999-2000; Irregular Advance Payments for “URS” Ceremonies Amounting to Rs.830,831/-.**

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**28. Para No.32 Pages 30 & 31 of Audit Report for the year 1999-2000; Irregular Appointment of Contingent/Daily Paid Staff Involving Expenditure of Rs.9,113,469/-.**

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**29. Para No.33 Pages 31 & 32 of Audit Report for the year 1999-2000; Irregular Award of Leases Valuing Rs.5,342,828/-.**

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**30. Para No.34 Page 33 of Audit Report for the year 1999-2000; Non-Deposit of Auction Money of Agriculture Land Rs.199,320/-.**

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**31. Para No.35 Pages 33 & 34 of Audit Report for the year 1999-2000; Recovery of Rs.69,056/- for Illegal Cultivation of Waqf Land.**

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**32. Para No.36 Pages 34 & 35 of Audit Report for the year 1999-2000; Income Tax not Deducted from Various Contractors/Lesses Amounting to Rs.2,204,817/-.**

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**33. Para No.37 Pages 35, 36 & 37 of Audit Report for the year 1999-2000; Recovery of Rs.61,905,495/- on Account of Arrear of Rent and Lease Money.**

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**34. Para No.38 Page 38 of Audit Report for the year 1999-2000; Doubtful Expenditure of Rs.4,784,400/- by Absence of Vouched Accounts.**

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**35. Para No.39 Pages 38 & 39 of Audit Report for the year 1999-2000; Dubious Expenditure of Rs.115,000,000/- on Construction of Data Darbar, Complex Lahore.**

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**36. Para No.41 Page 40 of Audit Report for the year 1999-2000; Non-Production of Record Against Expenditure of Rs.1,447,031/-.**

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**24.08.2005** The Department explained that the record relating to the above mentioned audit paras could not be got verified by Audit due to the reasons that the record was in the concerned formations.

The Committee **kept these paras pending** with the directions that the record of the Lahore formation be got verified on 26 & 27/8/2005 by Audit and the schedule of verification for the remaining formations be submitted to Audit under intimation to PAC.

**37. Para No.6 Page 11 of Audit Report for the year 1999-2000; Fraudulent Drawal Of Rs.80,946/- On Account Of Traveling Allowance.**

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**19.10.2004** The Department explained that payment of Rs.26,396/- was made to the members of “Itahad-e-Bain-ul-Muslimeen Committee” (IBM) on 29-6-1994 in connection with meeting of the Committee. Another amount of Rs.54,550/- was spent on tours of members of IBM during Muharram 1994 which were conducted to promote sectarian peace and harmony. Vouched account was available for verification and in view of audit objection a new head viz “Ulema Conference/convention” had been created to meet such expenses.

The Committee observed that the matter required reconciliation of record with and verification thereof by audit.

With this observation, the para was kept pending.

**24.08.2005** The Department explained that in the light of the PAC directions dated 19-10-2004 the record had been reconciled with Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

### **38. Para No.11 Page 14 of Audit Report for the year 1999-2000; Doubtful Expenditure Of Rs.2,000,000/- For Mashaikh Conference.**

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**19.10.2004** The Department explained that on the direction of CM Punjab, Finance Department sanctioned funds of Rs.1,000,000/- for Organizing Mashaikh Conference. However, pre-audit Cheque No. 127415 dated 01-09-1994 was not got encashed due to postponement of the Conference and payment was stopped. Later, another Cheque No. C190557 dated 18-4-1995 for Rs.10 lakh was issued which was received by Mr. Maqsood Ahmad Sheikh, SO (Petition) Chief Minister’s Secretariat. Thus, the relevant record was with CM’s Secretariat.

The Committee directed that Principle Secretary to CM be requested to look into the matter of non-availability of record and the Department should explain the latest position in next meeting.

The para was kept pending.

**24.08.2005** The Department explained that the para was discussed in the PAC meeting dated 19-10-2004 and was kept pending with the directions that the Principle Secretary to the Chief Minister be requested to look into the matter of non-availability of record. The Chief Minister Secretariat has informed that the requisite record is not available.

The Committee **kept the para pending** for 29-8-2005 with the directions that the cheque

issued in lieu of cheque No.127415 dated 01-09-1994 and vouched account be got verified by Audit.

**39. Para No.12 Pages 14 & 15 of Audit Report for the year 1999-2000; Doubtful Drawal Of Rs.563,495/- From Account No.6896-8 For Foreign Participants.**

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**19.10.2004** The Department explained that the total amount was spent on account of convening of “International Mehafil-e-Qiraat Conference” during 1995. The funds were received in PLA No. 6896-8 on 13-9-1995. The Conference was held in five cities and the payment was made at different times on receipt of bills. The relevant record was available for verification.

Finance Department observed that the Department should check whether PLA was non-lapsable or otherwise. In case it was non-lapsable, re-validation of funds was required to be obtained from Finance Department.

The Committee directed that the Department should produce relevant record as well as position about PLA to Audit.

The para was kept pending.

**24.08.2005** The Department explained that the para was discussed in the PAC meeting dated 19-10-2004 and was kept pending with the direction that the Department should apprise the PAC that the PLA a/c No. 6896-8 was lapseable or otherwise. It was also stated that the PLA was non-lapsable.

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

**40. Para No.13 Page 15 of Audit Report for the year 1999-2000; Doubtful Expenditure Of Rs.764,100/- For Payment To Foreign “Qaries”**

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**19.10.2004** The Department explained that the para was identical to DP No. 12. Two International Qirat Conferences in 1995 and 1997 were held and funds for both the occasions were received separately. The Conference relevant to this para was held from 8 to 16 April 1997 and the amount was spent on purchase of air-tickets for foreign “Qaries” from different countries, payment of honoraria and purchase of gifts etc. Funds were utilized from PLA and relevant record was available for verification.

The Committee kept the para pending for verification of relevant record by Audit.

**24.08.2005** The Department explained that out of total amount of Rs.764,100/- the vouched account of Rs.630,000/- had been produced to Audit and the balance amount of Rs.134,100/- had been refunded to government.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

#### **41. Para No.40 Page 39 of Audit Report for the year 1999-2000; Wastage Of Government Money Valuing Rs.300,000/-**

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**19.10.2004** Audit had pointed out that Rs.300,000/- was paid to Pakistan Calligraphic Artists Guild without justification.

The Department explained that in the wake of announcement of donation of Rs.3 lac to Pakistan Calligraphy Artists Guild on behalf of Chief Minister Punjab on 10-01-1999, a grant of Rs.3 lac in favour of PCAG was approved by Chief Minister and funds placed in PLA of Secretary Auqaf with approval of Finance Department were released in favour of PCAG. The Department requested that the para to the extent of Grant of Rs.3 lac be settled and that entire position about PLA and PLS accounts would be explained next in meeting of the Committee.

Audit pointed out that the position now taken by the Department was different from the one adopted in the previous working paper. Audit also made certain observations regarding bank statement of account No.6896-8 for clarification by the Department.

Finance Department observed that the Department should explain position of last two year's sources of funding and the project where amount was spent. Moreover, a Treasury Officer could transfer funds in PLA and not in PLS. This should also be checked how funds were transferred in PLS account.

The Committee acceded to the request of the Department and the para to the extent of grant of Rs.3 lac was settled with the direction that the Department should explain entire position about the PLA and PLS accounts to the Committee in its next meeting.

**24.08.2005** The Department explained that in the light of the PAC directions dated 19-10-2004, it had been clarified that the amount was sanctioned as grant in aid and the account was PLS not PLA.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

The paras were discussed in the meetings of PAC-II held on 25.09.2003, 26.09.2003, 27.09.2003, 17.04.2004, 16.04.2005 & 18.04.2005.

## **Audit Paras (Revenue Receipts) for the year 1999-2000**

- 1. Para No. 2.1 Pages Nos. 39 & 40 of Audit Report for the year 1999-2000; Short-realization of Stamp Duty due to under-valuation – Rs. 1,998,514/-**

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- 2. Para No. 2.2 Pages No. 41, 42 & 43 of Audit Report for the year 1999-2000; Short-realization of Stamp Duty and registration fee due to mis-classification of sale deeds Rs. 999,358/-**

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- 3. Para No.2.3 Pages No. 43, 44 & 45 of Audit Report for the year 1999-2000; Short-realization of Stamp Duty/registration fee due to incorrect rate Rs.497,550/-**

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- 4. Para No. 2.4 Pages No. 45 & 46 of Audit Report for the year 1999-2000; Short-realization of Stamp Duty and registration fee on lease deeds–Rs.407,503/-**

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- 5. Para No. 2.5 Pages No. 46 & 47 of Audit Report for the year 1999-2000; Unlawful exemption from Stamp Duty and registration fee- Rs. 348,474/-**

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- 6. Para No. 2.6 Pages No. 47 & 48 of Audit Report for the year 1999-2000; Non-realization of registration fee on redemption deeds- Rs. 148,040/-**

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- 7. Para No. 2.7 Pages No. 48 & 49 of Audit Report for the year 1999-2000; Non-realization of Stamp Duty on agreements between local council and the contractor – Rs. 119,290/-**

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- 8. Para No. 2.8 Page No. 49 of Audit Report for the year 1999-2000; Short-realization of registration fee on supplementary documents- Rs. 78,810/-**

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**27.09.03** Paras No.2.1 to 2.8 relating to Stamp Duty and Registration Fee were jointly considered by the Committee, in the light of the explanation of the Department and the Audit comments thereon. The Committee observed that the cases incorporated in these paras could be classified into four categories and gave directions in respect of each category as under:-

### **Category No.1**

The cases in which the Department conceded to the contention of the Audit, the recovery and disciplinary action should be completed within three months.

### **Category No.2**

The cases in which legal issues were involved and the point of views of the Department and the Audit differed from each other should be referred to the Law Department for advice and action should be taken as per advice of the Law Department within three months.

### **Category No.3**

The cases in which the Department was of the view that the actual recoverable amount was less than that pointed out by Audit, the Department should provide full justification for reduction in amount to the Audit. The action should be completed within three months.

### **Category No.4**

The cases relating to under valuation of property should be examined by a Sub-Committee consisting of the following within three months:-

1. Deputy District Officer (Revenue) concerned as representative of the Board of Revenue.
2. A representative of the Audit Department.
3. A representative of the Finance Department.

The Committee further suggested that specific targets for recovery should be given to the Collectors concerned.

The paras No. 2.1 to 2.8 were kept pending.

**17.04.04** The above paras were jointly considered which fell into the following six categories:-

### **Category-I (PDPs settled)**



- 1) Para No.2.1 (PDP 5724, 6209)
- 2) Para No.2.2 (PDP 5824, 5822, 5798, 6242, 6121)
- 3) Para No.2.3 (PDP 5744, 6119, 5943)

**Category-II (PDPs conditionally settled subject to verification by Audit)**

- 1) Para No.2.3 (PDP 6210, 5792, 5954)
- 2) Para No.2.5 (PDP 5956, 5752, 6252)

**Category-III (PDPs referred to Law Department for Advice)**

- 1) Para No.2.1 (PDP 5796)
- 2) Para No.2.2 (PDP 6080)
- 3) Para No.2.3 (PDP 5759)
- 4) Para No.2.6 (PDP 6086, 6250, 5743, 5823)

**Category-IV (Deficiencies accepted by the Department and balance still recoverable)**

- 1) Para No.2.1 (PDP 5719, 6207, 6220)
- 2) Para No.2.3 (PDP 6237, 5799)
- 3) Para No.2.4 (PDP 5957, 5821)
- 4) Para No.2.7 (PDP 6386)
- 5) Para No.2.8 (PDP 6244)

**Category-V (Departmental contention differs with Audit point of view)**

- 1) Para No.2.1 (PDP 5720, 5721, 5722, 6077, 6085, 6127, 6278)
- 2) Para No.2.2 (PDP 6187, 6155)
- 3) Para No.2.4 (PDP 5820)

## 4) Para No.2.5 (PDP 6079)

**Category-VI (Sub-judice)**

## Para No.2.1 (PDP 5807)

The department explained that in respect of the matter under consideration i.e. the realization of stamp duty, a number of issues were involved which related to sorting out the date of the order, the date of the notification as well as difference of opinion between the department and the audit over the dates from which the rates of stamp duty would be effective. Moreover, there was difference in the contention of the department and the audit over the valuation table etc. The position with reference to the above categories was explained as under:-

**i) Category-I**

The recoveries/departmental contention had been verified by the audit.

**ii) Category-II**

The recoveries had been reported by the concerned quarters but the requisite record was required to be verified in respect of the PDPs mentioned in this category.

**iii) Category-III**

The advice of the Law Department had been received and the matter would be decided after holding discussion/meetings with the audit which were scheduled to be held w.e.f. 19.4.2004.

**iv) Category-IV**

Partial recovery had been effected in the PDPs mentioned in this category and the recovery of balance amount could not be effected because there was difference of opinion between the department and the audit as already explained.

**v) Category-V**

There was difference in the contention of the department and the audit in respect of PDPs mentioned in this category on various counts.

**vi) Category-VI**

The matter was sub-judice.

The Committee after hearing the view point of the department and the audit directed as under:-

- a) The cases mentioned in Category-I **were settled**.
- b) The cases mentioned in Category-II were **conditionally settled** subject to verification of relevant record and recovery where required by the audit;
- c) The remaining cases/PDPs mentioned in category III, IV & V **were kept pending** with the direction for further examination by the Department and the audit as well as in the light of Law Department's advice where applicable for resolving the issues within 30 days. The case mentioned in category VI was also kept pending being sub-judice.

Subject to the above directions, paras 2.1 to 2.8 were kept pending.

#### **9. Para No. 2.9 Pages No. 50 & 51 of Audit Report for the year 1999-2000; Non-recovery of arrears of Abiana – Rs.135,905,999/-**

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**27.09.03** The Department explained that the amount of Abiana recoverable from the land owners was assessed by Irrigation & Power Department and demand for recovery as arrears of land revenue was created by the Revenue Department. The surcharge (Tawan) was imposed on the amounts paid after the due date.

The Department further explained that recovery of Abiana from the land owners was a continuous process. Partial amounts had been recovered and efforts were being made to recover the remaining amounts.

The Committee directed that the amounts recovered should be got verified by Audit. The recovery of the remaining amounts should be got expedited by giving targets to the Collectors and should be completed within three months.

Para was kept pending.

**17.04.04** The Department explained that recovery of Rs.61,810,256/- had been effected and efforts were being made to recover the balance amount as arrears of land revenue.

Audit, however, contended that department had not got the recovery of stated amount verified.

Finance Department observed that BOR should send item-wise return of the recovery made in respect of abiana to the Irrigation Department so that it could properly monitor the recovery position in this regard.

The Committee directed the department to get the recovered amount verified by Audit and also expedite the recovery of balance amount at the earliest by issuing appropriate instructions and giving targets to the officers concerned.

The para was **kept pending**.

**10. Para No. 2.10 Page No. 52 of Audit Report for the year 1999-2000; Non-realization of 10 percent surcharge for late payment of Abiana Rs.18,504,613/-.**

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**27.09.03** The Department explained that the amount of Abiana recoverable from the land owners was assessed by Irrigation & Power Department and demand for recovery as arrears of land revenue was created by the Revenue Department. The surcharge (Tawan) was imposed on the amounts paid after the due date.

The Department further explained that recovery of Abiana from the land owners was a continuous process. Partial amounts had been recovered and efforts were being made to recover the remaining amounts.

The Committee directed that the amounts recovered should be got verified by Audit. The recovery of the remaining amounts should be got expedited by giving targets to the Collectors and should be completed within three months.

Para was kept pending.

**17.04.04** The Department explained that an amount of Rs.568,024/- had been recovered and efforts were being made to recover the balance amount as arrears of land revenue. The Department admitted that the progress of recovery was slow which would be expedited.

The Committee directed that meetings should be held with the concerned officers and targets be given to them for effecting recovery on monthly basis.

The para was **kept pending**.

**11. Para No. 2.11 Page 53 of Audit Report for the year 1999-2000; Non-realization of Abiana even after expiry of the validity of Court Stay Orders Rs.18,499,046/-.**

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**27.9.2003** The Department explained that the amount of Abiana recoverable from the land owners was assessed by Irrigation & Power Department and demand for recovery as arrears of land revenue was created by the Revenue Department. The surcharge (Tawan) was imposed on the amounts paid after the due date.

The Department further explained that recovery of Abiana from the land owners was a continuous process. Partial amounts had been recovered and efforts were being made to recover the remaining amounts.

The Committee directed that the amounts recovered should be got verified by Audit. The recovery of the remaining amounts should be got expedited by giving targets to the Collectors and should be completed within three months.

Para was kept pending.

**17.04.04** The Department explained that an amount of Rs.954,020/- had been recovered and the recovery of balance amount was pending mainly due to the stay orders of various courts. The Department further explained that recovery as arrears of land revenue was a continuing process.

Audit stated that recovery of Rs.293,247/- only was verified out of the amount stated to have been recovered by the Department.

The Committee directed the department to expedite the recovery process and get the recovered amount verified by Audit.

The para was **kept pending**.

**12. Para No. 2.12 Pages No. 54 & 55 of Audit Report for the year 1999-2000; Non-recovery of Abiana due to omission in carrying forward of outstanding balance – Rs.5,992,634/-.**

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**27.09.03** The Department explained that the amount of Abiana recoverable from the land owners was assessed by Irrigation & Power Department and demand for recovery as arrears of land revenue was created by the Revenue Department. The surcharge (Tawan) was imposed on the amounts paid after the due date.

The Department further explained that recovery of Abiana from the land owners was a continuous process. Partial amounts had been recovered and efforts were being made to recover the remaining amounts.

The Committee directed that the amounts recovered should be got verified by

Audit. The recovery of the remaining amounts should be got expedited by giving targets to the Collectors and should be completed within three months.

Para was kept pending.

**17.04.04** The Department explained that an amount of Rs.1,826,877/- had been recovered and efforts were being made to recover the balance amount as arrears of land revenue which would be further intensified.

Audit stated that recovery of Rs.1,189,774/- only was verified out of the amount stated to have been recovered by the Department.

Finance Department observed that Department's internal audit system should be strengthened so that omissions like carrying forward of outstanding balances etc. did not occur.

The Committee directed the department to get the amount recovered verified by Audit and effect recovery of balance amount at the earliest by giving targets to the Collectors.

The para was **kept pending**.

### **Audit Paras (Civil) for the Year 1999-2000.**

#### **1. Para No.1.1 Page 7 of Audit Report for the year 1999-2000; Misappropriation of Rs.695,806/-.**

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D.C. Jehlum-Rs.260,000/-.

**26.09.03** Audit had pointed out that the Moharram Grant of Rs.260,000/- was drawn from the treasury but the amount was not entered in the Cash Book.

The Department explained that in compliance with the direction of SDAC given in its meeting held on 25 November 2000, the requisite record was shown to Audit. Audit had verified the same.

The para was **settled**.



**2. Para No.1.2 Page 7 of Audit Report for the year 1999-2000; Misappropriation of Rs.695,806/- on account of Moharram grant.**

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Deputy Commissioner Faisalabad-Rs.435,806/-.

**25.09.03** Audit observed that an amount of Rs.435,806/- was drawn from treasury by the Dy. Commissioner, Faisalabad on account of Moharram grant and the amount was not found entered in the cash book and vouchers were also not available.

The Department asked three months time to collect the record and to produce it to Audit for verification and to take proper action for the deficiencies/irregularities, if any.

The Department was directed to arrange the production of record to Audit and also to hold an inquiry to fix responsibility for non-production of record at the time of audit. The inquiry/ action should be completed within three months.

The para was kept pending.

**17.04.04** The Department explained that in compliance with the directions of PAC-II, as per the findings of the inquiry held, Mr. Javed Iqbal, the then Head Clerk was found responsible for the accounts of AC Tandlianwala, who was dismissed from service. Criminal action against the said official was also in the offing.

The Committee directed that all the available vouched accounts of the case should be got verified by Audit and the copy of FIR and inquiry report be also produced to audit.

The para was **kept pending**.

**3. Para No.2 Page 8 of Audit Report for the year 1999-2000; Embezzlement Rs.125,489/- on account of pay & allowances.**

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**26.09.03** Audit had pointed out that the amount of Rs.125,489/- had been drawn on account of pay and allowances of the Government officials who stood retired or terminated.

The Department explained that the entire amount had already been recovered and deposited into Government Treasury.

The Department was directed to get the recovery verified by Audit.

The Committee further observed that Government money had been embezzled and it was recovered when pointed out by Audit.

The Committee directed that disciplinary action should also be taken against those responsible for the embezzlement to provide deterrence for the future. The action should be completed within three months.

The para was settled subject to the above directions.

**17.4.04** Audit vide its comments stated that neither the relevant original record was produced nor disciplinary action against the officials responsible was taken as per the directions of PAC.

The Department stated that DO(R) Gujranwala was available with all the record for verification and assured the Committee that disciplinary action would also be taken against those responsible for the lapse under intimation to the PAC.

The Committee **kept the para pending** for verification of record and disciplinary action against responsible persons.

### **3. Para No.3 Page 8 of Audit Report for the year 1999-2000; Misappropriation of Rs.265,252/- on Account of Pay of Patwaries.**

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**16.04.2005** The Department explained that the requisite record had been produced to Audit, which had verified the same and recommended the para for settlement.

Audit verified the contention of the Department and the para was **accordingly settled**.

### **4. Para No.4 Page 9 of Audit Report for the year 1999-2000; Misappropriation of Rs.178,530/- on Account of P.O.L.**

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**16.04.2005** The Department explained that the matter had been referred to the Finance Department for regularization of the expenditure and the decision of FD was still awaited. The Committee **pended the para till the regularization** by the Finance Department.

### **5. Para No.5 Pages 9 & 10 of Audit Report for the year 1999-2000; Misappropriation of Rs.131,016/- on Account of Telephone and Electricity Charges.**

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**16.04.2005** The Department explained that the amount was recoverable from Mr. Muhammad Ashraf, formerly Head Clerk, who had since been retired from service. It was also stated that the

concerned district Accounts Officer had been requested to stop the payment of pension to him.

The Committee **pended the para** and desired that lawful action in the matter be completed expeditiously.

**6. Para No.6 Page 10 of Audit Report for the year 1999-2000; Misappropriation of Rs.55,386/- on Account of Purchase of P.O.L.**

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**16.04.2005** The Department explained that the original challans and credit verification for the deposit of Rs.1,970/- and entries of POL amounting to Rs. 2,330.36/- and consumption thereof had been seen and verified by Audit. However, as regards to consumption of POL valuing to Rs.51,085.90/- appeared to be doubtful as no meter reading, point to point journeys and monthly POL Goshawara had been found recorded in the log book.

The Committee **pended the para** and desired that recovery of Rs. 51,085.90 incurred on purchase of POL be made from the responsible.

**7. Para No.7.1 Pages 11 & 12 of Audit Report for the year 1999-2000; Recovery of Rs.483,679/- Due to Overpayment of Pay and Allowances.**

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Secretary Board of Revenue, Punjab, Lahore – Rs.199,306/-

**16.04.2005** The Department explained that the matter was referred to the FD which was of the view that audit objection was preposterous. There was no mechanism for an officer who had reached the ceiling of his pay scale to get his Personal Allowance adjusted. He would continue to draw it as a vested right on account of the circumstantial situation of his case.

Audit verified the contention of the Department and recommended the para for settlement.

The para was **accordingly settled**.

**8. Para No.7.2 Pages 11 & 12 of Audit Report for the year 1999-2000; Recovery of Rs.483,679/- Due to Overpayment of Pay and Allowances.**

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Secretary Board of Revenue, Punjab, Lahore – Rs.20,590/-

**16.04.2005** The Department admitted and ensured that the recovery would be made from the concerned officers.

**The para was kept pendend** for recovery from the concerned officers within 90 days.

**9. Para No.7.3 Pages 11 & 12 of Audit Report for the year 1999-2000; Recovery of Rs.483,679/- Due to Overpayment of Pay and Allowances.**

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Deputy Commissioner, Toba Tek Singh – Rs.21,959/-

**16.04.2005** The Department explained that total recovery had been effected and the pay of Mr. Abdul Rehman and Mr. Aslam Pervaiz, Junior Clerks had been re-fixed.

Audit stated that the recovery had been verified but the record of re-fixation of pay had not been provided for verification.

The Committee **settled the para subject to verification** of re-fixation of pay of Mr. Abdul Rehman and Mr. Aslam Pervaiz, Junior Clerks.

**10. Para No.7.4 Pages 11 & 12 of Audit Report for the year 1999-2000; Recovery of Rs.483,679/- Due to Overpayment of Pay and Allowances.**

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Relief Commissioner Board of Revenue Punjab, Lahore – Rs.79,904/-

**16.04.2005** The Department explained that an amount of Rs.5,581/- was actually recoverable from Mr Masud Khan, Ex-Director Operation instead of Rs.74,340/- and notice had been issued to him to deposit the aforesaid amount where as in case of Mr Muhammad Azam Ex-Director General (Relief), it had been noticed that his personal pay had been reduced annually as per policy and nothing was outstanding against him.

Audit stated that department should produce relevant record in support of its contention.

The **para was kept pending** with the direction that department should do the needful to finalize the matter within the period of 90 days.

**11. Para No.7.5 Pages 11 & 12 of Audit Report for the year 1999-2000; Recovery of Rs.483,679/- Due to Overpayment of Pay and Allowances.**

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Relief Commissioner, Board of Revenue, Punjab, Lahore – Rs.65,320/-

**16.04.2005** The Department admitted that the officers had drawn Conveyance Allowance to the extent of Rs.77,035/- and ensured that the recovery would be made from the concerned officers for over payment of Conveyance Allowance. Notices for recovery had been issued.

The Committee **pended the para** and desired that the recovery be made from the responsible officers within 90 days.

**12. Para No.7.6 Pages 11 & 12 of Audit Report for the year 1999-2000; Recovery of Rs.483,679/- Due to Overpayment of Pay and Allowances.**

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Assistant Commissioner, Depalpur – Rs.96,600/-

**16.04.2005** The Department explained that as per the report submitted by the DDO(R), Depalpur an amount of Rs.57,728.37 instead of Rs. 96,600/- had been calculated. The Department further stated that the recovery was required to be made from the Class-IV establishment and requested that as they are low paid and poor government servants, therefore, the para may kindly be settled.

The Committee accepted the explanation of the Department and the **para was settled** on the compassionate grounds.

**13. Para No.8.1 Pages 13 & 14 of Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Call Registers Payment of Rs.2,936,131/-.**

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Deputy Commissioner, Gujranwala – Rs.123,988/-

**16.04.2005** The Department explained that the matter had been referred to the FD for regularization of the expenditure involved in the para and the decision of the FD was still awaited.

The Committee **pended the para for regularization** by Finance Department.

**14. Para No.8.2 Pages 13 & 14 of Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Call Registers Payment of Rs.2,936,131/-.**

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Deputy Commissioner, Bahawalpur– Rs.209,950/-

**16.04.2005** The **para was kept pendend for record verification** by Audit.

**15. Para No.8.3 Pages 13 & 14 of Audit Report for the year 1999-2000; Non-maintenance of telephone trunk call registers payment of Rs.2,936,131/-.**

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Secretary Board of Revenue, Punjab, Lahore-Rs.2,468,473/-

**25.09.03** The Audit observed that telephone trunk calls registers were not maintained and the

amount of Rs.2,468,473/- was drawn from the treasury and shown as paid telephone charges.

The Department assured that record would be produced to Audit showing that all calls were made on official business and the charges of private Trunk Calls had been paid by the officers concerned.

The para was settled subject to verification by Audit.

**17.04.04** Audit had pointed out that the telephone call registers were not maintained, therefore, in the absence of relevant record it could not be ascertained whether the calls made were for official purpose or otherwise.

The Department explained that the requisite registers were available for verification.

The Committee directed that the department should provide the details of official/private calls to audit for verification within 60 days.

The para was kept pending.

**16.04.05** The Departmental contention in respect of the subject para had been verified by Audit.

On recommendation of Audit, the Committee **settled the para**.

#### **16. Para No.8.4 Pages 13 & 14 of Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Call Registers Payment of Rs.2,936,131/-.**

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Deputy Commissioner, Lodhran – Rs.133,720/-

**16.04.05** The Department explained that the concerned officers had been requested to justify that the calls were made in the interest of government work or in private capacity, with a view to recover the amount of private calls. It was also stated that at the time of Audit there was digital exchange and the use of the telephone for private purposes could be verified from the monthly telephone bills.

The Committee **kept the para pending** and desired that the record be got verified by Audit within 90 days.

#### **17. Para No.9.1 Pages 15 & 16 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,185,263/- on Account of Purchase of Stationary**

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Assistant Commissioner, (Sadar) Rawalpindi – Rs.131,497/-

**16.04.05** The Department explained that the matter had been referred to the Finance Department for regularization of the expenditure involved in this para and the decision of the FD was still awaited.

The Committee **kept the para pending for regularization** by FD.

**18. Para No.9.2 Pages 15 & 16 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,185,263/- on Account of Purchase of Stationary**

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Deputy Commissioner, Multan – Rs.80,646/-

**16.04.05** The Department explained that the matter had been referred to the Finance Department for regularization of the expenditure involved in this para and the decision of the FD was still awaited.

The Committee **kept the para pending for regularization** by Finance Department.

**19. Para No.9.3 Pages 15 & 16 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,185,263/- on Account of Purchase of Stationary**

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Secretary Board of Revenue, Punjab, Lahore – Rs.973,120/-

**16.04.05** The Department explained that out of Rs.973,120/- stationery to the tune of Rs.267,150/- was purchased from the Government Printing Press, whereas local purchase of stationery of Rs.705,970/- was made from local market after observing all codal formalities. All the purchases were made within the competency of the authority being Administrative Department upto Rs.40,000/- at a time for stationery.

Audit verified the contention of the Department and recommended the para for settlement.

The para was **accordingly settled**.

**20. Para No.10.1 Pages 16 & 17 of Audit Report for the year 1999-2000; Defective Maintenance of Log Books for Rs.320,289/-.**

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Deputy Commissioner, Gujranwala – Rs.67,381/-

**16.04.05** The Department explained that after devolution the offices were shifted to different places of the building and the log book had been misplaced and the matter is being inquired into.

The Committee **kept the para pending** and desired that after inquiry if the log book was not made available, recovery would be made from the responsible within 90 days.

**21. Para No.10.2 Page 16 of Audit Report for the year 1999-2000; Defective maintenance of log books for Rs.320,289/-.**

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Secretary Board of Revenue, Punjab, Lahore- Rs.252,908/-.

**26.09.03** The Department explained that Log Books of the vehicles had been maintained. However, point to point journey had not been entered in the Log Books.

The Committee directed that the officers who used the vehicles may be given advice for not properly maintaining the Log Books.

The Committee also directed that Log Books should be completed as per rules and got verified by Audit.

The para was kept pending.

**17.04.04** The Department explained that the matter had been referred to the Finance Department for regularization and their decision was awaited.

The para was kept pending.

**22. Para No.11.1 Pages 17 & 18 of Audit Report for the year 1999-2000; Irregular Expenditure on Repair of Government Vehicles Amounting to Rs.577,516/-.**

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Deputy Commissioner, Multan – Rs.175,914/-

**23. Para No.11.2 Pages 17 & 18 of Audit Report for the year 1999-2000; Irregular Expenditure on Repair of Government Vehicles Amounting to Rs.577,516/-.**

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Assistant Commissioner, (Sadar) Rawalpindi – Rs.58,540/-

**16.04.05** The Department explained that the matter had been referred to the Finance Department for regularization of the expenditure involves in this para but the decision of the FD was still awaited.

The Committee **pended the paras** and desired that report regarding regularization sanction be submitted to the PAC within 90 days.

**24. Para No.11.3 Pages 17 & 18 of Audit Report for the year 1999-2000; Irregular Expenditure on Repair of Government Vehicles Amounting to Rs.577,516/-.**

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Deputy Commissioner, Pakpattan – Rs.343,062/-

**16.04.05** The Department explained that a sum of Rs.174,000/- was paid to the telephone Department on account of telephone charges and the remaining amount of Rs.168,862/- was incurred on repair of government vehicles after observing all the codal formalities. Necessary record had been got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

The para was **accordingly settled**.

**25. Para No.12.1 Page 18 of Audit Report for the year 1999-2000; Expenditure of Rs.953,194/- Over and Above the Budget Allocation.**

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Deputy Commissioner, Jhang – Rs.239,385/-

**16.04.05** The Department explained that Mr Muhammad Safdar Iqbal, Ex-District Nazir was involved in the subject para along with DP.No.31.8 and 31.9 contained in the similar Audit Report.

The Committee kept the para pending for further consideration on 18.04.05.

**18.04.2005** The Department explained that Mr Muhammad Safdar Iqbal ex-District Nazir did not hand over the record to his successor and criminal cases had been registered against him.

After detailed discussion the Committee desired the Administrative Department as well as District Police Officer, Jhang should come up with the latest position of the matter pertaining to subject para on 28.04.05.

The para was kept pending.

**28.04.2005.** The Superintendent of Police (Investigation) Jhang informed the Committee that four raids had been conducted to arrest Mr Muhammad Safdar Iqbal ex-District Nazir but he was not traceable at his available address. However, the Administrative Department contented that aforesaid accused was still residing/available at his residence in District Jhang.

After detailed discussion/consideration of the issue, the Committee desired that District Police Officer Jhang should intensify his efforts for arresting the accused person and submit a Compliance Report to the Sub-Committee-VI of PAC-II in its meeting to be held on 23<sup>rd</sup> May 2005.

The **para was kept** pending.

**26. Para No.12.2 Page 18 of Audit Report for the year 1999-2000; Expenditure of Rs.953,194/- over and above the budget allocation.**

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Deputy Commissioner Gujranwala-Rs.666,457/-.

**25.09.03** The Department explained that the excess expenditure over the budgetary allocation had been made under the object pay and allowances of officers and other staff due to increase in salary and allowances and the expenditure was unavoidable.

The Department was directed to get the expenditure regularized by the Finance Department.

The para was settled subject to regularization by the Finance Department.

**17.04.04** The Department explained that the matter relating to excess expenditure over the budgetary allocation had been referred to the Finance Department for regularization.

The **para was kept pending for regularization** by the Finance Department.

**27. Para No.12.3 Page 18 of Audit Report for the year 1999-2000; Expenditure of Rs.953,194/- Over and Above the Budget Allocation.**

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Deputy Commissioner, Sialkot – Rs.47,352/-

**16.04.2005** The Department explained that the expenditure related to pay and allowances of official/other staff etc. which was un-avoidable to be paid to the officials concerned.

The Committee accepted the explanation of the department and the **para was settled**.

**28. Para No.13.1 Page 19 of Audit Report for the year 1999-2000; Expenditure of Rs.1,960,599/- Beyond Competency.**

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Deputy Commissioner, Rajanpur – Rs.67,002/-

**16.04.2005** The Department explained that the case for ex-post facto sanction had been prepared and submitted to the SMBR for approval.

The Committee **pended the para till the decision of the SMBR.**

**29. Para No.13.2 Page 19 of Audit Report for the year 1999-2000; Expenditure of Rs.1,960,599/- Beyond Competency.**

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Deputy Commissioner, Gujranwala – Rs.65,090/-

**16.04.2005** The Department explained that the matter was referred to the Finance Department for regularization but the same was returned with the remarks that SMBR was competent to regularize the expenditure. Now the case would be submitted to SMBR for regularization of the expenditure.

The Committee **pended the para till the decision of the SMBR.**

**30. Para No.13.3 Page 19 of Audit Report for the year 1999-2000; Expenditure of Rs.1,960,599/- Beyond Competency.**

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Deputy Commissioner, Vehari – Rs.1,828,507/-

**16.04.2005** The Department explained that in the light of the decision dated 21-12-1998 by the Provincial Ombudsman Punjab, Lahore, all the payment in question had been made to the contractors as specified budget was provided by the government through IG (Prisons).

Audit verified the contention of the Department and recommended the para for settlement.

The **para was accordingly settled.**

**31. Para No.14.1 Pages 19 & 20 of Audit Report for the year 1999-2000; Non-Surrender/Non-Utilization of Budget Amounting to Rs.423,094/-.**

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Deputy Commissioner, Pakpattan – Rs.290,286/-

**16.04.2005** The Department explained that the para had already been discussed and settled in the SDAC meeting held on 14-4-2001.

Audit verified the contention of the Department and recommended the para for settlement.

The para was accordingly settled.

**32. Para No.14.2 Pages 19 & 20 of Audit Report for the year 1999-2000; Non-Surrender/Non-Utilization of Budget Amounting to Rs.423,094/-.**

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Deputy Commissioner, Sialkot – Rs.132,808/-

**16.04.2005** The Department explained that the entire amount could not be utilized due to ban on recruitments and the appropriation accounts had already been settled by the PAC.

Audit verified the contention of the Department and recommended the para for settlement.

The para was accordingly settled.

**33. Para No.15 Page 20 of Audit Report for the year 1999-2000; Irregular Expenditure for Rs.52,427/- Due to Shifting of Headquarter.**

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**18.04.2005** The Department explained that Mr. Munawar Ahmad Kanungo office of ADC (C), Gujranwala was transferred and temporarily posted in the office of Additional Commissioner (Consolidation), Gujranwala Division, Gujranwala. No headquarter was changed as he remained working at Gujranwala in the public interest and no excess payment was drawn or paid to the incumbent.

After detail discussion the para was settled.

**34. Para No.16.1 Page 21 of Audit Report for the year 1999-2000; Irregular Advance Drawal of Rs.197,802/-**

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Deputy Commissioner, Rahim Yar Khan – Rs.50,000/-

**18.04.2005** The Department explained that the amount was drawn from the treasury on emergency basis to pay the higher charges of private vehicles/POL charges on the spot to meet the requirement of emergency duties. Original vouchers duly verified by the concerned officers were available for verification.

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

**35. Para No.16.2 Page 21 of Audit Report for the year 1999-2000; Irregular**



## **Advance Drawal of Rs.197,802/-**

Deputy Commissioner, Sialkot – Rs.147,802/-

**18.04.2005** The Department explained that the matter had been referred to the Finance Department for regularization and the decision was still awaited.

The Committee **pended the para till regularization** by the Finance Department and desired that the Department should produce the list of all the cases which had been referred to the Finance Department for regularization to the DS (Monitoring), Finance Department to pursue such cases.

### **36. Para No.17 Pages 21 & 22 of Audit Report for the year 1999-2000; Non-Verification of Treasury Deposits of Rs.1,605,065/-.**

**18.04.2005** The Department explained that the verification of deposited amount had been done by the District Accounts Officer, Sheikhpura, and the same had also been seen/verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

The para was accordingly settled.

### **37. Para No.18.1 Page 23 of Audit Report for the year 1999-2000; Loss of Rs.750,034/- due to non auction of Conteen/Katchery compound.**

Deputy Commissioner Gujranwala-517,640/-.

**26.09.03** The Department explained that the reply given in the working paper was not complete. The relevant record would be demanded from the District Coordination Officer, Gujranwala and detailed reply would be given in the working paper for the next meeting of the Committee.

The para was accordingly kept pending.

**17.04.04** The Department explained that during 1998-99, the contract of printed forms was awarded to Mr Majeed Qaiser against a sum of Rs.308,000/- from 7/98 to 6/99 which was run by him upto 31.12.1998. A sum of Rs.154,000/- was due from him, out of which Rs.50,000/- was recovered and deposited into Government treasury and remaining recovery was underway. Meanwhile, he had also filed a civil suit.

The audit observed that the Department had not commented upon the contract of canteen

and desired to see the relevant record also.

The Department stated that they would further look into the matter.

The para was kept pending.

**18.04.2005** The Department explained that infact the contract of printed forms was awarded two times in the year 1997-98 for Rs.450,000/- and Rs.169,000/- respectively. But, both the times the contractors disapproved by leaving contract. However, in the year 1998-99 the contract was awarded for a sum of Rs.308,000/- from July 1, 1998 to June 6, 1999, but after a period of one month, the contractor filed a Civil suit in the court of law with the plea that the government had not provided a proper place/premises and no one was allowed to sale the printed forms without the stamp of the contractor. The contract was run by the contractor uptil 31.12.1998 and a sum of Rs.154,000/- was due from him out of which Rs.50,000/- had been recovered and deposited into Government treasury.

In the other case, the department stated that the contract of canteen was auctioned twice in a year by publication of auction notices on 30.6.1998 and 6.1.1999. The contract for the remaining six months was announced for auction and notices were published in the daily newspapers, but no one approached for the contract. However, a sum of Rs.1,848/- had been recovered from the typist and the process for recovery of remaining amount, i.e., Rs.792/- was underway.

The Committee **kept the para pending** and desired that vigorous efforts be made for recovery of the remaining amount.

### **38. Para No.18.2 Page 23 of Audit Report for the year 1999-2000; Loss of Rs.750,034/- Due to Non Auction of Conteen/Kachery Compound.**

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Deputy Commissioner, Bahawalpur – Rs.47,394/-

**18.04.2005** The Department explained that an advertisement was published in the daily newspaper for auction of the canteen/plots. But, no contractor came forward to get the canteen/plot, due to the reason that many shops/stalls were already did exist outside the Kachary Compound.

The **para was kept pending for verification** of record by Audit.

### **39. Para No.18.3 Page 23 of Audit Report for the year 1999-2000; Loss of Rs.750,034/- Due to Non Auction of Canteen/Kachery Compound.**

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Deputy Commissioner, Sheikhpura – Rs.135,000/-

**18.04.2005** The Department explained that the matter was subjudice in the court of Additional District & Session Judge, Sheikhpura and being pursued by the Department.

The Committee **kept the para pending** with the direction that the case be pursued in the court of law.

**40. Para No.18.4 Page 23 of Audit Report for the year 1999-2000; Loss of Rs.750,034/- Due to Non Auction of Canteen/Katchery Compound.**

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Assistant Commissioner, Ferozewala District Sheikhpura – Rs.50,000/-

**18.04.2005** The Department explained that an inquiry was conducted into the matter by the Tehsildar Ferozwala, who had reported that no official was at fault. He has further concluded that in the year 1998-99, many efforts were made for the auction of contract of printed forms by the office, but due to the contract of auction of printed forms by the Bar Council Ferozwala in the Kachary Compound, no contractor took interest in the auction. The auction made on 19.6.1998 was not approved as the auction money was less than the last year. It was also stated that the inquiry report had also been endorsed by the Administrative Department.

The Committee **kept the para pending for verification** of inquiry report by Audit.

**41. Para No.19 Page 24 of Audit Report for the year 1999-2000; Un-lawful and un-justified payment of Rs.800,000/- on account of law charges.**

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**26.09.03** The Department explained that fees had been paid to the private counsel engaged for defending writ petitions against the Government with the approval of the competent authority.

In its latest comments, Audit had verified that the para had already been settled by SDAC on 24 April, 2000.

The Committee decided to **settle the para** accordingly.

**42. Para No.20 Pages 24 & 25 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.403,788.00/- on Creation of Excess Posts of Naib Tehsildars**

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**18.04.2005** The Department explained that new posts of Naib Tehsildars were created after careful scrutiny by the Board of Revenue, Punjab with the concurrence of Finance Department.

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

**43. Para No.21 Pages 26, 27 & 28 of Audit Report for the year 1999-2000; Non recovery of Rs.37,882,448/- on account of lease money of Kutchery Compounds.**

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**25.09.03** Audit Para Nos.21.1 to 21.31 related to non-recovery of rent from various contractors and lawyers of Kutchery Compounds in various districts.

The Department explained that efforts were being made to recover the rent from the contractors and advocates on account of Lawyers Chambers located in the Kutchery Compounds. However, difficulty was being faced in recovering the rent from lawyers.

The Committee directed that all efforts should be made to recover the Government dues from the defaulters. In case the Administrative Department had any difficulties in making the recoveries, it may seek the intervention of the Chief Secretary for taking necessary steps in the matter.

Para Nos.21.1 to 21.31 were kept pending for recovery of Government dues.

**(21.1) Deputy Commissioner Sahiwal – Rs.24,000/-**

**(21.2) Assistant Commissioner, Ferozewala District Sheikhpura – Rs.48,600/-**

**(21.3) Assistant Commissioner, Ferozewala District Sheikhpura – Rs.80,000/-**

**(21.4) Deputy Commissioner, Multan – Rs.133,250/-**

**(21.5) Deputy Commissioner, Multan – Rs.36,000/-**

**(21.6) Deputy Commissioner, Chakwal – Rs.191,162/-**

**(21.7) Deputy Commissioner, Rajanpur – Rs.601,846/-**

**(21.8) Deputy Commissioner, Rawalpindi – Rs.19,446,000/-**

**(21.9) Deputy Commissioner, Rawalpindi – Rs.67,000/-**

**(21.10) Deputy Commissioner, Rahim Yar Khan – Rs.30,660/-**

**(21.13) Deputy Commissioner, Bahawalpur – Rs.29,856/-**

**(21.14) Deputy Commissioner, Gujranwala– Rs.156,764/-**

**(21.15) Deputy Commissioner, Gujranwala – Rs.126,000/-**

**(21.16) Deputy Commissioner, Gujranwala– Rs.765,000/-**

**(21.17) Deputy Commissioner, Gujrat – Rs.842,400/-**

- (21.18) Deputy Commissioner, Sheikhpura – Rs.208,000/-**
- (21.19) Deputy Commissioner, Sheikhpura– Rs.28,000/-**
- (21.21) Deputy Commissioner, Dera Ghazi Khan– Rs.340,000/-**
- (21.22) Deputy Commissioner, Jhelum – Rs.36,000/-**
- (21.24) Assistant Commissioner, Sohawa– Rs.293,835/-**
- (21.25) Assistant Commissioner, Sohawa – Rs.40,260/-**
- (21.26) Deputy Commissioner, Pakpattan– Rs.46,615/-**
- (21.27) Deputy Commissioner, Rawalpindi– Rs.12,756,000/-**
- (21.28) Deputy Commissioner, Lahore– Rs.232,000/-**
- (21.29) Deputy Commissioner, Lahore– Rs.108,000/-**
- (21.30) Deputy Commissioner, Lodhran– Rs.102,300/-**
- (21.31) Deputy Commissioner, Mandi Baha-ud-Din– Rs.79,600/-**

**17.04.04** Audit had pointed out that the formations failed to collect rent from various contractors and lawyers of katchery compounds, resulting in loss to Government.

The Department explained the details of the efforts made for effecting recoveries from the lawyers which included a letter addressed to Vice Chairman Punjab Bar Council and initiation of proceedings for recovery as arrears of land revenue. The plea of the advocates was that they were providing assistance to the courts of law as well as the litigants, hence it was Government's liability to provide space to them in katchery compounds. It was further stated that recoveries from canteen contractors would be effected at the earliest. However, in some cases partial recoveries had been effected whereas in a few cases the matters were also sub-judice.

Finance Department suggested that the paras should be kept pending and besides requesting the Chief Secretary to intervene, the matter be also brought to the notice of the Chief Minister.

The Committee directed the department to request the President Punjab Bar Council and Chief Secretary Punjab to intervene in the matter with a view to effecting recoveries from the concerned lawyers.

The above paras were kept pending.

- (21.11) Deputy Commissioner, Sargodha– Rs.45,000/-**
- (21.12) Deputy Commissioner, Faisalabad– Rs.17,500/-**

**17.04.04** The Department explained total recovery had been effected in the above cases and deposited into Government treasury.

The audit verified the departmental contention.

On the recommendation of the audit, the **paras were settled.**

**(21.20) Deputy Commissioner, Muzaffargarh– Rs.934,800/-**

**17.04.04** The Department explained that an amount of Rs.190,175/- had been recovered and for the balance amount DO( R ) Muzaffargarh had been directed to recover the same.

The Committee directed the department to get the recovery verified by Audit and recover the balance amount at the earliest.

The **para was kept pending.**

**(21.23) Deputy Commissioner, Kasur– Rs.36,000/-**

**17.04.04** The Department explained that total amount involved in the para had already been recovered.

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

**44. Para No.22 Pages 28 to 30 of Audit Report for the year 1999-2000; Recovery of Rs.2,527,494/- due to excess calls from residential telephones.**

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**25.09.03** Para Nos.22.1 to 22.26 related to excess calls from the residential telephones over the prescribed limits.

The Department explained that all cases of excess calls from the residential telephones over the prescribed limits would be considered on merit of each case. The cases, in which the Department was satisfied that excess calls were justified, would be referred to the Finance Department, for regularization and in other cases the Department would take state away action for recovery.

In the above context, the Committee directed that action for regularization/recovery should be completed within two months.

Para Nos.22.1 to 22.26 were kept pending.



**17.04.04** Para 22.1 to 22.26 related to excess calls made from the residential telephones over the prescribed limits.

The Department stated that in compliance with the PAC directive, the cases had been referred to the Finance Department for regularization but the same had been returned with the observation to provide justification/clarification in respect of each case.

SMBR stated that he had directed all the concerned officers in different field formations to provide justification for use of their residential telephones so that necessary reply could be sent to FD. It was further stated that in most of the cases ex-Commissioners/DCs were involved and therefore, some more time was required to collect the requisite information.

Finance Department observed that Departments were required to refer such cases with full justification and in case any officer could not give proper justification for the use of residential telephones above entitlement, recovery was needed to be effected.

The Committee directed that the SMBR should write to S&GAD/officers concerned with a view to obtaining the requisite information for onward transmission to Finance Department within 60 days under intimation to PAC.

Paras Nos. 22.1 to 22.26 were **kept pending**.

**45. Para No.22.12 Pages 28, 29 & 30 of Audit Report for the year 1999-2000; Recovery of Rs.2,527,494/- Due to Excess Calls from Residential Telephones.**

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Additional Deputy Commissioner, (Cons.) Gujranwala - Rs.13,831/-.

**18.04.2005** The Department explained that the recovery process had been initiated against the concerned officer.

The Committee **kept the para pending** with the direction that the recovery be made from the salary of the concerned officer under the rules.

**46. Para No.23.1 Pages 31 & 32 of Audit Report for the year 1999-2000; Recovery of Rs.432,606/- Due to Non Deduction of Income Tax.**

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Deputy Commissioner, Faisalabad - Rs.54,400/-.

**18.04.2005** The Department explained that a sum of Rs.7,975/- had already been recovered and verified by the Audit. It was also stated that the remaining amount was not deducted due to the reason that the audit for the year in question was conducted after the expiry of the contract and the contractors had left the contract. However, proceedings were initiated for the recovery of government dues.

The Committee directed/recommended that the recovery be effected from the contractors, failing which from the DDO concerned because he had not deducted the income tax at the time of execution of the contract.

The Department was directed to do the needful within 90 days and was also directed to submit progress of the case in the next meeting.

The para was **kept pending**.

**47. Para No.23.2 Pages 31 & 32 of Audit Report for the year 1999-2000; Recovery of Rs.432,606/- Due to Non Deduction of Income Tax.**

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Additional Deputy Commissioner, (Consolidation) Gujranwala - Rs.16,608/-.

**18.04.2005** The Department explained that the income tax exemption certificate in favour of Pak Suzuki Motors Limited, Karachi, issued by the Commissioner of Income Tax Companies Zone-II, Karachi dated 19.7.1997 had been seen/verified by the Audit.

Audit verified the contention of the department and recommended the para for settlement

The para was **accordingly settled**.

**48. Para No.23.3 Pages 31 & 32 of Audit Report for the year 1999-2000; Recovery of Rs.432,606/- Due to Non Deduction of Income Tax.**

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Deputy Commissioner, Bahawalpur - Rs.24,594/-.

**18.04.2005** The Department explained that the M/s Al-karam Stationers & General Order Supplier, Bahawalpur had submitted a clearance certificate issued by the Income Tax Department for the assessment year 1999-2000. The other contractors had been directed to deposit the amount of income tax or submit a clearance certificate of Income Tax Department.

The Committee **kept the para pending** and directed that the recovery be made either from the contractors or the DDOs concerned within 90 days.

**49. Para No.23.4 Pages 31 & 32 of Audit Report for the year 1999-2000; Recovery of Rs.432,606/- Due to Non Deduction of Income Tax.**

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Commissioner, Lahore-Rs.22,669/-.

**18.04.2005** The Department explained that an amount of Rs.9,838/- had been recovered from the different firms and efforts were being made for recovery of the balance amount, i.e.Rs.12,831/-.

The Committee **kept the para pending** and directed that the recovery be made either from the firms or the DDOs concerned within 90 days.

**50. Para No.23.5 Pages 31 & 32 of Audit Report for the year 1999-2000; Recovery of Rs.432,606/- Due to Non Deduction of Income Tax.**

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Deputy Commissioner, Dera Ghazi Khan - Rs.26,180/-.

**18.04.2005** The Department explained that the firm Sagheer Electric Store, Maktab-e-Zikriya, Zafar Art Press, Karnal Auto, D.G. Khan (1,2,5 & 7) had been served notices for recovery as arrears of land revenue. However, the labour charges were exempted from income tax, thus no recovery could be effected from the serial No. 4 & 6, Lahore Motor Workshop and Al-Farid Typewriter. It was also stated that the articles were purchased from different branches on different dates and the amount of each purchase item was less than Rs.10,000/-. The department also explained that the contractors mentioned at Serial No. 8,9 and 10 had deposited the auction money in the government treasury.

The Committee **kept the para pending** for the balance recovery from the responsables.

**51. Para No.23.6 Pages 31 & 32 of Audit Report for the year 1999-2000; Recovery of Rs.432,606/- Due to Non Deduction of Income Tax.**

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Deputy Commissioner, Narowal-Rs.66,927/-.

**18.04.2005** The Department explained that non-deduction of income tax amounting to Rs.66,927/- on supply of atta bags at the subsidized rate to the people of Narowal on the occasion of Eid-ul-Azha, the mill owners/suppliers were contacted and advised to pay the income tax, but they informed that they were tax payees and had cleared their tax liability for the said year. Therefore, they would not pay the income tax.

The Committee **kept the para pending** and directed that the recovery be made either

from the firms or the DDOs concerned within 90 days.

**52. Para No.23.7 Pages 31 & 32 of Audit Report for the year 1999-2000; Recovery of Rs.432,606/- Due to Non Deduction of Income Tax.**

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Deputy Commissioner, Okara - Rs.122,840/-.

**18.04.2005** The Department explained that in case of Mr Tariq Mahmood, a demand for recovery of Rs.122,000/- had been created for recovery as arrears of land revenue and reported that the contractor had left the country. However, efforts were being made to locate his property for recovery of the said amount. It was also stated that an amount of Rs.720/- was recoverable instead of Rs.840/- from the petition writers which had already been recovered/verified in the SDAC meeting dated 25.11.2000.

Audit verified the recovery of Rs.720/-.

The Committee **kept the para pending** and directed that recovery be made either from the contractor or the DDOs concerned within 90 days.

**53. Para No.23.8 Pages 31 & 32 of Audit Report for the year 1999-2000; Recovery of Rs.432,606/- Due to Non Deduction of Income Tax.**

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Deputy Commissioner, Okara - Rs.34,820/-.

**18.04.2005** The Department explained that Rs.28,670/- had already been recovered/verified by Audit. For the balance amount of Rs.6,150/- efforts were being made to recover the same.

The Committee reduced the para to the extent of recovered amount and directed that the balance amount be recovered as arrears of land revenue and the **para was kept pending**.

**54. Para No.23.9 Pages 31 & 32 of Audit Report for the year 1999-2000; Recovery of Rs.432,606/- Due to Non Deduction of Income Tax.**

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Deputy Commissioner, Toba Tek Singh - Rs.26,625/-.

**18.04.2005** The Department explained that total amount had been recovered and deposited into the Government Treasury.

Audit verified the contention of the department and recommended the para for settlement.

The para was accordingly settled.

**55. Para No.23.10 Pages 31 & 32 of Audit Report for the year 1999-2000; Recovery of Rs.432,606/- Due to Non Deduction of Income Tax.**

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Deputy Commissioner, Pakpattan - Rs.14,890/-.

**18.04.2005** The Department explained that a sum of Rs.3,475/- and Rs.2,304/- had been recovered and deposited into government treasury and efforts were being made to recover the balance amount.

The Committee reduced the para to the extent of recovered amount and directed that the balance amount be recovered at the earliest.

The para was kept pending.

**56. Para No.23.11 Pages 31 & 32 of Audit Report for the year 1999-2000; Recovery of Rs.432,606/- Due to Non Deduction of Income Tax.**

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Secretary, Board of Revenue, Punjab, Lahore - Rs.22,053/-.

**18.04.2005** The Department explained that the amount had been recovered and deposited into government treasury.

Audit verified the contention of the department and recommended the para for settlement.

The para was accordingly settled.

**57. Para No.24.1 Pages 32 & 33 of Audit Report for the year 1999-2000; Recovery of Rs.102,147/- on Account of Overseas Telephone Calls.**

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Commissioner, Rawalpindi - Rs.26,982/-.

**18.04.2005** The Department explained that the full amount had been recovered and deposited into government treasury.

Audit verified the contention of the department and recommended the para for settlement.

The para was settled.

**58. Para No.24.2 Page 32 of Audit Report for the year 1999-2000; Recovery of Rs.102,147/- on account of overseas telephone calls.**

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Commissioner Lahore-Rs.33,720/-.

**26.09.03** The Department explained that no overseas calls were made and all the calls were made on official business in the public interest. The Department assured that the certificate would be shown to Audit that all calls were made on official business and charges of the private calls, if any had been paid by the officers/officials making the calls.

The para was settled subject to verification by Audit.

**17.04.04** The department explained that all the calls were made for official purpose and requisite record was available for verification.

Audit contended that the department should produce certificate that calls were made for official purpose and produce telephone registers/bills for verification.

The Committee settled the para subject to production of necessary certificate to and verification of record by the audit.

**18.04.2005** The Department explained that in compliance with the audit observation the SAO to DCO Lahore had certified that all the calls were made for official purposes by the office of ex-Commissioner, Lahore during the year 1998-99 in connection with maintenance of law & order and collecting of information respecting rainy season.

The Committee **conditionally settled the para** with the direction that certificate be obtained from the concerned Commissioner that all calls were made on official business and verification of such certificate by the Audit be done.

**59. Para No.24.3 Pages 32 & 33 of Audit Report for the year 1999-2000; Recovery of Rs.102,147/- on Account of Overseas Telephone Calls.**

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Commissioner, Lahore - Rs.21,170/-.

**18.04.2005** The Department explained that total recovery had been effected from the officers concerned and the same may be verified by the audit.

The Committee **pended the para** for verification of recovered amount by audit.



**60. Para No.24.4 Pages 32 & 33 of Audit Report for the year 1999-2000; Recovery of Rs.102,147/- on Account of Overseas Telephone Calls.**

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Commissioner, Rawalpindi - Rs.20,275/-.

**18.04.2005** The Department explained that total amount had been recovered and deposited into government treasury.

Audit verified the contention of the department and recommended the para for settlement.

The para was accordingly settled.

**61. Para No.25 Page 33 of Audit Report for the year 1999-2000; Non-Deposit of Sales Tax for Rs.71,951/-.**

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**18.04.2005** The Department explained that as per provision in the 6<sup>th</sup> Schedule to Sales Tax Act, 1990, diet money had been exempted from the deduction of sales tax. Moreover, the para had already been recommended for settlement in the DAC meeting dated 14 & 15 May 2001.

Audit verified the contention of the department and recommended the para for settlement.

The para was accordingly settled.

**62. Para No.26 Pages 33 & 34 of Audit Report for the year 1999-2000; Non Recovery of Rs.224,597/- As Advance Tax on Auction Proceeds (Lease) of Government Property.**

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**18.04.2005** The Department explained that the para consisted of four parts-

- (i) Total amount of Rs.23,530/- had been recovered from the contractors and deposited into government treasury.
- (ii) Total amount Rs.155,000/- had been recovered and deposited into government treasury.
- (iii) That the amount was not recoverable as per the government instructions.
- (iv) That amounts outstanding against contractors at Sr. No.1, 3 and 4 had since been recovered and deposited into government treasury.

The Committee **settled the parts 1, 2 and 4** with the directions that the amount of part 1 be

deposited in the respective head of account of income tax and **settled the part 3 subject to verification** of record by audit.

**63. Para No.27.1 Page 34 of Audit Report for the year 1999-2000; Recovery of Rs.191,978/- on Account of Electricity Charges.**

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Assistant Commissioner, Talagang - Rs.65,310/-.

**18.04.2005** The Department explained that a sum of Rs.25,000/- had been recovered and deposited into government treasury and efforts were being made to recover the balance amount from the concerned officers.

The Committee **kept the para pending** with the directions that the recovery be verified by audit and the balance amount be recovered within 90 day.

**64. Para No.27.2 Page 34 of Audit Report for the year 1999-2000; Recovery of Rs.191,978/- on Account of Electricity Charges.**

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Deputy Commissioner, Sheikhupura - Rs.126,668/-.

**18.04.2005** The Department explained that the consumption was made in the camp office of the DC House which had already been declared as camp office dated 6.4.2001.

Audit stated that the contention of the department was not tenable as the expenditure under objection related to the period prior to the issuance of letter dated 6.4.2001. Moreover, the expenditure of electricity of such a small amount shown as camp office cannot range from 17000/- to 30,000/- per month.

The Committee **kept the para pending** with the directions that the recovery be made from the responsible within 90 days.

**65. Para No.28.1 Page 35 of Audit Report for the year 1999-2000; Misuse of Government Vehicles Loss of Rs.411,492/-.**

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Additional Deputy Commissioner, (Consolidation) Gujranwala-Rs.100,000/-.

**18.04.2005** The Department explained that the government vehicle No. STV 7400 had been auctioned and the amount of Rs.25,100/- deposited into government treasury.

The audit was of the view that the objection was unauthorized/illegal possession of vehicle No. STV 7400 by Mr. Abdul Wahab, ADC (C) from 3/93 to 2/2000, but the department had stated that the said vehicle had been auctioned.

The Committee took serious notice of the illegal/unauthorized possession of the said vehicle and directed that the amount as pointed out by audit be recovered from the concerned officer within 90 days.

The para was kept pending.

**66. Para No.28.2 Page 35 of Audit Report for the year 1999-2000; Misuse of Government Vehicles Loss of Rs.411,492/-.**

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Relief Commissioner, Board of Revenue, Punjab, Lahore - Rs.311,492/-

**18.04.2005** The Department explained that the said vehicle was used by the ex-Minister for Revenue & Relief to visit far flung areas and the said vehicle was also used by the different officers of the Relief Department.

The Committee **pended the para** and desired that the log book be got verified by the audit.

**67. Para No.29 Page 35 of Audit Report for the year 1999-2000; Recovery of Rs.150,000/- on account of shortage of library books.**

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**26.09.03** The Department explained that the Library Books in question were damaged in the basement of the building during the flood of August, 1996. Audit however, pointed out that the contention of the Department was not correct because the audit para was framed in June, 1999 after examining the issue register of the Library.

The Committee observed that the reply of the Department was misleading as compared to the original audit para as well as the latest Audit comments.

The Committee directed that an inquiry should be held into the matter of shortage of books and giving incorrect reply in the working paper and action should be taken against those responsible for the same besides recovery of the books or their cost price.

The para was kept pending.

**17.04.04** The department explained that as per the findings of the inquiry held into the matter, the factual position was that total books available in BOR Library at the time of flood/rain in August 1996 was 2243. As many as 67 books were issued to officers/officials of BOR and 1268 books were damaged. The balance i.e. 908 books were available in the Library, which could be verified. It was further added that it was a departmental Library and all books were accounted for.

The Committee **settled the para subject to verification** of relevant record by the audit.

**68. Para No.30 Page 36 of Audit Report for the year 1999-2000; Recovery of Rs.68,250/- Due to Non Deposit of Room Rent of Circuit House.**

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**18.04.2005** The Department explained that a sum of Rs.25,830/- had been recovered and deposited into the government treasury and efforts were being made to recover the balance amount.

The Committee **kept the para pending** with the direction that the balance recovery be made within 90 days.

**69. Para No.31 Page 37 of Audit Report for the year 1999-2000; Non production of record for Rs.15,488,245/-.**

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**26.09.03** Para Nos.31.1 to 31.15 related to non-production of record to Audit by various formations of the Department.

The Committee directed that the requisite record should be got verified by Audit within three months.

Para Nos. 31.1 to 31.15 were kept pending.

**(31.1) Assistant Commissioner, Murree – Rs.408,184/-**

**17.04.04** The Department explained that building of AC/RM office Murree including all the record was burnt during the riots/agitation against imposition of Toll Tax in May 1998. The case for regularization of expenditure already incurred had since been referred to Finance Department.

The Committee **conditionally settled the para subject to regularization** by Finance Department.

**(31.2) Secretary Board of Revenue, Punjab, Lahore – Rs.330,000/-**

**(31.4) Deputy Commissioner, Sheikhpura - Rs.287,211/-**

**(31.5) Deputy Commissioner, Gujranwala – Rs.965,302/-**

**(31.6) Commissioner, Lahore – Rs.90,000/-**

**(31.7) Commissioner, Rawalpindi – Rs.26,327/-**

**(31.11) Commissioner, Sargodha – Rs.58,532/-**

**(31.12) Deputy Commissioner, Multan – Rs.215,705/-**

**(31.13) Deputy Commissioner, Multan – Rs.640,518/-****(31.14) Assistant Commissioner, Ferozewala District Sheikhupura – Rs.38,902/-****(31.15) Deputy Commissioner, Bahawalpur – Rs.1,221,805/-**

**17.04.04** The Department explained that the record in respect of these paras would be got verified by the audit. It was further stated that on the directions of PAC, Sub-Committee-II was constituted which was making a probe into para Nos. 31.8 and 31.9.

The Committee directed that the Department should produce the record to audit for verification.

The paras mentioned above **were kept pending.**

**(31.3) Relief Commissioner, Board of Revenue, Punjab, Lahore - Rs.199,717/-.**

**17.04.04** The Department explained that the record in respect of these paras would be got verified by the audit. It was further stated that on the directions of PAC, Sub-Committee-II was constituted which was making a probe into para Nos. 31.8 and 31.9.

The Committee directed that the Department should produce the record to audit for verification.

The para was kept pending.

**18.04.2005** The Department explained that in the light of the PAC directions dated 17 and 19 April 2004, the relevant record had been produced to audit and same had verified.

Audit verified the contention of the department and recommended the para for settlement.

The para was **accordingly settled.**

**(31.8) Deputy Commissioner, Jhang – Rs.749,957/-.**

**17.04.04** The Department explained that the record in respect of these paras would be got verified by the audit. It was further stated that on the directions of PAC, Sub-Committee-II was constituted which was making a probe into para Nos. 31.8 and 31.9.

The Committee directed that the Department should produce the record to audit for verification.

The para was kept pending.

**18.04.2005** The Department explained that Mr Muhammad Safdar Iqbal ex-District Nazir did not hand over the record to his successor and criminal cases had been registered against him.

After detailed discussion the Committee desired the Administrative Department as well as District Police Officer, Jhang should come up with the latest position of the matter pertaining to subject para on 28.04.05.

The para was kept pending.

**28.04.2005** The Superintendent of Police (Investigation) Jhang informed the Committee that four raids had been conducted to arrest Mr Muhammad Safdar Iqbal ex-District Nazir but he was not traceable at his available address. However, the Administrative Department contented that aforesaid accused was still residing/available at his residence in District Jhang.

After detailed discussion/consideration of the issue, the Committee desired that District Police Officer Jhang should intensify his efforts for arresting the accused person and submit a Compliance Report to the Sub-Committee-VI of PAC-II in its meeting to be held on 23<sup>rd</sup> May 2005.

The para was **kept pending**.

**(31.9) Deputy Commissioner, Jhang – Rs.10,161,047/-.**

**25.09.03** Audit observed that the record of the expenditure of the amount of Rs.10,161,047/- was not produced for audit.

The Department explained that the matter was under investigation and relevant record was being traced out through Mr. Safdar Iqbal, Assistant/Ex-District Nazir who was under suspension. A criminal case had also been ordered to be registered with the Anti-corruption Establishment and a disciplinary action was also under process with the EDO(R) Jhang against the official.

The Committee took serious notice of the fact that the record had not been produced to the Audit even after lapse of 5 years and the circumstances under which only an Assistant was held responsible for the lapse/irregularity and the supervisory officers were absolved of the responsibility. The Committee decided to appoint a Sub-Committee consisting of the following to probe into the matter at the spot and submit its report to the Committee:-

1. Mr Najaf Abbas Sial, MPA(PP-83)

Convener



- |    |                                                    |        |
|----|----------------------------------------------------|--------|
| 2. | Makhdoom Syed Muhammad Mukhtar Hussain,MPA(PP-212) | Member |
| 3. | Sardar Dildar Ahmad Cheema, MPA(PP-61)             | Member |

The said Sub-Committee should be assisted by Rai Ahmad Ali, Deputy Secretary (Assessment), Board of Revenue, Mian Nawaz, Audit Officer, office of the Director General Audit Punjab and a representative of the Finance Department.

The Administrative Department should coordinate with the District Accounts Officer, DCO Jhang and other concerned to facilitate the Sub-Committee.

The para was kept pending.

**17.4.04** The Department explained that the record in respect of these paras would be got verified by the audit. It was further stated that on the directions of PAC, Sub-Committee-II was constituted which was making a probe into para Nos. 31.8 and 31.9.

The Committee directed that the Department should produce the record to audit for verification.

The para was kept pending.

**18.04.2005** The Department explained that Mr Muhammad Safdar Iqbal ex-District Nazir did not hand over the record to his successor and criminal cases had been registered against him.

After detailed discussion the Committee desired the Administrative Department as well as District Police Officer, Jhang should come up with the latest position of the matter pertaining to subject para on 28.04.05.

The para was kept pending.

**28.04.2005** The Superintendent of Police (Investigation) Jhang informed the Committee that four raids had been conducted to arrest Mr Muhammad Safdar Iqbal ex-District Nazir but he was not traceable at his available address. However, the Administrative Department contented that aforesaid accused was still residing/available at his residence in District Jhang.

After detailed discussion/consideration of the issue, the Committee desired that District Police Officer Jhang should intensify his efforts for arresting the accused person and submit a Compliance Report to the Sub-Committee-VI of PAC-II in its meeting to be held on 23<sup>rd</sup> May 2005.

The para was **kept pending**

**70. Para No.31.10 Pages 37 & 38 of Audit Report for the year 1999-2000; Non production of record for Rs.15,488,245/-**

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Deputy Commissioner, Rahim Yar Khan – Rs.365,038/-

**17.04.04** The matter being sub-judice, the **para was kept pending**.

**71. Para No.32 Page 39 of Audit Report for the year 1999-2000; Irregular Payment of Electricity Bills for Rs.135,689/-.**

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**18.04.2005** The Department explained that the matter had been referred to the finance department for regularization of the expenditure involved in the para. But the decision of the department was still awaited.

The Committee **kept the para pending** with the direction that the regularization sanction be got done within 90 days; otherwise recovery be effected from the responsible.

The paras were discussed in the meetings of PAC-II held on 17.05.2004, 18.05.2004, 19.05.2004, 17.07.2004, 19.07.2004, 20.07.2004, 16.03.2005, 17.03.2005, 18.03.2005, 16.04.2005, 31.05.2005.

## **(Highways)**

### **Audit Paras (Works) for the year 1999-2000**

#### **1. Para No.1 Page 9 of Audit Report for the year 1999-2000; Bogus Payment of Rs.0.520 Million.**

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**18.05.04** Audit had pointed out that payment of POL to a private firm instead of a petroleum firm had resulted in bogus payment.

The department explained that POL was purchased through contractor at market rates. Log books were in custody of officers/ officials who had been compulsorily retired as a result of inquiry. The log books would be produced to audit on receipt from the officers concerned.

The Committee directed the department to produce log books/relevant record to audit for verification.

The para was kept pending.

**18.03.05** The Department explained that subject Para was similar in nature to the para already under consideration of Sub-Committee-V of PAC-II and requested that the para be clubbed with these paras.

The Committee acceded to the departmental request and referred the para to Sub-Committee-V.

**The para was kept pending.**

#### **2 Para No.2 Pages 9 & 10 of Audit Report for the year 1999-2000; Bogus payment of Rs.0.270 Million.**

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#### **3. Para No.5 Pages 11 & 12 of Audit Report for the year 1999-2000; Loss of Rs.0.189 Million to Government.**

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#### **4. Para No.6 Page 12 of Audit Report for the year 1999-2000; Misappropriation of Rs.0.072 Million.**

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**5. Para No.9 Page 14 of Audit Report for the year 1999-2000; Unjustified payment of Rs.0.914 Million.**

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**6. Para No.110 Page 76 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.969 Million.**

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**7. Para No.112 Pages 77 & 78 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.827 Million.**

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**19.05.04** Audit had pointed out misappropriation of Government money amounting to Rs.3,241,000/- on account of fictitious repair of vehicles and other irregularities which had resulted into loss to Government.

During the course of meeting the department explained that an inquiry was held against four officers/officials involved in the misappropriation of Government money and the competent authority had imposed major penalty of compulsory retirement from service and recovery of pecuniary loss caused to the Government to the tune of Rs.434,281/-.

During the course of the meeting, the Administrative Secretary stated that the recovery pointed out by audit was to the tune of Rs.3,241,000/- but the Inquiry Officer had held that the loss was to the tune of Rs. 17 lacs. Later, on the orders of the then Secretary, XEN was asked to verify the exact loss who assessed the same to the tune of Rs.434,281/-. The final order was accordingly passed by the then Secretary. Meanwhile the accused had filed an appeal in the Punjab Services Tribunal which was rejected. Now the case was pending in the Supreme Court.

The department admitted that further probe into this matter was needed and suggested that a two member Committee comprising a representative each of the Department and the audit could be constituted to examine the record, work out the exact amount recoverable and fix responsibility. The Administrative Secretary further stated that in the light of the probe, the matter could be placed before the Chief Executive for reviewing the then Secretary's orders.

In view of the serious nature of this case, the Committee decided to constitute the following Sub-Committee to conduct detailed examination of the said paras, scrutinize the relevant record with a view to determining the actual amount recoverable, fix responsibility and submit its report to PAC within two months.

- |    |                                                     |          |
|----|-----------------------------------------------------|----------|
| 1. | Raja Muhammad Shafqat Khan Abbasi, MPA              | Convener |
| 2. | Makhdoom Syed Muhammad Mukhtar Hussain Gillani, MPA | Member   |
| 3. | Sardar Muhammad Rafique Ahmad, MPA                  | Member   |

It was further decided that the Sub-Committee would be assisted by Additional Secretary, Communication & Works, Mr. Rab Nawaz, Deputy Secretary (Monitoring), Finance Department and a representative of the audit not below the rank of Deputy Director.

**Paras No. 2, 5, 6, 9, 110 & 112 were kept pending.**

**8. Para No.3 Page 10 of Audit Report for the year 1999-2000; Fictitious Payment of Rs.0.164 million.**

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**17.05.04** Audit had pointed out that over payment was made for fictitious measurements.

The department explained that perusal of measurement book would reveal that sub base was measured and paid as 4800 Rft. Accordingly, base course/edging was measured and paid for 2000 Rft. These quantities of work done remained unchanged till last payment. Thus no fictitious payment was allowed to the contractor. The department further stated that the alleged version of the contractor to the effect that payment was made to him for 800 RFT sub-base without execution of work was baseless and an attempt on the part of the contractor to malign the department. The measurement was again done and the entry in MB was correctly recorded.

The Committee accepted the explanation of the department and **settled the para.**

**9. Para No.04 Page 11 of Audit Report for the year 1999-2000; Fictitious Payment of Rs.0.201 Million.**

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**16.03.05** The Department explained that after verification of the record by Audit, the amount of para was reduced to Rs.29,777/- and the entire amount had been recovered and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**10. Para No.7 Pages 12 & 13 of Audit Report for the year 1999-2000; Loss of Rs.4.149 Million to Government.**

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**18.05.04** Audit had pointed out less receipt and non-accountal of bitumen.

The department explained that a sum of Rs.2,625,527/87 pertaining to recovery of the plant charges had already been explained in DP 114/193 for 1999-2000. The balance bitumen of

Rs.1,399,350/- was charged to work widening-improvement of Lahore Bund Road. It was further stated that the original indent was not traceable. As per the findings of the inquiry held, the bitumen was issued but was not accounted for.

The Administrative Secretary stated that the Department would look into the matter again and take action against those found responsible.

The Committee directed that the Department should finalize inquiry within two weeks, fix responsibility and take necessary action under intimation to PAC. Action against those who delayed initiation of inquiry should also be taken

**The para was kept pending.**

#### **11. Para No.8 Page 13 of Audit Report for the year 1999-2000; Embezzlement of bitumen Rs.0.357 Million.**

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**18.05.04** Audit had pointed out embezzlement on account of double charge of bitumen against same road.

The department stated that bitumen was not accounted for and the explanation of officer/ official concerned was being obtained in respect of this matter. It was further stated that the matter involved in this para was identical to that in para No.7 of audit report 1999-2000 and that inquiry was being held.

The Committee **kept the para pending** and directed the department to complete inquiry within 2 weeks, fix responsibility and take necessary action under intimation to PAC.

#### **12. Para No.10 Pages 14 & 15 of Audit Report for the year 1999-2000; Loss of Rs.0.137/- Million to Government.**

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**17.03.05** The Department explained that the case was got registered with the police vide FIR No. 455/98. The Superintendent of police, Jhelum had intimated that during the course of investigation, the inquiry officer interrogated some suspects of the area but no clue could be found. Subsequently, the local police recommended the case as untraceable. The Department had also conducted the inquiry and as per the inquiry report involvement of any person of the Department was not proved. Now the case for write off had been submitted to the Secretary, C&W to obtain sanction from the Finance Department.

The Committee **kept the para pending** and desired that the Administrative Secretary may see the probe report again and then the case for write-off sanction be submitted to Finance



Department.

**13. Para No.11 Page 15 of Audit Report for the year 1999-2000; Loss of Rs.0.095 Million to Government.**

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**18.05.04** Audit had pointed out theft of bitumen to the tune of Rs.0.095 million.

The department explained that FIR was lodged for theft and police report was still awaited. The case for write off would be initiated on receipt of police report in respect of non-recovery. In order to keep strict watch, the amount had been placed in Miscellaneous P.W. Advances.

**The Committee kept the para pending.**

**14. Para No.12 Page 16 of Audit Report for the year 1999-2000; Overpayment of Rs.0.306 Million.**

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**18.05.04** Audit had pointed out that payment was made in excess of the provisions of technically sanctioned estimate.

The department explained that there was nominal excess in two items, which was within permissible limits. However, minor variations, were unavoidable. The measurement of all items of work done had resulted in savings to the tune of Rs.2,559,176/-

The Committee **conditionally settled the para subject to verification** of relevant record by audit.

**15. Para No.13 Pages 16 & 17 of Audit Report for the year 1999-2000; Over Payment of Rs.0.114 Million.**

---

**16.03.05** The Department explained that the total quantities for providing/laying base course executed at site were within the total quantities technically sanction in the estimates by the competent authority. The payment was made to the contractor according to the actual work done at site of work and therefore no excess payment was involved.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**16. Para No.14 Page 17 of Audit Report for the year 1999-2000; Overpayment of Rs.0.113 Million.**

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**18.03.05** The Department explained that the formation level of the work was slightly varied by the Engineer Incharge to provide longitudinal slope as the area was riverain. The over all quantity of the earth work was within the provision of TS estimate.

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

**17. Para No.15 Page 18 of Audit Report for the year 1999-2000; Overpayment of Rs.0.095 Million.**

---

**17.05.04** Audit had pointed out over payment was made for some items of work in excess than those provided in the revised technically sanctioned estimate.

The department explained that items of work as pointed out by audit were covered under the provisions of revised technically sanctioned estimate.

The para was pended up to 18-5-2004 for further report.

On 18-5-2004, the para again came under consideration. The audit verified the contention of the department and stated that no excess quantity or amount was involved.

On the recommendation of audit, the Committee **settled the para.**

**18. Para No.16 Pages 18 & 19 of Audit Report for the year 1999-2000; Overpayment of Rs.0.094 Million.**

---

**19.05.04** Audit had pointed out over payment was made for excessive measurements.

The department explained that entire recovery of Rs.0.094 million had been realized and amount was adjusted in the final bill of the contractor.

Audit verified the departmental contention.

On the recommendation of audit, the Committee **settled the para.**

**19. Para No.18 Pages 19 & 20 of Audit Report for the year 1999-2000; Over Payment of Rs.0.174 Million.**

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**16.03.05** The Department explained that the total quantity of sub-base course paid for to the contractor in CC 13 TH and final bill was 184446.08cft against that contained in the technical sanction as 189382cft, Thus the quantity of sub-base paid for was within TS.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**20. Para No.19 Page 20 of Audit Report for the year 1999-2000; Overpayment of Rs.0.383 Million.**

---

**19.05.04** Audit had pointed out that overpayment was made to the contractor in running bill due to excessive measurement as a result of which final bill became minus for an amount of Rs.0.383 million.

The department gave necessary details and explained that entire recovery of Rs.382,606/- had been realized.

During the meeting, the audit recommended the para for settlement.

The Committee **settled the para accordingly.**

**21. Para No.20 Page 21 of Audit Report for the year 1999-2000; Overpayment of Rs.0.084 Million.**

---

**19.05.04** Audit had pointed out that overpayment was made for excessive measurements.

The department explained that the field staff had taken measurements according to provisions of estimate. Thus no excess payment was involved.

The Committee **conditionally settled the para subject to verification** of relevant record by audit.

**22. Para No.21 Page 21 of Audit Report for the year 1999-2000; Overpayment of Rs.0.109 Million.**

---

**17.05.04** Audit had pointed out that over payment was made for excessive measurements.

The department explained that the quantity paid was 134488 Cft. sub base against the estimated provision of 141683 Cft. Thus there was saving of 7197 Cft and no excess payment was involved.

On the recommendation of audit, the Committee **settled the para.**

**23. Para No.22 Page 22 of Audit Report for the year 1999-2000; Overpayment of Rs.0.756 Million.**

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**18.05.04** Audit had pointed out that over payment was made to the contractor for excessive measurements.

The department explained that measurement was made according to revised Technically Sanctioned Estimate.

On the recommendation of audit, the Committee **settled the para.**

**24. Para No.23 Pages 22 & 23 of Audit Report for the year 1999-2000; Over Payment of Rs.0.115/- Million.**

---

**16.03.05** The Department explained that the work was completed on risk and cost basis and a recovery of Rs.68,075/- had been effected.

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

**25. Para No.24 Pages 23 & 24 of Audit Report for the year 1999-2000; Overpayment of Rs.2.397 Million.**

---

**18.05.04** Audit had pointed out that excessive measurement of thickness resulted in over-payment to contractor.

The department explained that the original contractor failed to complete the work and hence the same remained abandoned for a long period. Later, some deficiency in the already executed work was pointed out by Road Research and Material Testing Institute Lahore. Therefore, an extra thickness of 1” carpet to cover that deficiency was allowed and the work was allotted to another contractor on the risk and cost of original contractor. The recovery was outstanding against the original contractor which would be realized either from his security or as arrears of land revenue. It was further stated that the matter was also under litigation.

The Secretary stated that payment should not have been made when work was not complete and that responsibility would be fixed after examining the relevant record.

The Committee **kept the para pending** and directed the department to fix responsibility and take action against those found responsible under intimation to PAC.

**26. Para No.25 Page 24 of Audit Report for the year 1999-2000; Overpayment of Rs.0.083 Million.**

---

**17.05.04** Audit had pointed out that overpayment was made to the contractor due to incorrect application of measurements i.e. Sft. instead of Cft.

The department admitted that omission had been made and stated that due recovery of Rs.127,394/- had been realized.

Audit wanted clarification in respect of observations made by it.

The Committee **conditionally settled the para subject to verification** of recovery and relevant record by audit.

**27. Para No.26 Pages 24 & 25 of Audit Report for the year 1999-2000; Overpayment of Rs.0.249 Million.**

---

**19.05.04** Audit had pointed out that over payment was made for excessive quantities of various items not included in actual estimate.

The department explained that the original contractor left the work incomplete which was awarded to another contractor on the risk and cost of original contractor. Later, the scope of the work was enhanced and revised administrative approval was issued and the project was completed by the 2<sup>nd</sup> contractor accordingly. The recovery pointed out by audit was due to the fact that the work remained abandoned for more than 7 years and the contractor did not agree to complete the work with enhanced scope. The competent authority decided to get the work completed from another agency at the risk and cost of the original contractor. The first contractor filed a civil suit and the matter was sub-judice. It was added that the scheme was delayed because it remained unfunded for quite some time.

The Committee **kept the para pending being sub-judice.**

**28. Para No.27 Page 25 of Audit Report for the year 1999-2000; Overpayment of Rs.0.227 Million.**

---

**18.05.04** Audit had pointed out over payment for excessive measurements.

The department explained that the work was got executed from the contractor keeping in view the acceptance letter/agreement. Technically sanctioned estimate and diversion of contingencies was

allowed by the competent authority. There was no excess over and above permissible quantities.

During the meeting, the audit verified the contention of the Department and recommended the para for settlement.

On the recommendation of audit, the Committee **settled the para.**

**29. Para No.28 Pages 25 & 26 of Audit Report for the year 1999-2000; Overpayment of Rs.4.078 Million.**

---

**17.05.04** Audit had pointed out that excessive measurements of width and length had resulted in over-payment to the contractor.

The department explained that work relating to Kuldana Mohra Sharif Road allotted to the contractor on 31-10-1996, was revised as per approval granted by the competent authority which resulted into change in the quantities. The other work pertained to treatment of landslide which was done as per the design/drawings provided by the consultants and technically sanctioned by the Chief Engineer.

The audit stated that the record had been verified and recommended the para for settlement.

On the recommendation of audit, the Committee **settled the para.**

**30. Para No.29 Page 26 of Audit Report for the year 1999-2000; Overpayment of Rs.0.416 Million.**

---

**17.05.04** Audit had pointed out that over payment was made to the contractor for excessive quantity.

The department explained that the revised estimate of the project was prepared and technically sanctioned by the competent authority.

On the recommendation of audit, the Committee **settled the para.**

**31. Para No.30 Pages 26 & 27 of Audit Report for the year 1999-2000; Overpayment of Rs.0.145 Million.**

---

**17.05.04** Audit had pointed out that work done beyond the designed section had resulted into over-payment.



The department explained that over all quantities/payment of earth work was within the provision of technically sanctioned estimate. The para was pended till 18-5-2004 for further report.

On 18-5-2004, the audit verified the departmental contention.

On the recommendation of audit, the Committee **settled the para.**

**32. Para No.31 Page 27 of Audit Report for the year 1999-2000; Overpayment of Rs.0.058/- Million.**

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**17.03.05** The Department explained that over-lay was provided over 10.50 feet width without dismantling of existing road edging.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**33. Para No.32 Page 28 of Audit Report for the year 1999-2000; Overpayment of Rs.0.646 Million.**

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**18.05.04** Audit had pointed out that over payment was made to the contractor for excessive measurements.

The department explained that the scheme was revised according to site requirement/work done and was administratively approved. Thus payment was made as per work done at site.

On the recommendation of audit, the Committee **settled the para.**

**34. Para No.33 Page 28 of Audit Report for the year 1999-2000; Overpayment of Rs.0.253 Million.**

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**19.05.04** Audit had pointed out that over payment was made to the contractor due to non application of conversion factor.

The department explained that the item paid for under audit observation was included in the supply of stone and the labour charges and was governed by the provision noted at page 129 of CSR 1979 at para No.4. As per this provision, no reduction factor was applicable in the payment for supply and that quantity of furnished and completed item of work would form the

basis of laying. Relevant record was available for verification.

Audit verified the departmental contention.

On the recommendation of audit, the Committee **settled the para.**

**35. Para No.34 Page 29 of Audit Report for the year 1999-2000; Overpayment of Rs.0.150 Million.**

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**17.05.04** Audit had pointed out that over payment was made for un-necessary item of “Regular excavation” which was not admissible as per specification and government instructions.

The department explained that the Standing Rates Committee in its 131<sup>st</sup> meeting had not accepted the interpretation of Chief Engineer letter dated 13-4-1980 and had allowed the making of payment for regular excavation which was required for widening and improvements of road. As such the payment made was according to rules and provisions in T. S. estimate.

Audit verified the deduction of quantity of regular excavation from the quantity of earth work involving A P No.6 for Rs.48,300/-.

The Committee **settled the first part** as verified by audit and kept **the remaining part pending** for recovery within one month under intimation to PAC.

**36. Para No.35 Pages 29 & 30 of Audit Report for the year 1999-2000; Overpayment of Rs.0.241/- Million.**

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**37. Para No.42 Page 34 of Audit Report for the year 1999-2000; Overpayment of Rs.0.051/- Million.**

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**17.05.04** Audit had pointed out that payment made for “regular excavation dressed” in violation of road specification had resulted in over-payment.

The department explained that the matter was considered in the meeting of Standing Rates Committee held on 19-2-2002 which had accepted the view point of the department and decided that the rate of earthwork for making embankment by re-using the earth obtained from regular excavation viz-a-viz its compaction had been correctly applied.

On the recommendation of audit, the Committee **settled Paras No.35 & 42.**

**38. Para No.36 Page 30 of Audit Report for the year 1999-2000; Overpayment of**

**Rs.0.539 Million.**

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**18.05.04** Audit had pointed out that payment was made in violation of building and road specifications.

The department explained that payment was made as per provisions of technically sanctioned estimate.

On the recommendation of audit, the Committee **settled the para.**

**39. Para No.37 Page 31 of Audit Report for the year 1999-2000; Over Payment of Rs.0.471 Million.**

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**16.03.05** The Department explained that the para consisted of 8 advance paras. The amount of APs-3, 10, 16 and 17 had been got verified by Audit and thus the para was reduced to Rs. 0.281 million. It was further stated that the executive Engineer Provincial Highway Division, Faisalabad had been requested vide letter dated 14-1-05 to provide the record of APs No.1, 2, 13 and 14 to audit for verification.

The Para was pended for 17.03.2005 with the direction by the Committee to do the needful.

**17.03.05** After discussion, the Committee settled the Para to the extent of AP Nos. 3, 10, 16 and 17 on the verification of Audit and the remaining part of para pertaining to APs Nos. 1, 2, 13 and 14 was kept pending for verification by Audit.

**16.04.05** The Department explained that in compliance of the PAC directions, the record of the AP No. 1&2 had been produced to Audit which had verified the same. However, the MB No. 3413 relating to AP No. 13&14 had been misplaced, which was being traced out.

Audit stated that the record of the AP No. 1&2 had been verified and recommended these APs for settlement.

The committee settled the AP No. 1&2 and reduced the volume of the para up to the extent of record verified by Audit and directed that the MB No. 3413 or the vouchers be provided to Audit for verification within 10 days.

This part of the **para was pended** for next meeting on 27-4-2005.

**40. Para No.38 Pages 31 & 32 of Audit Report for the year 1999-2000;**

## **Overpayment of Rs.0.055 Million.**

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**18.05.04** Audit had pointed out that payment for regular excavation in violation of government instructions had resulted in over-payment to the contractor.

The department explained that the para had been settled by Standing Rates Committee on the ground that regular excavation was admissible as per instructions issued by the Chief Engineer. Moreover, payment was made according to Technically Sanctioned Estimate.

On the recommendation of audit, the Committee **settled the para.**

## **41. Para No.39 Page 32 of Audit Report for the year 1999-2000; Overpayment of Rs.0.059 Million.**

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**17.05.04** Audit had pointed out that payment made for “regular excavation dressed” in violation of specifications had resulted in over-payment.

The department explained that the matter had been resolved by Standing Rates Committee in its meeting held on 19-2-2002 which had decided that rates of earthwork for making embankment by reusing the earth obtained from regular excavation viz-a-viz its compaction had been correctly applied.

The Committee accepted the reply of the department and **para was settled.**

## **42. Para No.40 Page 33 of Audit Report for the year 1999-2000; Overpayment of Rs.0.109 Million.**

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## **43. Para No.51 Pages 39 & 40 of Audit Report for the year 1999-2000; Overpayment of Rs.0.094 Million.**

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**17.05.04** Audit had pointed out that payment made for “regular excavation dressed” in violation of specifications had resulted in over-payment.

The department explained that the matter had been resolved by Standing Rates Committee in its meeting held on 19-2-2002 which had decided that rates of earthwork for making embankment by reusing the earth obtained from regular excavation viz-a-viz its compaction had been correctly applied.

During the meeting audit recommended the paras for settlement.

On the recommendation of audit, **the paras were settled.**

**44. Para No.41 Pages 33 & 34 of Audit Report for the year 1999-2000; Overpayment of Rs.0.352 Million.**

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**18.05.04** Audit had pointed out that excess payment was made on account of regular excavation which was not admissible as per instructions of Chief Engineer.

The department explained that the road fell in city area where widening of embankment had been carried out and the payment of regular excavation had been made in accordance with the provisions of Technically Sanctioned Estimate.

Audit suggested that in the light of decision of Standing Rates Committee, deduction of regular excavation from the “extra work embankment” be got verified by it.

The Committee **conditionally settled the para subject to verification** of relevant record by audit.

**45. Para No.44 Page 35 of Audit Report for the year 1999-2000; Overpayment of Rs.0.114 Million.**

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**17.03.05** The Department explained that tenders were called on schedule rates. The actual recovery had been effected and record had been got verified by Audit.

Audit verified the contention of the Department and **the para was settled.**

**46. Para No.46 Page 36 of Audit Report for the year 1999-2000; Overpayment of Rs.0.179 Million.**

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**18.05.04** Audit had pointed out that excess payment was made due to incorrect application of rate for excavation of road work.

The department explained that excavation of road was similar to excavation of structure. Hence correct rate of Rs.776.80/- was applied which was provided in Technically Sanctioned Estimate. Moreover, the item pointed out by audit was applicable only in respect of work done of building work (floor), therefore, no irregularity/excess payment was involved.

During the meeting, the audit recommended the para for settlement.

On the recommendation of audit, **the para was settled.**

**47. Para No.47 Page 37 of Audit Report for the year 1999-2000; Overpayment of Rs.2.735/- Million.**

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**17.03.05** The Department explained that in the case of raising/widening of Depalpur to Okara via Pipli Pahar road, the whole scheme had been successfully completed within TS estimate. No excess payment and quantity was involved.

In case of work No. 2, construction of metalled road from Chuchak to Chowki Mehlukey, the variation of estimated rates and quoted rates in sub-base was 32% but payment was given to contractor as per agreement as 4.5% base course.

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

**48. Para No.48 Pages 37 & 38 of Audit Report for the year 1999-2000; Overpayment of Rs.1.824 Million.**

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**18.05.04** Audit had pointed out that the department had paid for the additional items on higher rates as per CSR 1998 instead of CSR 1979.

The department explained that in this case the scheme was revised by applying rates of CSR 1998 on items exceeding 20% as per clause 42 of the agreement. Administrative approval and technical sanction of the estimate were revised by the competent authorities.

Audit observed that in case of additional items, the contractor was bound to execute the work on the already agreed rates.

Finance Department was of the view that 1998 schedule could not be applied in this case.

The Administrative Secretary admitted that excess payment had been made and stated that the matter would be examined again with a view to taking action against those found responsible and necessary recovery would be also be made.

The Committee directed that the department should recover excess amount from the concerned officers in addition to taking administrative action against them.

**The para was kept pending.**

**49. Para No.49 Page 38 of Audit Report for the year 1999-2000; Overpayment of**



**Rs.0.280/- Million.**

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**18.03.05** The Department explained that in the case of construction of metalled road from Jarkal to Basti Muhammad Shah to Rang Shah to Dinpur, a recovery of Rs.1,18,250/- had been made and got verified by Audit and in the case of widening/improvement of Choubara to Garh Maharaja Chowk, the TS was granted by the concerned Chief Engineer as per the site condition.

The Committee **settled the para subject to** verification of TS, MB and final bill by Audit.

**50. Para No.50 Page 39 of Audit Report for the year 1999-2000; Overpayment of Rs.0.042 Million.**

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**17.05.04** Audit had pointed out that non-deduction of the culverts resulted in overpayment to the contractor.

The department explained that deductions for sub-base had been made from the final bill of the contractor while deduction from base course was not due.

On the recommendation of audit, the Committee **settled the para.**

**51. Para No.52 Page 40 of Audit Report for the year 1999-2000; Overpayment of Rs.0.063 Million.**

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**18.05.04** Audit had pointed out that non-deduction of batter-fill material from the earth work had resulted in over-payment to contractor.

The department explained that recovery had been made from the bill of the contractor and that the matter would be finalized in June 2004 and the record would be presented to audit.

The Committee **conditionally settled the para subject to** verification of final bill/ relevant record by audit.

**52. Para No.53 Pages 40 & 41 of Audit Report for the year 1999-2000; Over Payment of Rs.0.629/- Million.**

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**16.03.05** The Department explained that the record entries made on page no. 52 to 62 were only for base course and not for the entire road crust viz/sub-base course/base course and TST. The TST was not measured while taking the measurement of base course. The base course and TST were separately measured which had been verified by the concerned XEN.

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

**53. Para No.54 Pages 41 & 42 of Audit Report for the year 1999-2000; Overpayment of Rs.0.398 Million.**

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**18.05.04** Audit had pointed out that excess payment was made for certain items of work than those provided in DNIT and that earth available at site was not deducted from the earth work for embankment.

The department explained that due to minor variations in quantities as per site conditions, revised detailed estimate had been submitted to competent authority for approval. Regarding non-deduction of earth, the department stated that available earth was not fit for construction of embankment. It was further stated that the scheme had been pending since 1995 and an inquiry had also been held whose findings were awaited.

The Committee **kept the para pending.**

**54. Para No.55 Page 42 of Audit Report for the year 1999-2000; Over Payment of Rs.0.174 Million.**

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**16.03.05** The Department explained that after verification of the record by Audit, the amount of the para was reduced to Rs.46,558/- and that amount had been recovered and deposited into government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**55. Para No.58 Pages 43 & 44 of Audit Report for the year 1999-2000; Overpayment of Rs.0.144 Million.**

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**19.05.04** Audit had pointed out that over payment was made due to incorrect measurements.

The department explained that rough cost estimate was approved by the Government in which the replacement of fines with specified material as 20% was incorporated and the administrative approval as well as technical sanction of the estimate were given by the competent authorities. It was further stated that in the item of dismantling, four procedures were involved which were completed while remaining within the specifications and the audit could peruse the relevant record.

During the meeting audit verified the departmental contention.

On the recommendation of audit, the Committee **settled the para.**

**56. Para No.59 Page 44 of Audit Report for the year 1999-2000; Overpayment of Rs.0.419 Million.**

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**17.05.04** Audit had pointed out that extra payment was made for shuttering.

The department explained that special shuttering was provided after getting approval by the competent authority through revised technically sanctioned estimate. Moreover, the amount of agreement had also been enhanced by the competent authority.

Finance department observed that if shuttering was provided in the revised estimate even there was no irregularity and the para could be considered for settlement.

Audit conceded that provision for special shuttering was available in revised estimate.

The Committee accepted the explanation of the department and **settled the para.**

**57. Para No.60 Page 45 of Audit Report for the year 1999-2000; Loss of Rs.0.262 Million to Government.**

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**17.05.04** Audit had pointed out that excessive provisions of the rate in the technically sanctioned estimate had resulted in loss to Government.

The department explained that audit had worked out ex-factory rates, whereas estimate was based on market rates which was technically sanctioned by the Chief Engineer. It was further stated that competitive tenders were invited and after observing codal formalities work was allotted to the contractor.

On the recommendation of audit, the Committee **settled the para.**

**58. Para No.61 Page 45 of Audit Report for the year 1999-2000; Loss of Rs.1.827 Million to Government.**

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**19.05.04** Audit had pointed out that due to late submission of case for approval of tenders, the work was allotted at higher premium of 25.885% above the technically sanctioned estimate which resulted in loss to Government.

The department explained that due to the failure of the contractor to complete the allotted

work, tenders were re-invited after approval of revised AA and technical sanction of the estimate. Since Ghazi Ghat Bridge had been closed, therefore, material had to be carried through Taunsa Bridge involving greater distance.

Finance Department observed that since the premium was changed, hence regularization by it was required.

The Committee **conditionally settled the para subject to** necessary regularization by the Finance Department.

**59. Para No.62 Pages 46 & 47 of Audit Report for the year 1999-2000; Loss of Rs.7.416 Million.**

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**17.05.04** Audit had pointed out the negligence of the department for not getting the work done in 1996 which had resulted into loss to Government.

The department explained that the work was administratively approved during January 1996, but could not be completed due to non-availability of funds. Since the work in respect of level crossings was to be carried out by the Railways Department, therefore, on receipt of estimate from them in March 2000, the estimate was revised by the competent authority. The payment was made to Railways and it being a government to government transaction in the wake of fulfillment of all codal formalities, no irregularity had taken place.

The Committee accepted the explanation of the department and **settled the para.**

**60. Para No.63 Page 47 of Audit Report for the year 1999-2000; Non-Forfeiture of Security Deposit of Rs.0.260 Million.**

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**16.03.05** The Department explained that the contractor had filed a civil suite in the court and the next date of hearing was fixed for 26-3-2005.

The Committee **kept the para pending being sub-judge** in the court of law and desired that the case be pursued vigorously.

**61. Para No.64 Pages 48 of Audit Report for the year 1999-2000; Non-Forfeiture of Security Deposit of Rs.0.426/- Million.**

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**16.03.05** The Department explained that as a result of verification of record by Audit the amount had been recovered with penalty and deposited into the government treasury.

On a query of the Committee, the Department stated that as per the agreement, the contractor was required to complete the work within a time limit of 5 months and 15 days i.e. 22-06-1999 but the work was completed by the firm on 22-10-1999 and the final bill was paid on 31-10-2001.

The Committee **kept the para pending** and desired that a fact finding inquiry be conducted and responsibility be fixed for not completing the work in time under intimation to PAC.

**62. Para No.66 Page 49 of Audit Report for the year 1999-2000; Loss of Rs.0.450 Million to Government.**

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**19.05.04** Audit had pointed out that acceptance of tender beyond permissible limit had resulted into loss to government.

The department explained that comparative statement indicated an excess of 4.49%, which was within permissible limits and that contingencies were included to face any emergent situation.

The audit stated that the matter been checked again and the Department had accepted the difference of Rs.2,828,805/-.

Finance department endorsed the contention of audit and observed that tender had to be accepted excluding contingencies which could only be diverted for unforeseen expenditure.

The Committee **kept the para pending** and directed the Department to reconcile figures with Audit.

**63. Para No.67 Pages 49 & 50 of Audit Report for the year 1999-2000; Loss of Rs.1.606 Million to Government.**

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**19.05.04** Audit had pointed out that acceptance of tenders at higher rates had resulted into loss to Government.

The department explained that the scheme was amended and technically sanctioned by the competent authority on 27.2.1996. Tenders were, however, invited on 28.5.1995 from contractors pre-qualified by the Chief Engineer but were kept pending for want of amended A.A. and TS by the competent authority. On receipt of technical sanction the work was awarded to the lowest bidder on 29-2-1996.

The Audit recommended the para for settlement.

On the recommendation of audit, the Committee **settled the para.**

**64. Para No.68 Pages 50 & 51 of Audit Report for the year 1999-2000; Loss of Rs.3.692 Million to Government.**

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**17.05.04** Audit had pointed out that tender was accepted at higher rates which resulted into loss of Rs.3.692 million.

The department explained that the scheme was administratively approved on 11-3-1996 and technically sanctioned on 12-3-1996 on the basis of which work was allotted. The department quoted the financial equation and concluded that percentage of excess involved was 4.44%, which was within the permissible limit of 4.50%. The department further stated that rates were not workable at the time of initiation of scheme and re-tendering had to be done.

Audit reiterated that violation of rules had taken place in this case.

Finance Department observed that if tenders were called before the technical sanction of the estimate then regularization by Finance Department would be required.

The Committee observed that in this case violation of rules had taken place and **conditionally settled the para subject to** regularization of the case by the Finance Department.

**65. Para No.70 Page 52 of Audit Report for the year 1999-2000; Irregular Award of Work for Rs.18.810/- Million.**

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**17.03.05** The Department explained that the total amount of bank guarantees as well as amount of earnest money amounting to Rs.2,141,000/- stood deposited in the account of National Highway Authority.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**66. Para No.71 Pages 52 & 53 of Audit Report for the year 1999-2000; Irregular Technical Sanction of Rs.9.021 Million.**

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**18.03.05** The Department admitted that the work was started on 14-6-1995 and the completion date was 16-7-1998, however, the revised TS was issued in 1999.

The Committee **kept the para pending** with the direction that disciplinary action under PRSO 2000/pension rules be taken against the responsables, who had committed this irregularity.



**67. Para No.72 Page 53 of Audit Report for the year 1999-2000; Irregular technical sanction of Rs.71.267 Million.**

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**17.05.04** Audit had pointed out that T. S. estimate was issued 12.54% above the administrative approval with revision of administrative approval which had resulted into irregular technical sanction.

The department explained that the increase in the scope of work in respect of level crossing had not been taken into account by the audit. The excess was required to be worked out on the total cost of the revised estimate. Moreover, the cushion of up to 10% over administrative approval had been allowed by the Finance Department and the sanction was within 10% cushion.

During the meeting, the audit agreed with the departmental contention.

On the recommendation of audit, **the para was settled.**

**68. Para No.73 Page 54 of Audit Report for the year 1999-2000; Irregular Technical Sanction of Rs.5.396 Million.**

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**18.03.05** The Department explained that the administrative approval for the work was accorded for Rs.5,479,000/- and the TS against the same was accorded for Rs. 5,418,000/-. The provision of cause-way was reviewed and replaced by providing 2 spans 12 ft each culvert, which was technically more convenient/suitable alternative. The estimate was accordingly revised and its TS was accorded for Rs.5,396,000/-. The amount of revised TS was within the amount of administrative approval hence revision of AA was not required.

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

**69. Para No.74 Pages 54 & 55 of Audit Report for the year 1999-2000; Loss of Rs.1.521 Million.**

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**18.03.05** The Department admitted that security was not deposited at the time of acceptance of tenders.

The Committee **pended the para** with the directions that disciplinary action be taken against the responsables.

**70. Para No.75 Page 55 of Audit Report for the year 1999-2000; Work below Specification of Rs.4.310 Million.**

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**19.05.04** Audit had pointed out that execution of work below specifications had resulted into loss to Government.

The department explained that crushed stone aggregate from Chiniot quarry was used as base course on the roads as per provisions of estimate duly sanctioned by the competent authority. The payments were made after carrying out necessary tests.

The Committee **kept the para pending** for verification of the relevant record/letter issued by the Road Research Institute by audit.

**71. Para No.76 Page 56 of Audit Report for the year 1999-2000; Loss of Rs.0.300 Million to Government.**

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**18.05.04** Audit had pointed out that out turn of running vehicles amounting to Rs.0.410 million against the operation charges of Rs.0.711 million showed loss which needed either revision of estimate or loss to be written off by the competent authority.

The department explained that the total amount of unadjusted out turn of previous years was also included in the revised estimates for the financial year 1999-2000. The manufacture account for 1998-99 and 1999-2000 was closed in 6/2000 and the balance was adjusted/cleared in the monthly A/C of 6/2000. Audit stated that the relevant record be produced to it.

The Committee **kept the para pending** for verification of relevant record by audit.

**72. Para No.77 Pages 56 & 57 of Audit Report for the year 1999-2000; Loss of Rs.4.432 Million to Government.**

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**19.05.04** Audit had pointed out that the contractor abandoned the work during execution and the failure of the Department to take action against him resulted in a loss of Rs.4.432 million to Government.

The department explained that the original contractor left the work incomplete. Meanwhile the scheme remained unfunded for more than seven years. Therefore, revised administrative approval was issued in August 1999 on new rates plus additional length of 1.00 k. m. The balance work was got executed on fresh rate within the approved cost/TS estimate. Hence no question of loss to Government was involved and audit could verify the record.

Audit desired that the record be shown to it.

The Committee directed the Department to produce the relevant record to audit for

verification.

**The para was kept pending.**

**73. Para No.78 Page 57 of Audit Report for the year 1999-2000; Loss of Rs.0.146 Million.**

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**18.03.05** The Department explained that only 500 rft of road portion was washed away from RD 133 to 138, which was constructed over the existing river embankment of Irrigation Department. It was also stated that the work was started in 1996 and the portion of road was washed away by flood in 1999. The department also stated that the security deposit i.e. 1,47,000/- is with the department.

FD suggested that clause 14 of the agreement be made operative in the case.

The Committee **kept the para pending** and desired that the Department should re-examine all the case.

**74. Para No.79 Pages 57 & 58 of Audit Report for the year 1999-2000; Loss of Rs.0.111/- Million to Government.**

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**16.03.05** The Department explained that the tenders were invited on 16-5-1994 but these were not processed due to non-availability of Administrative Approval and Technical Sanction. Administrative Approval was received on 24-10-1994 after expiry of validity period of 60 days for acceptance of tenders. The Department admitted that the contract was awarded to the 2<sup>nd</sup> lowest tenderer on the rates quoted by the 1<sup>st</sup> lowest contractor and the acceptance letter was issued to the 2<sup>nd</sup> lowest tenderer on 19-12-1994.

The Committee **kept the para pending** with the direction that a fact finding inquiry be conducted and responsibility be fixed for not completing the work within stipulated time.

**75. Para No.80 Pages 58 & 59 of Audit Report for the year 1999-2000; Loss of Rs.1.223/- Million to Government.**

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**17.03.05** The Department explained that the scheme was administratively approved by the Secretary C&W on 19-6-1998 for Rs.59.97 lacs. After receipt of Administrative Approval, the detailed survey was carried out and the detailed estimate was prepared as per actual site requirement. The item-wise reason for increase/saving had been given against each item in the detailed TS estimate. The estimate was technically sanctioned for Rs.65.94 lacs by the SE on 05-08-1998 as per the delegation of Financial Power Rules. The Contractor partially completed the

work upto 30-6-1999 with expenditure of Rs.3,235,648/- during the financial year 1998-99 according to available allotment of funds. The scheme remained unfunded from 1999-2000 to date. The work was still incomplete and the funds had been remanded from the government to complete the scheme.

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

**76. Para No.81 Page 59 of Audit Report for the year 1999-2000; Unauthorized payment of Rs.0.115 Million.**

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**19.05.04** Audit had pointed out that unauthorized payment was made for making and removing false masonry in violation of standard specifications.

The department explained that a sum of Rs.0.115 million was paid on account of false masonry. The entire amount was not to be recovered as only the bricks were recovered and cost of Rs.48,481/- was deducted. The provision of this item existed in TS estimate. The audit could verify the record.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

**77. Para No.82 Pages 59 & 60 of Audit Report for the year 1999-2000; Undue Payment of Rs.1.573 Million.**

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**16.03.05** The Department explained that the record i.e. contract agreement, bill of quantity/DNIT, TS estimate and final bill had been produced to Audit which had verified, that the contention of the Department was correct.

On the recommendation of Audit, **the para was settled.**

**78. Para No.83 Page 60 of Audit Report for the year 1999-2000; Unauthorized utilization of saving of Rs.8.930 Million.**

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**17.05.04** Audit had pointed out utilization of saving of the scheme towards additional work without approval of the competent authority.

The department explained that contention of audit was not correct because saving was used for making payment to Pakistan Railways for the enhanced amount from Rs.4,000,000/- to 1,1415,908/- for construction of 2 first class level crossings and not towards the execution of any road item, which existed in the approved estimate and therefore, no violation had been done.

During the meeting the audit stated that it agreed with the contention of the department.

The Committee accepted the explanation of the department and **settled the para.**  
**79. Para No.84 Page 61 of Audit Report for the year 1999-2000; Unauthorized Expenditure of Rs.0.117 Million.**

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**18.03.05** The Department explained that the scheme was administratively approved for Rs.93.90 lacs and TS was accorded for Rs.9,021,000/-. Total expenditure under all heads on the scheme was Rs.9,248,152/- which was within the permissible limit of 4.50% cushion above on TS estimate.

The Committee was of the view that the revised TS was required in the case and decided to **settle the para** with the warning that such action should not be repeated in future.

**80. Para No.85 Pages 61 & 62 of Audit Report for the year 1999-2000; Mis-utilization of funds of Rs.1.451 Million.**

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**19.05.04** Audit had pointed out that excessive security was deducted from the bills of the contractors on the basis of fictitious measurements to avoid lapsing of funds at the close of financial year.

The department explained that as a precautionary measure, excessive securities were deducted from the contractors' bills because due to rush of work on the eve of close of financial year, it was not possible for the Executive Engineer to visit each and every site. However, the excessive securities were released after proper checking the site.

The audit accepted the departmental contention and stated that it had no objection to the settlement of the para.

The Committee **settled the para accordingly.**

**81. Para No.86 Page 62 of Audit Report for the year 1999-2000; Unauthorized payment of Rs.3.675 Million.**

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**19.05.04** Audit had pointed out that payment was made for the items carrying higher rates against the instructions given in the acceptance letter.

The department explained that payments were made as per work done and measured at site. The quantities of various items of agreement had been completed by the contractors; therefore, full rates for unbalanced bids were released. However, the restrictions imposed by the Superintending Engineer in respect of payment of unbalanced rates quoted by the contractor

could not be watched due to rush of work.

Finance Department pointed out that the restrictions imposed by the Chief Engineer were not followed.

The Committee directed that the Department should further look into the matter.

**The para was kept pending.**

**82. Para No.87 Page 63 of Audit Report for the year 1999-2000; Unjustified Payment of Rs.0.279/- Million.**

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**17.03.05** The Department explained that as a result of verification, the amount of para had been reduced to Rs.76,507/- and the record of the recovery of Rs.76,507/- had been produced to Audit.

The Committee **conditionally settled the para subject to** verification of record by Audit within 30 days.

**83. Para No.88 Pages 63 & 64 of Audit Report for the year 1999-2000; Loss of Rs.0.185 Million to Government.**

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**17.05.04** Audit had pointed out release of premature security deposit to the contractor.

The department explained that it was not the case of release of premature security; rather payment of excess deduction to the contractor in terms of Finance Department's Notification dated 28-12-1994, accordingly to which 5% security deposit was to be retained in case of original works valuing more than Rs.5 million. It was further stated that term deposit of Rs.179000/- and security deposit of Rs.40464/- was still lying with the department. Meanwhile, the contractor had filed a case in the court and the matter was sub-judice.

The Committee **kept the para pending being sub-judice.**

**84. Para No.89 Pages 64 & 65 of Audit Report for the year 1999-2000; Loss of Rs.0.789/- Million.**

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**17.03.05** The Department explained that the work of the contractor was rescinded and again allotted to him on risk and cost basis. The contractor filed a civil suit in the court of law and the case was under trial in the court. The next date of hearing was fixed for 16-3-2005.

The Committee **settled the para** with the observation that if the case is decided in favour of department then the amount be recovered as arrears of land revenue.



**85. Para No.90 Page 65 of Audit Report for the year 1999-2000; Loss of Rs.1.167 Million to Government.**

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**19.05.04** Audit had pointed out that balance work of defaulter contractor was allotted at higher rate after forfeiture of security deposit instead of allotment of work at the risk and cost of the original contractor.

The department explained that either security could be forfeited or work could be allotted at the risk and cost of the original contractor. The balance work was completed within technically sanctioned amount in accordance with the revised administrative approval.

The audit accepted the departmental contention.

On the recommendation of audit, the Committee **settled the para.**

**86. Para No.91 Pages 65 & 66 of Audit Report for the year 1999-2000; Loss of Rs.1.590 Million to Government.**

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**17.05.04** Audit had pointed out that delay in completion of work caused variation in rates and ultimately resulted in a loss of Rs.01.590 million to Government.

The department explained that final bill had not yet been prepared and efforts were being made to effect recovery as arrears of land revenue. After devolution plan, DO(R) had been requested for the purpose and after receiving the record from him, final bill would be prepared.

Finance Department observed that the devolution plan became effective in 2001, yet perhaps no serious efforts were made to retrieve the record from the quarters concerned. Finance Department was of the view that department should intervene and give some time-frame for resolving the matter.

The Committee directed that the department should prepare the final bill within 15 days under intimation to PAC.

**The para was kept pending.**

**87. Para No.92 Page 66 of Audit Report for the year 1999-2000; Loss of Rs.0.342/- Million to Government.**

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**17.03.05** The Department explained that the work was administratively approved for Rs. 59.30 lacs and was technically sanctioned for Rs. 57.81 lacs. The contractor was declared defaulter and security was forfeited. Revised technical sanction for Rs.63.80 lacs was issued and the amount of

Rs. 302,873/- was deducted from the security of the first contractor and deposited into government treasury.

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

**88. Para No.95 Page 68 of Audit Report for the year 1999-2000; Non-recovery of Rs.1.230 Million.**

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**17.05.04** Audit had pointed out non-recovery of rent of approach roads from the petrol pumps.

The department explained that on the decision of the Supreme Court in favour of the department, oil companies were pursued to recover outstanding dues and full recovery from them had been effected.

The audit verified the recovery of Rs.4,215,200/-.

The Committee accepted the explanation of the department and **settled the para.**

**89. Para No.96 Pages 68 & 69 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.105 Million.**

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**16.03.05** The Department explained that an agreement had been signed between the MD, PSO and Secretary, C&W. As a result of agreement the mode of payment had been settled. PSO, Shall pay 50% of the arrears as per PSO record during the current financial year and the balance 50% during next financial year.

The Committee discussed **the para and pended** it for 17 March 2005.

**90. Para No.97 Page 69 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.364/- Million.**

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**91. Para No.104 Page 73 of Audit Report for the year 1999-2000; Non-Recovery of Rs.1.645/- Million.**

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**17.03.05** The Department explained that an agreement had been signed between the MD, PSO and Secretary, C&W and as a result of agreement the mode of payment had been settled that the PSO Shall pay 50% of the arrears as per PSO record during the current financial year and the balance 50% during next financial year.

The Committee accepted the explanation of the Department and **the paras were settled.**

**92. Para No.98 Pages 69 & 70 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.380 Million.**

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**18.03.05** The Department explained that an agreement had been signed between the MD, PSO and Secretary, C&W and as a result of agreement the mode of payment had been settled that the PSO shall pay 50% of the arrears as per PSO record during the current Financial Year and the balance 50% during next financial year.

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

**93. Para No.99 Page 70 of Audit Report for the year 1999-2000; Non-recovery of Rs.3.498 Million.**

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**19.05.04** Audit had pointed out non-realization of lease money from the petrol pumps.

The department explained that out of total recovery of Rs.3.498 million a sum of Rs.0.653 million had been recovered, whereas a sum of Rs.1.966 related to XEN Highway Division Bahawalpur and Rs.0.879 million to District Officer (Roads) Bahawalnagar. It was further stated that efforts for effecting recovery as arrears of land revenue were continuing.

Audit only accepted recovery of RS.374,800/-. On the recommendation of audit, the Committee reduced para to Rs.3.123 million and directed the Department to effect balance recovery within the shortest possible time.

**The para was kept pending.**

**94. Para No.100 Page 71 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.495 Million.**

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**95. Para No.103 Pages 72 & 73 of Audit Report for the year 1999-2000; Non-recovery of Rs.1.600 Million.**

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**19.05.04** Audit had pointed out non-recovery of lease money from the petrol pumps.

The department explained that the oil companies had gone to the court against increase in rent charges from Rs.600/- per annum to Rs.5,000/- per annum. It was further stated that NOCs were not being issued to the defaulter companies.

Finance Department observed that the Department should prepare a detailed write up so

that the matter could be taken up with the Federal Secretary Petroleum.

The Committee **kept the para pending** being subjudice.

**96. Para No.101 Page 71 of Audit Report for the year 1999-2000; Non-Recovery of Rs.1.380 Million.**

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**16.03.05** The Department explained that in the light of the agreement between PSO and C&W, the amount of the para had been reconciled with PSO and the same had been recovered and deposited into government treasury.

The Committee discussed the para and pended it for 17.03.2005.

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

**97. Para No.102 Page 72 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.475 Million.**

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**17.05.04** Audit had pointed out non-recovery of rent of approach roads from the petrol pumps as required under Government instructions.

The department explained that the main defaulter was PSO and efforts to realize outstanding dues through various means were being made. The companies had also gone to the court against increase in the rent. The department further stated that no new NOCs were being issued to PSO.

Finance Department observed that the department should take up the matter with the Federal Government as well as PSO authorities. All such paras be clubbed together and PAC be briefed on all aspects of the case including future policy in this regard.

The Committee directed that the department should make serious efforts for effecting recovery and also apprise the Committee about the details of efforts being made for effecting recoveries and the latest position of judicial proceedings.

**The para was kept pending.**

**98. Para No.105 Pages 73 & 74 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.400 Million.**

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**16.03.05** Para was pended for 17.03.2005.

**17.03.05** The Department explained that an agreement had been signed between the MD, PSO and Secretary, C&W and as a result of agreement the mode of payment had been settled that the PSO Shall pay 50% of the arrears as per PSO record during the current financial year and the balance 50% during next financial year.

The Committee, after hearing the view point of the Department decided to **settle the para subject to** balance recovery.

**99. Para No.106 Page 74 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.540 Million.**

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**17.05.04** Audit had pointed out non recovery of annual rent for approaches to the petrol pumps and rest house at Kalabagh.

The department explaining the position about recovery of rent from approaches to the petrol pump stated that the audit had miscalculated the amount @ 10000/- per annum instead of @ Rs.5,000/- per annum. Thus recoverable amount was 250,000/- out of which Rs.40,000/- had been recovered.

Regarding recovery in respect of rest house, the department stated that actual recovery came to Rs.8,700/- instead of RS.39,600/-, which had been recovered.

Finance Department observed that in this para too, PSO was the main defaulter and by clubbing the entire amount pending against PSO, the matter should be taken up with the Federal Government with a view to ensuing early recovery.

Audit verified that recovery of Rs.8,700/- in respect of Rest House had been deposited by the Afghan Refugee Organization

The Committee **kept the para pending** for balance recovery with the direction to the department to make necessary efforts in this regard.

**100. Para No.108 Page 75 of Audit Report for the year 1999-2000; Short Recovery of Rs.0.159 Million.**

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**18.03.05** The Department explained that only one person i.e. driver was deputed for running of Road Ruler thus the total amount of Rs.89,792/- for 736 days had been recovered and deposited into the government treasury.

The Committee **settled the para subject to** verification of log book and desired that the department should make a reference to FD for formulating rules for composite rates.

**101. Para No.109 Pages 75 & 76 of Audit Report for the year 1999-2000; Short Recovery of Rs.0.196/- Million.**

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**17.03.05** The Department explained that the record had been traced out and the amount would be recovered/adjusted within 30 days.

The Committee **kept the para pending** and desired that the amount be recovered/adjusted within 30 days.

**102. Para No.111 Page 77 of Audit Report for the year 1999-2000; Non recovery of Rs.0.150 Million.**

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**19.05.04** Audit had pointed out non deposit of hire charges of mortar grader into Government account.

During the course of meeting, the department explained that entire amount had been recovered.

On the recommendation of audit, the Committee **settled the para.**

**103. Para No.113 Page 78 of Audit Report for the year 1999-2000; Less recovery of hire charges of Rs.0.067 Million.**

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**19.05.04** Audit had pointed out short recovery of hire charges.

The department explained that a sum of Rs.44,439/- had been recovered leaving balance of Rs.22,561/-

Audit verified the recovery of Rs.44,439/-

The Committee conditionally **settled the para subject of** balance recovery by 31.7.2004.

**104. Para No.114 Pages 78 & 79 of Audit Report for the year 1999-2000; Non-recovery of Rs.3.350 Million.**

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**18.05.04** Audit had pointed out unauthorized adjustment of plant charges instead of recovering the same from the concerned contractor.

The department explained that the para was based on two advance paras, 88 and 91



involving Rs.725,000/- and Rs.2,625,527/- respectively. With reference to AP No.88, it was stated that a sum of Rs.725,000/- had since been recovered and verified by audit. Regarding AP No.91, it was stated that recovery had been made from the bills of the concerned companies, which would be adjusted to clear the PW Miscellaneous advances. Balance of Rs.488,266/- had also been recovered. It was further stated that recovery of Rs.2,625,527/- mentioned in para No.7 of Audit Report 1999-2000, had been repeated in this para.

The Committee observed that in this case reconciliation was also involved and **conditionally settled the para subject to** verification of relevant record by audit.

**105. Para No.115 Page 79 of Audit Report for the year 1999-2000; Non-forfeiture of Bank Guarantee of Rs.0.410 Million.**

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**19.05.04** Audit had pointed out that non-forfeiture of bank guarantee of the contractor who had abandoned the work had resulted into loss to Government.

The department explained that the balance recovery of Rs.166,531/- for mobilization advance plus interest had been recovered from the contractor. The Department contended that now full recovery had been effected and the audit could verify the record.

The Committee **conditionally settled the para subject to** verification of recovery and relevant record by audit.

**106. Para No.116 Page 80 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.891 Million.**

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**18.05.04** Audit had pointed out non realization of secured advance outstanding against the contractors for the last 2-4 years.

The department explained that Rs.530400/- pertaining to Provincial set up of Highway Department had been recovered and verified by audit. The remaining amount related to District Government Lodhran. The material was lying on the site and the scheme could be started as soon as the funds would be allocated.

The Committee directed that a letter be written to DCO Lodhran to take appropriate action, utilize the material and scheme be completed in coordination with the Department under intimation of PAC.

**The para was kept pending.**

**107. Para No.118 Page 81 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.475 Million.**

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**17.05.04** Audit had pointed out non realization of secured advance and 12% interest from the defaulting contractor.

The department explained that the recovery had been adjusted in 42<sup>nd</sup> Running Bill and after adjustment final bill worked out to be in minus figure of Rs.2,463,991/- Efforts were being made to recover the minus bill, however, the contractor was not traceable presently.

Finance department observed that perhaps the department was not clear about the amount which was actually recoverable. The department should look into the matter, fix responsibility for the lapse and inform the PAC.

The Committee directed that the department should hold an inquiry into the entire matter i. e. over payment made to the contractor etc. and fix responsibility within two weeks under intimation to PAC.

**The para was kept pending.**

**108. Para No.119 Pages 81 & 82 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.791 Million.**

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**18.03.05** The Department explained that total amount regarding secured advance and higher charges had been recovered and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**109. Para No.120 Page 82 of Audit Report for the year 1999-2000; Non-Recovery of Rs.1.003 Million.**

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**18.03.05** The Department explained that total amount plus interest had been recovered and deposited into government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**110. Para No.121 Pages 82 & 83 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.165/- Million.**

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**17.03.05** The Department explained that the recovery of Rs.47,210/- had been made out of security of the contractor which had been verified by Audit. It was also stated that the date of completion of work was June 1995 and the work was washed due to flood in August 1995.

The Committee **settled the para subject to** verification of departmental contention by Audit.

**111. Para No.122 Page 83 of Audit Report for the year 1999-2000; Non-recovery of Rs.6.033 Million.**

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**18.05.04** Audit had pointed out non recovery of secured and mobilization advances.

The department explained that the amount of Rs.3,598,065/- on account of minus bill of contractor had been recovered. The audit verified the recovery of secured advance and mobilization advance but objected that the adjustment was made from the bill which was not yet final, hence not acceptable.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

**112. Para No.124 Page 84 of Audit Report for the year 1999-2000; Short Recovery of Rs.0.100 Million.**

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**16.03.05** The Department explained that as per the clarification of Central Board of Revenue the rate of income tax deduction would be 5% if all the payments of contract were within 30 million. In the instant case, the amount of the final bill was Rs.29,627,937/- which was within the 30 million and hence the para should be settled.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**113. Para No.125 Pages 84 & 85 of Audit Report for the year 1999-2000; Short Recovery of Rs.0.385 Million.**

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**18.05.04** Audit had pointed out non-deduction of income tax from the contractor.

The department explained that the disputed amount of income-tax was under litigation

between the toll contractor and the Income-tax Department in Supreme Court of Pakistan and the C&W department was not a party to that case.

The Committee **kept the para pending being subjudice.**

**114. Para No.126 Page 85 of Audit Report for the year 1999-2000; Short recovery of Rs.0.078 Million.**

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**18.05.04** Audit had pointed out less deduction of income tax.

The department explained that short recovery of Rs.0.078 million on account of less deduction of income tax had been recovered which had been verified by audit.

Finance Department observed that the para could be considered for settlement.

The Committee accepted the explanation the department and **settled the para.**

**115. Para No.127 Pages 85 & 86 of Audit Report for the year 1999-2000; Non-Recovery of Income Tax Rs.0.089 Million.**

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**16.03.05** The Department explained that the amount of the para had now been recovered from the contractors and admitted that due to lapse of the concerned DDO, the income tax was not deducted at source.

The Committee took serious notice of the irregularity committed by the DDO for not deducting the income tax at source and desired that disciplinary action be taken against the concerned DDO under Punjab Removal from Service (Special Powers) Ordinance 2000 and **the para was kept pending.**

**116. Para No.128 Page 86 of Audit Report for the year 1999-2000; Less recovery of income tax of Rs.1.490 Million.**

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**18.05.04** Audit had pointed out less recovery of 1% income tax from the contractor.

The department explained that full recovery had been effected from two contractors whereas third contractor had shown assessment order issued by the income tax department.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

**117. Para No.129 Page 87 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.125 Million.**

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**18.05.04** Audit had pointed out non-realization of professional tax from the contractor.

The department explained that the PAC had settled a para of similar nature in its meeting held on 17-8-2002 with the observation that the payment of professional tax was the liability of the assessee and its at source deduction was not the obligation of the department.

The Committee accepted the explanation of the department and **settled the para.**

**118. Para No.130 Pages 87 & 88 of Audit Report for the year 1999-2000; Non-Recovery of Professional Tax of Rs.0.101 Million.**

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**16.03.05** The Department explained that the Professional Tax was to be deducted from the contractor concerned at the time of payment but due to negligence of the concerned DDOs, the Professional Tax was not deducted as per instructions of the Finance Department.

The Committee **kept the para pending** with the observation that the recovery be made either from the contractors or from the DDOs concerned as per financial rules/instructions and PAC be informed about the action taken by the department by 23.03.2005.

**119. Para No.131 Page 88 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.059/- Million.**

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**17.03.05** The Department explained that total recovery had been effected from the contractor and deposited into government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**120. Para No.132 Pages 88 & 89 of Audit Report for the year 1999-2000; Non-recovery of Professional tax of Rs.0.116 Million.**

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**19.05.04** Audit had pointed out non-recovery of professional tax from the contractor.

The department explained that notwithstanding the decision of adhoc PAC to the effect that assessee was responsible for payment of professional tax, the department had recovered Rs.105,500/-.

The Committee **conditionally settled the para subject to** verification of recovery made

by audit and balance recovery up to 30-6-2004.

**121. Para No.133 Pages 89 & 90 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.057 Million.**

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**19.05.04** Audit had pointed out non-recovery of hire charges and professional tax.

The department explained that Rs.24,000/- on account of professional tax had been recovered from the securities of the contractors. Recovery of balance amount of Rs.1,000/- was not possible because the contractor concerned was not listed in the relevant division. About hire charges of mortar grader, the Department quoted necessary facts and figures about placement of amount in P.W Misc. Advance and some wrong booking and stated that efforts for effecting balance recovery of Rs.22,264/- were being made.

Audit stated that no recovery had been got verified by it so far.

The Committee **kept the para pending** for balance recovery.

**122. Para No.134 Page 90 of Audit Report for the year 1999-2000; Non-Recovery of Rs.1.244 Million.**

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**18.03.05** The Department explained that an amount of Rs. 1.244 million was lying pending in P. W.Misc. advance of Machinery Maintenance Division, Multan against various agencies/persons. Out of which Rs.368,184/- had been adjusted and got verified by Audit. It was also stated that efforts were being made vigorously to effect the recovery of balance amount of Rs.875,816/- from various persons/sister divisions.

FD suggested that the department should move the case to Finance Department for notional budget allocation.

The Committee **kept the para pending** and desired that the recovery of the balance amount be effected from various divisions, staff and contractors. The Committee also desired that disciplinary action be taken against the persons responsible for funding the un-funded schemes.

**123. Para No.135 Pages 90 & 91 of Audit Report for the year 1999-2000; Non-recovery of Rs.1.148 Million.**

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**19.05.04** Audit had pointed out non realization of outstanding Government dues from the officers/officials.



The Department explained that efforts were being made to reduce the amount in PW Misc. Advance. It was further stated that Mechanical Division was responsible for the maintenance of Government machinery. In the instant case the machinery was not issued but the cost was incurred on its maintenance which had been paid out of "Suspense Head" and could be verified by audit.

The Committee directed that the Department should produce the relevant record to audit within shortest possible time.

**The para was kept pending.**

**124. Para No.136 Page 91 of Audit Report for the year 1999-2000; Non-recovery of Rs.15.726 Million.**

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**18.05.04** Audit had pointed out non recovery and non adjustment of heavy amount lying outstanding in the miscellaneous P.W. advance register against various contractors.

The department explained that a sum of Rs.2,022,328/- had been recovered and verified by audit. Regarding balance amount, the department stated that it related to the adjustment of amount under Miscellaneous PW advances. The contractor executed the work and because the scheme was un-funded, the payment was made from suspense account. Now case would be taken up with P&D Department for allocation of funds and the matter would be regularized.

Finance department observed that payment ought to have been made on receipt of funds and hence, violation of rules had taken place. The Department should get it regularized by Finance Department and also refer the case to P&D Department for allocation of funds.

Audit endorsed the views of the Finance Department.

The Committee directed the Department to take appropriate action in the light of the observations of Finance Department and audit.

**The para was kept pending.**

**125. Para No.137 Pages 91 & 92 of Audit Report for the year 1999-2000; Non-recovery of Rs.7.661 Million.**

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**18.05.04** Audit had pointed out non recovery of heavy amount lying outstanding in miscellaneous P.W. advance from the contractors.

The department explained that a sum of Rs.1,476,667/- had been recovered. The amount of Rs.1,397,150/- related to para 192 of the instant report and requested for the deletion of the said amount from the para. About remaining balance, the department stated that it related to the adjustment of amount under Misc. PW advances. The administrative Secretary stated that the case was identical to the one discussed in para No.136 and the payment was made from the wrong head and Department would issue instructions to lower formations not to repeat such practice.

Finance Department observed that unfunded schemes' liabilities should not be charged to suspense head. This case also needed regularization by Finance Department and allocation of requisite funds by P&D Department.

The Committee observed that as stated by the Department, Mr. Imtiaz Ahmad, the then Executive Engineer, was responsible for this irregularity, therefore, he should not be given any field posting. The Committee also directed the Department to issue instructions to its field formations to correctly utilize the suspense account as per rules and not to charge such liabilities to this account in future and to take appropriate action with a view to resolving the matter involved in this para.

**The para was kept pending.**

#### **126. Para No.138 Page 92 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.067 Million.**

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**19.05.04** Audit had pointed out non-recovery of interest on secured advance from the defaulting contractor.

The department explained that full recovery of Rs.67,420/- had been realized from the original contractor.

The Committee **conditionally settled the para subject to** verification of recovery/ relevant record by audit.

#### **127. Para No.139 Pages 92 & 93 of Audit Report for the year 1999-2000; Non-recovery of interest of Rs.0.054 Million.**

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**19.05.04** Audit had pointed out non-recovery of interest on mobilization advance paid to the contractor.

The department explained that total recovery of principal amount along with interest had

been realized from the defaulter contractor.

The Committee **conditionally settled the para subject to** verification of recovery/ relevant record by audit.

**128. Para No.140 Pages 93 & 94 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.556 Million.**

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**17.05.04** Audit had pointed out non realization of interest on mobilization advance from the contractor.

The department explained that outstanding interest on mobilization advance had been recovered from the contractor.

During the meeting the audit verified the departmental contention.

On the recommendation of audit, **the para was settled.**

**129. Para No.141 Page 94 of Audit Report for the year 1999-2000; Short Recovery of Rs.0.176/- Million.**

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**17.03.05** The Department explained that balance recovery of 10% interest of Mobilization advance had been recovered from the contractor and got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**130. Para No.142 Pages 94 & 95 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.238/- Million.**

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**17.03.05** The Department explained that an amount of Rs. 52,602/- had been recovered and deposited into government treasury. The case for the balance recovery had been referred to DCO/ EDO(R), concerned for early recovery of outstanding amount of Rs.185,895/-.

The Committee **kept the para pending** till balance recovery.

**131. Para No.143 Page 95 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.622 Million.**

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**18.05.04** Audit had pointed out non-realization of risk and cost amount from defaulter contractor.

The department explained that the matter was subjudice in Sessions court.

The Committee **kept the para pending being subjudice.**

**132. Para No.144 Pages 95 & 96 of Audit Report for the year 1999-2000; Non-recovery of Rs.5.425 Million.**

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**18.05.04** Audit had pointed out non-recovery of differential amount from the original contractor as the work was awarded to second contractor on risk and cost of the original contractor.

The department explained that the work was allotted to another contractor on the risk and cost of the original contractor who had abandoned the work after executing the items of work comparatively with higher rates. The final bill of the original contractor was under process. The original contractor had gone to the court and the matter was now pending in the Supreme Court.

The Committee observed that if stay order in respect of recovery had not been given by the court, the process for effecting recovery as arrears of land revenue be initiated.

**The para was kept pending.**

**133. Para No.145 Page 96 of Audit Report for the year 1999-2000; Non-recovery of Price Variation of Rs.0.052 Million.**

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**19.05.04** Audit had pointed out non recovery of amount on account of price variation of bitumen as per agreement.

The department explained that on the finalization of scheme, variation statement of bitumen had been worked out and it was observed that an amount of Rs.74,074/- due to the contractor was not paid to him. This resulted in benefit to the Government rather than any loss.

On the recommendation of audit that the record had been verified, the Committee **settled the para.**

**134. Para No.146 Page 97 of Audit Report for the year 1999-2000; Non-recovery of Price Variation of Rs.0.100 Million.**

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**19.05.04** Audit had pointed out non-recovery of Rs.0.100 Million due to price variation.

The department explained that complete recovery had been effected.

On the recommendation of audit, the Committee **settled the para.**

**135. Para No.147 Page 97 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.354 Million.**

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**18.05.04** Audit had pointed out non recovery of over paid amount from contractors.

The department explained that a sum of Rs.273,304/- had been recovered and balance recovery would be made soon.

The Committee **kept the para pending** with directions to recover the balance amount as arrears of Land Revenue.

**136. Para No.148 Page 98 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.811 Million.**

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**18.05.04** Audit had pointed out non-recovery of excess payment made to the contractors.

The department explained that entire amount had been recovered.

The Committee **settled the para subject to** verification of relevant record by audit.

**137. Para No.149 Pages 98 & 99 of Audit Report for the year 1999-2000; Non-adjustment of Rs.1.180 Million.**

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**18.05.04** Audit had pointed out that advance payment was made without according technical sanction nor the vouched accounts were received from the concerned formation.

The department explained that relevant record was available for verification.

The Committee **settled the para subject to** verification of relevant record by audit.

**138. Para No.150 Page 99 of Audit Report for the year 1999-2000; Non-Submission of vouched account of Rs.194.013 Million.**

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**18.05.04** Audit had pointed out non-submission of vouched accounts.

The department explained that vouched account for Rs.193.66 million had been received

from LAC collector, which had been produced to audit for verification.

Audit observed that verification of record was required.

The Committee **kept the para pending** for verification of relevant record by audit.

### **139. Para No.151 Pages 99 & 100 of Audit Report for the year 1999-2000; Loss of Rs.0.161 Million.**

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**17.05.04** Audit had pointed out non recovery of penalty on account of renewal fee and enlistment fee from various contractors in terms of notification dated 7-9-1998 issued by C&W Department.

The department explained as many as 39 contractors were involved in the para out of which 17 contractors were enlisted for the first time, 20 contractors applied for renewal in time and recovery was due from only two contractors which stood effected.

The audit stated that now the record had been verified and recommended the para for settlement.

On the recommendation of audit, the Committee **settled the para.**

### **140. Para No.152 Page 100 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.310 Million.**

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**18.05.04** Audit had pointed out non- recovery of cost of stock and non-adjustment of accounts.

The department stated that the recoveries fell within four categories namely non-adjustment of manufacture account of Government vehicles, miscellaneous advances against various officers/officials, amounts outstanding on account of trunk call charges/private use of vehicles and amount outstanding in respect of recovery of stock.

The Department stated that sincere efforts were being made to settle the matters and for effecting recoveries where due. It was further stated that in some cases waive off sanction was involved and that funds from Finance Department had also been demanded.

Finance Department observed that in some cases matters of debit and credit were involved.

Keeping in view the assurance given by the Department to settle the matters soon and on the recommendation of audit, the Committee **settled the para.**

### **141. Para No.153 Page 101 of Audit Report for the year 1999-2000; Non-Recovery**



### **of Rs.0.119 Million.**

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**18.03.05** The Department explained that the case of recovery from the officers/officials was in the court of law since 1996 and the next date of hearing was fixed for 18-4-2005. It was also stated that no stay order had been issued by the concerned court to stop the process of recovery.

The Committee **kept the para pending** and desired that the recovery be made from the concerned ex-officers/officials as per pension rules.

### **142. Para No.154 Pages 101 & 102 of Audit Report for the year 1999-2000; Non-recovery of Rs.1.417 Million.**

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**19.05.04** Audit had pointed out that avoidance to pass the final bill not only resulted in overpayment but also tantamounted to undue financial help to the contractor.

The department explained that on the failure of the original contractor to complete the work, the remaining work was allotted to another contractor on the risk of cost of the former. The final minus bill of original contractor was prepared but was not presented for pre-audit. It was further stated that some problem had been created due to transfer of record. However, the matter was under probe. The Department requested that one month's time be given for finalizing the case.

On the request of the department, **the para was kept pending.**

### **143. Para No.155 Page 102 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.358 Million.**

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**18.05.04** Audit had pointed out non-recovery of lease money of land from Town Committee Faqirwali.

The department explained that the matter of recovery had been persistently pursued with Municipal Committee Faqirwali and DCO concerned had also been requested in this regard. The department further stated that Tehsil Nazim had given written commitment for clearance of dues.

The Committee **kept the para pending** for recovery.

### **144. Para No.156 Pages 102 & 103 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.328/- Million.**

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**17.03.05** The Department explained that the recovery of Mobilization Advance had been made

from 8<sup>th</sup> and final bill of the contractor and got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**145. Para No.157 Page 103 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.103 Million.**

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**19.05.04** Audit had pointed out that Highway Division Mandi Bahauddin had neither recovered cost of bitumen from Executive Engineer Highway Division nor the amount was placed in P.W Misc. Advance which had resulted into loss to Government.

The department explained that the matter had already been taken up with XEN Highway Division Gujranwala to deposit the cost of bitumen. It was further stated that in the new District set up, there was no provision of suspense head and, therefore, it was not possible to place the amount in P.W Misc. Advance.

The Committee **kept the para pending** till recovery.

**146. Para No.158 Page 104 of Audit Report for the year 1999-2000; Loss of Rs.7.735 Million.**

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**19.05.04** Audit had pointed out that use of material below specifications had resulted into loss to Government.

The Department explained that the administrative approval and technical sanctions were accorded by the competent authorities. The scheme was approved with the material from Chiniot quarry to be used as base course and work was allotted accordingly. There was no reason to stop the contractor from using that material because the same qualified the standard suitability tests.

During the meeting audit agreed with the contention of the Department and recommended the para for settlement.

On the recommendation of audit, the Committee **settled the para.**

**147. Para No.159 Page 104 of Audit Report for the year 1999-2000; Unjustified payment of Rs.0.886 Million.**

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**19.05.04** Audit had pointed out that use of unfit material had resulted into loss to Government.

The department explained that the material had been declared fit as base course/sub base course by the Chief Engineer and accordingly provisions were made in the rough cost/detailed

estimate which were administratively approved and technically sanctioned by the competent authority.

On the recommendation of audit, the Committee **settled the para.**

**148. Para No.160 Page 105 of Audit Report for the year 1999-2000; Loss of Rs.2.870 Million.**

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**18.03.05** The Department explained that the first part of the para pertained to machinery declared unserviceable in the survey report and all these machines related to Provincial Highway Division, Multan. The DO (Roads) had now provided the record of the machinery which would be got verified by Audit before the next meeting.

So far as the second part of the para concerned, all the drums had been auctioned and the auction money had been deposited into government treasury.

The Committee **settled the second part of the para** and the **first part was kept pending for verification** of relevant record by Audit.

**149. Para No.161 Pages 105 & 106 of Audit Report for the year 1999-2000; Loss of Measurement Books.**

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**17.03.05** The Department explained that 4 nos. measurement books were issued to Mr. Muhammad Jamil, Sub-Engineer. The sub-engineer reported to the Department that these MBs had been missed by him and he has reported the case in the police station regarding missing of these MBs. It was also stated that one MB had been traced out and a charge-sheet had been issued to the sub-engineers.

The Committee **kept the para pending** with the directions that detail of vouchers and MB Nos. be mentioned in the charge-sheet and vouchers be got verified by concerned DDO within 30 days.

**150. Para No.162 Page 106 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.13.388 Million.**

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**18.03.05** The Department explained that the machinery maintenance division, Multan was created in October 1982 for the construction of training and diversion works for bridge over river Indus near Ghazi Ghat. After the successful completion of Ghazi Ghat Bridge and allied components in 1985, the size of the division was reduced from four sub-division to one sub-division at Multan. The Machinery Maintenance Division, Multan had been re-named as Highway Division Multan, under devolution plan 2001. The idle crew of staff had been transferred to different offices on 1-

10-2002.

The Committee kept the para pending and desired that the list of the staff showing their place of posting be provided to the Committee on 16-4-2005.

**16.04.2005** The Department explained that in fact the expenditure was incurred for the establishment working in different capacities for their specific duties as detailed below:

1. Payment of divisional staff Rs.1.212 million
2. Payment of sub-divisional staff Rs.10.783 million
3. Payment of regional laboratory staff Rs.0.433 million
4. Other transactions like GP Funds/TA bills and liabilities of officials Rs.0.556 million

It was also stated that after completion of Ghazi Ghat Bridge, the establishment performed their duties according to the available circumstances. This establishment was a regular establishment comprising of skilled labour meant for specific jobs/posts which were not normally available in all divisions of the C&W Department. It was also not possible to transfer such staff, being low paid establishment much away from their District and also because of non-availability of equivalent posts/vacancies.

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

## **COMMUNICATION AND WORKS (Buildings)**

### **Audit Paras (Works) for the year 1999-2000**

#### **1. Para No.1.1 Page 9 of Audit Report for the year 1999-2000; Planned Embezzlement of Rs.6.355 Million.**

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**17.07.04** The Audit had pointed out that the P&D Department approved AC pipe for water supply line in PC-I of the scheme. However, the 9th Provincial Building Division, Lahore changed it to seamless pipe and paid at higher rate.

The Department explained that the water supply pipe lines were laid in accordance with the design/specification formulated by the consultant of the project which was approved by the Competent Authority. These seamless pipes were approved in the technically sanctioned estimate and also approved by PDWP while approving the PC-I of the Phase-I. Therefore, the work was done as per site conditions within the provisions of the TS estimate.

The audit verified the contention of the Department.

The Committee accepted the explanation of the department and **settled the para.**

**2. Para No.1.2 Page 10 of Audit Report for the year 1999-2000; Embezzlement of Rs.0.697 Million.**

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**17.07.04** Audit had pointed out that the department paid for an item of work as non-schedule item at higher rate as compared to the rate provided in the composite schedule of rates 1979.

The Department explained that the quantity of 5363 meter of electricity cable paid @160- per meter as pointed out by Audit was for the item no. 57 instead of 23 of the acceptance letter. The item executed at site was bare copper conductor which was 4-1/2 times bigger than that of the item pointed out by Audit.

Audit verified the contention of the department and recommended the para for settlement.

On the recommendations of Audit, the Committee **settled the para.**

**3. Para No.1.3 Pages 10 & 11 of Audit Report for the year 1999-2000; Misappropriation of Money of Rs.0.357 Million.**

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**17.07.04** Audit had pointed out less transfer of deposit resulting in mis-appropriation of Rs.0.357 (m).

The Department explained that as per the findings of an inquiry conducted into the matter, it was mis-management of accounts because the credit of security deposit had been entered in the registers whereas their debit could not be entered. As such there was no loss to the government and that no contractor had come forward to claim the difference.

Finance Department observed that the Department should give assurance that no further payment from the said accounts which stood closed since 1998, should be made.

On the assurance of the department that no payment would be made from these accounts in future, the Committee **settled the para.**

**4. Para No.1.4 Page 11 of Audit Report for the year 1999-2000; Shortage of Material of Rs.0.057 Million.**

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**16.03.05** The Department explained that the matter pertaining to subject para had been investigated, which revealed that material had not been misappropriated but properly accounted

for/consumed.

Audit in its latest comments had verified the departmental contention.

**The para was accordingly settled.**

**5. Para No.2.1 Pages 11 & 12 of Audit Report for the year 1999-2000; Overpayment of Rs.0.120 Million.**

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**19.07.04** Audit had pointed out that the Department got executed brick-work beyond the original proposal which resulted in alteration in the approved design and drawings of the structure of the building as well as overpayment.

The Department stated that the para was based on four advance paras and gave detailed technical justification in respect of each advance para as contained in the working paper. It was inter alia stated that pacca brick work in foundation plinth was within T.S provision; raising the plinth was necessary as per site requirements and boundary wall had to increased in interest of safety. Therefore, no irregularity was committed.

After discussion, the Committee **settled the para.**

**6. Para No.2.2 Page 12 of Audit Report for the year 1999-2000; Overpayment of Rs.0.100 Million.**

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**20.07.04** Audit had pointed out that incorrect payment of price variation had resulted in over-payment.

The Department explained that the para consisted of two parts. In case of part 'A' audit had reduced the para from Rs.42,502/- to Rs.26,309/- and efforts were being made to effect recovery from the contractor who was not presently traceable. Referring to second part of the para, the Department stated that penalty imposed on the contractor was withdrawn on clearance by competent authority as he was not held defaulter for late completion of work as prescribed under clause 52-B of the agreement.

Audit did not agree with the contention of the Department.

The Committee was not satisfied with the explanation of the Department and directed it to take disciplinary action against the officers/officials responsible for the lapse and effect complete recovery under intimation to PAC.

**The para was kept pending.**



**7. Para No.2.3 Page 13 of Audit Report for the year 1999-2000; Overpayment of Rs.0.169 Million.**

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**20.07.04** The Department explained that the weather shield paint two coats had been applied on old surface after scraping as provided in TS estimate. About the other item, it was stated that laying of conglomerate flooring two coats did not include rubbing and polishing which was to be paid separately as per item No.26 page 92 of CSR 1979.

The Committee was not satisfied and directed the Department to hold an inquiry into the matter and submit a report to the PAC within 30 days.

**The para was kept pending.**

**8. Para No.2.4 Pages 13 & 14 of Audit Report for the year 1999-2000; Overpayment of Rs.0.056 Million.**

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**20.07.04** Audit had pointed out that incorrect calculations had resulted in over-payment to the contractor.

The Department explained the excess payment of Rs.56,218/- had been recovered in the 12<sup>th</sup> and running bill of the contractor which stood verified by audit.

Audit was, however, of the view that appropriate action against those responsible for miscalculation of brick work ought to have been taken.

The Committee directed the Department to hold an inquiry into the matter, fix responsibility and take action against those found responsible for the lapse. The Committee further directed that action against the officer/official of District Accounts Office who checked the bill but did not raise any objection be also taken by the Department concerned.

**The para was kept pending.**

**9. Para No.2.8 Pages 15 & 16 of Audit Report for the year 1999-2000; Over Payment of Rs.0.045 Million.**

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**16.03.05** The Department explained that as a result of verification of record the amount of para had been reduced to Rs.15,478/- and the fixation of pay of the official involved in audit observation had been twice verified by the Accountant General Punjab.

Audit in its latest comments had verified the departmental contention.

**The para was accordingly settled.**

**10. Para No.2.11 Page 17 & 18 of Audit Report for the year 1999-2000; Overpayment of Rs.0.193 Million**

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**19.07.04** Audit had pointed out various irregularities which resulted in overpayment to the contractor.

The Department explained that some quantities of RCC and RCC plinth beam/bed plate were wrongly paid but later rectified and were correctly paid after making over all measurements in relevant MBs. Further, the para was reduced to Rs.7,180/- and the said amount had been recovered from the contractor.

Audit in its comments admitted that the para stood reduced to Rs.7,180/- and verified recovery thereof.

On the verification of audit, **the para was settled.**

**11. Para No.2.18 Page 22 of Audit Report for the year 1999-2000; Overpayment of Rs.0.081 Million.**

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**17.07.04** Audit had pointed out that extra filling in foundation resulted in over payment.

The Department explained that the construction of Tehsil Buildings of Kamoke was located in the flood affected area and therefore, plinth level of the building was required to be raised. The excessive quantities were covered in the revised estimate approved by the Competent Authority.

Audit verified the contention of the department and recommended the para for settlement.

On the recommendation of audit, **the para was settled.**

**12. Para No.2.19 Pages 22 & 23 of Audit Report for the year 1999-2000; Overpayment of Rs. 0.061 Million.**

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**19.07.04** The Department explained that there was some calculation error in recovery pointed out by audit. The factual position was that an amount of Rs.16,237/- had been recovered from M/S Sheraz Construction whereas recovery relating to price variation of cement which actually worked out to be Rs.22,148/-, had also been recovered.

The Department was directed to produce relevant record to audit in support of its

contention and recover the outstanding amount within one week.

**The para was kept pending.**

**13. Para No.2.20 Page 23 of Audit Report for the year 1999-2000; Overpayment of Rs.0.179 Million**

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**17.07.04** Audit had pointed out that the Department paid for an item of work at higher rate as compared to the rate provided in the composite schedule of rates 1979.

The Department explained that the admissible rate of 567.35 % SFT had been corrected in the final bill and the recovery had been effected.

Audit verified the contention of the department.

On the recommendation of audit, the Committee **settled the para.**

**14. Para No.2.21 Pages 23 & 24 of Audit Report for the year 1999-2000; Overpayment of Rs.0.150 Million.**

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**17.07.04** Audit had pointed out that the Department paid for an item of work at higher rate than admissible in the composite schedule of rates 1979.

The Department explained that total recovery had been effected in the 29<sup>th</sup> and the final bill.

The audit verified the departmental contention.

On the recommendation of Audit, the Committee **settled the para.**

**15. Para No.2.22 Page 24 of Audit Report for the year 1999-2000; Overpayment of Rs.0.324 Million.**

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**17.07.04** Audit had pointed out payment for a non-schedule item at higher rate as compared to the rate approved in the sister Division.

The Department explained that the difference of the rates between the domestic and imported glass in aluminum doors and windows had been approved by the Competent Authority on the basis of prevailing market rates and no over-payment was involved.

Audit stated that on verification the position of the department was found justified and recommended the para for settlement.

The Committee accordingly **settled the para.**

**16. Para No.2.23 Pages 24 & 25 of Audit Report for the year 1999-2000; Overpayment of Rs.0.054 Million.**

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**17.07.04** Audit had pointed out that excessive measurement had resulted in overpayment to the contractor.

The Department explained that in the rate of tile fascia no provision of brick work had been made and there was no question of deduction of tile facing from the brick facing. The item was executed within the technically sanctioned estimate and the payment made was therefore justified.

The Audit verified the contention of the department and recommended the para for settlement.

On the recommendation of Audit, **the para was settled.**

**17. Para No.2.24 Page 25 of Audit Report for the year 1999-2000; Overpayment of Rs.0.061 Million.**

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**17.07.04** Audit had pointed out payment of higher rate resulting in over payment to the contractor.

The Department explained that there was massive breakage of bricks and therefore 20% of wastage of special brick had been taken in the analysis of 4 ½" thick brick facing. In case of 9 inch thick brick facing 10% wastage had been taken in the analysis because there was lesser percentage of wastage. Therefore the payment made was justified.

Audit verified the contention of the department.

On the recommendation of audit, the Committee **settled the para.**

**18. Para No.2.25 Pages 25 & 26 of Audit Report for the year 1999-2000; Overpayment of Rs.0.058 Million.**

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**17.07.04** Audit had pointed out non-utilization of available earth resulting in over payment to the contractor.

The Department explained that surplus earth based on actual measurement had been used which was not sufficient. Resultantly earth was brought from outside.

Audit stated that as a result of verification of the record the amount of the para had been reduced to Rs.3,018/- only. The Department explained that recovery to the stated extent had already been effected.

The Committee accepted the explanation of the department and **settled the para.**

**19. Para No.2.26 Page 26 of Audit Report for the year 1999-2000; Overpayment of Rs.0.083 Million.**

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**17.07.04** Audit had pointed out that the department paid for the item of work at higher rate than admissible in the composite schedule of rates 1979.

The Department explained that the recovery of Rs.0.083 (m) had been recovered/adjusted in the final bill.

The audit stated that the record had been verified by it.

On the recommendation of the Audit, the Committee **settled the para.**

**20. Para No.2.27 Pages 26 & 27 of Audit Report for the year 1999-2000; Overpayment of Rs.0.211 Million.**

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**17.07.04** Audit had pointed out that the department paid for non-schedule item at higher rate as compared to the rate approved by the Competent Authority in subsequent year of the same item at the same premises.

The Department explained that the item of providing and laying brick facing in cement lime surkhi mortar special brick 4 ½" inch thick complete as provided in the technically sanctioned estimate was not on higher side because this rate of brick facing involved excessive scaffolding erected for many days till the completion of the full height of the building. The difference of rate was due to involvement of extra height of scaffolding and therefore no over payment was involved.

Audit verified the contention of the department.

On the recommendation of audit, the Committee **settled the para.**

**21. Para No.2.28 Page 27 of Audit Report for the year 1999-2000; Overpayment**

## **of Rs.0.182 Million.**

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**17.07.04** The Audit had pointed out that the department paid for items of work at higher rates than those approved by the PDWP.

The Department explained that the items of false ceiling approved by the PDWP was for simple false ceiling to cover the AC ducts in the corridors whereas the false ceiling pointed out by Audit was special type of ceiling consisting of two inch thick glass wool on its top to make the room sound proof. Therefore this ceiling was totally of different specification than that provided in PC-I. Hence the payment made was justified.

The Audit verified the contention of the department.

On the recommendation of the Audit, the Committee **settled the para.**

## **22. Para No.2.29 Page 28 of Audit Report for the year 1999-2000; Overpayment of Rs.0.123 Million.**

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**17.07.04** The Audit had pointed out that payment for extra measurement resulted in over payment to the contractor.

The Department explained that measurements of footpath and road portions were in accordance with the TS estimate and the design/specification of the project. The minor variations occurred during the execution of work which remained within TS estimate.

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

## **23. Para No.2.30 Page 28 of Audit Report for the year 1999-2000; Overpayment of Rs.0.341 Million.**

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**17.07.04** Audit had pointed out incorrect calculation resulting in over payment of Rs.0.341 million to the contractor.

The Department explained that price variation for cement paid to the contractor had been corrected.

Audit stated that the relevant record had been verified.

On the recommendation of the Audit, the Committee **settled the para.**

## **24. Para No.2.31 Page 29 of Audit Report for the year 1999-2000; Overpayment**



### **of Rs.0.052 Million.**

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**17.07.04** Audit had pointed out that the Department paid for item of laying reinforced cement concrete pipe in excess of excavation of earth in length.

The Department quoted the facts and figures about length of excavation viz-a-viz RCC pipe laid and concluded that the RCC pipes were always in excess of the excavation and, therefore, the payment made was quite justified.

Audit verified the contention of the department and recommended the para for settlement.

On the recommendation of the Audit, the Committee **settled the para.**

### **25. Para No.2.32 Pages 29 & 30 of Audit Report for the year 1999-2000; Overpayment of Rs.0.169 Million.**

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**17.07.04** Audit had pointed out that a contractor reduced the rate of items of work by giving undertaking which was not enforced and resultantly overpayment was made to the contractor.

The Department explained that total recovery had been effected.

The Audit stated the relevant record had been verified.

On the recommendation of audit, the Committee **settled the para.**

### **26. Para No.2.33 Page 30 of Audit Report for the year 1999-2000; Overpayment of Rs.0.762 Million.**

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**17.07.04** Audit had pointed out that the Department paid for non-scheduled item in excess of the provisions in the estimate sanctioned by the competent authority.

The Department explained the item of false ceiling was measured and paid for a quantity of 116923.78 Sft. which was in accordance with the provision in technically sanctioned estimate as well as the variation statement approved by competent authority. There was no excess over the original TS estimate and there was no need of revised technical sanction under the Rule 2.110 of B&R Code.

The Committee **kept the para pending** and directed the Department to produce record to audit for verification.

**27. Para No.2.34 Pages 30 & 31 of Audit Report for the year 1999-2000; Overpayment of Rs.0.106 Million.**

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**17.07.04** Audit had pointed out that the Department made payment of extra lead for carriage of stone.

The Department explained that subsequent carriage of bajri which should have been 127 miles was wrongly considered as 107 miles and thus it was saving to the government. The contention of Audit was not correct because the sub-base, base and wearing surface material was never available at one quarry and no excess payment was involved in the case. Therefore, the payment made for subsequent carriage was for the work done at site which was justified.

The Committee **conditionally settled the para subject to** verification of the requisite record by Audit.

**28. Para No.2.35 Page 31 of Audit Report for the year 1999-2000; Overpayment of Rs.1.519 Million.**

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**17.07.04** Audit had pointed out that the Department paid fluctuation in exchange rate irregularly ignoring the provisions of the agreement which resulted in overpayment.

The Department explained that the work was awarded to the contractor on 30-5-1996 and the department had to establish LC as per clause 14 of the agreement within 3 months. The funds were not available with the Department for payment and LC was opened on 29-10-1996 on receipt of funds. The shipment reached after 9 months but fluctuation in exchange rate was in accordance with clause 14 of the agreement.

Finance Department suggested that the Department should look into various aspects of the matter again.

The Committee directed the Department to re-examine the matter in detail covering all aspects of the case and submit a report to the PAC in the next meeting.

The para was kept pending.

**31.05.05** The para was discussed in the meeting on 27-4-2005 and was kept pending with the direction that the difference of the exchange rate of dollar with Rs. be calculated by audit.

Audit stated that the difference had been calculated and the amount recoverable was Rs.52,000/-.

The Committee **kept the para pending** with the direction that the recovery as calculated by Audit be effected within 90 days under intimation to PAC.

**29. Para No.2.36 Pages 31 & 32 of Audit Report for the year 1999-2000; Overpayment of Rs.0.271 Million**

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**19.07.04** Audit had pointed out overpayment on account of laying of re-inforced cement concrete foundation/ plinth beam/raft foundation etc.

The Department explained that it being a double story building, construction of RCC foundation was necessary to bear the heavy load of beams of RCC columns, for which provision existed in DNIT/detailed estimate sanctioned by competent authority. The Department conceded in the meeting that report from BRS should have been obtained.

Audit was, however, of the view that vetting of T.S estimate by Buildings Research Station was necessary.

Finance Department observed that the Department should have obtained report from its testing laboratory and violation of instructions had taken place in this case.

The Committee directed the Department to probe into the matter, fix responsibility for the lapse and take action against the defaulters within 30 days under intimation to PAC.

**The para was kept pending.**

**30. Para No.2.37 Page 32 of Audit Report for the year 1999-2000; Overpayment of Rs.0.120 Million.**

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**19.07.04** Audit had pointed out that the Department made payment for 3 miles lead for carriage of earth for use in work against the provision of the contract/DNIT and TS estimate.

The Department explained that earth required for filling under the floor not being available in the vicinity of the building had to be brought from outside. The Executive Engineer concerned was competent to accord sanction of the lead and payment was made accordingly.

Finance Department observed that as per instructions issued by C&W Department itself, there should be a lead chart containing necessary details i.e. name of land owner and khasra number etc.

The Committee directed the Department to hold an inquiry into the matter, fix responsibility and make good the loss within 60 days.

**The para was kept pending.**

**31. Para No.2.38 Page 33 of Audit Report for the year 1999-2000; Overpayment of Rs.0.323 Million.**

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**20.07.04** Audit had pointed out that payment for extra lead of earth work without requirement and admissibility had resulted in overpayment.

The Department explained that audit observation was not based on facts. The buildings were situated in urban areas and no earth was available at the spot. Necessary provision of lead i. e. 3 miles existed in TS estimate of the work and competent authority had sanctioned lead against the said item and, therefore, no excess payment was involved in this case.

Audit verified the departmental contention.

**The para was settled.**

**32. Para No.2.43 Pages 35 & 36 of Audit Report for the year 1999-2000; overpayment of Rs.0.264 Million.**

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**17.07.04** The Audit had pointed out execution of the items of work which were neither provided in the technically sanctioned estimate nor reflected in the DNIT.

The Department explained that the provision of the said items of work existed in the estimate and DNIT. However, an amount of Rs. 24,049/- had been over paid due to double measurement of 1250 CFT. CR masonry. The amount so paid to the contractor would be recovered as arrears of land revenue.

The Committee directed that the department should effect complete recovery within 60 days and warning should be issued to the officers/official who were responsible for over-payment to the contractor.

**The para was kept pending.**

**33. Para No.2.61 Pages 45 & 46 of Audit Report for the year 1999-2000; Overpayment of Rs.0.564 Million.**

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**17.07.04** Audit had pointed out execution of the items of work which were not provided in the technically sanctioned estimate, resulting in over payment to the contractor.

The Department explained that the execution of certain items was inevitable keeping in view site requirements which were covered in the revised technical sanction which was issued before final payment. However, the variation in the work remained within the permissible cushion of 10%.

Audit stated that revised technical sanction was issued after completion of work.

Finance Department observed that if final payment was made after issue of revised technical sanction, then the para could be considered for settlement. However, the Department be directed to do the estimation at the proper time.

The Committee **settled the para** with the direction that the department should avoid such procedural irregularities in future.

### **34. Para No.2.62 Page 46 of Audit Report for the year 1999-2000; Overpayment of Rs.0.272 Million.**

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**19.07.04** Audit had pointed out that payment was made for some items of work in excess of quantities provided in TS estimate.

The Department explained that there was no excess payment or deviation from the technically sanctioned estimate; rather the scheme was completed with saving. However, the bill was paid before the issue of revised technical sanction.

Audit stated that revision of estimate after payment of final bill was not permissible which needed regularization by competent authority.

The Committee directed the Department to take disciplinary action against the officers/officials responsible for the lapse within 60 days under intimation to PAC.

The para was kept pending.

**31.05.05** The para was discussed on 27-4-2005 and was kept pending for 23-5-2005. On 31-5-2005 the para was again discussed and the department explained that the revised technical sanction was done on the basis of work done. It was also stated that the matter had been further referred to the FD on 19-05-2005 for further necessary action.

**The para was kept pending.**

### **35. Para No.2.65 Pages 47 & 48 of Audit Report for the year 1999-2000; Overpayment of Rs.0.061 Million.**

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**17.07.04** Audit had pointed out that the Department paid for RCC items in excess of the provisions in the technical sanction and as compared to the steel consumed.

The Department explained that the quantity of steel with the ratio of concrete was tentative in the technically sanctioned estimate whereas the quantity of steel was to be paid as per actual design/site requirement. The Department quoted necessary details and concluded that the steel consumed i.e. 6.19 Lbs/Cft. was less than that mentioned in the technically sanctioned estimate i.e. 6.75 Lbs/Cft. It was further stated that the work was still in progress.

Finance Department observed that there was difference in the view point of the Department and that of the audit and the para should be pended.

The Committee **kept the para pending** till the completion of the work and preparation of final bill.

### **36. Para No.2.66 Page 48 of Audit Report for the year 1999-2000; Overpayment of Rs.0.126 Million.**

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**17.07.04** Audit had pointed out non-deduction of available earth resulting in over payment to the contractor.

The Department explained that the para comprised two pars. Regarding part “A” involving Rs.105,001/- the Department stated that recovery of 2/3 surplus earth for Rs.26,577/- and base course earth for Rs.78,424/- had been adjusted in the 21<sup>st</sup> running bill. Regarding part “B” involving an amount of Rs.20,940/-, it as stated that it related to DO (Buildings), Narowal.

Audit stated that there was no proof regarding the re-handling of the excavated earth.

**The para was kept pending** as further consideration was required regarding part “B”.

### **37. Para No.4.1 Pages 50 & 51 of Audit Report for the year 1999-2000; Irregular Payment of Rs.3.719 Million.**

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**20.07.04** The Department explained these were not non-schedule rates, rather item rates as defined in the preface of CSR 1998 which were provided in BOQ/DNIT and were allowed to the lowest bidder. The items were also provided in the detailed TS estimate, all codal formalities were observed and no irregularity was committed.

Audit did not subscribe to departmental contention and suggested holding of an inquiry/ necessary action into the matter by the Department.



The Committee directed the department to hold an inquiry into the matter and submit report to the PAC within 30 days.

**The para was kept pending.**

**38. Para No.4.2 Page 51 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.5.076 Million.**

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**20.07.04** Audit had pointed out that violation of rules had resulted in unauthorized payment to contractor in April to June 1999.

The Department furnished details of the bills which were pre-audited by Divisional Accounts Officer. It however, stated that bills amounting to Rs.1,672,303/- were not pre-audited from DAO but audit did not point out any excess payment in the annual audit inspection of the division, hence the payment was in order.

Audit suggested holding of an inquiry into the matter because payments were allowed/made without pre-auditing.

The Committee was not satisfied with the explanation of the Department and directed that the Department should hold a fact-finding inquiry into the matter and submit a report to PAC within 30 days. The Committee showing its displeasure directed that the EDOs should appear in the meeting fully prepared to brief the Committee.

**The para was kept pending.**

**39. Para No.4.4 Page 52 of Audit Report for the year 1999-2000; Loss of Rs.18.911 Million.**

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**17.07.04** Audit had pointed out violation of Delegation of Financial Powers Rules resulting in loss to the government.

The Department gave a detailed comparison of tender with T.S estimate and stated that the approval of tender was in accordance with the rules and the excess was within the permissible cushion of 4-1/2 % above the TS estimate and the P&D had also cleared the revised plinth area of OPD block. Therefore, no loss had occurred to the government.

Audit verified contention of the Department and recommended the para for settlement.

On the recommendation of audit, **the para was settled.**

**40. Para No.4.5 Pages 52 & 53 of Audit Report for the year 1999-2000; Loss of Rs.18.004 Million.**

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**17.07.04** Audit had pointed out that the Department accepted tenders for a work beyond the permissible limits provided in the Delegation of Financial Power Rules.

The Department explained that detailed estimate was technically sanctioned by the Competent Authority which was 9.40% above the administrative approval i.e. below the permissible cushion of 10%. The lowest tender was accepted and all the modified rates were approved by the P&D Department.

Finance Department observed that Implementation Committee was empowered to deviate from the rates quoted in the PC-I.

The audit verified the contention of the Department.

The Committee accepted the explanation of the department and **settled the para.**

**41. Para No.4.6 Page 53 of Audit Report for the year 1999-2000; Loss of Rs.14.697 Million.**

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**17.07.04** Audit had pointed out that the Department invited tenders for a work on 26 June 1993 and the lowest offer was not accepted without assigning any reason. Tenders were recalled and higher rates of the same firm were accepted.

The Department explained that the rates of M/s. National Industrial Engineer were sent to the CE on 29-7-1993 which were not accepted by the Competent Authority because the Health Department had stopped the Buildings Department from further execution of their scheme. Later, the Health Department decided to restart the construction work and tenders were re-called. Therefore, the Department was not responsible for non-acceptance of the tenders on the first occasion.

The Committee kept the para pending and directed the Department to produce the requisite record to audit for verification.

**31.05.05** The para was discussed on 27-4-2005 and kept pending for 23-5-2005. The para was again discussed on 31-5-2005 and the Committee decided that the audit observation was correct and directed the Department to proceed against the responsible officers under the relevant law/

rules to effect the recovery.

**The para was kept pending.**

**42. Para No.4.10 Pages 55 & 56 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.0.393 Million.**

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**19.07.04** Audit had pointed out that enhancement of the agreement amount without approval of competent authority had resulted in un-authorized payment to the contractor.

The Department explained that the corresponding amount of the technical sanction of the subject work was Rs.2,891,300/- without E/I& Contingency. On the basis of rate quoted by the contractor, the amount of agreement came to Rs.3,018,338/-. An amount of Rs.2,999,393/- was paid to contractor and adding price variation of Rs.65,200/-, the total amount paid came to Rs.3,064,593/-. The Department added that enhancement of the work was within the competency of S.E. Thus no excess payment was made in this case.

Finance Department and audit endorsed the departmental contention in the meeting.

**The para was settled.**

**43. Para No. 4.13 Page 57 of Audit Report for the year 1999-2000; Loss of Rs.0.442 Million.**

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**19.07.04** Audit had pointed out that payment at higher rate had resulted in loss to Government.

The Department explained that non-schedule rate of Rs.88/- psft for false ceiling based on prevailing market rates was adopted in the T.S estimate and the work was completed within the permissible cushion of 10% for change in quantity of items. It was added that P&D Department approved the scheme and rates quoted therein were for estimation purpose.

Finance Department endorsed the departmental contention.

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

**44. Para No.4.14 Page 58 of Audit Report for the year 1999-2000; Loss of Rs.0.275 Million.**

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**19.07.04** Audit had pointed out certain irregularities in the payment of secured advance resulting in loss to Government.

The Department stated that the secured advance had been recovered and nothing was outstanding against the contractor so far as the scheme was concerned.

Audit stated that adjustment of secured advance had been verified but interest thereon was due from the contractor and that no action was taken on SDO's report regarding disappearance of material from the site.

The Committee was not satisfied with the reply of the Department and directed it to hold a fact-finding inquiry into the matter, fix responsibility and take action against those found responsible within 60 days under intimation to PAC.

**The para was kept pending**

**45. Para No. 4.16 Page 59 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.24.724 Million.**

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**19.07.04** Audit had pointed out that violation of financial rules had resulted in unauthorized payment to contractor.

The Department explained that as per C.S.R 1998, there was no need of approval of item rates included in the acceptance letter of tenders issued by the SE or Chief Engineer. Hence, no unauthorized payment was made.

Audit stated that the record i.e. DNIT, TS estimate and comparative statement had been verified and found in order.

The Committee decided to **settle the para.**

**46. Para No.4.17 Pages 59 & 60 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.3.741 Million.**

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**19.07.04** Audit had pointed out payment for certain items of work as non-schedule items in excess of provisions in the technically sanctioned estimate.

The Department stated that the draft para was based on three advance paras.

- i) In case of AP 136, all items had been paid as per TS estimate and variation statement approved by competent authority.

ii) In case of AP 143, all non-schedule items of work were measured and paid as per provisions of variation statement approved by Chief Engineer, Buildings Department, and there was no overall excess over TS estimate.

iii) In case of AP 163, 41<sup>st</sup> and running bill of OPD block could not be signed due to death of DAO. The payment was made to avoid lapse of funds. However, final bill was checked by the DAO.

Finance Department observed that approval for execution of items in excess of quantities than provided in estimate was required and that revised sanction was to be issued before final payment.

The Committee directed that the Department should produce the requisite record to audit at the earliest for verification and comments.

**The para was kept pending.**

#### **47. Para No.4.21 Page 62 of Audit Report for the year 1999-2000; Non-adjustment of Rs.46.363 Million**

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**17.07.04** The Audit had pointed-out non-submission of vouched accounts resulting in non-adjustment of payment of Rs.46.363 (m).

The Department explained that the matter of non-submission of vouched accounts was brought to the notice of Project Director Construction, BINO, Islamabad who informed that their audit could only be carried out by the Auditor General of Pakistan. Therefore, it was not possible for the C&W Department to provide the requisite vouched accounts.

Finance Department observed that in this case certification of the vouched accounts was required to be given by the executing agency and not the actual vouched accounts.

The Committee directed the Department to request the Auditor General of Pakistan for early audit as per rules and also obtain the requisite certificate about vouched accounts from the Atomic Energy Commission of Pakistan

**The para was kept pending.**

#### **48. Para No.5.4 Page 66 of Audit Report for the year 1999-2000; Non-recovery of Income Tax of Rs.0.120 Million.**

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**19.07.04** The Department stated that the outstanding amount had since been recovered and verified by audit.

On the recommendation of audit, **the para was settled.**

**49. Para No.5.5 Pages 66 & 67 of Audit Report for the year 1999-2000; Non-Recovery of Income Tax of Rs.0.345 Million.**

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**19.07.04** The Department stated that complete recovery of income tax had been effected and verified by audit.

On the recommendation of audit, **the para was settled.**

**50. Para No.5.8 Page 68 of Audit Report for the year 1999-2000; Non-Recovery of Professional Tax of Rs.0.050 Million.**

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**20-7-04** The Department explained that the payment of professional tax was liability of the assessee and there was no legal obligation on the DDO for deduction of professional tax at source as per decision of PAC meeting dated 31.1.2002.

Audit stated that the Department had effected recovery to the extent of Rs.16,500/- only and the para was further reduced to Rs.9,000/-.

The Committee directed the Department to recover the balance amount within 30 days under intimation to PAC.

**The para was kept pending.**

**51. Para No.5.9 Pages 68 & 69 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.060 Million.**

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**17.07.04** Audit had pointed-out non-deduction of Professional Tax from various contractors resulting in non-recovery of Rs.0.060 (m).

The Department explained that issue of recovery of Professional Tax was discussed in the PAC meeting held on 26-7-2001 wherein the Committee had decided that payment of Professional Tax was the liability of the assessee and there was no legal obligation on the Department to deduct the same at source.



Finance Department observed that the matter related to the collection of a Provincial tax and the Departments should ensure recovery thereof at the time of registration of contractors.

The Committee directed that the Departments should see the proof/certificate regarding payment of professional tax at the time of registration of contractors. With this direction, **the para was settled.**

**52. Para No.5.14 Pages 71 & 72 of Audit Report for the year 1999-2000; Less Deduction of Security Deposit of Rs.0.570 Million.**

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**19.07.04** The Department explained that deduction of security deposit @ 10% instead of 5% had been made and requisite record had been verified by audit.

Audit verified the contention of the Department and **the para was settled.**

**53. Para No.5.18 Pages 73 & 74 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.170 Million.**

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**17.07.04** Audit had pointed out that the expenditure incurred on the running of vehicles was not got sanctioned/regularized by the Competent Authority which resulted in loss to the government.

The Department explained that the matter related to the defunct Education Building Division, Gujranwala and the record of the said division was distributed among three districts i.e. Gujrat, Sialkot and Gujranwala and it was not possible for the department to frame revised manufacturing estimate. The Department added that the Education Cell had since been closed and the record was not available.

Finance Department observed that if record was not available, the Department could move for condonation/regularization as deemed fit.

The Committee directed that the Department should refer the case to Finance Department for appropriate action.

**The para was kept pending.**

**54. Para No.5.19 Page 74 of Audit Report for the year 1999-2000; Non-Recovery of Income Tax of Rs.0.604 Million.**

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**19.07.04** The Department explained that as per the relevant provisions of the contract agreement, LC for import of equipments was to be opened by the Department and all taxes on imported equipments were also to be borne by it. Moreover, whenever LC was opened by Government for import of equipment in other cases, no income tax was deducted. Therefore, the payment made was regular and deduction of income tax was not applicable in this case.

Audit stated in the meeting that in case of import of goods, income tax was deducted at source before clearance by customs authorities.

**The para was conditionally settled subject to** verification of record by audit.

The paras were discussed in the meeting of PAC-II held on 18.03.2004.

## **Audit Paras (Civil) for the year 1999-2000**

### **1. Para No.1 Page 7 of Audit Report for the year 1999-2000; Doubtful Expenditure Valuing Rs.104,130/-.**

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**18.03.2004** Audit had pointed out that absence of actual payee receipts for the payments disbursed created doubt in the eyes of audit.

The Department explained that the para which comprised two parts had been settled in SDAC meeting held on 16-8-2000. Regarding item (A) involving an amount of Rs.104,130/- the Department stated that actual payee receipts of contingent bills were available except POL. Further, consolidated receipts of payment from the concerned petrol pumps in respect of POL were also available and appended with the relevant POL bills.

Regarding item (B) the department stated that the stock entries of Rs.17,262/- had been made in the respective stock register. Audit verified the contention of the Department in this regard.

The Committee **settled item (B) and conditionally settled item (A) of the para** subject to verification by audit within seven days.

### **2. Para No.2 Page 8 of Audit Report for the year 1999-2000; Unjustified/doubtful Payment of electricity Bills Amounting to Rs.99,364/-.**

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**18.03.2004** Audit had pointed out that in the absence of original computer bills, the validity of payment of huge amounts could not be ascertained.

The Department explained that the para had been settled by SDAC in its meeting held on 16-8-2000. Some computerized bills were missing, therefore, these were got prepared by hand from the concerned office on which no surcharge or fine was paid to WAPDA. It was a transaction between two Government departments and all payments were made through banks.

Audit verified the departmental contention.

On the recommendation of audit, the Committee **settled the para.**

### **3. Para No.3 Page 9 of Audit Report for the year 1999-2000; Irregular and Doubtful Expenditure on the Repair and Maintenance of Government Vehicles Amounting to Rs.246,950/-**

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**18.03.2004** Audit had pointed out that expenditure on the repair of Government vehicles was incurred without observing codal formalities.

The Department explained that the Chief Purchase Officer/Administrative Secretary was competent to incur expenditure upto Rs.1,00,000/- without advertising the work in press. All the codal formalities were observed, history sheet register of all vehicles were maintained and NOCs were available for verification.

Audit verified the departmental contention.

On the recommendation of audit, the Committee **settled the para.**

**4. Para No.4 Pages 9 & 10 of Audit Report for the year 1999-2000; Doubtful Expenditure of Rs.154,873/- Due to on/Defective Maintenance of Log Books.**

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**18.03.2004** The Department explained that an amount of Rs.154,873/- was spent on purchase of POL for Government vehicles at the disposal of the Department. In view of the bad condition of these cars, S&GAD replaced them with those in better condition. The vehicles were returned to S&GAD with log books. On receipt of draft para, S&GAD was contacted for return of log books but it replied that vehicles were received without log books.

The Department admitted that no proper receiving of log books was available and that it would make a probe about the loss of bog books.

The Committee directed that the Department should investigate the matter within 90 days and submit a report to PAC in its next meeting. The Committee further directed that a letter be written to S&GAD for tracing out the log books.

**The para was kept pending.**

**5. Para No.5 Page 10 of Audit Report for the year 1999-2000; Irregular and Unauthorised Auction of Machinery Valuing Rs.1,082,220/-.**

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**6. Para No.6 Page 11 of Audit Report for the year 1999-2000; Advance Drawal of Rs.279,530/- and Non Deduction of Income Tax Rs.9,783/-**

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**7. Para No.7 Pages 11 & 12 of Audit Report for the year 1999-2000; Irregular Expenditure on Store Items Amounting to Rs.84,295/-**

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**8. Para No.8 Page 12 of Audit Report for the year 1999-2000; Irregular and**

## **Illegitimate Expenditure Amounting to Rs.77,055/-**

**9. Para No.15 Page 18 of Audit Report for the year 1999-2000; Irregular and Unauthorised Auction of Live Stock Worth Rs.696,795/-.**

**10. Para No.16 Pages 18 & 19 of Audit Report for the year 1999-2000; Un-Justified Consumption of 29934 Litre P.O.L And recovery of Rs.287,366/-.**

**11. Para No.22 Page 24 of Audit Report for the year 1999-2000; Recovery Due to Non-Occupation/Allotment of Government Residences. Loss of Rs.221,925/- On Account of House Rent Allowance and 5% House.**

**18.03.2004** The Department explained that the above mentioned 7 paras pertained to Pak-German Institute of Cooperative Agriculture Chak-5-Faiz Multan. After devolution the administrative and financial control of the Institute had been transferred to TEVTA and all the relevant record had also been handed over to them. Therefore, it was now the responsibility of TEVTA to explain the position about these paras.

In view of the explanation of the department, the Committee directed the Assembly Secretariat to transfer these paras to TEVTA informing them to prepare necessary working papers/ reply in respect thereof in coordination with the Cooperatives and Audit Department and explain the same before PAC in its next meeting.

**The paras were kept pending.**

**12. Para No.9 Page 10 of Audit Report for the year 1999-2000; Un-Authorized Retention of Rs.57,074/- Realized As Electricity Charges from Residents.**

**18.03.2004** The Department explained that the para had been settled in SDAC meeting held on 16-8-2000. The entire amount of Rs.76186/- alongwith its interest Rs.1,885/- had been recovered and deposited into Government treasury. Warning was also issued to the concerned official to remain careful in future.

The Committee **settled the para** on the recommendation of audit.

**13. Para No.10 Pages 13 & 14 of Audit Report for the year 1999-2000; Irregular Deposit of Tuition Fee Amounting to Rs.64,000/- in Private Account.**

**18.03.2004** The Department explained that the para had been settled by SDAC in its meeting held on 16-8-2000. The entire amount of para Rs.64000/- and interest on it Rs.14438/- had been deposited into Government treasury. A warning had been issued to the official concerned to

remain careful in future.

On the recommendation of audit, the Committee **settled the para**.

**14. Para No.11 Page 14 of Audit Report for the year 1999-2000; Irregular Payment of Rs.805,285/- Due to Joining Without Medical Certificate.**

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**18.03.2004** The Department explained that the para had been settled in SDAC meeting held on 16-8-2000 with the observations that the appointing authority was responsible for obtaining the medical certificates of the employees on their joining of service, however, in this case the respective DDOs had probably died and therefore, action against the defaulters was not possible. The Department further stated that some officials had produced medical fitness certificates at some later stage and contended that a person allowed to join service could not be denied salary etc. However, now medical certificates of all officials had been obtained.

Finance Department observed that Government employees should not be allowed to join service unless Medical fitness certificate was provided by them. However, in the instant case regularization by Finance Department was required.

The Committee conditionally **settled the para** subject to regularization of service period of the employees by Finance Department.

**15. Para No.12 Page 15 of Audit Report for the year 1999-2000; Expenditure of Rs.305,453/- Over and Above the Budget Allocation.**

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**18.03.2004** The Department explained that the para which consisted of three parts was discussed in SDAC meeting held on 16.8.2000 in which part (I) relating to year 1996-97 was kept pending for regularization while part (II) and (III) relating to 1997-98 and 1998-99 were settled. The Department gave detailed justification in respect of each part with reference to allocation and expenditure under the relevant sub-heads.

Finance Department observed that regularization in respect of excess expenditure was required.

The Committee conditionally **settled the para** subject to regularization of excess expenditure by Finance Department.

**16. Para No.13 Pages 15 & 16 of Audit Report for the year 1999-2000; Irregular/ Unauthorised Expenditure of Rs.75,020/- on Purchase of durable goods and Recovery of Income Tax Amounting to Rs.1,648/-**

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**18.03.2004** The Department gave a detailed justification in respect of all the five observations of the audit and stated that SDAC in its meeting held on 16.8.2000 had settled the para with the observation that income tax of Rs.1,648/20 had been deposited into Government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

On the recommendation of audit, the Committee **settled the para**.

**17. Para No.14 Pages 16 & 17 of Audit Report for the year 1999-2000; Irregular Payment of Salaries To Class-IV Government Servants Without Performing Duties Amounting to Rs.242,619/-.**

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**18.03.2004** The Department explained that the para consisted of two parts. Regarding part (a) it was stated that consequent upon the abolishment of Cooperative Training Center Rawalpindi, most of the posts of employees had been abolished on 21-8-1998 except the posts of category-IV employees who were performing their duties regularly in the office of Deputy Registrar/Circle Registrar, Cooperatives Societies Rawalpindi against available vacant posts. Therefore, payment of salaries amounting to Rs.212752.99 was fully justified. However, the case for regularization of this expenditure had been moved to Finance Department. Regarding part (b) involving an amount of Rs.29,866/-, the Department stated that the payment of Rs.21,384/- related to arrear bills prior to abolishment of the Institute and that Rs.8,482/- which were not due had been deposited into Government treasury.

Finance Department observed that the Department should produce the relevant record to audit for verification.

The Committee **conditionally settled part (b)** of the para subject to verification of relevant record by audit and **kept part (a) pending** and directed that the Department should submit a comprehensive report containing full facts to PAC.

**18. Para No.17 Pages 19 & 20 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.367,698/- On Account of Telephone Charges and Unauthorized Extension of Telephone Connection to Residence.**

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**18.03.2004** The Department explained that the para had been settled in SDAC meeting held on 16-8-2000 on the ground that no extension existed and calls wrongly indicated as private were official calls. The total expenditure of Rs.367,698/- related to four years and average billing for one month came to Rs.7660/- and Rs.247/- for one day which contradicted audit observation of 200 to 300 calls on daily basis, including direct dialing and local calls. The telephone register

was maintained regularly and the amount of private trunk calls after verification had been recovered and deposited into Government treasury.

Finance Department observed that Department should prepare a statement about official and private phone calls and show to audit.

The Committee directed that the department should prepare a statement of official calls etc. and produce the relevant record to audit for verification within 90 days.

**The para was kept pending.**

**19. Para No.18 Page 21 of Audit Report for the year 1999-2000; Unjustified Expenditure of Rs.73,145/- On Entertainment Charges.**

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**18.03.2004** The Department explained that the para had been settled in SDAC meeting held on 16-8-2000 on the ground that expenditure fell within the prescribed limit and was got sanctioned from the competent authority.

On the recommendation of audit, the Committee **settled the para.**

**20. Para No.19 Pages 21 &22 of Audit Report for the year 1999-2000; Recovery of Rs.115,112/- due to Un-Authorised Use of Air Conditioning Facility in Government Vehicle.**

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**18.03.2004** The Department explained that the para had been settled in SDAC meeting held on 16-8-2000 on the ground that the vehicle was used for protocol duties and for the guests of Federal Government.

On the recommendation of audit, the Committee **settled the para.**

**21. Para No.20 Pages 22 & 23 of Audit Report for the year 1999-2000; Non-deduction of 10% of Maximum of Pay Scale No.17 and Penal Rent @ 60% of Pay Amounting to Rs.100,134/-.**

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**18.03.2004** Audit had pointed out the allotment of a Government residence of higher category to an official who neither vacated the same nor paid 10% of maximum of pay scale 17 and resultantly the competent authority imposed 60% penal rent on him for the period from 5/95 to 6/96 amounting to Rs.100133/- which was still outstanding against him.

The Department explained that as per Finance Department's advice dated 7-5-2001, 10%

of maximum of BS-17 was deducted from the pay of the official amounting to Rs.45632/- instead of 60% penal rent for the period from 5/95 to 6/2000 as he vacated the residence on 30.6.2000. However, during the course of meeting the department stated that the residence remained in the possession of official till his retirement in June 2000 because he had got a stay order from the court.

The Committee conditionally **settled the para** with the direction that the Department should submit a report of the recovery effected to PAC duly verified by audit.

**22. Para No.21.1 Pages 23 & 24 of Audit Report for the year 1999-2000; Non-Recovery of Outstanding Loans Amounting To Rs.65,486,293/-.**

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Registrar Cooperative Societies, Pakpattan – Rs.16,266,615/-

**23. Para No.21.2 Pages 23 & 24 of Audit Report for the year 1999-2000; Non-Recovery of Outstanding Loans Amounting To Rs.65,486,293/-.**

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Circle Registrar Cooperative Societies, Sahiwal – Rs.49,219,678/-

**18.03.2004** The Department explained that the above paras had been settled by SDAC in its meeting held on 16-8-2000 on the ground that the loan was issued by the Punjab Provincial Cooperatives Bank to the Cooperative Societies under the Cooperative Societies Act. The bank should recover the outstanding loan from the defaulters through the representatives of Cooperative Societies under the rules. Thus the paras did not fall under the purview of DG Audit Punjab.

On the recommendation of audit, the Committee **settled the paras.**

The paras were discussed in the meetings of PAC-II held on 10.07.2002, 20.11.2003, 21.11.2003, 22.11.2003, 16.12.2003, 17.12.2003, 30.07.2004, 28.08.2004, 19.11.2004, 27.11.2004, 29.11.2004, 30.11.2004, 16.05.2005, 17.05.2005, 18.05.2005, 31.05.2005, 30.07.2005 & 30.08.2005.

## **University of Engineering & Technology, Lahore**

### **Audit Paras (Civil) for the year 1999-2000**

#### **1. Para No.1 Pages 59 & 60 of Audit Report for the year 1999-2000; Unauthorized drawal of medical allowance Rs.1,359,254/-.**

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**20.11.2003** The Audit had pointed out that in addition to fixed medical allowance of Rs.90 per month to employees in grade 1 to 15 and reimbursement of medical charges in grade 16 and above, the University employees have been granted medical allowance at the following rates:-

<u>Grade 1 to 10</u>	<u>Grade 11 to 16</u>	<u>Grade 17 and above</u>
15 % of basic pay	12% of basic pay	10% of basic pay

The department explained that the Medical Allowance under observation had been granted with the approval of the Syndicate. But it was discontinued on the receipt of the Audit observation. The expenditure already incurred need regularization by the competent authority.

The Committee settled the para subject to regularization of the expenditure by the competent authority.

**30.07.2004** The Department stated that the matter pertaining to grant of medical allowance had been regularized by the Syndicate.

Finance Department observed that Syndicate's decision was recommendatory in nature and in matters of terms and conditions of service including pay and allowances, approval of the Chancellor/Governor was necessary.

The Committee conditionally settled the para subject to approval by Chancellor/ Competent Authority.

**16.05.2005** The Department explained that in compliance with the PAC directions, the matter had been got regularized by the Chancellor/competent authority.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**2. Para No.2 Page 60 of Audit Report for the year 1999-2000; Recovery of irregular payment of orderly allowance amounting to Rs.1,501,000/-.**

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**20.11.2003** The Audit had pointed out that the Orderly Allowance which was only admissible to the Administrative Secretaries in the Civil Secretariat was also being drawn irregularly by University Employees of BS-20 and above.

The Department explained that the issue of orderly allowance pertained to almost all the Universities in Punjab, the matter had been referred to Chancellor/Governor for appropriate decision and Education Department vide its letter No.PA/DS(B&A) PAC-Coord/2003 dated 5.9.2003 had requested the FD to expedite the intimation of the final decision in this connection.

The Committee decided to keep the para pending till decision by the competent authority.

**30.07.2004** Finance Department observed that the matter relating to orderly allowance was pending with the Chancellor/Governor for decision/orders.

The Department stated that a consolidated case would be moved to the Chancellor/Government for policy decision on the subject as almost all the Universities were involved in this issue.

The Committee kept the para pending till the decision by Chancellor/Governor.

**16.05.2005** The Department explained that in compliance with the PAC directions, the case of orderly allowance pertaining to Bahaud-din-Zikria University, Multan had been sent to Chancellor for the decision and the same would be implemented to this University.

The Committee **settled the para** subject to approval of the Chancellor.

**3. Para No.3 Page 61 of Audit Report for the year 1999-2000; Unauthorized drawal of technical teaching allowance Rs.1,359,000/-.**

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**20.11.2003** The Audit had pointed out that University teachers had irregularly drawn technical allowance in addition to PhD allowance.

The department explained that the University Syndicate recommended the Technical Teaching Allowance vide notification dated 4-4-1993 and the statute of the University would be

revised in the light of the direction of the Chancellor.

The Committee settled the para subject to approval of the Technical Teaching Allowance by the competent authority.

**30.07.2004** The Department explained that the matter regarding grant of Technical Teaching Allowance had been submitted for approval by the Chancellor/Governor

The para was kept pending till the decision by Competent Authority.

**16.05.2005** The Department explained that in compliance with the PAC directions, statutes for grant of University Technical teaching allowance had been submitted to the Department for the approval of the Governor/Chancellor and the decision was still awaited.

The Committee **settled the para subject to approval** of the Chancellor.

#### **4. Para No.4 Pages 61 & 62 of Audit Report for the year 1999-2000; Non-Recovery of Outstanding Rent of University Shops Amounting To Rs.67,340/-.**

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**16.12.2003** Audit had pointed out that an amount of Rs.209,270/- and Rs.61,230/- was recoverable from the tenants/shopkeepers on account of rent of tuck shops and canteens working in the premises of the University. Moreover, the rent was not revised/increased @10% as laid down under the allotment agreement.

The Department explained that actual recoverable amount was Rs.17,540/- which was being recovered from the concerned tenants. The Department assured that the whole recovery would be effected soon.

The Committee directed that record should be got verified by Audit and recovery be effected within 30 days.

The para was kept pending.

**28.08.2004** The Department explained that out of balance recovery of Rs.43,620/- an amount of Rs.1,800/- had been recovered, whereas recovery of Rs.28,200/- was not due as per record and Rs.13,620/- was still recoverable.

The Committee observed that pace of recovery was very slow and directed that the balance recovery be effected within 60 days from the Resident Officer who was responsible for not



implementing the directions of PAC and the relevant record be also produced to audit for verification.

The para was kept pending.

**16.05.2005** The Department explained that in compliance with the PAC directions, the balance recovery of Rs.41,200/- had been effected and got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

### **5. Para No.5 Page 62 of Audit Report for the year 1999-2000; Recovery of Rs.2,296,741/- on Account of Outstanding Dues Against Students.**

**16.12.2003** The Department explained that recovery of outstanding dues from the students was a continuous process and requested that Audit could verify the up-to-date recovery position as the matter required reconciliation rather than recovery.

The Committee directed that the record should be reconciled/verified by Audit within 30 days.

The para was kept pending.

**28.08.2004** The Department stated that an amount of Rs.480,152/- had been recovered, security of students amounting to Rs.347,100/- had been forfeited and an amount of Rs.14,69,489/- was not recoverable as the names of students against whom recovery was pointed out had been struck off from roll. The Syndicate in its meeting held on 27-7-2004 had approved the writing off of the said amount. Thus the balance recovery was "NIL".

Finance Department observed that rules about write off etc. had not been framed by the University. Moreover, the University should explain the position about students whose names were struck off with the help of relevant record.

The Committee directed that the Department should produce all relevant record to audit for verification and improve its accounting procedure. The Committee observed that write off issue would remain pending till regularization by competent authority.

The para was kept pending.

**16.05.2005** The Department explained that in compliance with the PAC directions, the record was reconciled with Audit and amount of Rs.480,152/- had been recovered. Security of Student amounting to Rs.47,100/- had been forfeited and an amount of Rs.1,469,489/- had been written

off by the syndicate.

On the verification and recommendation of Audit, **the para was settled.**

**6. Para No.6 Pages 63 & 64 of Audit Report for the year 1999-2000; Advance Payments of Rs.15,003,658/- and Their Non-Adjustments in Account.**

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**16.12.2003** Audit had pointed out that advance payments of Rs.7,289,804/- were made to various Heads of the University Departments for purchase but vouched accounts were not produced to Audit. A sum of Rs.7,713,854/- on account of debt raised by bank against the University was lying unadjusted since 1969-70 in disregard to rule 2.10(b)(4) of PFR Vol-I. Moreover, after several years, neither adjustments were received nor amounts were returned to University account.

The Department explained that the amount of Rs.15,003,658/- pointed out by Audit as unadjusted advances was not correct because the lending of advances & their adjustment was a continuous process. The Department further explained that all the adjustments had been made by the University through either adjustment on the basis of vouched account or write off.

The Committee kept the para pending with the direction that the relevant record should be got verified by Audit within 30 days.

**28.08.2004** The Department stated that total amount pointed out by audit was Rs.15,003,658/- and gave details of various amounts adjusted; written off by syndicate, involved in cases pending in courts and concluded that now the balance came to Rs.7,713,854/-. The Department further stated that audit had mistaken Rs.7,713,854/- as an advance whereas a sum of Rs.6,103,556/- had been debited by bank as L/C and bank commission charges on import of equipment for Japanese Yen 1.072 billion donated by Japan government. So far as debit of Rs.1,610,298/- was concerned, the matter for adjustment was under process.

Audit was of the view that write off powers rested with the Chancellor only and also desired that relevant record in support of departmental contentions be produced.

Finance Department observed that the department should frame rules under the University Act to specifically lay down powers of Syndicate as well as for regulating other administrative/financial matters.

The Committee observed that the department should frame rules under the Act with the approval of the competent authority to regulate various matters as pointed out by Finance Department and the Audit and that no fresh advance be given unless the previous one was got adjusted.

With the above observations, the para was kept pending.

**16.05.2005** The Department explained that in compliance with the PAC directions, an amount of Rs.6,621,521/- had been adjusted and Rs.252,687/- had been written off by the syndicate.

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

**7. Para No.7 Page 64 of Audit Report for the year 1999-2000; Un-Authorized Payment to Contractors Worth Rs.57,700/-.**

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**16.12.2003** The Department explained that an amount of Rs.57,700/- stood adjusted vide voucher No.79 dated 30.7.1999. The requisite record was also available with the University for verification.

Audit also verified the contention of the Department and **the para was accordingly settled.**

**8. Para No.8 Page 65 of Audit Report for the year 1999-2000; Un-Authorized Contract for Provision of Security Guard for Rs.2,112,000/-.**

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**16.12.2003** Audit had pointed that the Guardian Security Services (Pvt.) Rawalpindi provided guards @ Rs.4,000/- p.m. to the University through three contracts whereas Syndicate was empowered to enter into contract vide Article 24(2)(F) of the University Act. Neither the posts of these guards were sanctioned nor these fell within the provision of notification dated 13.7.77 under which the Vice Chancellor was competent to make Adhoc appointment for one year, subject to subsequent approval by the Syndicate. Thus Rs.2,112,000/- were paid irregularly.

The Department explained that the existing strength of the security guards was inadequate to meet out the security requirements and to maintain the law and order situation under control within the University premises. The engagements of security guard through a private agency were inevitable. The decision had been taken with the consent of the competent authority i.e. Syndicate.

The Audit, however, pointed out that the decision of the Syndicate dated 19.2.2000 was not applicable retrospectively. Therefore, regularization of the irregular expenditure by the competent authority was required.

The Committee settled the para subject to regularization by the Competent Authority.

**28.08.2004** The Department stated that the Syndicate in its meeting held on 26-1-2004 had regularized the expenditure of Rs.2,112,000/-.

On the verification and recommendation of audit, **the para was settled.**

## General Observation

**22.11.2003** The Administrative Department informed the Committee that there was a meeting of Syndicate and the Governor was visiting the University, therefore, the Vice Chancellor could not attend the meeting of the PAC. The department requested the Committee that the paras related to the University be deferred till the next meeting.

The Committee directed that the Vice Chancellor should personally attend the meeting on 16 December 2003.

## **Islamia University Bahawalpur**

### **Audit Paras (Civil) for the year 1999-2000**

#### **1. Para No.1 Page 77 of Audit Report for the year 1999-2000; Misappropriation of Laser Printer Worth Rs.28,550/- Recovery Thereof.**

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**16.05.2005** The Department explained that the laser printer was issued to Mr. Zulqarnain, Lecturer in Mass Communication who had now been removed from service. It was also stated that the demand for recovery as arrear of land revenue had been created against him and he has requested that he will deposit the amount within 15 days.

The Committee **pended the para** with the direction that if he did not deposit the amount within 15 days criminal case be got registered against him.

#### **2. Para No.2 Pages 77 & 78 of Audit Report for the year 1999-2000; Misappropriation of Library Books Worth Rs.71,000/-**

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**16.05.2005** The Department explained that the four books had been recovered and the library security amounting to Rs.10,800/- was not refunded to the students who had not returned the books.

The Committee **settled the para** subject to write off sanction by the competent authority.

#### **3. Para No.3 Page 79 of Audit Report for the year 1999-2000; Non-Submission of Account of Advances Drawn From the University Accounts Amounting to Rs.49,938/-.**

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**16.05.2005** The Department explained that the unadjusted advance had been deducted from the balance of salary of ex-employee.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**4. Para No.4 Page 80 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.210,727/-Incurred from University Grant Commission Research Grant.**

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**16.05.2005** The Department explained that total recovery had been made and got verified by audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**5. Para No.5 Page 81 of Audit Report for the year 1999-2000; Un-Authorized Payment of Rs.187,200/- as Orderly Allowance-Recovery Thereof.**

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**16.05.2005** The Department explained that a detailed summary had been submitted to the Chancellor for regularization of the expenditure.

The Committee **settled the para** subject to regularization by the Chancellor.

**6. Para No.6 Pages 81 & 82 of Audit Report for the year 1999-2000; Un-Authorized Payment of Rs.56,910/- on Account of Residential Telephone Charges.**

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**16.05.2005** The Department explained that the University professors had to consult various scholars, Educationists with regard to syllabi and course of reading, holding meetings, seminars, conferences and to run the research projects.

The Committee was not satisfied with the explanation of the Department and **kept the para pending** with the directions that the recovery of unauthorized telephone calls be made within 90 days.

**7. Para No.7 Pages 82 & 83 of Audit Report for the year 1999-2000; Recovery of Rs.45,100/- on Account of Outstanding Examination Fee From Students.**

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**16.05.2005** The Department explained that the syndicate being executive body of the university

had powers to write off the irrecoverable examination fee.

The Committee **pended the para** with the directions that inquiry be held in the matter and responsibility be fixed within 90 days under intimation to PAC.

**8. Para No.8 Page 83 of Audit Report for the year 1999-2000; Recovery of Sales Tax Amounting to Rs.41,642/- on Sale Proceeds of Auctioned Property.**

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**16.05.2005** The Department explained that the instructions regarding levy of sales tax on sale proceed of auction money were received in the university after the auction. However a sum of Rs.1,458/- had been recovered and the case for the recovery of the balance sales tax had been referred to the Sales Tax Department for recovery under Sales Tax Ordinance.

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

**9. Para No.9 Pages 83 & 84 of Audit Report for the year 1999-2000; Non-Deduction of Withholding Tax Amounting to Rs.16,043/- Recovery Thereof.**

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**16.05.2005** The Department explained that a sum of Rs.5,604/- had been recovered and the efforts were being made to recover the balance amount from the defaulters.

The Committee **kept the para pended** with the directions that if the tax was not recovered from the defaulters then the recovery be made from the DDO concerned.

**10. Para No.10 Page 85 of Audit Report for the year 1999-2000; Shortage of Library Books Worth Rs.3,550,600/-.**

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**16.05.2005** The Department explained that under the regulation 26(iii) of the regulations for the use of Library 1977, the syndicate had power to write off losses to the extent of 1% per annum of available stock on the recommendation of the Library Committee.

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

**11. Para No.11 Pages 86 & 87 of Audit Report for the year 1999-2000; Non-Production of Cash Books.**

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**16.05.2005** The Department explained that the cash books and the relevant record had been shown to Audit.



Audit stated that the relevant record of account No. CD-369, 379, 380 and 471 had been seen and verified. However, the record relating to the Account No. CD-586 had yet to be seen.

The Committee **settled the para** subject to verification of record of CD-586 by Audit.

## University of Engineering & Technology, Texila

### Audit Paras (Civil) for the year 1999-2000

#### **1. Para No.1 Page 98 of Audit Report for the year 1999-2000; Irregular Payment of Orderly Allowance Amounting to Rs.342,000/-.**

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**16.05.2005** The Department explained that the payment of orderly allowance had been discontinued w.e.f August 2004 and the case for regularization had been referred to the Chancellor.

The Committee **settled the para** subject to regularization by the Chancellor.

#### **2. Para No.2 Page 99 of Audit Report for the year 1999-2000; Irregular Payment of Technical Allowances Worth Rs.827,143/-.**

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#### **3. Para No.3 Page 100 of Audit Report for the year 1999-2000; Payment of House Rent and Conveyance Allowance and Non-Recovery of House Rent Amounting to Rs.1,316,437/-.**

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**16.05.2005** The Department explained that the case for regularization had been sent to the Chancellor on 8-10-2004.

The Committee **pended the paras** till the regularization by the Chancellor.

#### **4. Para No.4 Pages 100 & 101 of Audit Report for the year 1999-2000; Irregular Payment of Electricity Charges Amounting to Rs.3,400,000/-.**

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**16.05.2005** The Department explained that the recovery from the resident employees was made at domestic rates charged by WAPDA from their consumers, on the basis of their consumption for which the independent sub-meters outside the premises of all the residences had been installed.

The Committee **kept the para pendend** with the directions that the certificate provided by WAPDA indicating the separate meter had been got installed from WAPDA be shown to Audit

within four months.

**5. Para No.5 Page 102 of Audit Report for the year 1999-2000; Irregular Payment of Rs.656,188/- As Remuneration of B Section.**

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**16.05.2005** The Department explained that a para of similar nature had been settled by the PAC-I in its meeting held on 14-2-2004.

Audit was of the view that the para stated by the Department in its explanation was settled by the PAC taking a lenient view as a special case and with the specific condition not to quote it as precedent.

The Committee taking lenient view **settled the para** with the condition that such practice should not be repeated in future.

**6. Para No.6 Page 103 of Audit Report for the year 1999-2000; Loss of Rs.125,280/- Due to Above Entitled Allotment of Residences.**

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**16.05.2005** The Department explained that the allotments were made by the Allotment Committee after considering the shortage of houses available for the respective category and due to the immediate need to keep teachers contended and to get their services continue. It was also stated that the allotment Committee make the B-type houses category flexible for officers of BS-19 and below.

The Committee **settled the para** subject to regularization by the syndicate.

**7. Para No.7 Pages 103 & 104 of Audit Report for the year 1999-2000; Recovery of Rs.5,441,235/- Due to Appointment of Staff Over and Above the Prescribed Scale.**

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**16.05.2005** The Department explained that the higher scales had been adopted as per the pay scale and recruitment procedure of UET Lahore vide UET/Estab-1.IV-23 dated 27-5-1997. Audit was of the view that any revision in the pay scales requires approval of the Finance Department.

The Committee **kept the para pending** subject to regularization by the competent authority.

**8. Para No.8 Pages 104 & 105 of Audit Report for the year 1999-2000; Loss of Rs.970,113/- on Purchase of Medicines.**

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**16.05.2005** The Department explained that the purchase of medicine was not made in one go but

the employee's patients were given prescriptions by the medical officers of the dispensary of the University and were advised to collect the prescribed medicines from the local markets medical stores at 10% discount.

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

**9. Para No.9 Page 106 of Audit Report for the year 1999-2000; Misappropriation/ Misuse of Testing Fee Amounting to Rs.10,797,348/-.**

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**16.05.2005** The Department explained that the policy of testing fee is helpful for the revenue generation for the university. However, the Vice-Chancellor has approved the revision of the policy in the light of the Chancellor instructions conveyed to letter No. GS(UET)1-5/99 dated 16-7-1999 that the proceed of the testing services in Civil Engineering Department be deposited in the main account of the university.

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

## **UNIVERSITY OF THE PUNJAB**

### **Audit Paras (Civil) for the year 1999-2000**

**1. Para No.1 Page 7 of Audit Report for the year 1999-2000; Misappropriation of Paper and Other University Material Worth Rs.88,967/-.**

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**16.05.2005** The Department explained that the stock register/consumption of paper had been seen/verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**2. Para No.2 Page 8 of Audit Report for the year 1999-2000; Stock Entries not Made Worth Rs.4,570,260/-.**

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**16.05.2005** The Department explained that audit had verified the entries of main stock register and recommended the para for settlement.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**3. Para No.3 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Purchase of Hino Bus for Rs.2,524,000/-.**

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**16.05.2005** The Department explained that the purchase of Hino bus was made after observing all the codal formalities which had been verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**4. Para No.4 Pages 10 & 11 of Audit Report for the year 1999-2000; Irregular Payment of Rs.8,600,000/- on Account of Encashment of Un-Availed Leave for the year 1997-98 and 1998-99.**

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**16.05.2005** The Department explained that the payment of un-availed leave was made as per "Punjab University Employees encashment of earned/privilege leave Rules 1997 duly approved by the competent authority.

The Committee **kept the para pending** with the observation that the matter be got regularized by the Chancellor.

**5. Para No.5 Pages 11, 12 & 13 of Audit Report for the year 1999-2000; Unjustified Payment of Rs.1,065,000/- on Account of Pay and Allowances.**

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**16.05.2005** The Department explained that the University Leave Rules had been duly approved by the competent authority and provided in the University Calendar apply on the university employees. The leave period of the employees in question was regulated as per University Leave Rules.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**6. Para No.6 Page 13 of Audit Report for the year 1999-2000; Excess Expenditure of Electricity from Sanctioned Budget Allocation Worth Rs.4,308,970/-.**

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**16.05.2005** The Department explained that the budget allocation for Electricity was made keeping in view the prevailing tariff in 1998-99. WAPDA increased the tariff subsequently. The expenditure of electricity charges was an essential nature, which could not be delayed. However, the excess expenditure was covered out of supplementary budget duly approved by the competent authority.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**7. Para No.7 Pages 13 & 14 of Audit Report for the year 1999-2000; Irregular Advance Drawal of Telephone Budget Allocation Rs.845,072/-.**

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**16.05.2005** The Department explained that the PTCL first time imposed late payment surcharge during 1998-99. The time span between receipt/payment date of telephone bills was short and it took time to pre-Audit/processed the bills for payment. In order to avoid late payment surcharge some departments were allowed advance payment of bills. It was also stated that the procedure of payment has now been streamlined and no advance payment is being made at present.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**8. Para No.8 Pages 14 & 15 of Audit Report for the year 1999-2000; Consumption Account not Shown Worth Rs.3,380,858/-.**

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**16.05.2005** The Department explained that the Department had produced the relevant record to Audit which had been verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**9. Para No.9 Pages 15 & 16 of Audit Report for the year 1999-2000; Excess Execution of Quantities of Items of Work in Construction of Bio-Chemistry Institute Than Technically Sanctioned Estimate for Rs.1,182,524/-.**

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**16.05.2005** The Department explained that the surface level of the proposed building was very low from the road level. To bring the surface level to road level, 37,698 cft. excavated earth was used. The earth from outside premises was used 76980 cft and not 97433 cft as per MB No. 334-E pages 1,2,3. The earth filling from outside the premises was dully provided and approved in the sanctioned estimate.

As regards other items these were executed as per site requirement on the advice of consultant/engineer incharge. These were also within the permissible limit. The competent authority accorded technical sanction in the 115<sup>th</sup> meeting vide No. D/674/DD dated 22-10-1987, variation upto 5% of the tendered amount was permissible to allow any changes in the execution of the work. The Administrative approval was for Rs.15,062,155/- and Final Bill was Rs.15,827,857/- which was within the permissible limit.

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

**10. Para No.10 Pages 16 & 17 of Audit Report for the year 1999-2000; Irregular Payment of House Acquisition Worth Rs.1,201,108/-.**

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**16.05.2005** The Department explained that Rs.1,000,000/- was allocated for payment of House Requisition during the financial year 1998-99 out of this amount Rs.201,108/- was paid as house requisition. It was also stated that the house requisition was paid as per approval of the syndicate/ Board of Governors of IER Department and summary for approval of Chancellor had been submitted to Education Department dated 15-4-2005.

The Committee **kept the para pending** till the approval of the Chancellor.

**11. Para No.11 Pages 17 & 18 of Audit Report for the year 1999-2000; Non-Recovery of Interest on House Building Advance and Motor Car Advance Worth Rs.158,914/-.**

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**16.05.2005** The Department stated that the syndicate in its meeting held on 28-11-1991 had waived of 5% interest on House Building Advance/Motor Car Advance to the employees in B-16 and above.

The Committee **pending the para** with the direction that either the amount plus interest be recovered from the concerned employees or the statute of the University be amended accordingly.

**12. Para No.12 Pages 18 & 19 of Audit Report for the year 1999-2000; Unjustified Grant of Advance Increments and Recovery of Rs.160,890/-.**

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**16.05.2005** The Department explained that it was the fresh appointment which was duly approved by the competent authority on the recommendation of the Appointment Committee with two advance increments.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**13. Para No.13 Pages 19 & 20 of Audit Report for the year 1999-2000; Irregular Payment of Summer Pay in Lieu of Vacation not Availed Worth Rs.421,598/-**

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**16.05.2005** The Department explained that the payment @ 50% of basic pay was being paid in lieu of Summer Vacation on the recommendation of Finance Committee which was approved by the Board of Governor in its meeting held on 11-8-1971.



The Committee **kept the para pending** till the approval of the Chancellor.

**14. Para No.14 Pages 20 & 21 of Audit Report for the year 1999-2000; Unjustified Payment of Motor Car, Cycle Motorcycle and House Building Advances Worth Rs.358,946/-.**

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**17.05.2005** The Department explained that all the advances were paid after approval by the competent authority and the relevant record had been seen/verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**15. Para No.15 Page 22 of Audit Report for the year 1999-2000; Irregular Appointment of Estate Officer During Ban Involving Payment of Rs.19,449/-.**

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**17.05.2005** The Department explained that the ban on recruitment/promotion in the universities was lifted by the order of the Prime Minister of Pakistan and the post of Estate Officer was advertised in the national press and filled on the recommendation of the Selection Committee according to the prescribed procedure/Rules of the Punjab University.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**16. Para No.16 Page 23 of Audit Report for the year 1999-2000; Unjustified Payment of Audit Fees Amounting to Rs.39,600/-.**

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**17.05.2005** The Department explained that as per the Punjab University Sports Tournament Committee's constitution and by laws, the Secretary PUSTC was competent to sanction/incur expenditure of Audit fees.

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

**17. Para No.17 Pages 23 & 24 of Audit Report for the year 1999-2000; Irregular Payment of Medical Reimbursement Amounting to Rs.135,494/-.**

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**17.05.2005** The Department explained that the treasurer had full powers to sanction expenditure out of medical assistance fund as per provision of Rule 11(6) of University Calendar 1990.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**18. Para No.18 Page 24 of Audit Report for the year 1999-2000; Irregular Grant of Hardship Allowance Rs.45,500/-.**

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**17.05.2005** The Department explained that an amount of Rs.45,500/- was paid as hardship allowance after the approval of the competent authority.

The Committee observed that the approval of the Chancellor for grant of hardship Allowance was necessary and directed that the recovery of Rs.45,500/- be made from the concerned within 90 days under intimation to the PAC.

**The para was kept pending.**

**19. Para No.19 Page 25 of Audit Report for the year 1999-2000; Non-Recovery of Rent, Electricity and License Fees of Shops in University Premises Worth Rs.1,481,142/-.**

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**17.05.2005** The Department explained that an amount of Rs.81,436/- on account of electricity charges and Rs.31,150/- as rent from cafeteria and shops had been recovered and deposited into government treasury. It was also stated that the balance recoverable amount related to main cafeteria against whom FIR had been lodged and the proceedings were under trial.

The Committee pended the para with the directions that an inquiry be held in the matter and responsibility be fixed within 90 days that who was responsible for not recovering the amount of rent at the proper time. It was also decided that the inquiry should be got vetted by the Secretary Education.

**The para was kept pending.**

**20. Para No.20 Pages 25 & 26 of Audit Report for the year 1999-2000; Non-Recovery of Penalty Charges Rs.920,425/- on Account of Late Supply of Material.**

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**17.05.2005** The Department explained that the supply of paper/other items were received in the main store within stipulated period and the same could be confirmed from the sales tax invoices.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**21. Para No.21 Pages 26 & 27 of Audit Report for the year 1999-2000; Non-Recovery of Lease Money of University Land Rs.1,149,282/-.**

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**17.05.2005** The Department explained that a special/performance audit was needed whether the land acquired by the government for the university was being put to optimal use for the purpose for which it was acquired from the private owners, keeping in view the objective spelled out in PC-I of the project. It was also observed that about 965 acres of land in New University Campus had been leased out for agricultural purposes at a very meagre amount and leased money was also not being realized promptly.

The Committee agreed with the proposal of the Department and decided that a special/performance audit of the project of New University Campus especially with reference to the optimal use of land acquired by the Government from the private owners for the University be conducted within three months.

**The para was kept pending.**

**22. Para No.22 Pages 27 & 28 of Audit Report for the year 1999-2000; Recovery on Account of Overpayment in Pension and Commutation Rs.436,350/-.**

---

**17.05.2005** The Department explained that the payment was made after observing all the codal formalities and the same had been seen/verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**23. Para No.23 Page 28 of Audit Report for the year 1999-2000; Non-Deposit of Sale Proceeds of Printed Material Worth Rs.1,540,830/-.**

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**17.05.2005** The Department explained that the sale proceeds had already been deposited in the University Account and the same had been verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**24. Para No.24 Pages 28 & 29 of Audit Report for the year 1999-2000; Non-Collection of Interest on Fixed Deposit Rs.509,580/-.**

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**17.05.2005** The Department explained that there was difference of Rs.70,924/- due to wrong calculation of interest by Audit. All the record of fix deposit accounts in proper form was

available and interest due on these deposits were properly checked, recovered and recorded in the accounts.

Audit verified the relevant record i.e. cash book/bank statement and recommended the para for settlement.

**The para was settled.**

**25. Para No.25 Pages 29 & 30 of Audit Report for the year 1999-2000; Non-Recovery of Booking Charges of University Buses Amounting Rs.400,761/-.**

**17.05.2005** The Department explained that an amount of Rs.241,339/- had been recovered and the Vice-Chancellor ensured that the balance recovery would be effected within 60 days.

The Committee kept the para pending and directed that the department should explain the position of balance recovery on 30 July 2005.

**30.07.2005** Audit had pointed out non-recovery of booking charges of University Buses amounting to Rs.400,761/-.

The Department explained that the total amount recoverable was Rs.403,591/- which had been recovered and got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**26. Para No.26 Page 30 of Audit Report for the year 1999-2000; Non-Recovery of Sale Proceed of Wheat, Rice, Vegetables and Fodder Crops Worth Rs.357,698/-.**

**17.05.2005** The Department explained that an amount of Rs.65,960/- had been recovered and the balance recoverable amount had been declared as arrears of land revenue by the Collector Lahore.

The Committee **kept the para pending** with the direction that the balance recovery be pursued vigorously with the revenue authorities.

**27. Para No.27 Pages 30 & 31 of Audit Report for the year 1999-2000; Excess Rate Charged on Account of POL and Recovery of Rs.42,788/-.**

**17.05.2005** The Department explained that the relevant record had been produced to Audit which had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**28. Para No.28 Page 31 of Audit Report for the year 1999-2000; Misappropriation of Rs.39,014/- by Tampering Admission Challans Form.**

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**17.05.2005** The Department explained that the disciplinary Committee, University of the Punjab had examined the unfair means cases and all the students involved in unfair means and tempering had been disqualified as per University Regulations.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**29. Para No.29 Page 32 of Audit Report for the year 1999-2000; Irregular Payment of Orderly Allowance Paid to the Officers of BPS-20 and Above Worth Rs.2,166,000/-.**

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**17.05.2005** The Department explained that the University had already sent the case for regularization of orderly allowance to the Education Department for onward submission to the Chancellor through Finance Department.

The Committee **kept the para pending** till the decision by the Chancellor.

**30. Para No.30 Pages 32 & 33 of Audit Report for the year 1999-2000; Non-Recovery of 5% House Rent Deduction Amounting to Rs.118,823/-.**

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**17.05.2005** The Department explained that the competent authority i.e. Chancellor had accorded his approval for stoppage of the deduction of 5% basic pay as rent from the University Employees.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**31. Para No.31 Pages 33 & 34 of Audit Report for the year 1999-2000; Irregular Payment of Rs.492,504/- of House Rent Allowance to the Employees Residing in University Accommodations.**

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**17.05.2005** The Department explained that after the allocation of accommodation in the University Campus, the payment of House Rent Allowance was discontinued and no such payment was made to any employee.

The Committee **settled the para subject to verification** of case to case record by Audit.

**32. Para No.32 Pages 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.1,278,000/- on Account of Double Benefit of Advance Increments and Ph.D. Allowance.**

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**17.05.2005** The Department explained that the case for regularization had been submitted to the Education Department for onward submission to the Governor/Chancellor.

The Committee **pended the para** till the regularization by Chancellor.

**33. Para No.33 Pages 35 & 36 of Audit Report for the year 1999-2000; Non-Deposit of Rent of Two Branches of Habib Banks and Two Post Offices Amounting to Rs.174,000/-.**

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**17.05.2005** The Department explained that the Manager, Habib Bank Ltd. new/old campus branches had promised to deposit the amount on 31-5-2005.

The Committee pended the para on the request of Department and desired that the latest position of recovery be intimated on 31-5-2005.

**31.05.2005** The Department explained that the rent from the Habib Bank Ltd. new/old Campus branches had been recovered and deposited into the University Account.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled accordingly.**

**34. Para No.34 Page 36 of Audit Report for the year 1999-2000; Recovery of Rs.81,137/- on Account of House Rent Allowance from the Ex-Vice Chancellor.**

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**17.05.2005** The Department explained that the actual recovery Rs.73,378/- had been recovered from the concerned officers.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**35. Para No.35 Page 37 of Audit Report for the year 1999-2000; Excess Utilization of Residential Telephones and Recovery of Rs.132,073/-.**

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**17.05.2005** The Department explained that the budget allocation for the expenditure of residential telephone was Rs.593,878/- and the actual expenditure was Rs.451,166/- and there was a saving of Rs.142,652/-.

The Committee **pended the para** with the direction that the decision of Chancellor be got for uniformity of ceiling of telephone expenditure.

**36. Para No.36 Pages 37 & 38 of Audit Report for the year 1999-2000; Irregular Payment to Staff Union on Account of POL and Repair of Vehicles Recovery of Rs.214,660/-.**

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**17.05.2005** The Department explained that the expenditure on POL and repair/maintenance was made as per budget allocation duly approved by the Competent Authority. The log books of the vehicles had been got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**37. Para No.37 Pages 38 & 39 of Audit Report for the year 1999-2000; Non-Recovery of Rs.267,086/- on Account of House Building Advances.**

---

**17.05.2005** The Department explained that an amount of Rs.258,882/- had been recovered leaving a balance of Rs.8,204/-. It was also stated that the balance amount was being recovered from the monthly salary of the concerned employees.

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

**38. Para No.38 Page 39 of Audit Report for the year 1999-2000; Non-Deposit of University Amount of Rs.88,363/- on Accounts of Private Use of University Vehicles.**

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**17.05.2005** The Department explained that the vehicles were almost used for official purposes. However, the amount due for private use of vehicles had been recovered.

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

**39. Para No.39 Pages 39 & 40 of Audit Report for the year 1999-2000; Non/Less Realization of Examination Fee/Hostel/Entry Fees of Sports Worth Rs.2,868,130/-.**

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**17.05.2005** The Department explained that as per Pakistan/University Sports Board Rule III, the University had to accept the responsibility for lodging the visitors at their campuses on gratis basis and players were accommodated in the hostels. Therefore the rent was not due to them as

per above mentioned rule. However, the recovery matter of examination fee was under inquiry and detailed report would be submitted shortly.

The Committee **pended the para** with the direction that the inquiry be completed within 60 days.

**40. Para No.40 Pages 40 & 41 of Audit Report for the year 1999-2000; Loss to University Due to Less Recovery of Rs.528,190/- on Account of Sui Gas Charges from the Employees Residing in Colony.**

---

**17.05.2005** The Department explained that an amount of Rs.754,756/- had been recovered from the users and the balance of Rs.366,190/- pertained to mosque, rest house, admn. Block and salary of staff appointed for the billings collection.

The Committee accepted the explanation of the Department and **settled the para** with the direction that separate meters be installed for mosque, rest house and admn. Block.

**41. Para No.41 Page 41 of Audit Report for the year 1999-2000; Recovery of Rs.114,638/- on Account of Leave Without Pay/Absent from Duty.**

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**17.05.2005** The Department explained that an inquiry was conducted and as per inquiry report, the payment was received as per entitlement by the bonafide employees amounting to Rs.31,573/- and recovery of Rs.12,832/- had been effected. However, Rs.14,143/- were outstanding against the five employees, whose services had been terminated.

The Committee **pended the para** with the direction that the inquiry report be approved by the competent authority.

**42. Para No.42 Pages 41 & 42 of Audit Report for the year 1999-2000; Non-Deposit of Ambulance Charges of Rs.93,879/-.**

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**17.05.2005** The Department explained that the local duty was free while the charges for outside city had been recovered.

Audit verified the contention of the Department and recommended the para for settlement.

The para was settled.

**43. Para No.43 Page 43 of Audit Report for the year 1999-2000; Non-Adjustment of Advances Paid to Different Employees Worth Rs.9,496,767/-.**

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**17.05.2005** The Department explained that the total amount of advances was Rs.9,496,764/- out of which Rs.4,591,173/- had been adjusted which had been got verified by Audit. During the discussion the department stated that total amount against Ch. Muhammad Yaqoob, ex-Controller examination was 13,800,000/-. The name of the said officer had been placed in the exist control list.

The Committee **kept the para pending** with the directions that the University authorities should provide details of all the audit paras against the said officer to Education Department for further necessary action.

**44. Para No.44 Pages 43 & 44 of Audit Report for the year 1999-2000; Irregular Construction of Different Buildings in the University Worth Rs.6,254,183/-.**

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**17.05.2005** The Department explained that the payment was made on the following projects:-

- (i) Construction of examination hall Rs.54,704/-
- (ii) Hostel No.5 Rs.6,059,916/-
- (iii) Institute of bio-chemistry Rs.169,563/-

Total	Rs.6,284,183/-
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It was stated that the competent authority had accorded the administrative approval/ technical sanction of the projects after fulfilling all the codal formalities.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**45. Para No.45 Pages 44 & 45 of Audit Report for the year 1999-2000; Irregular Payment of Rs.1,110,689/- on Account of Sui Gas Charges of Residential Area (Staff Colony) Without Approval in Budget Estimate for 1998-99.**

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**17.05.2005** The Department explained that Rs.754,756/- had been recovered from the users and the balance amount pertained to mosque rest house, admn. Block and salary of staff appointed for billing and collection etc.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**46. Para No.46 Pages 45 & 46 of Audit Report for the year 1999-2000; Loss to University Due to Non-Auction of Canteen of Oriental College, Old Campus, Lahore Worth Rs.100,000/-.**

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**17.05.2005** The Department explained that the Oriental College canteen was basically a tea stall, where meal/other food items were not provided but only tea was served on concessional rate to the students/teachers. The rent was charged as per rules of the university and the contractor had deposited the amounts of rent and electricity in the account.

The Committee accepted the explanation of the department and **para was settled.**

**47. Para No.47 Pages 46 & 47 of Audit Report for the year 1999-2000; Irregular Payment of Overtime Allowance Without Proper Justification Worth Rs.84,632/-.**

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**17.05.2005** The Department explained that the project director office was assigned the duties of execution/monitoring the projects. The office was also responsible for maintenance works of old/new campus buildings. The officials had to work late hours while performing their duties and the over time was paid as per rules after approval of the Competent Authority.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**48. Para No.48 Page 47 of Audit Report for the year 1999-2000; Unjustified Payment of Honoraria Worth Rs.19,000/-.**

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**17.05.2005** The Department explained that the Punjab University Sports Tournament Committee was not a budgetary department of the Punjab University and it was governed under the Punjab University Sports Tournament Committee constitution and by-laws. As per P.U.S.T.C. approved budget an amount of Rs.60,000/- was allocated for honorarium and payment was made out of sports fund for the meritorious services rendered.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**49. Para No.49 Page 48 of Audit Report for the year 1999-2000; Non-Production of Record Worth Rs.185,928,055/-.**

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**17.05.2005** The Department explained that the record as pointed out by Audit was available for verification.

The Committee **pended the para** with the directions that the record be got verified within 30 days.

## Colleges

### Audit paras (Civil) for the year 1999-2000

#### **1. Para No.1 Page 6 of Audit Report for the year 1999-2000; Misappropriation of Rs.2,352,000/- realized from students availing college buses.**

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**22.11.2003** The Department explained that the busses were used for pick and drop purpose of the students. Log Books of the said busses were properly maintained and were available for verification of audit and there was no question of embezzlement/misappropriation.

The Committee accepted the explanation of the department and settled the para subject to verification of record by Audit.

**30.07.2004** The Department explained that in compliance with PAC direction, complete record of buses i.e. vouchers/cash books and log books etc. had been produced to audit for verification.

Audit stated that expenditure side was verified but the department had not shown record relating to bank account etc.

Finance Department observed that funds for the purpose were being generated by taking contributions from the students which not being part of Provincial Consolidated Fund were not auditable by Auditor General. However, the college administration concerned should ensure internal audit of such funds.

The Committee directed the department to issue instructions to all educational institutions to adopt internal audit system in respect of such funds.

With this direction, **the para was settled.**

#### **2. Para No.2.3 Pages 7 & 8 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.906,088/-.**

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Government M.C. College Chishtian-Rs.118,347/-.

**17.05.2005** The Department explained that all the articles purchased in different bills were

already entered in relevant stock registers except one item i.e. 290 kg wire which had now been entered on the non-consumable article stock register.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

### **3. Para No.2.4 Pages 7 & 8 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.906,088/-.**

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Government Zamindar Science College Gujrat-Rs.62,057/-.

**17.05.2005** The Department explained that out of total amount of Rs.62,057/- original vouched account of Rs.53,557/- had been provided to Audit which had verified the same and the remaining amount of Rs.8,500/- had been deposited into government treasury.

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

### **4. Para No.2.5 Pages 7 & 8 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.906,088/-.**

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Government Girls Inter College Mustafabad District Kasur-Rs.22,359/-.

**17.05.2005** The Department explained that the entries had now been made on the cash book and there was no misappropriation towards the distribution of pay and deposits of fee etc.

The Committee **pended the para** for verification of record by Audit.

### **5. Para No.2.6 Pages 7 & 8 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.906,088/-.**

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Government Municipal Degree College Faisalabad-Not assessed

**17.05.2005** The Department explained that an amount of Rs.107,710/- equal to general fund had been deposited into cycle fund bearing account No.2145-2 during the Academic year 1998-99. The record was available for verification.

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

### **6. Para No.2.7 Pages 7 & 8 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.906,088/-.**

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Government Degree College Liaquatpur-Not assessed



**17.05.2005** The Department explained that the stock articles had been physically verified by Director of Education (Colleges) Bahawalpur Division on 12-5-2000 and had certified that the same were available in the college.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**7. Para No.3 Page 8 of Audit Report for the year 1999-2000; Loss to Government Worth Rs.116,592/- on Account of Non Recovery of House Rent of Government Residences.**

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**17.05.2005** The Department explained that the residences built in the college were meant for occupation by the college staff members however, at the time of audit all staff members were local and therefore these residences were not allotted/occupied by staff member. Therefore no recovery was made from any staff member.

The Committee **settled the para** on the assurance of the Department that the residences would be properly used in future.

**8. Para No.4 Pages 8 & 9 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.184,581/- on Account of Drawal from General and Other Private Funds as Advances/Loans.**

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**17.05.2005** The Department explained that the embezzlement took place in the period of Principal-ship of Mr. Khalid Hussain Zafar and an inquiry was held against him and the charge was proved. He was awarded major penalty dismissal from government service on June 2000.

Audit was of the view that the Department was required to take disciplinary action against the Drawing and Disbursing Officer for non production of record.

The Committee **pended the para** with the directions that an inquiry be held for not producing the record to audit for verification.

**9. Para No.5 Page 9 of Audit Report for the year 1999-2000; Misappropriation of Rs.1,139,423/- Due to Less Deposit of Students Fund.**

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**17.05.2005** The Department explained that the matter is subjudice in the court of Anti-Corruption Judge Rawalpindi.

The Committee **pended the para** with the direction that the case in the court of law be pursued vigorously and a departmental inquiry be held in the case.

**10. Para No.6.2 Pages 10 & 11 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.912,587/- Due to Fictitious Purchase of Furniture, Sports Material/Consumable Items Etc.**

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Government Inter College (Boys) Narang, District Sheikhpura-Rs.80,000/-.

**11. Para No.6.3 Pages 10 & 11 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.912,587/- Due to Fictitious Purchase of Furniture, Sports Material/Consumable Items Etc.**

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Government Inter College (Boys) Narang, District Sheikhpura-Rs.129,851/-.

**12. Para No.6.5 Pages 10 & 11 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.912,587/- Due to Fictitious Purchase of Furniture, Sports Material/Consumable Items Etc.**

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Government Inter College (Boys) Narang, District Sheikhpura-Rs.280,866/-.

**17.05.2005** The Department explained that the embezzlement took place in the period of Principal-ship of Mr. Khalid Hussain Zafar and an inquiry was held against him and the charge was proved. He was awarded major penalty dismissal from government service on June 2000.

The Committee **kept the paras pending** with the directions that a fresh departmental inquiry be held under intimation to the PAC.

**13. Para No.6.4 Pages 10 & 11 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.912,587/- Due to Fictitious Purchase of Furniture, Sports Material/Consumable Items Etc.**

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Islamia College Jalalpur Jattan, District Gujrat-Rs.401,884/-.

**17.05.2005** The Department explained that out of the total expenditure of Rs.401,884/- was either found incurred on the legitimate objects of the respective funds or refunded back against the loans taken and rest amount of Rs.231,187/- had been got regularized.

The Committee **pended the para** for verification of record by Audit.

**14. Para No.7 Page 11 of Audit Report for the year 1999-2000; Loss of Rs.79,560/- on Account of Forged Appointments from School Side.**

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**18.05.2005** The Department explained that an inquiry had been ordered by the competent authority to probe into the matter.

The Committee **pended the para** with the directions that the inquiry be completed within 60 days under intimation to the PAC.

**15. Para No.8.1 Pages 12 & 13 of Audit Report for the year 1999-2000; Embezzlement Amounting-Rs.5,647,146/-.**

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Government Inter College (Boys) Narang, District Sheikhpura-Rs.164,642/-.

**16. Para No.8.2 Pages 12 & 13 of Audit Report for the year 1999-2000; Embezzlement Amounting-Rs.5,647,146/-.**

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Government Inter College (Boys) Narang, District Sheikhpura-Rs.152,114/-.

**17. Para No.8.3 Pages 12 & 13 of Audit Report for the year 1999-2000; Embezzlement Amounting-Rs.5,647,146/-.**

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Government Inter College (Boys) Narang, District Sheikhpura-Rs.33,742/-.

**18.05.2005** The Department explained that the embezzlement took place in the period of Principal-ship of Mr. Khalid Hussain Zafar, an inquiry was held against him and the charge was proved. He was awarded major penalty dismissal from government service on June 2000.

The Committee **kept the paras pending** and desired that criminal cases be got registered against him to recover the government money and the latest position be intimated to the PAC in the next meeting.

**18. Para No.8.4 Pages 12 & 13 of Audit Report for the year 1999-2000; Embezzlement Amounting Rs.5,647,146/-**

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Queen Mary College, Lahore – Rs.340,980/-

**18.05.2005** The Department explained that the record had been produced to audit who had verified the contention of the Department and recommended the para for settlement.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**19. Para No.8.5 Pages 12 & 13 of Audit Report for the year 1999-2000; Embezzlement Amounting-Rs.5,647,146/-.**

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Government Degree College for Women, Jhelum-Rs.1,350,093/-.

**20. Para No.8.6 Pages 12 & 13 of Audit Report for the year 1999-2000; Embezzlement Amounting-Rs.5,647,146/-.**

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Government Degree College for Women, Jhelum-Rs.3,443,945/-.

**18.05.2005** The Department explained that the period of embezzlement i.e. 6/94 to 6/99 was related to Miss Kaneez Fatima, ex-principal, Government College for Women, Jhelum who had retired recently on attaining the age of superannuation. It was also stated that three inquiries had been held in the matter and now the case is with provincial Anticorruption Officer, Jhelum, Division Rawalpindi. The co-accused in the case namely Pervaiz Akhtar Asim the then Senior Clerk of the College who was the custodian of the said record had been declared absconder and the evidences of all the prosecutions witnesses had been recovered and file had been conferred to record till arrest of above stated absconding accused.

The Committee **kept the paras pending** with the directions that the progress of the case be intimated to the PAC within 60 days.

**21. Para No.8.7 Pages 12 & 13 of Audit Report for the year 1999-2000; Embezzlement Amounting-Rs.5,647,146/-.**

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Government Degree College, Chishtian-Rs.161,630/-.

**18.05.2005** The Department explained that the entire amount pointed out by Audit had already been deposited into government treasury and as such government had sustained no loss.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**22. Para No.9 Page 14 of Audit Report for the year 1999-2000; Loss to**

## **Government due to Grant of Higher Pay Scales to Physical Training Supervisors Without any Lawful Entitlement.**

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**22.11.2003** The Department explained that the case related to three teachers who joined the department in BPS-14 and later on they were given Selection Grade B-15. The post of Physical Training Supervisor was re-designated as Directress of Physical Education and they were posted as DPE-16. So far as B-17 was concerned, on acquiring Masters Degree, B-17 was awarded to such employees throughout the Punjab. Moreover, the DAO/AG had pre-audited the Salary Bills and had never objected and Pay fixation was made by the AG Punjab. The audit objection was raised in 1997 whereas the grade was awarded in 1993

The Finance Department suggested that it was the matter of verification of record.

The Committee pended the para for verification of record by Audit within 15 days under intimation to the PAC.

**30.07.2004** The Department explained that Physical Training Supervisors were to be treated at par with Secondary School Teachers.

Finance Department stated that the matter was examined and it had not agreed with the proposal of Education Department regarding treating Physical Training Supervisors at par with Secondary School Teachers and suggested that approval of the Chief Minister would be required with a view to regularizing this matter.

The Committee directed the Department to take appropriate action for getting the matter resolved.

The para was kept pending.

**18.05.2005** The Department explained that in compliance with the PAC directions, the record had been produced to audit for verification but still the irregularity had not been condoned by the Finance Department.

The Committee **pended the para** with the direction that the needful be done within two weeks.

**23. Para No.10 Page 15 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.435,761/- on Account of Pay and Allowances of A Lecturer Drawn Over and Above Sanctioned Strength.**

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**18.05.2005** The Department explained that Mrs. Shakeela Farooqi, Lecturer in Education was transferred from Government College of Education, Faisalabad to Government College for women, Chakwal on 13-12-1995 and the sanctioned strength for the post of Lecturer BS-17 of the College at that time was No. 13 and four posts of the Lecturer/Assistant Professors were vacant. The said lady teacher was transferred against vacant post and no expenditure was charged over & above the sanctioned strength of the college. The expenditure was within the allocated budget of the college.

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

**24. Para No.11 Page 16 of Audit Report for the year 1999-2000; Payment of Rs.72,265/- on Fictitious Electricity Consumption Charges Bills.**

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**18.05.2005** The Department explained that the consumption and detail of arrear bills amounting to Rs.72,265/- duly verified from the Revenue Officer, Kasur Division, Kasur had been produced to audit who had verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**25. Para No.12 Pages 16 & 17 of Audit Report for the year 1999-2000; Payment of Electricity Charges Amounting to Rs.332,000/- Against Lump Sum/Fictitious Bills.**

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**18.05.2005** The Department explained that all the bills were arrears bills lying with office. Actually the amount of the budget was drawn as lump-sum adjusted against various bills. There had been no duplication in the payments.

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

**26. Para No.13 Pages 17 & 18 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.77,322/- Against Matching Grant Without Sharing Contribution.**

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**18.05.2005** The Department explained that the CV of Rs.40,060/- had been produced to audit who had verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**27. Para No.14 Page 19 of Audit Report for the year 1999-2000; Irregular**



## **Expenditure of Rs.483,001/-.**

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**18.05.2005** The Department explained that all the purchases were made as per Punjab Financial Rules and after fulfilling all the codal formalities.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

### **28. Para No.15 Pages 19 & 20 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.298,500/- Out of Students Library Security Account.**

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**18.05.2005** The Department explained that the furniture as well as its vouched account were available for verification and an amount of Rs.298,500/- had been deposited in Library Security Fund on 01-2-2005. The concerned DDO was responsible for this lapse and he had been warned to be careful in future.

The Committee **pended the para** for physical verification of the record by Audit.

### **29. Para No.16 Page 20 of Audit Report for the year 1999-2000; Irregular Drawal of Rs.50,000/- on Account of Matching Grant Recovery Thereof.**

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**18.05.2005** The Department explained that the balance amount had been recovered and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

### **30. Para No.17 Page 21 of Audit Report for the year 1999-2000; Irregular Drawal of Rs.56,000/- as Matching Grant and Recovery Thereof.**

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**18.05.2005** The Department explained that the matching grant was drawn in lumpsum with reference to the instruction of the budget distributing authority and kept in general fund account in the Punjab Bank. As per rules the department incurred a sum of Rs.99,004/- on extra curricular plus sports activities out of Rs.112,000/- and an amount of Rs.8,148/- had been deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**31. Para No.19 Page 22 of Audit Report for the year 1999-2000; Unjustified Expenditure of Rs.115,200/- Due to Irrational Enhancement of Rent of College Building.**

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**18.05.2005** The Department explained that Rs. 4,200/- was paid as rent per month for college building upto 6/97 but the building owner served a notice on 1/6/97 to vacate the building otherwise the rent of building be increased to Rs.10,000/- per month. It was also stated that the department after fulfilling all the codal formalities increased the rent to Rs.9,000/- per month by the approval of the competent authority.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**32. Para No.20 Pages 22 & 23 of Audit Report for the year 1999-2000; Recovery of Rs.57,795/- on Account of Award of College Canteen Contract to Lower Bidder.**

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**18.05.2005** The Department explained that the higher bidders had not fulfilled the conditions prescribed for taking part in the auction. Some of the bidders went to court of law to seek the contract in view of their higher bids but their petitions were dismissed by the court of law as they could not qualify themselves for auction.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**33. Para No.21 Page 23 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.78,423/- on Account of Appointment on Contract Basis.**

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**17.05.2005** The Department explained that the Finance Department had regularized the expenditure amounting to Rs.177,400/- dated 21-2-2005.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**34. Para No.22 Pages 23 & 24 of Audit Report for the year 1999-2000; Illegitimate Expenditure of Rs.57,793/-.**

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**18.05.2005** The Department explained that the Governor of the Punjab was pleased to accord sanction to the continuation of the said posts of class-IV on permanent basis through budget

estimate 1990-91.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**35. Para No.23.1 Pages 24 & 25 of Audit Report for the year 1999-2000;  
Unauthorized Expenditure of Rs.114,043/- on Purchase of Various Items.**

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Government Girls Inter College Liaquatabad Mianwali-Rs.70,047/-.

**18.05.2005** The Department explained that delegation of financial Power Rule 1990 do not applied to student funds. Principle of Colleges were fully competent to incur expenditure out of students funds vide Serial no. 87 of Revised Hand Book of Circular and General order. Therefore, the expenditure was within the competency of the Principle of the college.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**36. Para No.23.2 Pages 24 & 25 of Audit Report for the year 1999-2000;  
Unauthorized Expenditure of Rs.114,043/- on Purchase of Various Items.**

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Government Inter College Daultala District Rawalpindi-Rs.43,996/-.

**18.05.2005** The Department explained that the expenditure had been got regularized from Director of Education (C), Rawalpindi division Rawalpindi.

Audit was of the view that the expenditure be got regularized from Administrative Secretary.

The Committee **kept the para pending** till the regularization by the Administrative Secretary.

**37. Para No.24 Page 25 of Audit Report for the year 1999-2000; Recovery of  
Rs.5,615,124/- on Account of Salaries Drawn From Public Exchequer for July and  
August, 1999.**

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**18.05.2005** The Department explained that the record had been produced to audit who had verified the contention of the Department and recommended the para for settlement.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**38. Para No.25 Page 26 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,018,901/- on Purchase of Furniture & Science Equipments Recovery of Rs.49,600/-.**

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**18.05.2005** The Department explained that the grant of Rs.1,019,000/- was sanctioned to already existing Government Degree College, Mian Channu for the provision of furniture and Science Equipments through supplementary grant 1992-93 against an equivalent surrender from Chief Minister's priority Programme. It was also stated that an amount of Rs.10,000/- was forfeited from the defaulter and deposited into government treasury. Negotiation was made with the second bidder to supply student desks on the rate of first bidder but he insisted that the rates of our firm that was Rs.1,990/- per desk were exact and accurate. The College Administration had no alternative due to shortage of time.

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

**39. Para No.27 Page 27 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.91,135/- on Construction of Water Tank.**

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**18.05.2005** The Department explained that the Principal was fully competent to make such expenditure from funds. PF Rules were not applicable to students fund as laid down in article 87 of hand book of circular Punjab Education Department.

The committee **settled the para** subject to verification of record by Audit

**40. Para No.28 Pages 27 & 28 of Audit Report for the year 1999-2000; Recovery of Rs.121,417/- on Account of Non-Deduction of Income Tax/Sales Tax.**

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**18.05.2005** The Department explained that so far as the recovery of Rs.30,354/- on account of income tax was concerned a sum of Rs.2,258/- had been recovered and the remaining amount was not due as the supplies were within Rs.25,000/-.

Audit verified the contention of the Department and recommended this part of income tax for settlement.

So far as the non deduction of sales tax of Rs.91,062/- was concerned. The Department stated that the affidavit had been obtained from the firms that their sales limit was less than five million during the Financial Year. Therefore, sales tax was not livable.

The Committee **settled the para** subject to verification of record by audit.

**41. Para No.29 Page 28 of Audit Report for the year 1999-2000; Fictitious Expenditure of Rs.99,600/- on Account of Repair of Building Charged to College Welfare Fund.**

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**18.05.2005** The Department explained that the expenditure was not fictitious as the dates of estimates and work order were correct. Technical sanction and completion certificate had been produced to audit who had verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**42. Para No.30 Page 29 of Audit Report for the year 1999-2000; Undue Retention of Government Money to the Tune of Rs.183,326/-.**

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**18.05.2005** The Department explained that the expenditure on account of electricity charges was met by the government directly. The realization of the electricity charge from the occupant for this period was deposited in the bank for safety.

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

**43. Para No.34 Page 31 of Audit Report for the year 1999-2000; Unauthorized purchase of a Toyota Corolla Car for Rs.659,000/- out of transport fund.**

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**21.11.2003** The Department explained that the college was given autonomy in 1990 and the car was purchased in 1998 after obtaining necessary permission from the Board of Governors, the Competent Authority.

The Audit, however, suggested that while purchasing the car, the college authorities had committed procedural irregularity which needed to be regularized by the Finance Department.

The Committee settled the para subject to regularization by FD and directed the Vice Chancellor, Lahore College for Women University to get the rules/statutes of the University approved, by the Government at the earliest.

**30.07.2004** The Department explained that case for regularization had been moved to the Finance Department vide letter dated 22-6-2004.

Finance Department observed that the department should move a summary to Chief Minister

through it for necessary regularization.

The Committee showed its displeasure on moving the case with considerable delay and the para was kept pending.

**16.05.2005** The Department explained that in compliance with the PAC directions, the Chief Minister, Government of the Punjab had been pleased to accord the approval of regularization.

Audit verified the contention of the Department and **the para was settled.**

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**44. Para No.35 Pages 32 & 33 of Audit Report for the year 1999-2000; Irregular purchase of furniture fixtures amounting Rs.120,700/- out of general fund.**

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**22.11.2003** The Department explained that the prices of Punjab Wood Working Services Centre were higher and additional expenditure on transportation was involved. Therefore, the purchases were made at the lowest competitive prices through quotations in the light of the directions of the Purchase Committee of the College and all the codal formalities were fulfilled.

The para was kept pending with the direction that the advice be sought from the FD whether the provisions of Purchase Manual Instructions applied to the purchases made under local purchase powers delegated by the Government.

**30.07.2004** Pursuant to the directions of PAC, Finance Department clarified that the Purchase Manual was not ipso facto applicable to purchases made by autonomous bodies/local authority. Finance Department recommended the para for settlement which was endorsed by audit also.

On the recommendation of Finance Department & Audit, **the para was settled.**

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**45. Para No.36 Pages 33 & 34 of Audit Report for the year 1999-2000; Illegitimate expenditure of Rs.989,414/- against on going work of construction of bus stand computer lab and committee room.**

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**21.11.2003** The Department explained that as the college was given autonomy and the government had not provided funds for construction of the said buildings, so the college generated funds from its own resources and presented the case to the Board of Governors for approval. The Board approved this project. and formed a Campus Committee to regulate and supervise this project. The contract was awarded to M/S Landmark Associates at 10% less rate than the notified rates of the C&W Department. Thus the expenditure was incurred in the most economical manner with the saving of Rs.4 lac approximately.



The Committee directed that the Audit should compare the rates paid by the University to the Contractor with the rates approved by the Government and submit a report in the next meeting.

The para was kept pending.

**30.07.2004** The audit stated that the respective schedule of rates had been compared and recommended the para for settlement.

On the recommendations of Audit, **the para was settled.**

**46. Para No.37 Page 34 of Audit Report for the year 1999-2000; Recovery of Rs.2,816,212/- due to non-surrendering of unutilized Grant-in-Aid for 1998-99.**

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**22.11.2003** Audit explained before the committee that the record had been seen and verified and recommended the para for settlement.

On the recommendation of Audit, **the para was settled.**

**47. Para No.38 Page 35 of Audit Report for the year 1999-2000; Temporary embezzlement of Rs.1,147,124/- (Rs.1,141,354+5770) recovery of loss to Government/ employees.**

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**22.11.2003** Audit informed the Committee in the meeting that the total recovery from the concerned employees on account of GP Fund, Benevolent Fund and Group Insurance had been effected and deposited in the relevant account. The Audit further observed that the Department should in consultation with the Accountant General Punjab calculate the interest on G.P. Fund credits Benevolent Fund deductions at the prevailing rates for the period the amounts remained with college and credit the amount of interest to the respective accounts.

The Committee settled the para subject to compliance with the above mentioned Audit observations by the Department.

**30.07.2004** The Department explained that interest on GP Fund calculated by AG Punjab had been deposited in Government Treasury which was also verified by Audit.

**The para was settled.**

**48. Para No.39 Pages 35 & 36 of Audit Report for the year 1999-2000; Unauthorized Realization of Students Funds to the Tune of Rs.1,059,873/-.**

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**18.05.2005** The Department explained that no NCC fund or Computer Fund was realized during the year 1997-98. However, NCC fine was deposited in the bank during the period of NCC

training program and balance pointed out by audit was an amount of NCC fine, not NCC fund lying in the account. So far as the Computer Account was concerned the balance was an amount of computer fee which was being deposited in the account as per instructions of the Government.

The Committee **settled the para** with the directions that the Department should strictly follow the policy of the government.

**49. Para No.40 Page 36 of Audit Report for the year 1999-2000; Unauthorized and irregular payment of remuneration amounting to Rs.540,400/- in 1998-99 & Rs.452,200/- during 1999-2000 (upto 12/99) to officers and staff engaged in evening shift.**

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**21.11.2003** The Department explained that evening classes were started in the public interest and its approval was got by the Board of Governors of the College on 9<sup>th</sup> October 1998. As the staff had to work in the evening therefore, it was decided that Rs.350/- would be granted per lecture. The approval was covered under sections 5 & 6 of the Lahore College Act and the Board of Governors was fully competent for the purpose.

The Committee discussed the para **and decided to settle it.**

**50. Para No.41 Page 37 of Audit Report for the year 1999-2000; Irregular Purchase of Sports Articles, Loss of Rs.135,766/-.**

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**51. Para No.42 Page 37 of Audit Report for the year 1999-2000; Un-Authorized Opening of Bank Account and Undue Retention of Government Money Amounting to Rs.1,776,032/-.**

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**18.05.2005** The Department explained that the requisite record had been produced to audit who had accepted the contention of the Department/verified the record.

Audit verified the contention of the Department in the aforesaid paras and recommended these for settlement.

**The paras were settled.**

**52. Para No.43 Page 38 of Audit Report for the year 1999-2000; Un-Economical Purchase/Contracts Amounting Rs.449,202/-.**

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**18.05.2005** The Department explained that an Inquiry Committee was constituted to conduct the inquiry against Ch. Muhammad Khan concerned Principal, Govt. Degree College, Mandi Bhauddin. The inquiry had been completed and the final decision was to be taken by the Chief

Minister being competent authority in the case.

The Committee **kept the para pending** till the decision by the Chief Minister.

**53. Para No.45 Page 39 of Audit Report for the year 1999-2000; Loss of Rs.43,200/- Due to Irregular Award of Canteen Contract-Recovery Thereof.**

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**30.08.2005** The Department explained that no proper canteen was built in the college premises. In order to provide the refreshment facilities to the college students, the temporary arrangements were made by the college administration and a reasonable person was searched out. He arranged himself a wheel barrow and converted it into a canteen. He always took away all his material after the college hours. It was further stated that no electricity, gas or water facilities were provided to him by the college administration.

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

**54. Para No.46 Pages 39 & 40 of Audit Report for the year 1999-2000; Payment of Salaries to Lecturers Working in Excess of Strength Amounting to Rs.568,400/-.**

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**30.08.2005** The Department explained that erratic posting/adjustment was made in the public interest by the competent authority. But now this practice had been stopped. The Committee **settled the para** with the directions that no such arrangements be made in future without consultation of the Finance Department.

**55. Para No.47 Page 40 of Audit Report for the year 1999-2000; Irregular Expenditure on Repair of College Rs.656,941/-.**

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**30.08.2005** The Department explained that expenditure was incurred three times and there was no irregularity at all as the Principal was competent to incur such expenditure.

Finance Department was of the view that it should be ensured by the Administrative Secretary that the College Welfare Fund was incurred in transparent manners.

The Committee **settled the para subject to** verification/vetting of inquiry report by the Administrative Secretary.

**56. Para No.48 Pages 40 & 41 of Audit Report for the year 1999-2000; Irregular Payment of Rs.154,400/- Due to Appointment of Staff During Ban.**

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**30.08.2005** The Department explained that there was no ban on the appointment of the staff on

daily wages basis from college fund and the Principal was competent in this regard. However, audit contended that the expenditure be got regularized by the DPI(Colleges).

The Committee **settled the para subject to** regularization by the competent authority.

**57. Para No.49 Page 41 of Audit Report for the year 1999-2000; Doubtful Purchase of Chairs/Likely Misappropriation of Rs.214,500/-.**

---

**18.05.2005** The Department explained that the record had been produced to audit who had verified the contention of the Department and recommended the para for settlement.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**58. Para No.50 Page 42 of Audit Report for the year 1999-2000; Irregular Drawal and Deposit of Rs.182,711/- Drawn from Government Account and Deposited in Private Bank.**

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**30.08.2005** The Department explained that the recovery of Rs.1,228/- had been made and the record relating to the balance amount had been got verified by audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**59. Para No.51 Pages 42 & 43 of Audit Report for the year 1999-2000; Irregular Expenditure Amounting to Rs.144,350/- from Students Funds.**

---

**30.08.2005** The Department explained that the amount was incurred as expenditure on the student and the sanction of re-appropriation of Rs.65,000/- was obtained by DE(C), Gujranwala and the sanction of the amount was procedurally completed.

The Committee **kept the para pending** with the direction that the matter be investigated at the level of Administrative Secretary within three months under intimation to PAC.

**60. Para No.52 Page 43 of Audit Report for the year 1999-2000; Unauthorized/irregular expenditure of Rs.1,034,204/- on account of purchase of durable goods.**

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**21.11.2003** The Department explained that the budget for the year 1998-99 was approved by the

Board of Governors of the College in its meeting held on 12-6-1998 and the expenditure incurred on the perishable/breakable goods was wrongly booked to the head No.1200-Machinery & Equipment.

The Committee settled the para subject to regularization of expenditure by the competent authority.

**30.07.2004** The Department stated that in compliance with PAC directions, the case for regularization had been moved to Finance Department on 22-6-2004.

The Committee kept the para pending till regularization by Finance Department.

**16.05.2005** The Department explained that in compliance with the PAC directions, the Chief Minister, Government of the Punjab had been pleased to accord the approval of regularization.

Audit verified the contention of the Department and **the para was settled.**

**61. Para No.53 Page 44 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.109,930/- on the Purchase of Furniture Fixtures, Equipment and Sports Goods.**

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**18.05.2005** The Department explained that the requisite record had been produced to audit who had accepted the contention of the Department/verified the record.

Audit verified the contention of the Department in the aforesaid paras and recommended these for settlement.

**The para was settled.**

**62. Para No.54 Pages 44 & 45 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.56,812/- Out of College Welfare Fund.**

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**30.08.2005** The Department explained that out of the total expenditure of Rs.56,812/-, an amount of Rs.11,500/- had been credited to Welfare Fund, due to irrelevant spending and the rest of the expenditure was a legitimate charge on the welfare fund which was spent according to rules with the approval of College Management Committee.

The Committee **kept the para pending** till the regularization by the competent authority.

**63. Para No.55 Pages 45 & 46 of Audit Report for the year 1999-2000; Unwarranted profiteering due to irrational enhancement in rates of tuition fee**

**resulting in revenue surplus of Rs.4,226,245/-.**

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**22.11.2003** The Department explained that tuition fee was increased to meet the inevitable/ inescapable expenditure of the College and its approval was obtained by the competent authority. The Committee discussed the para and **decided to settle it.**

**64. Para No.56 Page 46 of Audit Report for the year 1999-2000; Unwarranted profiteering due to irrational enhancement in the rates of tuition fee, resulting in net revenue surplus of Rs.2,886,022/-.**

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**21.11.2003** The Department explained that the enhancement in the tuition fee was sanctioned by the Finance Committee of the college and its confirmation was also granted by the Board of Governors, the competent authority.

In view of the explanation of the Department, **the para was settled.**

**65. Para No.57 Page 47 of Audit Report for the year 1999-2000; Infructuous and Wasteful Expenditure of Rs.636,634/- Due to Unjustifiable Posting of Science Teaching Staff.**

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**30.08.2005** The Department explained that the competent authority appointed all the Science Teachers on the sanctioned/vacant posts and budget of these posts was also available. However, they were teaching subjects other than science with the expectations that the science classes would be started in near future.

The Committee **settled the para subject to** regularization by the Finance Department.

**66. Para No.59 Pages 48 & 49 of Audit Report for the year 1999-2000; Loss of Rs.78,000/- to Government Due to Defective Award of Canteen Contractor.**

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**67. Para No.66 Page 54 of Audit Report for the year 1999-2000; Irregular Drawal of Matching Grant of Rs.100,000/- Recovery of Rs.57,172/-.**

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**68. Para No.68 Page 55 of Audit Report for the year 1999-2000; Recovery of Rs.54,000/- on Account of Excess Concession of Tution Fee.**

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**69. Para No.71.1 Page 57 of Audit Report for the year 1999-2000; Recovery of Rs.76,324/- on Account of Unauthorized Drawal of Dress and Washing Allowance.**

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Government Science College Wahdat Road, Lahore – Rs.53,744/-

**70. Para No.71.2 Page 57 of Audit Report for the year 1999-2000; Recovery of Rs.76,324/- on Account of Unauthorized Drawal of Dress and Washing Allowance.**

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Government College (W) Mandi Bahauddin – Rs.22,580/-

**18.05.2005** The Department explained that the requisite record had been produced to audit who had accepted the contention of the Department/verified the record.

Audit verified the contention of the Department in the aforesaid paras and recommended these for settlement.

**The paras were settled.**

**71. Para No.63 Page 52 of Audit Report for the year 1999-2000; Recovery of Rs.293,676/- on Account of Irregular Drawal of House Rent Allowance.**

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**30.08.2005** The Department explained that out of total recoverable amount an amount of Rs.204,409/- had been recovered and the record relating to Rs.82,656/- not due had been got verified by audit. The balance recovery of Rs.6,611/- would be recovered from the defaulter at the earliest.

The Committee **settled the para subject to** balance recovery and its verification by Audit.

**72. Para No.64 Pages 52 & 53 of Audit Report for the year 1999-2000; Expenditure of Rs.172,325/- Illegitimately Charged to Students Funds Recovery Thereof.**

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**30.08.2005** The Department explained that Rs.172,325/- was taken as loan from student fund for payment of utility bills due to non-availability of contingent grant and Rs.34,173/- had been deposited back into the relevant funds. It was also stated that the case for additional grant had already been submitted to the Secretary Education.

The Committee reduced the para to Rs.138,151/- and **kept the para pending** till the additional grant was received back into the relevant fund.

**73. Para No.65 Page 53 of Audit Report for the year 1999-2000; Irregular**

## **Expenditure of Rs.435,376/-.**

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**30.08.2005** The Department explained that for the repair of college building, small amount of Rs.25,000/- had to be drawn in advance to meet the daily needs such as purchase of building material and payment to the work men and labour. It was also stated that at the time of audit the relevant consumption register was misplaced and could not be presented to Audit team. A fact finding inquiry was conducted and the District Officer Building, Sahiwal verified the standard of work and the extent of expenditure.

The Committee **settled the para subject to** vetting of inquiry report by the Administrative Secretary.

### **74. Para No.69 Pages 55 & 56 of Audit Report for the year 1999-2000; Misuse of Students Funds Outstanding Loans and Advances Amounting to Rs.285,472/- Granted Unlawfully.**

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**30.08.2005** The Department explained that all the record relating to the draft para was sealed by the Army Monitoring Cell in connection with the inquiry against the Principal. The Committee **kept the para pending** with the directions that the matter be taken up with the appropriate authorities to get the record unsealed and produced to audit for verification.

### **75. Para No.70 Page 56 of Audit Report for the year 1999-2000; Non-Recovery of the Cost of Books Lost/Stolen Amounting to Rs.74,953/-.**

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**30.08.2005** The Department explained that an inquiry was conducted against Mr. Khalid Hussain Zafar, ex-Principal and the embezzlement had been proved against him. He had been dismissed from service and a criminal case had been got registered against him. The process of recovery as arrears of land revenue had also been initiated against him.

**The para was kept pending.**

### **76. Para No.72 Page 58 of Audit Report for the year 1999-2000; Lapses and Irregularities in the Accounts of the Computer Centre Established in College.**

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**30.08.2005** Audit had agreed with the departmental contention containing in Part-II, III, IV and V. So far as the part-I was concerned the Department stated that a sum of Rs.327,324.50 realized as college share of profit from 1/9/1999 to 12/1999 was kept in bank account of the college as per letter No. SO(A-I)2-1/85-97(COMP-I) dated 6-8-2001.

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

**77. Para No.73 Page 59 of Audit Report for the year 1999-2000; Non-Deduction of Sales Tax Amounting to Rs.87,794/-.**

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**16.05.2005** The Department explained that the firms M/s. Pak Sports and Amjad Brothers Faislabad were approached to deposit the GST but both the firms had stated that the quotation letter dated 14-9-1998 did not contain any condition of GST and that the firms also did not quote their rates with sales tax. It was also stated that the tenders for the purchase of sports were called on 14-9-1998 while the orders for GST were passed on 07-10-1998. Therefore, the firms did not quote the rates inclusive of the GST.

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

**78. Para No.74 Pages 59 & 60 of Audit Report for the year 1999-2000; Less Recovery of Rs.98,698/- on Account of Electricity Consumed from Bulk Supply.**

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**30.08.2005** The Department explained that the occupants paid electricity charges according to the consumption. The commercial charges were not applicable on domestic users as pointed out by audit.

The Committee **pended the para** for verification of record by Audit.

**79. Para No.75 Page 60 of Audit Report for the year 1999-2000; Misuse of Matching Grants. Recovery of Rs.85,667/-.**

---

**18.05.2005** The Department explained that the requisite record had been produced to audit who had accepted the contention of the Department/verified the record.

Audit verified the contention of the Department in the aforesaid paras and recommended these for settlement.

**The para was settled.**

**80. Para No.76 Page 61 of Audit Report for the year 1999-2000; Outstanding Profit Due from Computer Centre Amounting to Rs.207,355/-.**

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**30.08.2005** The Department explained that balance recovery of Rs.27,355/- on account of management share of profit from the party of the Computer Centre had been recovered and got verified by audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**81. Para No.77 Pages 61 & 62 of Audit Report for the year 1999-2000; Misuse of the Balances Held in Social Welfare Fund Unsettled Advances Rs.504,239/-.**

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**30.08.2005** The Department explained that Rs.97,997/- had been paid at source as electricity charges and Rs.42,476/- had to be refunded in Social Welfare Fund as and when the grant was received from the government.

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

**82. Para No.78 Page 62 of Audit Report for the year 1999-2000; Recovery of Rs.115,255/- on Account of House Rent Allowance.**

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**30.08.2005** The Department explained that the para consisted of two parts:-

- (i) The Department explained that according to the record of Accountant General Punjab an amount of Rs.54,965/- was recoverable from Mrs. Zahida Shaheen Niazi, Assistant Professor and the said amount had been recovered from her.
- (ii) An amount of Rs.31,528/- which was recoverable from Mrs. Neelofar Waqar on account of House Rent Allowance had not yet been effected.

The Committee **kept the para pending** with the direction that the recovery be made at the earliest and disciplinary action be taken against the concerned DDO for not deducting the amount from her pay at the proper time.

**83. Para No.79 Pages 62 & 63 of Audit Report for the year 1999-2000; Recovery of Rs.198,688/- on Account of Less Realization of Tuition Fee.**

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**30.08.2005** The Department explained that the less realization of fee was due to the reasons that the names of students were struck off from college roll due to non-payment of their college dues/fees. The students also did not appear in board examination. The relevant record had been got verified by audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**84. Para No.80 Page 63 of Audit Report for the year 1999-2000; Recovery of Rs.78,000/- on Account of Private Use of Electricity and Water.**

---

**30.08.2005** The Department explained that the concerned officer had been dismissed from service and a criminal case had been got registered against him. The case for recovery as arrears of land revenue had been initiated.

The Committee **kept the para pending.**

**85. Para No.81 Pages 63 & 64 of Audit Report for the year 1999-2000; Recovery of irregular payment amounting Rs.367,350/- by extending undue favour to college principal.**

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**22.11.2003** The Department stated that the powers and competence for appointment on contract basis of Principal and other staff vested in the Board of Governors. The financial package offered to Prof. Dr Mira Phailbus was thoroughly evaluated by the Finance Committee and then by Executive Committee and finally approved by the Board of Governors.

Audit suggested that the amount be got regularized from the S&GAD with retrospective effect.

The Committee settled the para subject to regularization of terms and conditions by the S&GAD.

**30.07.2004** The Department explained that the case for regularization of terms and conditions of appointment had been referred to S&GA Department where the matter was still pending.

The para was kept pending till regularization.

**16.05.2005** The Department explained that the Governor of the Punjab, had regularized the appointment of Dr. Mira Phailbus as Principle of Kinnaird College for Women, Lahore on the recommendation of **BOG**.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**86. Para No.83 Page 65 of Audit Report for the year 1999-2000; Recovery of Rs.75,140/- on Account of Irregular Payment of Electricity Charges.**

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**17.05.2005** The Department explained that the total amount had been paid out of government grant.

Audit had verified the contention of the department and recommended the para for settlement.

**The para was settled.**

**87. Para No.84 Page 65 of Audit Report for the year 1999-2000; Non-Utilization of Matching Grants for Rs.183,500/-.**

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**88. Para No.86 Pages 66 & 67 of Audit Report for the year 1999-2000; Loss of Rs.93,597/- to Government Due to Less Realization/Non-Deposit of Tuition Fee.**

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**89. Para No.87 Page 67 of Audit Report for the year 1999-2000; Non Refund of Balance Amount of Matching Grant Rs.60,000/-.**

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**90. Para No.89.3 Pages 68 & 69 of Audit Report for the year 1999-2000; Recovery of Rs.1,098,755/- on Account of Electricity/Gas Charges, House Rent & Library Books.**

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Government College for Boys Mandi Bahauddin-Rs.48,569/-.

**91. Para No.89.4 Pages 68 & 69 of Audit Report for the year 1999-2000; Recovery of Rs.1,098,755/- on Account of Electricity/Gas Charges, House Rent & Library Books.**

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Government College Asghar Mall, Rawalpindi-Rs.163,286/-.

**92. Para No.90 Page 69 of Audit Report for the year 1999-2000; Recovery of Rs.40,934/- on Account of Non-Deduction of 5% House Rent.**

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**93. Para No.92 Page 70 of Audit Report for the year 1999-2000; Excessive Calls on Official Telephone for Rs.72,808/-.**

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**94. Para No.93.2 Pages 70 & 71 of Audit Report for the year 1999-2000; Non-Occupation of Government Residences, Loss to Government Amounting to Rs.720,600/-, Recovery Thereof.**

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Government Model College for Girls Model Town, Lahore-Rs.91,460/-.



**95. Para No.93.3 Pages 70 & 71 of Audit Report for the year 1999-2000; Non-Occupation of Government Residences, Loss to Government Amounting to Rs.720,600/-, Recovery Thereof.**

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Government Degree College for Women Mandi Bahauddin-Rs.236,722/-.

**96. Para No.95.3 Pages 72 & 73 of Audit Report for the year 1999-2000; Recovery of Rs.2,219,735/- Due to Less Realization of Tuition Fee, Non Deduction of House Rent Non-Recovery of Advances and Non Return of Library Books.**

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Government Islamia Degree College Sahiwal-Rs.17,650/-.

**97. Para No.96 Page 73 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.768,129/- Due to Payment of Salaries Without Sanctioned Posts.**

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**98. Para No.99.1 Pages 75 & 76 of Audit Report for the year 1999-2000; Non-Deduction/Recovery of Interest on Advances Loss of Rs.679,833/-.**

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Government Model College (G) Model Town, Lahore-Rs.37,106/-.

**99. Para No.99.2 Pages 75 & 76 of Audit Report for the year 1999-2000; Non-Deduction/Recovery of Interest on Advances Loss of Rs.679,833/-.**

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Government Science College Wahdat Road, Lahore-Rs.123,726/-.

**100. Para No.99.3 Pages 75 & 76 of Audit Report for the year 1999-2000; Non-Deduction/Recovery of Interest on Advances Loss of Rs.679,833/-.**

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Government Science College Wahdat Road, Lahore-Rs.456,618/-.

**101. Para No.99.4 Pages 75 & 76 of Audit Report for the year 1999-2000; Non-Deduction/Recovery of Interest on Advances Loss of Rs.679,833/-.**

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Principal Government Islamia Degree College (W), Lahore Cantt-Rs.41,014/-.

**102. Para No.99.5 Pages 75 & 76 of Audit Report for the year 1999-2000; Non-Deduction/Recovery of Interest on Advances Loss of Rs.679,833/-.**

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Principal Government Islamia Degree College (W), Lahore Cantt-Rs.21,369/-.

**18.05.2005** The Department explained that the requisite record had been produced to audit who had accepted the contention of the Department/verified the record.

Audit verified the contention of the Department in the aforesaid paras and recommended these for settlement.

**The paras were settled.**

**103. Para No.88 Pages 67 & 68 of Audit Report for the year 1999-2000; Irregular Advance Drawal of Public Money Worth Rs.70,000/-.**

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**30.08.2005** The Department explained that at the time of receipt of Matching Grant balance in GP Fund of the College was only Rs.43,359/-. It was not sufficient to equal the Matching Grant therefore expenditure out of Matching Grant was incurred to make the dire and urgent requirements of college students. The expenditure was made in the best interest of students and institution.

The Committee **kept the para pending** for regularization by competent authority.

**104. Para No.91 Pages 69 & 70 of Audit Report for the year 1999-2000; Recovery of Rs.49,164/- on Account of Drawal of Conveyance Allowance During Summer Vacation.**

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**30.08.2005** The Department explained that the actual amount of recovery was Rs.31,440/- which had been got verified by Audit.

The Committee **settled the para subject to** verification of record by audit.

**105. Para No.95.2 Pages 72 & 73 of Audit Report for the year 1999-2000; Recovery of Rs.2,219,735/- Due to Less Realization of Tuition Fee, Non Deduction of House Rent Non-Recovery of Advances and Non Return of Library Books.**

---

Government College Civil Line Multan-Rs.21,983/-.

**30.08.2005** The Department explained that the assessed rent of the residence plus conveyance allowance amounting to Rs.10,798/- had been recovered and got verified by Audit.

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

**106. Para No.97.1 Page 74 of Audit Report for the year 1999-2000; Mis-**

## **Appropriation of Library Books Loss of Rs.495,448/-.**

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Government Jinnah Islamia College, Sialkot-Rs.228,808/-.

**30.08.2005** The Department explained that all the books as pointed out in the audit para had been returned in the library/cost of books deposited in the government treasury as per decision of the meeting. Only 96 books were outstanding, as given below:-

- 1- two books returned in the Library amounting to Rs.1,212/-
- 2- Cost of 44 books Rs.3,268/- deposited in the treasury vide Challan No. B/65 and B/18 dated 5/12/2000 (2943 & 325 dated 30/11/2000)
- 3- Remaining 50 books were against Mr. Abdul Majeed ex-Librarian and had been included in audit para No. 2 of 1975-81 which was still unsettled with the Department.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

## **107. Para No.98 Pages 74 & 75 of Audit Report for the year 1999-2000; Irregular Drawal of House Rent Allowance Worth Rs.103,320/-.**

---

**18.05.2005** The Department explained that the recovery of house rent was not justify in light of substitution made in letter No. D(M-1)1-15/82 dated 15-1-2000.

The Committee **kept the para pending** for verification of the Finance Department letter by Audit.

## **108. Para No.100 Pages 76 & 77 of Audit Report for the year 1999-2000; Non-Deposit Of Contract Money Of Cycle Stand For Rs.106,879/- To Government.**

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**27.11.2004** The Department explained that the total amount had been recovered and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

## **109. Para No.101.1 Page 77 of Audit Report for the year 1999-2000; Un-Authorized Drawl of Conveyance Allowance During Summer Vacation, Loss of Rs.195,256/-.**

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Government College of Physical Education (W) Township Lahore – Rs.48,606/-.

**22.11.2003** Audit informed the Committee in the meeting that total recovery to the extent of the Government College of Physical Education (Township), Lahore had been effected and verified and recommended the para for settlement.

On the recommendation of Audit, **this part of the para was settled.**

**110. Para No.101.2 Page 77 of Audit Report for the year 1999-2000; Un-Authorized Drawal of Conveyance Allowance During Summer Vacation. Loss of Rs.195,256/-.**

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Government Jinnah Degree College (W), Mozang Lahore-Rs.35,644/-.

**111. Para No.101.3 Page 77 of Audit Report for the year 1999-2000; Un-Authorized Drawal of Conveyance Allowance During Summer Vacation. Loss of Rs.195,256/-.**

---

Government Islamia Degree College (W), Lahore Cantt-Rs.111,006/-.

**18.05.2005** The Department explained that the requisite record had been produced to audit who had accepted the contention of the Department/verified the record.

Audit verified the contention of the Department in the aforesaid paras and recommended these for settlement.

**The paras were settled.**

**112. Para No.102.1 Page 78 of Audit Report for the year 1999-2000; Less Realization of Tuition/Admission Fee Loss of Rs.172,890/-.**

---

Government Jinnah Degree College (W), Mozang Lahore-Rs.65,340/-.

**17.05.2005** The Department explained that 63 students of F.Sc. first year session 1994-96 were admitted. During the said session name of the 13 students were struck off due to their long absence from the College, 09 students were failed in annual promotion test and 41 students were promoted to the class 2nd year for the session 1994-96. Tuition fee if the said students was required to be realized, 22 students left the college before 01-07-1995. It was also stated that the fee concession were also granted to the students.

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

**113. Para No.102.2 Page 78 of Audit Report for the year 1999-2000; Less Realization of Tuition/Admission Fee Loss of Rs.172,890/-.**

---

Government Jinnah Degree College (W), Mozang Lahore-Rs.48,630/-.

**17.05.2005** The Department explained that 68 students of F.Sc. first year session 1995-97 were admitted. During the said session name of the 10 students were struck off due to their long absence from the College, 11 students were failed in annual promotion test and 47 students were promoted to the class 2nd year for the session 1995-97. Tuition fee if the said students was required to be realized, 21 students left the College before 01-06-1996. It was also stated that the fee concession were also granted to the students.

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

**114. Para No.102.3 Page 78 of Audit Report for the year 1999-2000; Less Realization of Tuition/Admission Fee Loss of Rs.172,890/-.**

---

Government Jinnah Degree College (W), Mozang Lahore-Rs.58,920/-.

**17.05.2005** The Department explained that 65 students of F.Sc. first year session 1996-98 were admitted. During the said session name of the 16 students were struck off due to their long absence from the College before 30-9-1996, the actual recovery comes to Rs.400/- which had been deposited into the government treasury.

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

**115. Para No.103.1 Pages 79 & 80 of Audit Report for the year 1999-2000; Unauthorized Drawal of House Rent Allowance Loss of Rs.1,117,957/-.**

---

Government College (W) Timber Market, Ravi Road, Lahore-Rs.73,439/-.

**30.08.2005** The Department explained that the amount of recovery involved in draft para had already been included in the draft Para No. 78.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**116. Para No.103.2 Pages 79 & 80 of Audit Report for the year 1999-2000; Unauthorized Drawal of House Rent Allowance Loss of Rs.1,117,957/-.**

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Government College (W) Sargodha-Rs.182,371/-.

**117. Para No.103.3 Pages 79 & 80 of Audit Report for the year 1999-2000; Unauthorized Drawal of House Rent Allowance Loss of Rs.1,117,957/-.**

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Government College (W) Sargodha-Rs.154,980/-.

**118. Para No.103.6 Pages 79 & 80 of Audit Report for the year 1999-2000; Unauthorized Drawal of House Rent Allowance Loss of Rs.1,117,957/-.**

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Government I.D. Jinnah Girls Degree College Lalamusa District Gujrat-Rs.72,234/-.

**119. Para No.103.7 Pages 79 & 80 of Audit Report for the year 1999-2000; Unauthorized Drawal of House Rent Allowance Loss of Rs.1,117,957/-.**

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Government Girls College Shorekot Jhang-Rs.62,453/-.

**120. Para No.105.1 Pages 80 & 81 of Audit Report for the year 1999-2000; Non-Deposit of Tuition/Admission Fee Loss of Rs.126,875/-.**

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Principal Government Degree College (W), Samanabad, Lahore-Rs.56,335/-.

**121. Para No.108 Page 83 of Audit Report for the year 1999-2000; Non/Less Deduction of Income Tax from Suppliers/Contractors Amounting-Rs.56,554/-.**

---

**18.05.2005** The Department explained that the requisite record had been produced to audit who had accepted the contention of the Department verified the record.

Audit verified the contention of the Department in the aforesaid paras and recommended for settlement.

**The paras were settled.**

**122. Para No.103.4 Pages 79 & 80 of Audit Report for the year 1999-2000; Unauthorized Drawal of House Rent Allowance Loss of Rs.1,117,957/-.**

---

Government Zamindar Science College Gujrat-Rs.196,308/-.

**30.08.2005** The Department explained that an amount of Rs.2,600/- had been recovered from Syed Sajjad Munib & Rizwan and the remaining officers had been directed to deposit their amount regarding house rent within 15 days.



The Committee **kept the para pending** with the direction that balance recovery be made at the earliest and disciplinary action be taken against the concerned DDO for not deducting the house rent allowance at the proper time.

**123. Para No.103.5 Pages 79 & 80 of Audit Report for the year 1999-2000; Unauthorized Drawal of House Rent Allowance Loss of Rs.1,117,957/-.**

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Government Jinnah Islamia College, Sialkot-Rs.449,611/-.

**30.08.2005** The Department explained that the recovery notices had been issued to the concerned officer/officials.

The Committee **kept the para pending** with the directions that the recovery be effected from the defaulters at the earliest.

**124. Para No.104 Page 80 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.70,729/- Out of Welfare Fund.**

---

**30.08.2005** The Department explained that in the light of the College Council decision dated 9/1/1999, the Library Security of all the students was transferred in the College Welfare Fund and the same had been accounted for in the cash book of the welfare fund on 16/2/1999.

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

**125. Para No.105.2 Pages 80 & 81 of Audit Report for the year 1999-2000; Non-Deposit of Tuition/Admission Fee Loss of Rs.126,875/-.**

---

Government College for Education Multan-Rs.70,540/-

**17.05.2005** The Department explained that the total amount had been recovered and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**126. Para No.106 Pages 81 & 82 of Audit Report for the year 1999-2000; Non-Recovery of House Building Advances and the Amount of Interest, Recovery of Rs.101,983/-.**

---

**17.05.2005** The Department explained that the para actually not related to this College. The

Department requested to transfer the para to relevant College.

Audit verified the contention of the department.

The Committee kept the para pending with the direction that the para be transferred to concerned quarters.

The para was kept pending.

**30.08.2005** The Department explained that the para consisted of two parts:-

(i) Mr. Hafiz Abdul Khaliq, it was stated that the recovery amounting to Rs.39,838/- had already been deducted out of his P P O No.223814 at the time of his retirement and got verified by audit.

(ii) Mr. Rafi-ud-din Malik, it was explained that the officer had already died after his retirement. The case for write off had been submitted to the concerned authority.

The Committee **settled the first part and kept the second part pending** till the write off sanction by the Finance Department.

### **127. Para No.109.1 Pages 83 & 84 of Audit Report for the year 1999-2000; Recovery Of Rs.142,109/- On Accounts Of Over-Payment Of Pay And Allowances.**

---

Director Public Instruction Colleges, Lahore – Rs.11,276/-

**27.11.2004** Audit had pointed out the recovery of Rs.11,276/- on account of over payment of pay and allowances.

The Department explained that the entire amount had been recovered and deposited into Government Treasury. Moreover, Audit had verified all the relevant record.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

### **128. Para No.109.2 Pages 83 & 84 of Audit Report for the year 1999-2000; Recovery of Rs.142,109/- on Account of Over-Payment of Pay and Allowances.**

---

Government Inter College Doultala The. Gujar Khan Rawalpindi-Rs.66,065/-.

**129. Para No.110 Pages 84 & 85 of Audit Report for the year 1999-2000; Likely Misappropriation of Library Books. Loss of Rs.123,630/- Inflicted Upon the Government.**

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**130. Para No.111.2 Pages 85 & 86 of Audit Report for the year 1999-2000; Less Realization of Tuition Fee Amounting to Rs.629,665/-.**

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Government College for Women, Rahim Yar Khan-Rs.31,090/-.

**131. Para No.111.3 Pages 85 & 86 of Audit Report for the year 1999-2000; Less Realization of Tuition Fee Amounting to Rs.629,665/-.**

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Government Degree College for Boys Kot Adu, Muzaffargarh-Rs.19,200/-.

**132. Para No.111.4 Pages 85 & 86 of Audit Report for the year 1999-2000; Less Realization of Tuition Fee Amounting to Rs.629,665/-.**

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Government Degree College, Civil Lines, Multan-Rs.208,130/-.

**133. Para No.119 Pages 92 & 93 of Audit Report for the year 1999-2000; Unauthorized Collection of Burqa and Eid-E-Melad Fund Rs.187,760/- Account not Produced.**

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**18.05.2005** The Department explained that the requisite record had been produced to audit who had accepted the contention of the Department/verified the record.

Audit verified the contention of the Department in the aforesaid paras and recommended these for settlement.

**The paras were settled.**

**134. Para No.109.3 Pages 83 & 84 of Audit Report for the year 1999-2000; Recovery of Rs.142,109/- on Account of Overpayment of Pay and Allowances.**

---

Government Inter College (Boys) Dera Ghazi Khan-Rs.64,768/-.

**30.08.2005** The Department explained that in the light of Supreme Court decision dated 2/1/2001, the amount already drawn by the incumbents was not to be recovered.

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

**135. Para No.111.5 Pages 85 & 86 of Audit Report for the year 1999-2000; Less Realization of Tuition Fee Amounting to Rs.629,665/-.**

---

Government Degree College for Women, Lahore Cantt – Rs.231,500/-.

**30.08.2005** The Department explained that total recovery had been effected.

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

**136. Para No.111.6 Pages 85 & 86 of Audit Report for the year 1999-2000; Less Realization of Tuition Fee Amounting to Rs.629,665/-.**

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Government Inter College Dunyapur, Lodharan - Rs.27,100/-.

**30.08.2005** The Department explained that the notification issued by Education Department whereby the rates of tuition fee were enhanced, was received in college with delay of about one year. As such it was not possible to receive the tuition fee at the enhanced rate during 1996-97. It was also stated that the then Principal of the college had since expired and Rs.8,000/- had been recovered leaving balance of Rs.19,100/-.

The Committee **kept the para pending** with the direction that the balance amount be got written off by the competent authority.

**137. Para No.111.8 Pages 85 & 86 of Audit Report for the year 1999-2000; Less Realization of Tuition Fee Amounting to Rs.629,665/-.**

---

Government College of Education, Faisalabad-Rs15,600/-

**17.05.2005** The Department explained that the total recovery of Rs.15,600/- had been effected and deposited into government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**138. Para No.112 Page 87 of Audit Report for the year 1999-2000; Un-Settled Advances Amounting to Rs.187,222/- Drawn From General Funds.**

---

**139. Para No.122 Pages 94 & 95 of Audit Report for the year 1999-2000; Doubtful Expenditure of Rs.138,796/- on Payment of Electricity Bills During Summer Vacation of 1998-99.**

---

**18.05.2005** The Department explained that the record had been produced to audit who had verified the contention of the Department and recommended the para for settlement.

Audit verified the contention of the Department and recommended the paras for settlement.

**The paras were settled.**

**140. Para No.113 Pages 87 & 88 of Audit Report for the year 1999-2000; Non Production of Record for Rs.808,997/-.**

---

**30.08.2005** The Department explained that an amount of Rs.808,997/- was incurred. Out of this amount Rs.67,594/- was found correct and legitimate by the audit on spot verification. Rest of the amount Rs.134,403/- was found under observation as given below:-

**Rs.4,490/-** All the record relating to the purchase of stationary articles amounting to Rs.4,490/- was available for verification. The stock register and vouched account was also available.

**I- Rs.883/-** In accordance with the audit observation, the amount Rs.883/- had been verified by the audit.

**II- Rs.51,333/-** The expenditure had actually been made of Rs.4,038/-. The record (APP) was available for verification.

**III- Rs.15,000/-** The expenditure had actually been made. The relevant record was available for verification.

**IV- Rs.14,151/-** The amount was paid to (WAPDA) for electricity bills. The bills were misplaced. So certificate of verification was obtained.

**V- Rs.15,829/-** The write off case was sent to higher authorities, which was later on granted positively.

**VI- Rs.10,000/-** The amount had been deposited as matching grant. No irregularity was involved. The statement may please be accepted.

**VII- Rs.22,717/-** All the amount was vouched & spent properly. No excess payment was involved. The total amount of Rs.134,403/- as categorically given in the para along with vouched account was available for verification.

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

**141. Para No.114 Pages 88 & 89 of Audit Report for the year 1999-2000; Non Production of Accounts Record of Selling Prospectus-Worth Rs.930,000/-.**

---

**30.08.2005** Audit had pointed out non-production of accounts/record of selling of prospectus worth Rs.930,000/-.

The Department explained that the prospectus was being sold to the students on no profit no loss basis.

The Committee **settled the para** with the directions that a unified policy be framed through out the province and record of sold prospectus be maintained properly in future.

**142. Para No.117 Pages 90 & 91 of Audit Report for the year 1999-2000; Non Production of Hostel Account Worth Rs.24,642,000/-.**

---

**30.08.2005** Audit had pointed out that non-production of hostel account worth Rs.24,642,000/-.

The Department explained that a fact finding inquiry was under process and that would be completed within 60 days.

The Committee **kept the para pending** with the directions that the inquiry be finalized within 60 days.

## **OTHER THAN COLLEGES**

### **Audit Paras (Civil) for the year 1999-2000**

**1. Para No.1.1 Pages 6 & 7 of Audit Report for the year 1999-2000; Embezzlement of Rs.570,570/- by Tempering the Treasury Challans.**

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Principal Government H.S.S. Feroza, R.Y. Khan-Rs.27,300/-.

**2. Para No.1.2 Pages 6 & 7 of Audit Report for the year 1999-2000; Embezzlement of Rs.570,570/- by Tempering the Treasury Challans.**

---

Principal Government H.S.S. Feroza, R.Y. Khan-Rs.103,840/-.

**30.08.2005** The Department explained that the inquiry against Mr. Naik Muhammad had been finalized and the competent authority had imposed penalties “dismissal from service” alongwith recovery of Rs.956,243/-. So far as the case with Anti-Corruption was concerned, the next date of hearing was fixed for 5-10-2005.



The Committee **kept the paras pending** with the directions that the case with the Anti-Corruption be pursued vigorously.

**3. Para No.1.3 Pages 6 & 7 of Audit Report for the year 1999-2000; Embezzlement of Rs.570,570/- by Tempering the Treasury Challans.**

---

Principal Government H.S.S. Feroza, R.Y. Khan-Rs.299,002/-.

**4. Para No.7.6 Pages 10 & 11 of Audit Report for the year 1999-2000; Embezzlement of Rs.1,448,694/- by Less/Non-Deposit of Tuition Fee Etc.**

---

Government Girls Higher Secondary School R.Y. Khan-Rs.38,570/-.

**30.08.2005** The Department explained that the amount of the paras had already been included in DP No.38 and requested that these paras may kindly be deleted.

Audit verified the contention of the Department and recommended the paras for deletion.

**The paras were accordingly deleted.**

**5. Para No.1.4 Pages 6 & 7 of Audit Report for the year 1999-2000; Embezzlement of Rs.570,570/- by Tempering the Treasury Challans.**

---

Government High School Liaquat Pur, R.Y. Khan-Rs.52,458/-.

**30.08.2005** The Department explained that Mr. Muhammad Aslam Basra, Head Master was compulsorily retired from service vide Government Order No. SO(P&B-I)2-227/2000(20) dated 28-2-2002. Mr. Muhammad Aslam Basra, retired Head-Master filed an appeal No. 1499/2002 in Punjab Service Tribunal, Lahore against the decision. The PST has accepted the appeal and impugned orders were set aside and he was reinstated in service. The court further ordered that the period for which he was out of service would be treated as leave of the kind due. The decision was announced on 30-1-2003. The Solicitor to Government of the Punjab, and Advocate General, Punjab were asked to file CPLA in the Supreme Court of Pakistan against the orders of Punjab Service Tribunal on 30-1-2003. They had advised that this was not a fit case to file CPLA in the Apex Court of Pakistan vide their letter No. MCT-228/02/LE/10026 dated 04-4-2003 and letter No. 1842/AG/SC dated 07-5-2003 respectively. The Headmaster had been reinstated by the Government vide No. SO(E&D-1)2-227/2000(20) dated 23-5-2003. The amount had been recovered and deposited into Government Treasury. So far as the case of Mr. Naik Muhammad was concerned, the next date of hearing was fixed for 05-10-2005.

The Committee **kept the para pending** with the directions that the case with the Anti-

corruption be pursued vigorously.

**6. Para No.1.5 Pages 6 & 7 of Audit Report for the year 1999-2000; Embezzlement of Rs.570,570/- By Tempering The Treasury Challans.**

---

Govt. H.S. School (Boys) Sher Sultan M/Garh Rs.23,722/-

**27.11.2004** The Department explained that total amount had been recovered and deposited into the Government Treasury.

Audit verified the contention of the Department and recommended the para for settlement.

The Committee directed that disciplinary action be taken against the officers who were responsible for tempering the treasury vouchers and **the para was kept pending.**

**7. Para No.1.6 Pages 6 & 7 of Audit Report for the year 1999-2000; Embezzlement of Rs.570,570/- by Tempering the Treasury Challans.**

---

Government Girls High School Sehoe Block Model Town, Lahore-Rs.64,248/-.

**30.08.2005** The Department explained that the DPI(SE) has directed the EDO(Education) to enquire into the case and the report be submitted at the earliest.

The Committee **kept the para pending** with the directions that the inquiry be completed within 30 days.

**8. Para No.2 Page 7 of Audit Report for the year 1999-2000; Fictitious Drawal of Rs.142,000/- for Purchase of Science Equipment.**

---

**30.08.2005** The Department explained that the purchase of Science material was made after observing all codal formalities and stock entries were available in the stock register. The Incharge Teacher had also certified the quality and quantity of the equipment.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**9. Para No.4 Page 8 of Audit Report for the year 1999-2000; Loss of Rs.92,618/- Due to Shortage of Library Books.**

---

**30.08.2005** The Department explained that most of books had been disposed/written off with the sanction of competent authority, while the remaining books were physically available in the school library.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**10. Para No.5 Pages 8 & 9 of Audit Report for the year 1999-2000; Likely Misappropriation Of Rs.737,863/-.**

---

**27.11.2004** The Department explained that Rs.108,282/- was embezzled instead of Rs.735,763/- as the pay of 11 months amounting to Rs.737,863/- was drawn from the bank and Rs.629,581/- was disbursed among the staff. The Department further explained that an FIR had already been registered against the accused Mr. Naik Muhammad by Anti-Corruption Establishment, Rahim Yar Khan and challan had been submitted to the Special Judge Anti-Corruption Multan. The next day of hearing was fixed for 9-2-2005. The Department had also initiated an inquiry under the PRSO 2000. The inquiry had been completed and the competent authority had given personal hearing to the accused on 24-11-2004. The finding of the inquiry was still waited.

The Committee **kept the para pending** till the finalization of the inquiry report by the department and decision by the court of Anti-Corruption, Multan.

**11. Para No.6 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Payment of Rs.126,843/- Due To Bogus Appointment.**

---

**27.11.2004** The Department explained that an inquiry committee was constituted to probe into the matter under the chairmanship of Dr. Shafqat Hussain Ch. Chairman, BISE Lahore. The Committee had got the certificate verified from the issuing authority and found all the certificates correct/verified.

The Committee **settled the para** subject to approval of the inquiry report by the Competent Authority and verification of relevant record by Audit.

**12. Para No.7.1 Pages 10 & 11 of Audit Report for the year 1999-2000; Embezzlement of Rs.1,448,694/- By Less/Non-Deposit of Tuition Fee etc.**

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Govt. H.S.S. Sher Sultan M/Garh. – Rs.40,451/-

**27.11.2004** Audit had pointed out embezzlement of Rs.40,451- by less/non deposit of tuition fee

etc.

The Department explained that the actual recoverable amount was Rs.34,471/- which had been recovered and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**13. Para No.7.2 Pages 10 & 11 of Audit Report for the year 1999-2000; Embezzlement of Rs.1,448,694/- By Less/Non-Deposit of Tuition Fee etc.**

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Govt. H.S.S. Sher Sultan M/Garh. – Rs.29,206/-

**14. Para No.7.3 Pages 10 & 11 of Audit Report for the year 1999-2000; Embezzlement of Rs.1,448,694/- By Less/Non-Deposit of Tuition Fee etc.**

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Govt. H.S.S. Sher Sultan M/Garh. – Rs.23,449/-

**15. Para No.7.9 Pages 10 & 11 of Audit Report for the year 1999-2000; Embezzlement of Rs.1,448,694/- By Less/Non-Deposit of Tuition Fee etc.**

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Govt. Girls Higher Secondary School Shah Kot Sheikhupura – Rs.137,075/-

**16. Para No.7.10 Pages 10 & 11 of Audit Report for the year 1999-2000; Embezzlement of Rs.1,448,694/- By Less/Non-Deposit of Tuition Fee etc.**

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Govt. Girls Higher Secondary School Shah Kot Sheikhupura – Rs.75,280/-

**27.11.2004** Audit had pointed out embezzlement on account of less/non deposit of tuition fee etc.

The Department explained that the actual recoverable amount had been recovered and deposited into the government treasury.

On the verification and recommendation of Audit, **the paras were settled.**

**17. Para No.7.4 Pages 10 & 11 of Audit Report for the year 1999-2000; Embezzlement of Rs.1,448,694/- by Less/Non-Deposit of Tuition Fee Etc.**

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Govt. Higher Secondary School, E-Block Model Town Lahore – Rs.662,985/-.

**18. Para No.7.5 Pages 10 & 11 of Audit Report for the year 1999-2000; Embezzlement of Rs.1,448,694/- by Less/Non-Deposit of Tuition Fee Etc.**

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Govt. Higher Secondary School, E-Block Model Town Lahore – Rs.334,392/-.

**30.08.2005** The Department explained that the inquiry against Mst. Nargis Anwer had been completed and the competent authority had fixed the date of 07-9-2005 for her personal hearing. The decision was still pending.

**The paras were kept pending.**

**19. Para No.7.11 Pages 10 & 11 of Audit Report for the year 1999-2000; Embezzlement of Rs.1,448,694/- by Less Non-Deposit of Tuition Fee etc.**

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Govt. High School for Boys Taunsa D.G Khan - Rs.20,339/-

**27.11.2004** Audit had pointed out embezzlement of Rs.20,339/- by less/non deposit of tuition fee; etc.

The Department explained that the actual/recoverable amount had been recovered and deposited into government treasury.

Audit stated that the record of recovery had not been produced to Audit for verification.

The Committee directed that the necessary record, as per contention of the department, be produced to Audit for verification.

**The para was kept pending.**

**20. Para No.8.1 Pages 11 & 12 of Audit Report for the year 1999-2000; Fraudulent Drawal Of Rs.831,451/- On Account Of Pay And Allowances On the Basis Of Bogus Appointment/Transfer/Adjustment Orders.**

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Govt. Girls High School Khanpur District Chakwal – Rs.172,115/-

**27.11.2004** Audit had pointed out fraudulent drawl of Rs.172,115/- on account of pay and allowances on basis of bogus appointment/transfer/adjustment orders.

The Department explained that an inquiry was conducted in the matter by the Executive District Officer (Education), Chakwal who had found the appointment orders as legal and correct.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**21. Para No.8.2 Pages 11 & 12 of Audit Report for the year 1999-2000; Fraudulent Drawal Of Rs.831,451/- On Account Of Pay And Allowances On the Basis Of Bogus Appointment/Transfer/Adjustment Orders.**

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Govt. Comprehensive Girls High School Bahawalpur –Not assessed.

**27.11.2004** Audit had pointed out fraudulent drawl of pay and allowances on basis of bogus appointment/transfer/adjustment orders.

The Department explained that Mrs. Tahira Bibi was originally appointed as PET and later on her transfer was allowed by the then DPI (Schools) Punjab from Multan to Bhawalpur, after verifying orders of her first appointment and academic/professional qualification. So for as the matter of her over-age was concerned, the Department explained that her medical fitness certificate was verified by the District Accounts Officer at the time of her appointment.

The Committee directed that an inquiry be conducted regarding the relaxation of upper age limit at the time of her appointment and the same be completed within the period of 90 days under intimation to PAC.

**The para was kept pending.**

**22. Para No.8.3 Pages 11 & 12 of Audit Report for the year 1999-2000; Fraudulent Drawal Of Rs.831,451/- On Account Of Pay And Allowances On the Basis Of Bogus Appointment/Transfer/Adjustment Orders.**

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Govt. Girls High School Rehmania Ravi Park, Lahore – Rs.270,236/-

**27.11.2004** Audit had pointed out fraudulent drawl of Rs.270,236/- on account of pay and allowances on basis of bogus appointment/transfer/adjustment orders.

The Department explained that Mrs. Robina Quasar was initially appointed as Arabic Teacher and posted at GG High School, Fort Abbas, Bhawalnagar but later on she was transferred from Bhawalnagar to Lahore by the order of DPI (Schools) Punjab. The appointment/transfer order were found genuine and confirmed by the competent authority.

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



**23. Para No.8.4 Pages 11 & 12 of Audit Report for the year 1999-2000; Fraudulent Drawal Of Rs.831,451/- On Account Of Pay And Allowances On the Basis Of Bogus Appointment/Transfer/Adjustment Orders.**

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Govt. Girls High School Basti Saidu Shah Upper Mall, Lahore – Rs.304,616/-

**27.11.2004** Audit had pointed out fraudulent drawl of Rs.304,616/- on account of pay and allowances on basis of bogus appointment/transfer/adjustment orders.

The Department explained that an inquiry had been initiated by the orders of DPI (SE) Punjab which was still under process.

The Committee **kept the para pending** with the direction that the inquiry be completed by the end of December 2004 under intimation to PAC.

**24. Para No.8.5 Pages 11 & 12 of Audit Report for the year 1999-2000; Fraudulent Drawal Of Rs.831,451/- On Account Of Pay And Allowances On the Basis Of Bogus Appointment/Transfer/Adjustment Orders.**

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Govt. Islamia Girls High School Lahore Cantt. – Rs.84,484/-

**27.11.2004** Audit had pointed out fraudulent drawl of Rs.84,484/- on account of pay and allowances on basis of bogus appointment/transfer/adjustment orders.

The Department explained that Mr. Ameer Ali arranged a bogus appointment order dated 12-5-1993 which were later on proved as bogus and the same were withdrawn on 5-1-1999.

The Committee directed that an inquiry be initiated to probe into matter and report be submitted to the PAC within the period of 90 days.

**The para was kept pending.**

**25. Para No.9.1 Pages 12 & 13 of Audit Report for the year 1999-2000; Misappropriation Of Rs.571,653/- On Account Of Purchase Of Consumable Articles.**

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DEO (SE), Hafizabad – Rs.51,039/-

**27.11.2004** The Department explained that an amount of Rs.51,439/- was allocated under the object 54,000-stationery to the DEO (SE) Hafizabad by DE (SE) Gujranwala Division. The Department further explained that an inquiry was conducted into the matter in which it had been proved that the DEO being officer of Category –II was competent to effect such purchases and sanction upto Rs.150,000/-.

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

**26. Para No.9.2 Pages 12 & 13 of Audit Report for the year 1999-2000; Misappropriation Of Rs.571,653/- On Account Of Purchase Of Consumable Articles.**

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Govt. Higher Secondary School She Sultan D.G Khan – Rs.94,536/-

**27.11.2004** The Department explained that an inquiry was conducted into the matter. As per inquiry report all the purchase vouchers were produced to the Audit party, however, due to non-availability of Principal (Retd) and concerned clerk, the stock register could not be produced at the time of Audit. Now the original stock register along with all the relevant record had been produced to Audit and got verified.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**27. Para No.9.6 Pages 12 & 13 of Audit Report for the year 1999-2000; Misappropriation Of Rs.571,653/- On Account Of Purchase Of Consumable Articles.**

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Govt. High School (Boys) Taunsa D.G Khan – Rs.30,190/-

**27.11.2004** Audit had pointed out mis-appropriation an amount of Rs.30,190/- on account of purchase of consumable articles.

The Department explained that an amount of Rs.16,316/- and Rs.3,200/- were paid as electricity charges by taking the loan out of students fund. Now the loan had been refunded/adjusted into the relevant fund.

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

**28. Para No.10 Page 14 of Audit Report for the year 1999-2000; Misappropriation of Rs.153,500/- Out of Union Fund & Ferog-e-Taleem Fund.**

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**29. Para No.11 Page 15 of Audit Report for the year 1999-2000; Misappropriation of Rs.399,700/- from Various Student Funds.**

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**30.08.2005** The Department explained that the inquiry had been initiated in the case and assured that if any misappropriation was proved, action would be taken against the responsible.

On the assurance of the Administrative Secretary the Committee **settled the paras.**

**30. Para No.12 Pages 15 & 16 of Audit Report for the year 1999-2000; Non Recovery of House Building Advance From a Subject Specialist Amounting to Rs.92,624/-.**

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**27.11.2004** Audit had pointed out misappropriation of Rs.399,700/- from various student fund.

The Department explained that actually it was non-refundable GPF advance instead of House Building Advance in favour of Mr. Javed Rehmat Ullah, Subject Specialist, which was sanctioned by the Competent Authority, the District Education officer (SE), Lahore Cantt.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**31. Para No.13 Page 16 of Audit Report for the year 1999-2000; Embezzlement of Rs.25,227/- On Account Of Electricity Bill.**

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**27.11.2004** The Department explained that the said amount had been drawn out of government budget and the payment of electricity bills for 7/90 to 6/.92 had been made to WAPDA.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**32. Para No.14 Page 17 of Audit Report for the year 1999-2000; Embezzlement of Rs.207,287/-.**

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**30.08.2005** The Department explained that Rs.34,000/- had already been refunded to the respective funds and got verified by Audit. It was also stated that Rs.170,242/- were actually not advances.

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

**33. Para No.16 Page 18 of Audit Report for the year 1999-2000; Embezzlement Of Rs.45,000/- On Account Of Purchase Of Library Books.**

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**27.11.2004** The Department explained that the relevant record had been produced to Audit which had been verified.

**The para was accordingly settled.**

**34. Para No.18 Page 19 of Audit Report for the year 1999-2000; Misappropriation of Rs.22,500/- on Account of Purchase of Unusual Items.**

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**30.08.2005** The Department explained that no unusual or novel items were purchased but for the necessity of the office of Director (SE) Rawalpindi certain commodities were purchased for the entertainment of delegations/guests and visitors.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**35. Para No.21 Page 21 of Audit Report for the year 1999-2000; Misappropriation of Remuneration Charges Recovery of Rs.137,080/-.**

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**30.08.2005** The Department explained that the amount was drawn on account of remuneration for the payment to the teachers engaged in Middle Standard Examination but the payment was not made in full as appeared from the payment register. It was also stated that the signatures of the receiving officials in several cases, were in the same handwriting and with same pen. The Department further explained that some of the officer responsible had been transferred and retired from service. The action under PRSO 2000 and Pension Rules against the accused was under process.

The Committee **kept the para pending** with the direction that the disciplinary action be completed within 90 days.

**36. Para No.22.1 Pages 22 & 23 of Audit Report for the year 1999-2000; Mis-Use of Government Vehicles Recovery of Rs.1,285,678/-.**

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Director Special Education, Lahore Rs.419,446/-

**27.11.2004** The Department explained that the said vehicles were used by the different officers/officials of the Special Education Directorate to supervise/inspect the institutions of disable children all over the Punjab. The log books of the vehicles were maintained and those could be verified by the Audit.

Audit verified the log books of the said vehicles and recommended the para for settlement. However Audit observed that log books were not maintained according to Government Instructions.

The Committee **settled the para** with the direction that in future log books should be

maintained as per the government instructions.

**37. Para No.22.2 Pages 22 & 23 of Audit Report for the year 1999-2000; Mis-Use of Government Vehicles Recovery of Rs.1,285,678/-.**

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Director Special Education, Lahore Rs.72,835/-

**27.11.2004** Audit had point out the mis-use of government vehicle No. LHV 4939 and thus recovery of Rs.72,835/-.

The Department explained that the said vehicle was shifted to Planning and Education Development Wings of the Punjab Education Department (Schools) under the orders of the Competent Authority, the Secretary, Education.

The Committee directed that the matter be regularized by the Finance Department and the log book be produced to Audit for verification.

**The para was kept pending.**

**38. Para No.22.3 Pages 22 & 23 of Audit Report for the year 1999-2000; Mis-Use of Government Vehicles Recovery of Rs.1,285,678/-.**

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Director Special Education, Lahore Rs.110,674/-

**39. Para No.22.4 Pages 22 & 23 of Audit Report for the year 1999-2000; Mis-Use of Government Vehicles Recovery of Rs.1,285,678/-.**

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Director Special Education, Lahore Rs.312,668/-

**40. Para No.22.5 Pages 22 & 23 of Audit Report for the year 1999-2000; Mis-Use of Government Vehicles Recovery of Rs.1,285,678/-.**

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Director Special Education, Lahore Rs.370,055/-

**27.11.2004** The Department explained that the said vehicles were used by the different officers/officials of the Special Education Directorate to supervise/inspect the institutions of disable children all over the Punjab. The log books of the vehicles were maintained and those could be verified by the Audit.

Audit verified the log books of the said vehicles during the meeting and recommended the para for settlement. However Audit observed that the log books were not maintained as per Government Instructions.

The Committee **settled the paras** with the direction that in future log books should be maintained as per the government instructions.

**41. Para No.23 Page 23 of Audit Report for the year 1999-2000; Fictitious Purchase From Farogh-e-Taleem And Union Funds Rs.135,156/-**

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**27.11.2004** After detailed discussion the committee **kept the para pending** till 30-11-2004 for comments by the Finance Department.

**42. Para No.25.1 Pages 24 & 25 of Audit Report for the year 1999-2000; Non Disbursement Of Salaries. Misappropriation Of Rs.291,619/-**

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Headmistress Govt. High School “E” Block Model Town, Lahore – Rs.163,691/-

**27.11.2004** The Department explained that the amount drawn on account of salary had already been disbursed to the actual claimants.

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

**43. Para No.25.2 Pages 24 & 25 of Audit Report for the year 1999-2000; Non Disbursement Of Salaries. Misappropriation Of Rs.291,619/-**

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Senior Headmaster Govt. High School (Boys) Taunsa D.G Khan – Rs.127,928/-

**27.11.2004** The Department contended that Audit objection was not correct as the pay and allowances was disbursed to the relevant teachers/officials.

The Committee was not satisfied with the departmental contention and directed that an inquiry be conducted into the matter by an officer not below the rank of Grade-19 to examine the acquaintance rolls of the formations in the light of Audit observation under consideration of the PAC.

**The para was kept pending.**

**44. Para No.28 Pages 26 & 27 of Audit Report for the year 1999-2000; Irregular Repair of Vehicles Worth Rs.64,491/-.**

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**30.08.2005** The Department explained that the record of repair of vehicles and NOCs, where required had been got verified by Audit.



Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**45. Para No.29 Page 27 of Audit Report for the year 1999-2000; Irregular Drawal Of Pay Rs.242,652/-**

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**27.11.2004** The Department admitted that Syed Zulfiqar Ali, Lab. Assistant of Government Islamia High School, Khanzada Gate, Lahore was deputed to work in DE(SE) Lahore Division, Lahore whose services were also used in the office of DPI(SE) on account of heavy load of work. The Department further explained that the said official joined back to his parent school and had recently died in a road accident.

The Committee **settled the para** subject to regularization of the amount by the Finance Department.

**46. Para No.30 Pages 27 & 28 of Audit Report for the year 1999-2000; Irregular Drawal Of Arrear Of Pay & Allowances Rs.372,171/-**

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**27.11.2004** The Department explained that no additional budget allocation was required in the cases of arrears of selection grade as per letter No. PR/COORD/Misc/302 dated 16-10-1998.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**47. Para No.31 Page 28 of Audit Report for the year 1999-2000; Doubtful Disposal Of Old Furniture & Fixtures Valuing Rs.90,850/-Approx.**

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**27.11.2004** The Department explained that an inquiry had been initiated into the matter which was still under process.

The Committee **kept the para pending** with the direction that the inquiry be completed within the period of 30 days.

**48. Para No.32.1 Page 29 of Audit Report for the year 1999-2000; Likely Mis-Appropriation of Repair Grant Loss of Rs.2,064,090/-**

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Dy. D.E.O (W)EE Kabirwala Distt. Khanewal Rs.1,984,000/-

**30.11.2004** The Department explained that vide order dated 19-11-2004 a de-novo inquiry had been initiated against the responsible and the same would be finalized within 90 days.

**The para was kept pending** with the direction that the inquiry be finalized within 90 days.

**49. Para No.33 Page 30 of Audit Report for the year 1999-2000; Unlawful Retention of Tuition Fee Amounting To Rs.47,797/- In Commercial Account-Temporary Embezzlement.**

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**27.11.2004** The Department explained that the amount was utilized towards expenditure on loan basis just to meet the urgent need of the school as the school was given autonomy and sufficient funds were not made available. Hence there was no alternative but to utilize the receipt toward the expenditure. However, this practice had now been stopped and would not be repeated in future. The Department explained that the amount Rs.47,797/- taken from the fee had now been refunded/adjusted into fee receipts.

The Committee directed that Department should proceed into the matter as per Audit observations/comments.

**The para was kept pending.**

**50. Para No.35.1 Pages 31 & 32 of Audit Report for the year 1999-2000; Appointment Of Teachers On Fake Documents, Unlawful Payments Of Rs.5,358,426/-**

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Dy. D.E.O (W) EE Pasrur-Rs.89,291/-

**30.11.2004** The Department explained that an inquiry in the case had been initiated and same would be finalized within 30 days.

**The para was kept pending** till the finalization of the inquiry.

**51. Para No.35.2 Pages 31 & 32 of Audit Report for the year 1999-2000; Appointment Of Teachers On Fake Documents, Unlawful Payments Of Rs.5,358,426/-**

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Dy. D.E.O (M)EE Khanewal-Rs.129,720/-

**30.11.2004** The Department explained that an inquiry had been initiated in the case and requested that the para be kept pending till the finalization of the inquiry.

**The para was kept pending** with the direction that the inquiry be finalized within 90 days.

**52. Para No.35.7 Pages 31 & 32 of Audit Report for the year 1999-2000;  
Appointment of Teachers on Fake Documents, Unlawful Payments of Rs.5,358,426/-**

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Dy. D.E.O (M) E E Sohawa-Rs.12,292/-

**30.11.2004** The Department explained that the teacher appointed on bogus certificate was dismissed and the amount of Rs.12,291/- paid to him on account of salary had been recovered and deposited into government treasury.

The supporting record i.e. original treasury challan, credit verification by DAO concerned and orders of dismissal etc. were available for verification by Audit.

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

**53. Para No.35.9 Pages 31 & 32 of Audit Report for the year 1999-2000;  
Appointment Of Teachers On Fake Documents, Unlawful Payments Of Rs.5,358,426/-**

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Dy. D.E.O (M) Minchinabad – Rs.52,482/-

**30.11.2004** The Department explained that the payment of salary in respect of Mr. Muhammad Amjad, Mr. Shahid Saddiquee and Mr. Qasim Ali teachers was withheld due to non-availability of record. The Department further stated that an inquiry was conducted into the matter and it was revealed that in Tehsil Minchanabad 3 posts of teachers were vacant and against these post 67 applications were received and only 43 candidates were found eligible. Interview was held by the District Recruitment Committee and as per merit list the above said 3 teachers were selected for appointment. Later on, Audit pointed out that the appointment of Mr. Qasim Ali was doubtful and in the light of audit objection a strict action was taken by the appointing authority and his services were terminated. Mr. Qasim Ali filed an appeal to the Director on the plea that his record was genuine and available for verification. Therefore, he may be reinstated. The record was thoroughly examined and found genuine. His appeal was accepted and he was reinstated in service. So the appointments of all the teachers were found correct and genuine.

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

**54. Para No.35.13 Pages 31 & 32 of Audit Report for the year 1999-2000;  
Appointment Of Teachers On Fake Documents, Unlawful Payments Of Rs.5,358,426/-**

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Dy. D.E.O (M) Kahrora Pacca– Rs.38,705/-

**30.11.2004** The Department explained that the concerned DDO had since expired, the disciplinary proceedings could not be initiated against him. However, the case against Mr. Ishtiaq Ahmad, Ex-PTC was under process with the ACE Punjab, Lahore. So far as the case with the High Court was concerned, the Department was not update about the latest position of the case.

FD pointed out that the teacher who got appointments on production of bogus documents filed a writ petition in the High Court, Multan Bench and obtained stay order. The High Court passed an order that till such time the employees continued in the service of Education Department and action against them was not finalized, the salary due to them shall not be stopped.

**The para was kept pending** with the direction to pursue the case in the court and inform the Committee about the latest position of the case in the next meeting.

**55. Para No.35.14 Pages 31 & 32 of Audit Report for the year 1999-2000; Appointment of Teachers On Fake Documents, Unlawful Payments Of Rs.5,358,426/-**

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Headmistress, Govt. Girls H.S TDA Colony, Layyah – Rs.281,091/-

**27.11.2004** The Department explained that the para consisted of two parts. As regards to part ‘A’ Mst. Mumtaz Rasheed was appointed as Arabic Teacher on the production of Sanad issued by Shahadat-ul-Almia Gujrat. The Department further explained that such Sanad had been declared as required qualification by the University of Punjab for appointment as Arabic Teacher.

So for as the part ‘B’ was concerned the Department had affected the recovery from the concerned and deposited into the government treasury.

The Committee **settled the part ‘B’** of the para and directed the Department to initiate inquiry with regard to part ‘A’ and the inquiry report be completed within the period of 60 days.

**The part ‘A’ of the para was kept pended.**

**56. Para No.35.15 Pages 31 & 32 of Audit Report for the year 1999-2000; Appointment Of Teachers On Fake Documents, Unlawful Payments Of Rs.5,358,426/-**

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Dy. D.E.O (W) Bahawalnagar – Rs.39,224/-

**57. Para No.35.16 Pages 31 & 32 of Audit Report for the year 1999-2000; Appointment Of Teachers On Fake Documents, Unlawful Payments Of Rs.5,358,426/-**

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Dy. D.E.O (W) Bahawalnagar – Rs.732,767/-

**58. Para No.35.18 Pages 31 & 32 of Audit Report for the year 1999-2000; Appointment Of Teachers On Fake Documents, Unlawful Payments Of Rs.5,358,426/-**

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Dy. D.E.O (W) Bahawalnagar – Rs.186,928/-

**30.11.2004** Audit had pointed out that the records of the paras were not produced for verification.

The Department explained that an inquiry in these cases was under process as soon as the inquiry was completed, the record would be produced to Audit for verification.

The Committee **kept the paras pending** with the direction that the inquiry be completed within 30 days.

**59. Para No.35.17 Pages 31 & 32 of Audit Report for the year 1999-2000; Appointment Of Teachers On Fake Documents, Unlawful Payments Of Rs.5,358,426/-**

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Dy. D.E.O (M) Depalpur, Okara-Rs.333,504/-

**30.11.2004** The Department explained that vide order dated 22.10.2004 action against the concerned officer had been initiated under the pension rules.

**The para was kept pending** with the direction that inquiry/action be finalized within 30 days.

**60. Para No.35.19 Pages 31 & 32 of Audit Report for the year 1999-2000; Appointment Of Teachers On Fake Documents, Unlawful Payments Of Rs.5,358,426/-**

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Dy. D.E.O (W) EE Bahawalnagar – Rs.101,920/-

**30.11.2004** Audit had pointed out that the record was not produced to audit for verification.

The Department explained that the record was available which could be got verified by Audit.

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

**61. Para No.37.8 Pages 33 & 34 of Audit Report for the year 1999-2000; Likely Misappropriation Of Stationery Articles And P.O.L/Purchase Of Stores At Higher Rates Loss To Government Rs.3,014,463/-.**

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Govt. High School Noshera Virkan – Rs.42,185/-

**27.11.2004** The Department explained that an inquiry was initiated into the matter which had been accepted by the DPI (SE) Punjab, the findings of inquiry were as under:-

- a) The expenditure amounting to Rs.29,105/- was found regular and purchased items had been accounted for in the relevant stock register.
- b) The expenditure amounting to Rs.8,816/- pertaining to item entered in the contingent register instead of Stock Register. However, all the purchased items were still being used in the school. There was no embezzlement or malafide on the part of the Headmasters. All these items purchased had also been got entered in the proper stock register by now; and
- c) As regards the expenditure amounting to Rs.4,264/- (out of CC Grant Rs.3,081/- and out of boys funds Rs.1,183/-), there was no APRs available nor stock entries existed in school record. Rs.3,081/- had been deposited into government treasury vide Challan No. 1, dated 23-6-2004 whereas Rs.1,183/- had been deposited in the relevant boys fund.

The Department further explained that the DEO (SE) had issued the warning to the concerned Headmasters involve in this negligence.

On the recommendation of Audit, **the para was settled.**

**62. Para No.37.9 Pages 33 & 34 of Audit Report for the year 1999-2000; Likely Misappropriation of Stationary Articles and P.O.L/Purchase of Stores at Higher Rates Loss to Government Rs.3,014,463/-**

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Dy. D.E.O (W) EE Daska, Sialkot-Rs.199,843/-

**30.11.2004** The Department explained that all the stationary articles had been entered in the relevant stock registers. The record of disbursement to the schools was available and the same could be verified by Audit.

Audit verified the record and recommended the para for settlement.

**The para was accordingly settled.**

**63. Para No.38 Page 35 of Audit Report for the year 1999-2000; Doubtful Deposit of Rs.463,276/- on Account of Tuition Fee Etc.**

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**30.08.2005** The Department explained that actually an amount of Rs.465,220/- had been realized from the students during the period 7/89 to 6/99, out of which Rs.194,520/- had been deposited into government treasury. It was also stated that Rs.270,700/- had been embezzled by the Junior Clerk Mr Naik Muhammad, as per the inquiry report of the Committee. A case was registered against him and the accused was arrested but bailed out on 19-6-2003. Next date of hearing was fixed for 5-10-2005.

The Committee **kept the para pending** with the directions that the case be pursued vigorously.

**64. Para No.39 Pages 35 & 36 of Audit Report for the year 1999-2000; Doubtful Deposit of Government Receipt Rs.1,094,130/-.**

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**30.08.2005** The Department explained that an amount of Rs.1,109,776/60 was realized from the students out of which Rs.1,039,776/- had been deposited into government treasury. The remaining amount was embezzled by Mr. Naik Muhammad Junior Clerk who had been removed from service and the next hearing of the criminal case against him was fixed for 05-10-2005.

The Committee **kept the para pending** with the directions that the case be pursued vigorously.

**65. Para No.41 Page 38 of Audit Report for the year 1999-2000; Overpayment of Rs.170,420/- on Account of Irregular Award of Running Scale.**

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**30.08.2005** The Department explained that Mst. Najma Kalsoom was appointed as qualified Arabic Teacher through District Recruitment Committee on the basis of passing requisite qualification at the time of her recruitment. She was recruited in BS-9 and BS-14 was awarded to her on the basis of acquiring higher qualification.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**66. Para No.42 Pages 39 of Audit Report for the year 1999-2000; Irregular Drawal Of Annual Increments Without Award Of Running Pay Scale Recovery For Rs.229,850/-**

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**27.11.2004** The Department explained that government of the Punjab Education Department awarded running pay scale BS-9 including increment to all Arabic Teacher both male/female in Middle and High Schools w.e.f. 17-8-1989 vide Notification No. SO(NG-1) 10/4/89 dated 17-8-1989. As per notification of even No. dated 6-12-1989, the Arabic Teachers who had been

serving as such in BS-9 since 01-6-1989 or earlier was made entitled to get annual increment in the said pay scale w.e.f. 01-12-1989.

The Department further explained that the DEO (M-EE) Lahore Cantt. had awarded regular grade to Mr. Faiz Ahmad Chishti AT w.e.f. 17-8-1989 vide his order No. 367-368/E-III dated 08-2-2002 and to Mr. Muhammad Akram AT w.e.f. 17-8-1989 vide his order No. 369-370/E-III dated 08-2-2002.

The Committee **settled the para subject to verification** of service book and relevant record in respect of Mr. Faiz Ahmad Chishti AT for verification by Audit.

**67. Para No.43 Pages 39 & 40 of Audit Report for the year 1999-2000; Irregular Grant Of Advance Increments Recovery Of Rs.597,550/-.**

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**27.11.2004** The Department explained that the issue of the Advance Increments and higher grades (double benefit) availed by the teachers had been protected by the Government vide letter dated 27.02.2003.

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

**68. Para No.44.2 Pages 41 & 42 of Audit Report for the year 1999-2000; Overpayments Of Rs.597,137/- On Account Of House Rent Allowance.**

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Govt. M.C High School Okara – Rs.113,800/-

**27.11.2004** The Department explained that non-of the teachers mentioned in the Audit Para was ever provided official residence which had been certified by the XEN Building. Moreover, the government instructions regarding spouses had already been withdrawn by Notification no. FD (M-I)1-15/2PJ dated 10-2-2000.

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

**69. Para No.44.3 Pages 41 & 42 of Audit Report for the year 1999-2000; Overpayments of Rs.597,137/- on Account of House Rent Allowance.**

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Govt. Higher Secondary School Renala Khurd Distt. Okara – Rs.86,774/-.

**30.08.2005** The Department explained that an inquiry Committee was constituted and as per the inquiry report, the recovery of house rent allowance from the pay of the concerned officer had been recovered and got verified by District Accounts Officer, Okara.

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

**70. Para No.44.4 Pages 41 & 42 of Audit Report for the year 1999-2000; Overpayments Of Rs.597,137/- On Account Of House Rent Allowance.**

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Director Secondary Education Faisalabad Division, Faisalabad – Rs.27,121/-

**27.11.2004** The Department explained that total recovery of the Draft Para had been recovered and deposited into government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**71. Para No.44.5 Pages 41 & 42 of Audit Report for the year 1999-2000; Overpayments Of Rs.597,137/- On Account Of House Rent Allowance.**

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Govt. High School Hujra Shah Maqem Okara – Rs.67,689/-

**27.11.2004** The Department explained that the incumbents were never allotted any government accommodation throughout their period of services as it was evident from the certificate issued by the District Officer Building, Okara.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**72. Para No.44.8 Pages 41 & 42 of Audit Report for the year 1999-2000; Overpayments Of Rs.597,137/- On Account Of House Rent Allowance.**

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Govt. Higher Secondary School (Boys) Sher Sultan Distt. M/Garh – Rs.12,063/-

**27.11.2004** The Department explained that total recovery of the Draft Para had been effected and deposited into government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**73. Para No.45.1 & 45.3 Pages 42 & 43 of Audit Report for the year 1999-2000; Overpayments Of Rs.109,165/- Due To Irregular Grant Of Advance Increments/ Selection Scale To Class-IV Servants.**

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(45.1) Govt. Colony Secondary School R.Y. Khan – Rs.19,911/-

(45.3) Govt. Arif High School Mustafabad, Lahore – Rs.73,302/-

**27.11.2004** The Department explained that the matter was considered by the Chief Executive of Province who had very graciously protected the advance increments and higher grades (double benefit) already availed by the teachers.

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

**74. Para No.45.2 Pages 42 & 43 of Audit Report for the year 1999-2000; Overpayments Of Rs.109,165/- Due To Irregular Grant Of Advance Increments/ Selection Scale To Class-IV Servants.**

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Govt. Alpha Christian Girls High School, Rawalpindi – Rs.15,952/-

**27.11.2004** Audit had pointed out over payment of Rs.15,952/- due to irregular grant of advance increments/selection scale to Class-IV officials.

The Department explained that actual recovery of Rs.16,083/- had been effected and record had been verified by Audit.

Audit recommended the para for settlement.

**The para was accordingly settled.**

**75. Para No.46 Pages 43 & 44 of Audit Report for the year 1999-2000; Overpayment Of House Rent And Conveyance Allowances, Non Recovery of Electricity, Gas and Water Charges to the Tune Of Rs.281,557/- Recovery Thereof.**

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**27.11.2004** The Department explained that the Officers were residing in the store rooms of the Stadium without provision of any attached bath etc. and were paying utility bills from their own pockets. As the officers were not living in the accommodation according to their scale therefore 5% of pay was not recoverable from them.

The Department further explained that the amount assessed by the Building Department

had been recovered from the officers and deposited into the Government Treasury.

**The para was kept pending** for verification of recovery by Audit.

**16.05.2005** The Department explained that the actual amount of recovery was Rs.33,283/- instead of Rs.281,557/- which had been recovered and deposited into Board Funds.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**76. Para No.47.1 Pages 44 & 45 of Audit Report for the year 1999-2000; Overpayment of Salaries Due to Wrong Fixation/Overdrawal of Pay Amounting to Rs.915,055 /-.**

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Dy. D.E.O (W) Karor Pacca Distt. Lodhran-Rs.19,564/-

**30.11.2004** The Department explained that the entire recovery from the concerned had been effected and got verified by Audit. On the query of the committee whether the concerned teachers were in service or had been dismissed, the Department explained that the latest position in this regard would be placed before the committee in the next meeting.

The Finance Department observed that the Administrative Department may recheck the FD's instructions regarding the validity of appointments of the incumbents. As per FD's instructions regular scale can not be awarded to un-trained teachers so long as they do not improve their academic qualification within the period of 3 years of their appointments.

**The para was kept pending** for apprizing the Committee about the latest position of the incumbents.

**77. Para No.47.5 Pages 44 & 45 of Audit Report for the year 1999-2000; Overpayment of Salaries Due to Wrong Fixation/Overdrawal of Pay Amounting to Rs.915,055 /-.**

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Dy. D.E.O (F) Wazirabad-Rs.50,390/-

**30.11.2004** The Department explained that an amount of Rs.49,022/- had been recovered and deposited into the government treasury. The same had been accepted and verified by Audit. Further the non-drawl of Rs.1,368/- by Asifa Nasreen had also been got verified by audit.

Audit verified the contention of the Department and recommended the para for settlement

**The para was accordingly settled.**

**78. Para No.47.6 Pages 44 & 45 of Audit Report for the year 1999-2000; Overpayment of Salaries Due to Wrong Fixation/Overdrawal of Pay Amounting to Rs.915,055 /-.**

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Dy. D.E.O (M) Khanpur-Rs.156,666/-

**30.11.2004** The Department explained that de-novo inquiry had been initiated against the responsible officers which would be completed within 40 days.

**The para was kept pending** with the direction that the inquiry be finalized within 40 days.

**79. Para No.47.7 Pages 44 & 45 of Audit Report for the year 1999-2000; Overpayment of Salaries Due to Wrong Fixation/Overdrawal of Pay Amounting to Rs.915,055/-.**

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Dy. D.E.O (W) Shahpur-Rs.108,209/-

**80. Para No.47.12 Pages 44 & 45 of Audit Report for the year 1999-2000; Overpayment of Salaries Due to Wrong Fixation/Overdrawal of Pay Amounting to Rs.915,055/-.**

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Dy. D.E.O (M) Bhalwal-Rs.60,738/-

**30.11.2004** The Department explained that relevant record was available and same would be got verified by Audit. However, the FD pointed out that clarification be sought from the FD regarding re-fixation of benefits to un-trained teachers on acquiring higher education qualification.

**The paras were kept pending** with the direction that clarification be sought from the FD before the next meeting.

**81. Para No.47.11 Pages 44 & 45 of Audit Report for the year 1999-2000; Overpayment of Salaries Due to Wrong Fixation/Overdrawal of Pay Amounting to Rs.915,055/-.**

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Dy. D.E.O (W) EE Bhalwal-Rs.13,024/-



**30.11.2004** The Department explained that overpayment of Rs. 3,142/- had been recovered and deposited into government treasury.

Audit verified the statement of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**82. Para No.48 Page 45 of Audit Report for the year 1999-2000; Overpayment Of Rs.341,628/-**

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**27.11.2004** The Department explained that the Finance Department in its letter dated 3-3-2004 addressed to AG Punjab had clarified that the officer and officials who were granted move-over prior to 27-11-1997 would continue to draw house rent allowance admissible to them on move-over scales. Therefore, there was no matter of recovery involved.

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

**83. Para No.49 Page 46 of Audit Report for the year 1999-2000; Irregular Payment of Rs.164,966/- on Account of Pay and Allowances.**

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**30.08.2005** The Department explained that as per service book record the total period of EOL availed by the lady teacher was more than five years. Under revised Leave Rules 1981, the authority was not competent to sanction leave beyond five years.

The Committee **kept the para pending** and directed that a fact finding inquiry be initiated and completed within 90 days under intimation to PAC.

**84. Para No.50 Pages 46 & 47 of Audit Report for the year 1999-2000; Irregular Payment of Rs.56,445/- on Account of Annual Increments Without Award of Running Scale.**

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**30.08.2005** The Department explained that out of total recoverable amount of Rs.31,000/- had been recovered from the pay of the concerned teacher. The remaining amount was being recovered in installment of Rs.1,000/- per month.

The Committee **pended the para** till the recovery was completed.

**85. Para No.52 Page 48 of Audit Report for the year 1999-2000; Overpayment Of Rs.159,700/- Due To Non Deduction Of Science Teaching Allowance In Summer Vacations.**

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**29.11.2004** Audit had pointed out that an SST teacher was granted science teaching allowance to which he was not entitled. Moreover this allowance was not deducted from pay of other teachers during the summer vacation.

The department explained that science teaching allowance was admissible to the teachers during vacations as per Finance Department's Notification dated 18.07.88. However the case of Syed Muhammad Mustafa SST who was B.A; FSc; M.Ed, had been referred to Finance Department and advice thereon was awaited.

Finance Department was of the opinion that if the said teacher did not possess prescribed academic qualification, he was not entitled for science teaching allowance.

The Committee directed the department to effect recovery of over payment made to the said teacher within 90 days.

**The para was kept pending.**

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**86. Para No.53.1 Pages 48 & 49 of Audit Report for the year 1999-2000; Unauthorized Drawal Of Conveyance Allowance During Summer Vacations. Recovery Of Rs.93,108/-**

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Principal, Govt. Boys Comprehensive Higher Secondary School, Lahore Rs.71,121/-

**29.11.2004** The department explained that an amount of Rs.72,730/- had been recovered from said teacher and deposited into the Government treasury.

The Committee observed that the department should have taken action against DDOs and other responsible officers for irregular payment.

The para was **conditionally settled** subject to verification of relevant record by Audit.

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**87. Para No.53.2 Pages 48 & 49 of Audit Report for the year 1999-2000; Unauthorized Drawal Of Conveyance Allowance During Summer Vacations. Recovery Of Rs.93,108/-**

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Headmistress, Govt. Girls Higher Secondary School No.1, Gujranwala – Rs.21,987/-

**29.11.2004** The department explained that total recovery on account of irregular drawal of conveyance allowance had been effected from concerned staff and deposited into the Government

treasury.

**The para was conditionally settled** subject to the verification of relevant record by Audit and disciplinary action against the DDOs.

**88. Para No.55.1 Page 50 of Audit Report for the year 1999-2000;  
Misappropriation Through Non/Less Accountal of Store Rs.75,536/-**

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Director (S.E) Rawalpindi Division, Rawalpindi – Rs.42,828/-.

**30.08.2005** The Department explained that action against the responsible officer was under process.

The Committee **kept the para pending** with the directions that the inquiry be finalized within 90 days.

**89. Para No.55.2 Page 50 of Audit Report for the year 1999-2000;  
Misappropriation Through Non/Less Accountal of Store Rs.75,536/-**

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Govt. City High School D.G. Khan – Rs.32,708/-

**30.08.2005** The Department explained that so far as less accountal was concerned an amount of Rs.450/- had been recovered and deposited into government treasury and the necessary stock entries of non-accountal amount were available in the stock register. Rs.9,245/- had been recovered from the concerned Headmaster.

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

**90. Para No.58 Page 52 of Audit Report for the year 1999-2000; Non-Occupation  
Of Government Accommodations Loss Of Rs.99,780/-**

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**29.11.2004** Audit had pointed out that 2 one room quarters were not allotted to security guards which resulted in loss to the Government.

The department explained that the said quarters were not worth living and Buildings Department had declared them dangerous. On receipt of funds from District Government Lahore, repair work of the said quarters was under process.

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

**91. Para No.59.1 Pages 52 & 53 of Audit Report for the year 1999-2000; Non-  
Accountal Of Store Items Rs.198,629/-**

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Govt. High School Dhoda Distt. Sialkot – Rs.172,147/-

**29.11.2004** Audit had pointed out that store items purchased by the department were neither entered in the stock register nor found consumed.

The department explained that an amount of Rs.3,000/- was mistakenly drawn from Government treasury against actual purchase of articles to the tune of Rs.1,500/-. However the excess amount of Rs.1,500/- was deposited back and all entries were made in relevant registers. In case of library books, the bookseller failed to provide the books and an amount of Rs.1,000/- was also deposited in to Government treasury.

Audit stated that departmental contention had been verified in view of the record produced by it.

On recommendation of Audit **the para was settled.**

**92. Para No.60 Page 54 of Audit Report for the year 1999-2000; Non-Reconciliation With Accountant General Punjab Likely Misappropriation Of Rs.345,655/-**

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**29.11.2004** The department explained that revised schedule of payment had been obtained from AG Punjab and all three cheques involved in Audit observation had been included in the treasury schedule of GGHS Samanabad Lahore.

Audit verified the contention of the department.

On recommendation of Audit **the para was settled.**

**93. Para No.61 Pages 54 & 55 of Audit Report for the year 1999-2000; Loss Sustained To Government Due To Non Auction Of Canteen/Agricultural Land Worth Rs.144,416/-**

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**29.11.2004** Audit had pointed out that the department did not recovered the rent of canteen which was being run in GGHS No.2 Khurshidabad Muzaffargarh. Moreover agricultural land available in the premises of technical training centre Bahawalnagar was not leased despite availability of requisite facilities.

The department explained that EDO Muzaffargarh had conducted an inquiry in to the matter which revealed that no regular canteen was functioning in the school. However a tuck shop was there and recovery to the tune of Rs.18,130/- was justified which had already been

effected and deposited in to Government treasury. It was added that the matter of agricultural land pertained to TEVTA.

The Committee **settled the para** to the extent of canteen rent and the matter of **agricultural land was kept pending** and directed the department to transfer the matter to TEVTA for explanation and report.

**94. Para No.62.1 Pages 55 & 56 of Audit Report for the year 1999-2000; Loss Of Rs.133,624/- To Public Exchequer Due To Non Auction/Non Maintenance Of Canteen Account And Non Leasing Of School Land.**

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Principal Govt. Higher Secondary School (W), Khushab – Rs.45,000/-

**29.11.2004** The Department explained that no specific canteen building existed in the school. However during the year 1997 a room without ceiling was given as canteen on rent to a contractor for one year at rent of Rs.22,500/-. But the canteen did not prove to be profitable and the contractor left it before due date. Afterwards ceiling was constructed and the same room was used as Staff room. It was added that actual outstanding dues amounting to Rs.22,500/- had been recovered and deposited in to Government treasury.

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

**95. Para No.62.2 Pages 55 & 56 of Audit Report for the year 1999-2000; Loss Of Rs.133,624/- To Public Exchequer Due To Non Auction/Non Maintenance Of Canteen Account And Non Leasing Of School Land.**

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Govt. Girls High School 'E' Block Model Town, Lahore – Rs.55,264/-

**29.11.2004** The department explained that an inquiry had been ordered in to the matter and requested to defer the consideration of the para till finalization of the inquiry.

**The para was kept pending** with the directions that Department should finalize the inquiry proceedings within the period of 30 days.

**96. Para No.62.3 Pages 55 & 56 of Audit Report for the year 1999-2000; Loss Of Rs.133,624/- To Public Exchequer Due To Non Auction/Non Maintenance Of Canteen Account And Non Leasing Of School Land.**

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Government High School Kullarwali Distt. Muzaffargarh – Rs.33,360/-

**29.11.2004** The Department explained that para consisted of two parts:-

(a) Incase of part "A" it was stated that land involved in Audit observation had been leased

for three years @ Rs.2,000/- for 1998-1999, @ Rs.25,000/- for 1999-2000 and 2000-2001. The amount had been recovered and deposited in to Government treasury.

(b) Incase of part “B” it was stated that possession of 29 kanal 4 marla land was given in 1999 whereas additional 5 marla was uneven and full of bushes. This land required huge investment to make it useable and it was maintained properly with the cooperation of some landlords of the area.

The Committee **settled part “A” of the para** while **part “B” was kept pending** with the direction that Department should get the relevant record verified by Audit.

#### **97. Para No.64 Page 58 of Audit Report for the year 1999-2000; Irregular Expenditure On White Wash From Farogh-e-Taleem Fund Rs.99,355/-**

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**29.11.2004** Audit had pointed out that the department incurred expenditure on white wash from Farogh-e-Taleem fund in violation of delegation of Financial Power rules 1990.

The department explained that the delegation of Financial Power rules 1990 were not applicable in case of student’s funds and the funds were spent with approval of competent authority which had been verified by Audit.

On recommendation of Audit, **the para was settled.**

#### **98. Para No.66 Page 59 of Audit Report for the year 1999-2000; Un-Authorized Expenditure Out Of Farogh-e-Taleem Fund Rs.110,706/-**

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**29.11.2004** Audit had pointed out that the department incurred expenditure from Farogh-e-Taleem funds without approval of school management committee.

The department explained that the funds were utilized for maintenance and repair of school building and equipment and all items purchase for the purpose were entered in the relevant stock register. Moreover a probe into the matter revealed that all purchases/works were executed through the school purchase committee after observing all codal formalities. It was contented that financial rules were not applicable in the matter.

The committee directed that the department should ensure that funds were utilized with the approval of competent authority and take action against responsible person, if so required.

With above directions, **the para was settled.**



**99. Para No.67 Page 60 of Audit Report for the year 1999-2000; Un-lawful Payment Of Salaries To The Staff On Loan Basis Rs.169,988/-**

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**29.11.2004** Audit had pointed out that certain officials of the department performed duties elsewhere on temporary transfer in violation of instructions of the finance department.

The department explained that certain official were transferred and relieved from one place to the other place. Due rectifications for the purpose had been made and recovery was not justified.

Audit contented that no official deputed on temporary duty should stay for more than three months as per policy.

The Administrative department further explained that rationalization process had been started in the department to depute the staff according to requirements which would be completed till June 2005. The previous irregularity, if any, may be ignored.

The Committee directed the department to get the expenditure regularized by the Finance Department.

**The para was kept pending.**

**100. Para No.68 Pages 60 & 61 of Audit Report for the year 1999-2000; Irregular Expenditure On Purchase Of Furniture Out Of Students Funds Rs.250,000/-**

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**29.11.2004** The Department explained that the Delegation Financial Power rules were not applicable in case of student funds and head mistress of the school was fully competent to incur the expenditure. Moreover in case of local purchase open tender system was not essential as per instructions of Finance Department.

The Committee accepted the explanation of the department and **the para was settled.**

**101. Para No.69.1 Page 61 of Audit Report for the year 1999-2000; Irregular Expenditure On Purchase Of Scientific Stores Rs.121,000/-.**

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Govt. City High School D.G.Khan Rs.91,000/-.

**29.11.2004** Audit had pointed out that the department incurred expenditure on purchase of store items without approval of competent authority and observing codal formalities.

The department explained that store items amounting to Rs.71,000/- were purchase after

observing all the codal formalities where as a sum of Rs.20,000/- was not drawn and Audit observation was not justified.

The Committee **conditionally settled the para** subject to the verification of relevant record by Audit.

**102. Para No.69.2 Page 61 of Audit Report for the year 1999-2000; Irregular Expenditure On Purchase Of Scientific Stores Rs.121,000/-.**

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Govt. Higher Secondary School Moch Mianwali Rs.30,000/-.

**29.11.2004** Audit had pointed out that the department incurred expenditure on purchase of store items without approval of competent authority and observing codal formalities.

The Department explained that expenditure amounting to Rs.30,000/- was incurred on purchase of Science Equipment after approval of the Principal who being Category-II Officer was fully competent for the purpose.

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

**103. Para No.70.1 Page 62 of Audit Report for the year 1999-2000; Irregular Expenditure Rs.60,000/-**

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Govt. Model High School (Boys) No.1 Rajanpur – Rs.40,000/-

**29.11.2004** Audit had pointed out that the department incurred expenditure on purchase of sports articles without approval of competent authority in violation of Rules.

The Department explained that in case of non-recurring items, the powers of category-II Officer were Rs.10,000/- in each case and the expenditure of Rs.40,000/- was incurred during the period 1995 to 1998 from heads as per requirements of the School.

Audit agreed with departmental contention in the meeting.

**The para was accordingly settled.**

**104. Para No.70.2 Page 62 of Audit Report for the year 1999-2000; Irregular Expenditure Rs.60,000/-**

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Govt. High School Kallor Wali District Muzaffargarh – Rs.20,000/-

**29.11.2004** Audit had pointed out that the department incurred expenditure on purchase of sports articles without approval of competent authority in violation of Rules.

The Department explained that Senior Headmaster being category-II Officer was fully competent for local purchases to the tune of Rs.150,000/- and all the items purchased were entered in the stock register.

Audit stated that contention of the department had been verified.

**The para was accordingly settled.**

**105. Para No.71 Pages 62 & 63 of Audit Report for the year 1999-2000; Un-Authorized Expenditure From Union Fund Rs.89,362/-**

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**29.11.2004** Audit had pointed out that the department incurred expenditure on sports, games and TA/DA of the teachers against the rules.

The Department explained that the funds utilized for the welfare of the school and TA/DA of teacher were authorized while on tour for tournaments. Some of the utility bills were also paid from the fund being unavoidable which was refundable on receipt of grant from the government.

The Committee directed that it should be ensure that funds were utilized with the approval of competent authority and the action against responsible persons be taken, if so required.

With above directions, **the para was settled.**

**106. Para No.72 Page 63 of Audit Report for the year 1999-2000; irregular Expenditure of Rs.149,899/-.**

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**30.08.2005** The Department explained that the purchases/repair pertained to two financial years i. e. 1997-98 and 1998-99. Repair was got done as and when required from different firms on different dates. The nature of repair was also different. So far as the purchases were concerned, these were made as per requirement at different times and for different items after observing all the codal formalities.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**107. Para No.74 Page 64 of Audit Report for the year 1999-2000; Un-authorized Expenditure On Purchase Of Machinery And Furniture Rs.172,000/-**

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**29.11.2004** The Department explained that purchases were made by DEO (SE) Hafizabad who was fully competent for the purpose being an officer of category-II. As such no approval of higher authority was required in the matter.

It was added that an inquiry had been ordered against the DDO for non production of record to Audit and strict action would be taken for the lapse.

The Committee directed the department to get the record verified by Audit and take action against the DDO at the earliest.

Subject to above directions, **the para was conditionally settled.**

**108. Para No.75 Page 65 of Audit Report for the year 1999-2000; Irregular Expenditure on Purchase of Stationery Rs.194,478/-**

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**30.08.2005** The Department explained that the items were different in most of the cases but alike in some. However, there was reasonable time gap between the purchases indicating the purchases on requirement basis.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**109. Para No.76.3 Pages 65 & 66 of Audit Report for the year 1999-2000; Expenditure Beyond Competency Rs.172,777/-.**

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Govt. Girls High School No.1 Rajan Pur – Rs.40,000/-.

**30.08.2005** The Department explained that the expenditure of Rs.40,000/- was made in the year 1995-96, 1996-97 and 1997-98 from different objects as per requirements of the school according to the Delegation of Financial Power Rules 1990.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**110. Para No.77 Page 66 of Audit Report for the year 1999-2000; Irregular Purchase Of Stationary Amounting To Rs.775,063/-**

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**29.11.2004** Audit had pointed out that the department purchased stationery articles on non-economical rates without approval of competent authority.

The Department explained that Audit had misclassified the stationery grant of two different financial years collectively. Whereas all the purchases were made on economical rates after observing codal formalities. The Divisional Director being category-I Officer was fully competent for the purpose. It was added that departmental contention had already been verified by Audit.

On recommendation of Audit, **the para was settled.**

**111. Para No.80 Page 68 of Audit Report for the year 1999-2000; Recovery Of Rs.61,261/- Due To Irregular Payment Of Pay And Allowances.**

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**29.11.2004** Audit had pointed out that funds amounting to Rs.20,861/- and Rs.40,400/- were drawn from government treasury and Farogh-e-Taleem Fund respectively and paid to the officials engaged on part time basis.

The Department explained that para consisted of two parts. In case of part-A actual recovery amounting to Rs.20,340/- had been effected and deposited into government treasury which stood verified by audit. In case of part-B, it was stated that appointments made on request of SMC and the expenditure had been regularized by the competent authority.

The Committee **settled the Part-A of para** and directed the department to take appropriate action in case of part-B to resolve the issue. With this direction **Part-B was also settled.**

**112. Para No.81 Pages 68 & 69 of Audit Report for the year 1999-2000; Irregular Payments Of Utility Bills From Funds Amounting To Rs.104,902/-**

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**113. Para No.89 Pages 73 & 74 of Audit Report for the year 1999-2000; Unauthorized Drawal From Student Funds Rs.221,067/-**

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**114. Para No.93 Page 76 of Audit Report for the year 1999-2000; Irregular Expenditure Out Of Farogh-e-Taleem Fund Rs.103,621/-**

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**29.11.2004** The above paras related to Farogh-e-Taleem Fund and the Department explained para-wise position in each case.

The Committee directed the Administrative Secretary to take necessary action at departmental level.

With above directions, **the paras were settled.**

**115. Para No.82.1 Pages 69 & 70 of Audit Report for the year 1999-2000; Irregular Expenditure Out of Student Funds Amounting to Rs.768,383/-.**

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Govt. Girls High School Nawan Shahar Multan – Rs.169,736/-.

**30.08.2005** The Department explained that the total record had been produced to audit, who had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**116. Para No.82.2 Pages 69 & 70 of Audit Report for the year 1999-2000; Irregular Expenditure Out of Student Funds Amounting to Rs.768,383/-.**

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Govt. Girls High School Nawan Shahar Multan – Rs.102,405/-.

**117. Para No.88 Page 73 of Audit Report for the year 1999-2000; Doubtful Payment of Rs.71,640/-.**

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**118. Para No.182 Page 140 of Audit Report for the year 1999-2000; Vouched Account of Union Fund not Produced Rs.181,338/-.**

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**119. Para No.190 Pages 146 & 147 of Audit Report for the year 1999-2000; Irregular Creation of Electricity Fund Recovery of Rs.880,068/-.**

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**30.08.2005** The Department explained that above paras related to student funds which were utilized for the welfare of the schools.

The Committee directed that it should be ensured that funds were utilized with the approval of competent authority and the action against responsible persons be taken, if so required.

With above directions, **the paras were settled.**

**120. Para No.82.3 Pages 69 & 70 of Audit Report for the year 1999-2000; Irregular Expenditure Out of Student Funds Amounting to Rs.768,383/-.**



Govt. Girls High School Nawan Shahar Multan – Rs.496,242/-.

**30.08.2005** The Department explained that the stock register and minutes of SMC were produced to audit, who had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**121. Para No.83.1 Page 70 of Audit Report for the year 1999-2000; Excess Expenditure Over and Above the Budget Allocation – Rs.544,559/-.**

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Director of (S/E) Bahawalpur – Rs.109,421/-.

**30.08.2005** The Department explained that the appropriation accounts for the year 1998-99 pertaining to this head of account had already been settled by the PAC-I on 12-8-2004. The Committee accepted the explanation of the Department and **the para was settled.**

**122. Para No.84 Page 71 of Audit Report for the year 1999-2000; Doubtful Purchase of Furniture Worth – Rs.277,00/-.**

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**30.08.2005** The Department explained that all the articles were received and the same were entered in the relevant stock register before the submission of the contingent bills in the accounts office.

Audit contended that the purchases were made at the exorbitant rates and Rs.16,981/- were excess paid.

The Department stated that the Principal who had made all the purchases had expired on 3-11-2004.

The Committee **settled the para subject to** write off sanction of Rs.16,981/- by the Competent authority.

**123. Para No.85 Pages 71 & 72 of Audit Report for the year 1999-2000; Irregular Expenditure From Student Welfare Fund Worth – Rs.196,457/-.**

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**30.08.2005** The Department explained that the expenditure was incurred with the approval of School Management Committee as per rules.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**124. Para No.90 Page 74 of Audit Report for the year 1999-2000; Irregular Expenditure on Repair of Vehicle Rs.76,817/-.**

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**30.08.2005** The Department explained that an inquiry was conducted and it had been proved that the expenditure on repair on vehicles was made according to the delegation of Financial Power Rules. However, the expenditure on some items was made beyond the competency which had been deposited into the government treasury.

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

**125. Para No.94 Pages 76 & 77 of Audit Report for the year 1999-2000; Irregular Expenditure Without Sanction Rs.207,431/-**

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**29.11.2004** Audit had pointed that the expenditure on non-recurring items was split out to avoid the sanction of next higher authority.

The Department explained that the expenditure was incurred in three different financial years for purchase of stationery and it was within the provisions of delegation of financial powers rules.

Audit stated that the facts at issue had been verified. On recommendation of the Audit, **the para was settled.**

**126. Para No.96.4 Pages 77 & 78 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.3,199,978/-**

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Dy. D.E.O (W) Gujrat-Rs.249,988/-

**30.11.2004** The Department explained that as per decision of the SDAC in its meeting dated 5-12-1998, the case was referred to the FD for regularization of the expenditure, which had been returned back with the remarks that action be taken against the responsible officers.

The Committee **kept the para pending** for regularization by FD subject to disciplinary action as observed by the Finance Department against the concerned DDO.

**127. Para No.96.6 Pages 77 & 78 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.3,199,978/-**

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Dy. D.E.O (F/EE) Gujranwala-Rs.47,258/-

**30.11.2004** Audit had pointed out that neither DDO attended the office nor relevant record was produced for verification.

The Department explained that disciplinary action was under process against the DDO for the lapse and the relevant record was available and same would be produced for verification.

**The para was kept pending** for verification of record within 30 days.

**128. Para No.96.7 Pages 77, 78 & 79 of Audit Report for the year 1999-2000;  
Irregular Expenditure of Rs.3,199,978/-**

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Dy. D.E.O (W) Sahiwal-Rs.832,445/-

**30.11.2004** The Department explained that the case for regularization of the expenditure had been referred to the Finance Department and the same had been received back with the observation that first action be taken against officers who were responsible for this irregularity and the case may be resubmitted with full justification.

**The para was kept pending** with the direction that action be taken against the responsible as observed by the FD within 90 days under intimation to PAC.

**129. Para No.96.8 Pages 77, 78 & 79 of Audit Report for the year 1999-2000;  
Irregular Expenditure of Rs.3,199,978/-**

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Dy. D.E.O (M) Tounsa D. G. Khan-Rs.300,000/-

**30.11.2004** The Department admitted that in the instant case the expenditure was made beyond the competence of DDO and no proper distribution of store was shown to audit.

The Committee directed that an inquiry be initiated and responsibility be fixed within 30 days.

**The para was kept pended.**

**130. Para No.96.10 Pages 77, 78 & 79 of Audit Report for the year 1999-2000;  
Irregular Expenditure of Rs.3,199,978/-**

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Dy. D.E.O (M) D. G. Khan-Rs.149,850/-

**30.11.2004** The Department explained that an enquiry already conducted was found unsatisfactory and de-novo inquiry had been initiated.

**The para was kept pending** with the direction that the de-novo inquiry be completed within 90 days.

**131. Para No.96.12 Pages 77, 78 & 79 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.3,199,978/-**

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Dy. D.E.O (M) EE Multan-Rs.148,500/-

**30.11.2004** Audit had pointed out that the instant para was infact pertained to DEO (M), Multan but was erroneously printed in the audit report against Deputy DEO (M-EE) Multan. The Department was required to submit revised working paper and produce relevant record for verification.

The Department explained that revised working paper in accordance with record would be submitted to the Committee in the next meeting.

**The para was kept pended.**

**132. Para No.96.14 Pages 77, 78 & 79 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.3,199,978/-**

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Dy. D.E.O (M) EE Mianwali-Rs.199,891/-

**30.11.2004** The Department explained that the para was discussed in the SDAC meeting on 25-1-2000 and in compliance with the certain observation of the SDAC, the case for regularization of expenditure had been referred to the FD.

**The para was kept pending** till regularization from the FD.

**133. Para No.98 Page 80 of Audit Report for the year 1999-2000; Irregular Purchase Of Furniture From Students Funds Rs.186,021/-**

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**29.11.2004** Audit had pointed out that the department incurred expenditure without the approval of competent authority and observing codal formalities. Moreover, Income Tax was also not deducted from payment of the contractors.

The Department explained that furniture was purchase for welfare of the students after approval of the School Management Committee and the Income Tax had also been deposited into government treasury which stood verified by audit.

On recommendation of the Audit, **the para was settled.**

**134. Para No.100 Pages 81 & 82 of Audit Report for the year 1999-2000; Irregular Expenditure on Purchase of Shamyanas/Kenats/Tents to the Tune Of Rs.151,220/-**

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**27.11.2004** The Department explained that the expenditure was made whenever needed and only with the permission of Director General who was category-I officer. He was competent to sanction up to Rs.50,000/- at each occasion/in each time.

The para was kept pending for verification of record by Audit.

**16.05.2005** The Department explained that in compliance with the PAC directions, the relevant record had been got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**135. Para No.102 Page 83 of Audit Report for the year 1999-2000; Irregular Expenditure On Accounts Of Pay And Allowances Amounting To Rs.2,191,276/-**

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**29.11.2004** Audit had pointed out that the staff of Azad Muslim High School, Islampura was working in the Central Model School-2 over and above the strength of that School.

The Department explained that 8 Staff Members of AMHS Islampura were directed to work in CMS No.2 by the competent authority and later the school was merged into Central Model School vide notification dated 7-11-89. It was added that an inquiry had been ordered against the DDO for non-production of record to audit.

**The para was conditionally settled** subject to verification of record and disciplinary action against the DDO.

**136. Para No.103 Page 84 of Audit Report for the year 1999-2000; Loss Of Government Vehicle No.LOS-88 At Gunpoint and Loss To Govt. Revenues To the Tune Of Rs.2,205,100/-**

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**27.11.04** The Department explained that the official vehicle No.LOS 88 was snatched on gun point by the dacoits from the then Chairman, Sports Board Punjab; and, case had been registered with the Police Department. The out come of the investigation of Police Department was still awaited.

The Committee directed to follow up the case with the Police Department. However, if Government vehicle was not traceable then the loss be written off by the Competent Authority.

The para was kept pended.

**16.05.2005** The Department explained that in compliance with the PAC directions, the case was being pursued vigorously with the DPO, Lahore for tracing out the said vehicle and the last reminder had been issued to DPO, Lahore on 14-4-05 for recovery of the Vehicle No. LOS-88.

The Committee **pended the para** with the direction that the case be pursued with the Police.

**137. Para No.104 Pages 84 & 85 of Audit Report for the year 1999-2000; Irregular Grant Of Advance Out Of Development Fund – Outstanding Amount Of Rs.815,149/-**

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**27.11.2004** The Department explained that Rs.614,429/- had been recovered from the recipients of loan and efforts were being made to recover the remaining amount.

The Committee took serious notice of the irregular grant of advance out of development fund and directed that an inquiry be initiated, responsibility be fixed and report be finalized within the period of 90 days under intimation to PAC.

The para was kept pending.

**16.05.2005** The Department explained that in compliance with the PAC directions, the recovery is being effected from the salaries of the low-paid employees and the balance amount is Rs.155,000/-.

The Committee **settled the para subject to** balance recovery and its verification by Audit.

**138. Para No.105 Page 85 of Audit Report for the year 1999-2000; Loss to Government Revenue Through Irregular Construction/Extension and Installation of Articles at the Residence of Principal, College of Physical Education Lahore to the Tune of Rs.140,000/-**

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**27.11.2004** The Department admitted that an amount of Rs.140,000/- was provided to Chairman, Sports Board Punjab to promote and facilitate sports activities in Province and the same was spent on extension of the residence of Principal, College of Physical Education for Men Lahore. The expenditure on repair/renovation was required to meet out of the Building Department's budget.

The Department itself had admitted the irregularity, therefore, the committee directed to affect the recovery from the officer/officers who had committed that irregularity at the earliest.

The para was kept pending.

**16.05.2005** The Department explained that in compliance with the PAC directions, a letter was written to the ex-DG Sports for depositing sum of Rs.140,000 in the account of the Punjab Sports Board. Whereas the ex-DG had stated that the amount in question was specifically sanctioned by the then Chairman of Sports Board Punjab and the entire expenditure had since been regularized by the Executive Body of the Board in its meeting dated 21-8-2000.

The Committee **kept the para pending** with the direction that the expenditure be got regularized from the Finance Department.

**139. Para No.109.2 Pages 88 & 89 of Audit Report for the year 1999-2000; Doubtful and Irregular Expenditure of Rs.143,424/- Incurred on Repair of Government Vehicles.**

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Dy. D.E.O (W) Faisalabad-Rs.49,600/-

**30.11.2004** The Department explained that an expenditure amounting to Rs.49,600/- was incurred on account of repair of government vehicle No. FDK-7540. The relevant record was lying with the Anti-corruption Establishment in connection with an inquiry. Consequently, the Anti-corruption Department was approached and the relevant record had been retrieved from the Anti-corruption Establishment, Faisalabad. On scrutiny of the record, it transpired that the said jeep had physically been got repaired and expenditure was incurred in good faith after observing all legal, codal formalities prescribed under the rules. The complete vouched account and other relevant record was available for verification. Moreover, the concerned officer had been expired while serving as principal, Government Girls H/s school, 267/RB, Faisalabad.

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

**140. Para No.110.6 Pages 89 & 90 of Audit Report for the year 1999-2000; Unlawful Appointment of Teachers and Drawal of Salaries Amounting to Rs.13,467,151/-**

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Dy. D.E.O (M) Fortaabbas- Rs.198,286/-

**30.11.2004** The Department explained that the para was settled at stage of advance para on the basis of annotated reply and verification of record by Audit dated 25-6-1998.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**141. Para No.111.5 Pages 90 & 91 of Audit Report for the year 1999-2000; Un-Authorized & Irregular Drawal of Pay of Un-Trained Teachers Rs.2,370,102/-**

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Dy. D.E.O (W) EE, Vehari-Rs.1,293,948/-

**30.11.2004** The Department explained that a notification No. SOR-III-2-122/89 dated 14-8-1990 was issued by the S&GAD and same was not applicable with retrospective effect hence the pay drawn by the teacher on acquiring the professional qualification was regular.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**142. Para No.112.2 Pages 91 & 92 of Audit Report for the year 1999-2000; Irregular Appointments of Teachers Payment of Salaries Amounting to Rs.2,386,768/-**

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Dy. D.E.O (M) D. G. Khan-Rs.1,107,054/-

**30.11.2004** Audit had pointed out in the meeting that as per inquiry report the aspect of disbursement of salaries had been enquired but the aspect of appointment during the ban had not been touched. The regular process of appointment had not been followed by the Department.

The Department explained that the appointments were made against the leave vacancies in 1997. The ban was imposed on 12-2-1997 and because of that the schools were suffering without staff. There was no alternative except to arrange staff against leave vacancies for a very short period. That was done in the best interest of institutions and to make them functional. The incumbents had since long been dispensed with. They had been paid salary only for the period which they had actually worked. A probe was conducted and as per probe report no irregularity was found. Relevant record was available which would be got verified by Audit.

FD pointed out that appointment against leave vacancies could be made for the period of 3 months and if it was a policy issue which had been decided by the Education Department, it may be got verified by Audit. Otherwise, it would be presumed that it was an accommodating attitude of the Education Department.

Department requested the Committee to keep the para pending for bringing the whole position of the case to the Committee within 15 days.

The Committee **pended the para** with the direction that the factual position be placed before the PAC in the next meeting.

**143. Para No.112.3 Pages 91 & 92 of Audit Report for the year 1999-2000; Irregular Appointments of Teachers Payment of Salaries Amounting to Rs.2,386,768/-**

Dy. D.E.O (W).Jhang-Rs.64,947/-

**30.11.2004** The Department explained that Mst. Sughara Bibi was appointed teacher on *ad hoc* basis w.e.f. 22-10-1990 by the authority, on the recommendation of Chairman, Selection Committee and her services were regularized by the DEO on 31-5-1993.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**144. Para No.112.4 Pages 91 & 92 of Audit Report for the year 1999-2000; Irregular Appointment Of Teachers Payment of Salaries Amounting to Rs.2,386,768/-**

Dy. D.E.O (W) Fortabbas, Bahawalnagar – Rs.352,740/-

**30.11.2004** The Department explained that an inquiry in the case was under process as soon as the inquiry was completed, the record would be produced to audit for verification.

**The para was pended** with the direction that the inquiry be completed within 30 days.

**145. Para No.112.5 Pages 91 & 92 of Audit Report for the year 1999-2000; Irregular Appointments Of Teachers Payment of Salaries Amounting to Rs.2,386,768/-**

Dy. D.E.O (W) Karor Pacca, Lodhran – Rs.49,700/-

**30.11.2004** The Department explained that Rs.18,400/- had been recovered @. 1/3<sup>rd</sup> of the pay w. e.f. 1-12-2002 as per rules.

**The para was kept pending** till the finalization of the recovery and verification by Audit.

**146. Para No.113 Pages 92 & 93 of Audit Report for the year 1999-2000; Wasteful Expenditure Of Rs.3,887,136/- On Pay And Allowances.**

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**29.11.2004** Audit had pointed out that huge expenditure was incurred on staff whereas only 24 students were enrolled in Government Ichhra Model High School, Lahore.

The Department explained that Government Ichhra Model High School was shifted to Government ND Islamia High School Ichhra, Lahore due to non availability of school building and later the school was merged vide Notification dated 7.12.1989 and surplus staff was shifted to other schools. As such the expenditure on pay & allowances was regular.

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

**147. Para No.116 Pages 94 & 95 of Audit Report for the year 1999-2000; Irregular Payment Of Rs.492,804/- Due To Unauthorized Shifting Of Headquarter Of a Government Servant.**

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**29.11.2004** Audit had pointed out that an official of GHS (girls) Model Town Lahore was shifted in the office of DEO (SE) without approval of Finance Department whereas said official continued to draw pay from the said school.

The department explained that due to huge work pending, ACR cell was established in the Lahore division. Mst Naseem Haleem, Dy. Headmistress was verbally ordered to work in the aforesaid cell. The said official also attended the school as and when needed.

The committee was not satisfied with explanation of the department and directed to hold an enquiry in to the matter, fix responsibility and take necessary action with in the period of 90 days.

**The para was kept pending.**

**148. Para No.119 Pages 96 & 97 of Audit Report for the year 1999-2000; Irregular And Un-Authorized Sale Of 79 Trees Amounting To Rs.229,000/-**

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**29.11.2004** Audit had pointed out that the department auctioned 79 trees of various species by making local arrangements without adopting open tender system and approval of reserve rates from competent authority.

The department explained that auction was conducted by 14 members from Public, Forest Department and School Management Committee and wide publications was made through handbills on prominent places. The auction money was also deposited in to Government treasury

on receipt on payment from the bidders.

Audit stated that no official of the department produce record for verification.

The committee directed the department to get the record verified by Audit and take disciplinary action against the DDO.

Subject to above directions **the para was conditionally settled.**

**149. Para No.120 Page 97 of Audit Report for the year 1999-2000; Un-Authorized Expenditure On Purchase Of Durable Goods Rs.190,000/-**

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**29.11.2004** Audit had pointed out that the Department purchased the certain machinery and furniture despite ban on purchase of durable goods.

The Department explained that two new offices were established in 1994-1995 and the ban was not applicable on purchase of durable goods for newly established offices. The Administrative Secretary stated in the meeting that an inquiry would be conducted into the matter to thrash out facts and as per findings thereon, further action would be taken.

The Committee directed that the inquiry proceedings be completed within the period of 90 days under intimation to PAC.

**The para was kept pending.**

**150. Para No.121 Page 98 of Audit Report for the year 1999-2000; Irregular Expenditure on Account of Purchase of Furniture and Books Rs.300,000/-.**

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**30.08.2005** The Department explained that an inquiry was conducted and it had been observed that DDO had not violated the financial rules, however, the only omission conducted by him was not obtaining the sanction to incur the expenditure from the competent authority. Furniture & fixture was purchased for Rs.277,100/- and library books for Rs.23,000/-. Relevant entries of stock registers had been made. It was also stated that the case for regularization had been submitted to the Finance Department on 18-6-2004.

The Committee **kept the para pending** with the directions that a fresh inquiry be conducted into the matter and finalized within 90 days under intimation to PAC.

**151. Para No.122.1 Pages 98 & 99 of Audit Report for the year 1999-2000; Irregular Drawal Of Pay And Allowances Rs.88,514/-**

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Govt. High School Raja Tehsil Kamoke District Gujranwala – Rs.32,359/-

**29.11.2004** Audit had pointed out that the department paid pay and allowances to certain officials who were not actually working in respective formation.

The Department explained that Mr Muhammad Zamir-ul-Haq, EST working on adhoc basis against the post of SST, was adjusted as EST vide order dated 3-12-97. The orders were issued with the approval of competent authority in good faith. As such no malafide was involved.

**The para was conditionally settled** subject to verification of relevant record by Audit.

**152. Para No.122.2 Pages 98 & 99 of Audit Report for the year 1999-2000; Irregular Drawal Of Pay And Allowances Rs.88,514/-**

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Govt. High School Raja Tehsil Kamoke District Gujranwala – Rs.56,155/-

**29.11.2004** Audit had pointed out that the department paid pay and allowances to certain officials who were not actually working in formation.

The Department explained that Mr Abdul Waheed Sohl, DM was assigned the duty to deal with the litigation cases in the office of DE (SE) Gujranwala and the Audit observation was not based on facts.

**The para was conditionally settled** subject to verification of relevant record by Audit.

**153. Para No.124 Page 100 of Audit Report for the year 1999-2000; Irregular Appointments of Laboratory Attendant Resulting in Irregular Expenditure on Salaries Amounting to Rs.306,000/-.**

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**30.08.2005** The Department explained that the case for change of date of birth of Mst. Musarat Latif, Lab Attendant was under process in BISE, Lahore. The official had filed a civil suite in the court of Senior civil Judge and the next date of hearing was fixed for 5-10-2005.

The Committee **kept the para pending being subjudice** in the court of law.

**154. Para No.125 Page 101 of Audit Report for the year 1999-2000; Non Receipt of Stores Amounting To Rs.576,000/-**

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**29.11.2004** Audit had pointed out that the department had made payment to Government Printing



Press and Government Weaving Factory but neither the printed material/cloth was received nor bank draft/payees receipts were available in the record.

The Department explained that printed material and course cloth had been received and entered into stock register. Photo copies of the bank draft and account of material were also available for verification.

Audit stated that departmental contention had been verified from record.

On recommendation of the Audit, **the para was settled.**

**155. Para No.126 Pages 101 & 102 of Audit Report for the year 1999-2000; Useless Purchase Of Plots Blockage Of Rs.2,351,000/-**

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**29.11.2004** Audit had pointed out that the department purchase a plot for construction of School Building but neither the possession of plot was taken over nor the building was constructed.

The Department explained that the plot involved in audit observation had been earmarked for construction of Government Girls High School Faisal Town, Lahore and administrative approval for the purpose had been accorded by competent authority. It was added that the scheme was on going and reflected in the ADP book for the year 2004-2005.

**The para was conditionally settled** subject to verification of relevant record by Audit.

**156. Para No.128 Page 103 of Audit Report for the year 1999-2000; Irregular Purchase Of Flood Lights – Blockade Of Government Money To the Tune Of Rs.6,300,697/-**

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**27.11.2004** The Department explained that an amount of Rs.6,800,000/- was provided by the Pakistan Sports Board for purchase of flood lights to be installed in the Hockey Stadium, Lahore. The lights were purchased at the cost of Rs.630,000/-; and, Rs.300,000/- were paid as insurance charges. However, the installation charges were not provided at the time of purchase and even till now by the Federal Government.

The Department further explained that on the direction of the Chief Executive of the Province a new PC-I was being prepared and to be submitted to Pakistan Sports Board, Islamabad for provision of additional funds to meet the installation charges of the flood lights.

The Committee directed that case be pursued for provision of additional funds for the installation of flood lights with the Pakistan Sports Board so that the government could not suffer

any loss.

The para was kept pending.

**16.05.2005** The Department explained that in compliance with the PAC directions, the matter had been taken up with the Pakistan Sports Board, Islamabad vide letter No.AD(P)1/12/2005 dated 15-4-2005. Further action would be taken on receipt of reply/sanction of additional funds by the Pakistan Sports Board, Islamabad.

The Committee **kept the para pending** with the directions that the case be pursued with the concerned authority and get it finalized at the earliest.

### **157. Para No.132 Page 105 of Audit Report for the year 1999-2000; Un-Economical Purchase Of Stationery Rs.139,935/-**

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**29.11.2004** Audit had pointed out that the department purchased stationery items at higher rates without adopting open tender system. Moreover, Income Tax was not deducted at the time of payment to the supplier.

The Department explained the stationery items were purchased during the whole financial year keeping in view day to day requirements after observing codal formalities. The purchases were made from local market not following the limit for Income Tax. It was added that in view of audit observation, an amount of Rs.2,754/- had already been deposited into government treasury and facts had been verified by Audit.

On recommendation of Audit, **the para was settled.**

### **158. Para No.133.1 Page 106 of Audit Report for the year 1999-2000; Wasteful Expenditure Due to Closing/Non Existence of Schools Amounting to Rs.886,578/- Recovery Thereof.**

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Dy. D.E.O (F) (EE) Karor Pucca-Rs.321,006/-

**30.11.2004** The Department explained that an inquiry had been initiated and action would be taken in the light of the inquiry report and a report would be submitted to the Committee.

**The para was kept pending** with the direction that the inquiry be finalized within 90 days, and action taken accordingly.

### **159. Para No.135 Page 107 of Audit Report for the year 1999-2000; Irregular**

## **Payment Of Pay And Allowances Amounting To Rs.146,635/- Without Performing Duty**

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**29.11.2004** Audit had pointed out that payment was made to a Band Master in GMC High School, Okara but he was not actually performing his duties and no equipment for the purpose was available in the School.

The Department explained that an inquiry was held into the matter which revealed that Band Items were still available in the School and were being utilized. However, stock entry was not available in the record. The Administrative Secretary stated in the meeting that he was satisfied with findings of the inquiry report.

The Committee accepted the explanation of the department and **the para was settled.**

### **160. Para No.136.2 Page 108 of Audit Report for the year 1999-2000; Recovery of Rs.199,979/- on Account of General Sales Tax.**

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Director Special Education, Lahore      Rs.133,569/-

**27.11.2004** Audit had pointed out recovery of Rs.133,569/- on account of General Sales Tax.

The Department explained that the sales tax deduction was not necessary by the DDO at the time of payment but the DDO was only responsible to collect the invoices of sales tax from the contractor along with the bills before drawl of payment.

The Department further explained that the stores were purchased well before the deduction of GST was made necessary.

The Committee **kept the para pended** with the direction that the sales tax invoices be provided to Audit for verification.

### **161. Para No.138.1 Pages 109 & 110 of Audit Report for the year 1999-2000; Non Deduction of Income Tax Recovery of Rs.104,856/-.**

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Govt. Girls High School Chaubergi Garden Lahore – Rs.17,206/-.

**30.08.2005** The Department explained that total recovery had been effected.

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

**162. Para No.138.3 Pages 109 & 110 of Audit Report for the year 1999-2000; Non-Production of Income Tax Recovery of Rs.104,856/-.**

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Secretary to the Government of the Punjab, Lahore – Rs.20,898/-.

**30.08.2005** The Department explained that total recovery involved in the para had been effected and deposited in to the Government treasury.

The para was **conditionally settled subject to** verification of recovery by Audit.

**163. Para No.138.4 Pages 109 & 110 of Audit Report for the year 1999-2000; Non Deduction Of Income Tax Recovery Of Rs.104,856/-**

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Govt. Higher Secondary School Sher Sultan Muzafargarh – Rs.15,118/-

**29.11.2004** The Department explained that Income Tax amounting to Rs.11,001/- had already been deducted at source during pre-audit scrutiny. However, a sum of Rs.4,118/- could not be deducted due to misunderstanding but the same was recovered later.

Audit stated that no record was produced for verification in support of departmental contention.

The Committee directed to take disciplinary action against the DDO for non production of record and get the relevant record verified by Audit at the earliest.

**The para was conditionally settled** subject to above directions.

**164. Para No.138.5 Pages 109 & 110 of Audit Report for the year 1999-2000; Non Deduction Of Income Tax Recovery Of Rs.104,856/-**

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Govt. Girls High School No.1, D.G Khan – Rs.22,566/-

**29.11.2004** The Department explained that recovery amounting to Rs.15,427/- had been effected on account of income tax which had been verified by Audit. However Administrative Secretary stated in the meeting that balance recovery of Rs.7,139/- had also been effected later in view of Audit observation.

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

**165. Para No.138.6 Pages 109 & 110 of Audit Report for the year 1999-2000; Non Deduction Of Income Tax Recovery Of Rs.104,856/-**

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Govt. Central Model High School Samanabad, Lahore – Rs.16,919/-

**29.11.2004** The department explained that Audit had miscalculated the recoverable amount and actual recovery on account of income tax had been effected out of which certain deposits had been verified by Income Tax Department and relevant record was available for verification.

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

**166. Para No.139 Pages 110 & 111 of Audit Report for the year 1999-2000; Recovery on Account of House Rent Allowance Electricity and Sui Gas Charges Rs.367,560/-.**

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**30.08.2005** The Department explained that audit had calculated the recovery from the date of appointment of the official which was not correct as the demand notice of sui gas was deposited on 28-1-2003 and the electricity charges were being paid by the occupants of the servant quarters. The House Rent Allowance was not being paid to the occupants of servant quarters since the allotments.

The Committee **kept the para pending** with the directions that an inquiry be conducted into the matter and finalized within 90 days.

**167. Para No.140 Page 1111 of Audit Report for the year 1999-2000; Loss To Government Due To Less Realization Of Funds Rs.336,861/-**

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Audit had pointed out that less realization of student funds.

**29.11.2004** The department explained detailed position of the para stating that actual amount on account of less realization had been deposited in to Government treasury.

The committee directed the department to take appropriate action to resolve the issue and take action against responsible persons, if so required.

With above directions, **para was settled.**

**168. Para No.141.1 Pages 111 & 112 of Audit Report for the year 1999-2000; Loss to Government Due to Less Realization of Tuition Fee Rs.368,136/-.**

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Govt. Girls High School Chaubergi Gardens Lahore – Rs.33,976/-.

**30.08.2005** The Department explained that the actual recoverable amount was Rs.31,511/- which had been recovered and deposited into the government treasury. So far as the payment of surcharge was concerned, the department stated that the surcharge was paid due to late passing of bill from AG office.

The Committee **kept the para pending** with the directions that an inquiry regarding payment of surcharge be conducted and finalized within 90 days.

**169. Para No.141.2 Pages 111 & 112 of Audit Report for the year 1999-2000; Loss To Government Due To Less Realization Of Tuition Fee Rs.368,136/-**

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Govt. High School (Boys) Tounsa, D.G Khan – Rs.45,735/-

**29.11.2004** The department explained that an amount of Rs.45,735/- had been recovered on account of less realization of tuition fee from the students which had been verified by District Accounts Officer, DG Khan.

On recommendation of Audit **the para was settled.**

**170. Para No.141.3 Pages 111 & 112 of Audit Report for the year 1999-2000; Loss to Government Due to Less Realization of Tuition Fee Rs.368,136/-**

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Govt. St. Teresa Girls high School Rawalpindi – Rs.251,143/-.

**171. Para No.145 Pages 114 & 115 of Audit Report for the year 1999-2000; Non Realization of Farogh-E-Taleem Fund Rs.109,661/-**

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**30.08.2005** The Department explained that audit of school was conducted for the period 1972 to 2000 in the month of May & June 2000 for about 28 years. The school was nationalized w.e.f. 01-10-1972, it was a missionary school, and fee, funds were not used to be collected from all the students. The dues were charged in lump-sum from enable students and no fee was charged from the needy and poor students.

The Committee accepted the explanation of the Department and **the paras were settled.**

**172. Para No.141.4 Pages 111 & 112 of Audit Report for the year 1999-2000; Loss To Government Due To Less Realization Of Tuition Fee Rs.368,136/-**

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Govt. High School Kaller Wali District Muzaffar Garh – Rs.37,282/-



**29.11.2004** The department explained that para consisted of four parts as detailed below:-

- (i) It was stated that actual excess amount on account of fee concession to the tune of Rs.1,662/- had been recovered and verified by the District Accounts Office.
- (ii) Readmission fee amounting to Rs.1,740/- had been recovered and verified by Audit.
- (iii) The Audit contention was justified that tuition fee and science fund should be charged for the full financial year and from other students from the date of admission which had been recovered from students.
- (iv) Actual amount of Rs.1,734/- had been recovered and deposited in to Government treasury.

The committee **settled part '1','2' and '4' of the para and part '3' was kept pending** with direction that recovery on account of less realization of dues be effected at the earliest.

**173. Para No.143 Page 113 of Audit Report for the year 1999-2000; Loss To Government Amounting Rs.163,125/- Due To Less Realization /Non Deposit Of Government Dues.**

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**29.11.2004** The department explained that an amount of Rs.112,005/- had been recovered and deposited in to Government treasury while the recovery of Rs.51,120/- was not justified as certain students had been struck off. However Audit contented that Department did not produce any record in support of its contention.

The committee directed the department to take action against the DDO for non production of record.

The para was **conditionally settled** subject to verification of relevant record by Audit.

**174. Para No.144.1 Pages 113 & 114 of Audit Report for the year 1999-2000; Non-Deduction of House Rent Allowance Rs.643,316/-.**

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Govt. Girls high School Chaubergi Gardens Lahore – Rs.342,623/-.

**175. Para No.144.2 Pages 113 & 114 of Audit Report for the year 1999-2000; Non-Deduction of House Rent Allowance Rs.643,316/-.**

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Govt. Girls High School Chaubergi Gardens Lahore – Rs.300,693/-.

**30.08.2005** The Department explained that Rs.124,494/- had been recovered and the efforts were being made for the balance recovery.

The Committee **kept the paras pending** with the directions that the recovered amount be got verified from audit and disciplinary action be taken against the concerned DDO, who was responsible for not deducting of amount at the proper time. The balance recovery be made at the earliest.

**176. Para No.147.2 Pages 115 & 116 of Audit Report for the year 1999-2000; Non Deposit of Tuition/Admission Fee Recovery of Rs.131,856/-**

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Dy. D.E.O (M), Mankera, Dist. Bhakkar-Rs.24,995/-

**30.11.2004** The Department explained that an amount of Rs.1,320/- (tuition fee) had been deposited into the government treasury and Rs.23,675/- into relevant bank account.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**177. Para No.147.3 Pages 115 & 116 of Audit Report for the year 1999-2000; Non Deposit of Tuition/Admission Fee Recovery of Rs.131,856/-**

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Dy. D.E.O (W), Kaloer Kot ,Dist. Bhakkar-Rs.10,500/-

**30.11.2004** The Department explained that the actual amount was Rs.10,245/- instead of Rs.10,500/- which had been deposited to the relevant students fund.

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

**178. Para No.147.4 Pages 115 & 116 of Audit Report for the year 1999-2000; Non-Deposit Of Tuition/Admission Fee Recovery Of Rs.131,856/-.**

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Govt. Comprehensive High School (B) Sargodha Para No.7 – Rs.68,340/-

**29.11.2004** The department explained that tuition fee from the students was being realized on regular basis and Audit had wrongly calculated the recoverable amount whereas Rs.10/- was

readmission fee instead of admission fee. The admission fee was charged only for Higher Education as per notification dated 6.10.1995.

Audit stated that Departmental contention had been verified.

On recommendation of Audit, **the para was settled.**

**179. Para No.149 Page 117 of Audit Report for the year 1999-2000; Non Production Of Canteen Account From 1989 To Date Rs.558,000/-**

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**29.11.2004** Audit had pointed out that Headmistress GGHS Nawan Sheher Multan had been taking Rs.200/- per day from canteen contractor of the school in lieu of contract of canteen since 1989 which was against the rules.

The department explained that there was no arrangement of canteen in the school previously. During the year 1999 girls guide room was converted in to canteen and auction was made after advertisement in press and auction money was deposited in to Government treasury.

On recommendation of Audit **the para was settled.**

**180. Para No.150.1 Pages 117 & 118 of Audit Report for the year 1999-2000; Less Realization of Tuition Fee Recovery of Rs.159,488/-**

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Dy. D.E.O(E.E), Lahore Cantt-Rs.16,380/-

**30.11.2004** The Department explained that the total amount had been recovered and deposited into the government treasury.

**The para was settled subject to** verification of recovery by audit.

**181. Para No.150.3 Pages 117 & 118 of Audit Report for the year 1999-2000; Less Realization of Tuition Fee Recovery of Rs.159,488/-**

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Dy. D.E.O (W),. Vehari-Rs.25,330/-

**30.11.2004** The Department explained that the actual recoverable amount was Rs.26,188/- instead of Rs.25,330/- and the same had been recovered and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**182. Para No.150.5 Pages 117 & 118 of Audit Report for the year 1999-2000; Less Realization of Tuition Fee Recovery of Rs.159,488/-**

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Dy. D.E.O (M),. Bhakkar-Rs.29,889/-

**30.11.2004** The Department explained that an amount of Rs.22,547/- had been recovered and deposited. So far as recovery of Rs.6,937/- was concerned, the school was upgraded w.e.f. 1-9-1997 hence no recovery was made.

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

**183. Para No.150.6 Pages 117 & 118 of Audit Report for the year 1999-2000; Less Realization of Tuition Fee Recovery of Rs.159,488/-**

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Dy. D.E.O Kalor Kot-Rs.13,134/-

**30.11.2004** The Department explained that the total amount had already been deposited into government treasury and both the regular audit as well as SDAC had recommended the para for settlement.

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

**184. Para No.151.1 Pages 118 & 119 of Audit Report for the year 1999-2000; Likely Misappropriation of Stores Valuing Rs.2,010,790/-**

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Dy. D.E.O (M,E.E), Kabirwala, Khanewal-Rs.695,997/-

**30.11.2004** The Department explained that the entire record was available for verification by Audit. However, Audit comments in the instant para did not relate to this particular para.

**The para was kept pending** till the next meeting for provision of audit comments.

**185. Para No.152.1 Pages 119 & 120 of Audit Report for the year 1999-2000; Excess Drawal of Posts Beyond Sanctioned Strength. Recovery of Rs.729,611/-**

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Dy. D.E.O (M.EE), Sialkot-Rs.533,482/-

**30.11.2004** The Department explained that an inquiry committee was constituted to probe into the matter and as per the findings of the Probe Committee no excess post had been drawn.

Audit verified the contention of the Department and recommended the para for settlement.  
**The para was accordingly settled.**

**186. Para No.152.2 Pages 119 & 120 of Audit Report for the year 1999-2000; Excess Drawal of Posts Beyond Sanctioned Strength. Recovery of Rs.729,611/-**

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D.E.O(W), Lahore Cantt-Rs.76,342/-

**30.11.2004** The Department explained that there were 8 posts of AEO available as per letter No. 2060/Admn(B&P) dated 7-2-1993 and in supersession of the above said letter, 10 posts of AEO (Female) were created detailed bellow:-

Under DEO (W-EE), Lahore Cantt. = 9 and 1 post out of said 10 posts was converted into AEO Physical Education and placed under the disposal of DEO (SE)

No excess post of AEO other than sanctioned strength was ever utilized.

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

**187. Para No.153.2 Pages 120 & 121 of Audit Report for the year 1999-2000; Stock Articles were Purchased But not Entered in the Stock Register Amounting to Rs.3,161,202/-**

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Dy. D.E.O (F.EE), Sialkot-Rs.57,857/-

**30.11.2004** The Department explained that the store/stationery articles amounting to Rs.56,857/- had been purchased by the Purchase Committee and entered in the relevant stock register and the same could be verified by Audit.

Audit verified the statement of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**188. Para No.153.4 Pages 120 & 121 of Audit Report for the year 1999-2000; Stock Articles were Purchased But not Entered in the Stock Register Amounting to Rs.3,161,202/-**

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Dy. D.E.O (M.EE), Sialkot-Rs.105,577/-

**30.11.2004** The Department explained that various stationery articles amounting to Rs.105,577/- were purchased during the Financial Year 1997-98 after fulfilling all the codal formalities. The articles purchased were actually received/entered in the relevant stock register and distributed upto users end. A complete record of the stock received and distributed was available.

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

**189. Para No.153.11 Pages 120 & 121 of Audit Report for the year 1999-2000; Stock Articles were Purchased But not Entered in the Stock Register Amounting to Rs.3,161,202/-.**

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Chairman Board of Intermediate & Secondary Education Faisalabad Rs.1,845,000/-.

**16.05.2005** The Department explained that the relevant record had been produced to Audit, who had seen and verified the same.

Audit verified the contention of the Department and **the para was settled.**

**190. Para No.153.12 Pages 120 & 121 of Audit Report for the year 1999-2000; Stock Articles Were Purchased but not Entered in the Stock Register Amounting to Rs.3,161,202/-.**

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Principal Government Jinnah Degree College (W) Lahore-Rs.12,077/-.

**17.05.2005** The Department explained that the concerned record had been produced to audit which had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**191. Para No.154 Page 121 of Audit Report for the year 1999-2000; Loss of Rs.87,750/- Due to Expenditure on P.O.L Over and Above the Entitlement.**

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**30.08.2005** The Department explained that excess POL was consumed because the vehicles remained on tour through out Punjab for inspection of ghost schools which had been verified by



Audit.

On recommendation of Audit, **the para was settled.**

**192. Para No.156 Pages 122 & 123 of Audit Report for the year 1999-2000; Non-Deposit Of Money Realized As Rent Of Space Occupied By the Shopkeepers And Other Organizations On the Occasion Of Industrial Exhibition 94 And Expo 96 To The Tune Of Rs.6,000,000/-**

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**27.11.2004** The Department explained that the land in question was Nazool Land and the department had not authorized anybody/organization to hold exhibition or construct stalls.

The Committee directed the audit to provide the original objection on which the draft para was based. The Audit requested that the para be pended till 30-11-2004 so that original file be produced to the Committee.

The para was pended for 30-11-2004 for provision of original file by Audit.

**16.05.2005** The Department explained that a committee was constituted to probe into the matter which had reported that it had made a thorough probe gone through relevant record/files and had come to the conclusion that neither the EXPO 1994 and 1996 was arranged nor sponsored by this Directorate.

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

**193. Para No.158 Page 124 of Audit Report for the year 1999-2000; Recovery of Rs.87,600/- on Account of Overpayment of Pay to Untrained Subject Specialists.**

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**30.08.2005** The Department explained that the requisite record i.e. qualification certificate authenticating the date of acquiring the prescribed qualification had been produced to audit which had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**194. Para No.159.1 Pages 124 & 125 of Audit Report for the year 1999-2000; Drawal of Pay on Bogus Documents/Excess Payment of Pay and House Rent Allowance Recovery of Rs.227,702/-**

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Dy. D.E.O (M) Okara-Rs.51,820/-

**30.11.2004** The Department explained that Rs.51,820/- had been recovered from the teacher namely Mr. Abdul Ghafar and deposited into the government treasury and same had been verified by Audit.

Audit verified the contention of the department and recommended the para for settlement.

**The para was accordingly settled.**

**195. Para No.159.2 Pages 124 & 125 of Audit Report for the year 1999-2000;  
Drawal of Pay on Bogus Documents/Excess Payment of Pay and House Rent  
Allowance Recovery of Rs.227,702/-**

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Dy. D.E.O (W)EE, Lahore City-Rs.111,787/-

**30.11.2004** The Department explained that total recovery had been effected and deposited into the government treasury.

**The para was settled** subject to verification of record by audit.

**196. Para No.159.3 Pages 124 & 125 of Audit Report for the year 1999-2000;  
Drawal of Pay on Bogus Documents/Excess Payment of Pay and House Rent  
Allowance Recovery of Rs.227,702/-**

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Dy. D.E.O (M) Chishtian, Bahawalnagar-Rs.64,095/-

**30.11.2004** The Department explained that total recovery involved in the para had been effected and deposited into the government treasury.

**The para was settled** subject to verification of record of recovery.

**197. Para No.161 Pages 125 & 126 of Audit Report for the year 1999-2000;  
Irregular Payment Of House Rent Allowance And Non-Deduction Of 5% Amounting  
To Rs.30,664/-.**

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**29.11.2004** Audit had pointed out that a Director Public Instructions (schools) was residing in Government residence but he did not pay the house rent. Moreover he also drew House rent

allowance during this period.

The department explained that Mr. Bashir Ahmad Vaseer was residing with his son Mr. KM Imran Basir, EST in the same residence and as per clarification of Finance Department dated 21.02.1991 he was entitled for house rent allowance.

Audit stated that facts had been verified.

On recommendation of Audit **the para was settled.**

**198. Para No.164 Page 128 of Audit Report for the year 1999-2000; Non-Deposit Of Rs.1,267,000/- In Government Treasury.**

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**29.11.2004** Audit had pointed out that Principal Central Model School Lahore did not deposit tuition fee for the year 1991-92 into the Government treasury.

The department explained that school was given autonomy w.e.f 01.09.1990 and the Board of Governors enhanced the rates of tuition fee to meet the expenditure. Therefore actual recovery was Rs.120,000/- and the remaining amount related to enhanced fee and a case for regularization had been referred to Finance Department.

Audit stated that no record was produced by the department for verification.

The committee directed the department to take disciplinary action against the DDO and get the expenditure regularized by Finance Department at the earliest.

**The para was kept pending.**

**199. Para No.165 Pages 111 & 112 of Audit Report for the year 1999-2000; Mis-Appropriation Of Rs.629,500/- In the Shape Of Overcharging.**

---

**29.11.2004** Audit had pointed out that the department paid excess rates for certain items as compared to prevailing market rates.

The department explained that there were different qualities and varieties of paper in the market. The superior quality articles were purchased for public examination after observing codal formalities after obtaining the NOC from Government Printing Press.

Audit stated that no record was produce by the department for verification.

**The para was kept pending** with the direction that Department should take action against the DDO for non production of record.

**200. Para No.166 Page 129 of Audit Report for the year 1999-2000; Excess Payment Of Rs.110,227/- Due To Purchase Of Furniture At Higher Rates Recovery Thereof.**

**29.11.2004** The department explained that DEO (SE) Gujranwala had inquired into the matter which revealed that an amount of Rs.300,000/- was allocated by the Government for up gradation of 16 school in Gujranwala division. Tenders for the purpose were floated in press and six firms submitted their bids. But only one of them was registered for the purpose of tax. The Principal got the approval of DSE to incur expenditure in view of time limits and all 16 schools purchased goods from the same firm. As such no loss to Government had occurred.

The committee directed that the department should take necessary action as per findings of inquiry report, if required.

**The para was settled.**

**201. Para No.167 Pages 129 & 130 of Audit Report for the year 1999-2000; Less Realization Of Tuition/Re-Admission Fee Recovery Of Rs.57,810/-**

**29.11.2004** Audit had pointed out that the department realized lower rates of tuition fee in violation of Government notification dated 06.08.1995.

The department explained that total recovery amounting to Rs.62,310/- had been effected and got verified by DAO and Audit.

On recommendation of Audit **the para was settled.**

**202. Para No.168 Page 130 of Audit Report for the year 1999-2000; Recovery From Subject Specialists On Account Of irregular Teaching Allowance Worth Rs.128,500/-.**

**30.11.2004** Audit had pointed out recovery of Rs.1,28,600/- from subject specialists on account of irregular teaching allowance.

The Department explained that the actual recoverable amount was Rs.66,023/- instead of Rs.1,28,600/- and Rs.56,100/- had been recovered from the concerned teachers through pay bills/ challans and the same had been verified by the Audit.

The Committee **settled the para** subject to balance recovery and verification of reduction

in amount by Audit.

**203. Para No.169.2 Pages 130 & 131 of Audit Report for the year 1999-2000; Irregular Payment By Irregular Adjustment Appointment Without Professional Qualification Amounting To Rs.366,180/-**

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Government Secondary School R.Y. Khan – Rs.330,848/-

**30.11.2004** Audit had pointed out that an official who was appointed as shift worker was adjusted against the post of an Audio matric and another one was appointed as EST (Agri) with passing the requisite qualification.

The Department explained that Mr. Muhammad Rafique being only graduate was appointed as EST(Agri) in 1975. Later on he passed CT examination in 1989 and was appointed as EST(COMN) and regular BS-9 was awarded to him. He was awarded BS-14 on the basis of graduation on 18-8-1992 and three advance increments were also granted on the basis of graduation. The Department further explained that the total recoverable amount was Rs.1,85,832/- instead of Rs.3,30,848/- as the Audit had included the whole salary of the teacher. The Department had issued instructions vide letter dated 23.07.2002 to recover the amount from the salary of the teacher @Rs.1,000/-pm.

The FD pointed out that the pace of recovery was slow and it would take a long time to recover the balance amount. Therefore, the Department should enhance the recovery rate.

The Department assured that recovery would be effected @.1/3rd of the salary of the teacher.

**The para was kept pending** till the total recovery was effected.

**203. Para No.171 Page 132 of Audit Report for the year 1999-2000; Misappropriation Of Government Money Amounting To Rs.46,535/-**

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**30.11.2004** The Department explained that Rs.1,52,00/- was sanctioned M&R Building of Government Faizul Islam H/S No. 1 Trunk Bazaar, Rawalpindi and the Total amount released was Rs.1,14,000/- out of which Rs.105455/- were spent on M&R and the balance amount Rs.8,545/- was refunded into government treasury and Rs.400/- were deducted by the bank as service charges.

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

**204. Para No.172 Page 133 of Audit Report for the year 1999-2000; Non Deposit Of Library Security Rs.46,800/-**

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**30.11.2004** The Department explained that the total recovery of Rs.46,800/- had been effected and verified by Audit.

Audit verified the contention of the Department and **the para was accordingly settled.**

**205. Para No.173.1 Pages 133 & 134 of Audit Report for the year 1999-2000; Non Recovery Of Loan Of Rs.41,900/- Taken From the Student Funds.**

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Government Girls High School No.1 Rajanpur – Rs.26,900/-

**206. Para No.173.2 Pages 133 & 134 of Audit Report for the year 1999-2000; Non Recovery Of Loan Of Rs.41,900/- Taken From the Student Funds.**

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Government High School Hujra Shah Muqem – Rs.15,000/-

**207. Para No.174 Page 134 of Audit Report for the year 1999-2000; Non Deposit Of Student Fund Into Proper Account Rs.81,004/-**

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**30.11.2004** The above paras related to Farogh-e-Taleem Fund and the Department explained para-wise position in each case.

The Committee directed the Administrative Secretary to take appropriate action at departmental level.

With above directions, **the paras were settled.**

**208. Para No.175 Page 135 of Audit Report for the year 1999-2000; Recovery Of Rs.163,832/- Due To Non/Less Deposit Of Government Dues.**

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**30.11.2004** The Department explained that the Draft Para consisted of 4 sub-paras and position of each were as under:-

- a- the amount of tuition fee realized from the student during the period 1984-85 to 1989-90 had already been deposited into government treasury.
- b- the tuition fee was infact enhanced w.e.f. 01-7-1996 instead of 01-4-1996 and accordingly was charged on the enhanced rates.
- c- Rs.140/- had been deposited into the government treasury vide challan No. 86 dated 16-8-2000.



d- Rs.50/- on account of school leaving certificate had been deposited into government treasury.

Audit verified the above statement of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**209. Para No.176 Pages 135 & 136 of Audit Report for the year 1999-2000; Non Deposit Of Auction Money Of Canteen. Recovery Of Rs.189,000/-**

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**30.11.2004** The Department explained that the girls guide room in the school was improvised as canteen and the same was auction for Rs.21,000/- in 1999. The Auction money had been deposited into the government treasury. During the previous years the canteen could not be auctioned because of no business.

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

**210. Para No.177 Page 136 of Audit Report for the year 1999-2000; Un-Authorized Collection Of Rs.76,000/-**

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**30.11.2004** The Department explained that Audit officer had framed the para for Rs.76,000/- against the 76 schools @Rs.1,000/- each which was not correct. Actually, 35 schools purchased the magazine “Taleem-ul-Islam” and Rs.35,000/- had been deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**211. Para No.178 Page 137 of Audit Report for the year 1999-2000; Likely Misappropriation of Stationery Articles of Rs.440,000/- OR Cost Thereof.**

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**30.08.2005** The Department explained that the action/inquiry was under process and same would be completed within 90 days.

The Committee **kept the para pending** with the direction that the inquiry be completed within 90 days under intimation to PAC.

**212. Para No.179.2 Pages 137 & 138 of Audit Report for the year 1999-2000; Non-Production Of Log Books Recovery Of Rs.333,980/-**

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D.P.I (S.E) Lahore – Rs.27,713/-

**30.11.2004** The Department explained that a vehicle No. VRB-3696 was stolen from the premises of the office of DPI(SE), Punjab Lahore. The Log book of the vehicle was in the vehicle at the time of theft. An FIR was registered in the police station, Old Anarkali and the police declared the vehicle un-traceable. The Department further stated that now the case for write-off had been referred to FD and the decision of FD was awaited.

The Committee **pended the para** till the decision of the Finance Department.

**213. Para No.181 Page 139 of Audit Report for the year 1999-2000; Non-Production Of Library Security Record Recovery Of Rs.86,400/-**

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**30.11.2004** The Department explained that Rs. 76,600/- was disbursed to the concerned students and the balance amount had been deposited back in the relevant account.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**214. Para No.183.1 Pages 140 & 141 of Audit Report for the year 1999-2000; Disbursement of Pay/Record not Produced Rs.989,670/-.**

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Headmistress Government Girls High School “E” Block Model Town, Lahore-  
Rs.960,232/-.

**30.08.2005** The Department explained that the inquiry had been completed and the final date of hearing was fixed for 7-9-2005 and the decision was still pending.

The Committee **kept the para pending.**

**215. Para No.183.2 Pages 140 & 141 of Audit Report for the year 1999-2000; Disbursement Of Pay/Record Not Produced Rs.989,670/-**

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Govt. Girls High School Nawan Sheher Multan – Rs.29,438/-

**30.11.2004** The Department explained that Mst. Saira Zafar was appointed as EST by the District Education Officer (W-EE), Multan but she could not join her duty as there was no vacant post. Later on, Mst. Shahnaz Sultana SV teacher of the same school was retired on 7-10-1991 where upon Mst. Saira Zafar was adjusted in the school against the post SV teacher. Her services were terminated in compliance with the decision of the Lahore High Court, Multan dated 26-10-1998. However, she was paid the salary for the period, she actually served. The Department further stated that relevant record was available for verification by Audit.

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

**216. Para No.184.1 Pages 141 & 142 of Audit Report for the year 1999-2000; Non-Production of Record Recovery of Rs.199,397/-.**

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Government High School Kassoke, Hafizabad. Not assessed.

**30.08.2005** The Department explained that an inquiry was conducted into the matter and the probe report had been received. As per report the following record was available for verification:-

- (i) Cash book prior to 5-12-95 with Acquaintance Roll.
- (ii) Schedule of payment from 7/87 to 6/2000.
- (iii) Copy of annual budget grant from 7/87 to 6/2000.
- (iv) Expenditure statement from 7/87 to 6/2000.
- (v) Service Books of three officials.
- (vi) Contingent Register.

However, for the remaining record the concerned headmaster had been asked to produced the same to Audit

The Committee **kept the para pending** with the direction that the record be produced to audit for verification within 90 days.

**217. Para No.184.2 Pages 141 & 142 of Audit Report for the year 1999-2000; Non-Production Of Record Recovery Of Rs.199,397/-**

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Govt. High School Raja Tehsil Kamoke District Gujranwala – Rs.199,397/-

**30.11.2004** The Department explained that the record pertaining to the recovery was available for verification.

The Committee **pended the para** for verification of record within one month.

**218. Para No.185 Page 142 of Audit Report for the year 1999-2000; Non-Production Of Record Recovery Of Rs.150,000/-**

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**30.11.2004** The Department explained that the tuition fee was being collected and on yearly basis as per the academic year commencing from April 1, to 31 March each year. The Student on roll had paid full fee for 12 months along with other dues (funds) in the month of April.

Audit verified the contention of the department and recommended the para for settlement.

**The para was accordingly settled.**

**219. Para No.186.5 Pages 142 & 143 of Audit Report for the year 1999-2000; Non Production of Record of Appointment/Disbursement of Salaries Amounting to Rs.28,531,283/-**

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Dy. D.E.O (MEE), Bahawalnagar-Rs.262,670/-

**30.11.2004** The Department explained that the relevant record was available which would be produced to audit for verification. However, disciplinary action would be taken against the concerned DDO for not producing the record to audit on the scheduled date.

**The para was kept pending** for verification of record by audit within 30 days.

**220. Para No.186.6 Pages 142 & 143 of Audit Report for the year 1999-2000; Non Production of Record of Appointment/Disbursement of Salaries Amounting to Rs.28,531,283/-**

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Dy. D.E.O (M) EE Depalpur, Okara-Rs.7,318,044/-

**30.11.2004** The Department explained that the relevant record i.e. cash book, acquaintance rolls and copies of pay bills was available and the same could be verified by audit at the spot.

Audit contented that the record be produced at the Lahore office for verification.

**The para was kept pending** with the direction that the record be produced to audit within 90 days at Lahore office.

**221. Para No.186.7 Pages 142 & 143 of Audit Report for the year 1999-2000; Non Production of Record of Appointment/Disbursement of Salaries Amounting to Rs.28,531,283/-**

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Dy. D.E.O (MEE) Kalor Kot, Bhakkar-Rs.101,308/-

**30.11.2004** The Department explained that the total payment was made to all concerned teachers/officials which had been verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**222. Para No.186.8 Pages 142 & 143 of Audit Report for the year 1999-2000; Non Production of Record of Appointment/Disbursement of Salaries Amounting to**

**Rs.28,531,283/-**

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Dy. D.E.O (M) EE, Kasur-Rs.1,346,740/-

**30.11.2004** The Department explained that an inquiry against the concerned officer had been initiated under the pension rules which would be completed within 30 days.

**The para was kept pending** for finalization of inquiry within 30 days.

**223. Para No.187.3 Pages 143 & 144 of Audit Report for the year 1999-2000; Non-Production Of Auditable Record Likely Misappropriation Of Rs.7,112,063/-**

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Govt. Higher Secondary School, Chung, Lahore – Rs.622,080/-

**30.11.2004** Audit had pointed out that neither the DDO attended office on the date of verification of record nor any record was produced on the date.

The Department explained that action against the DDO concerned had been initiated for non-compliance and the relevant record was available for verification.

**The para was kept pending** for verification of record within one month.

**224. Para No.188 Pages 144 & 145 of Audit Report for the year 1999-2000; Doubtful Drawal Of Rs.65,067/-**

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**30.11.2004** The Department explained that the amount under objection was a final payment of GP Fund to Mrs. Shahazdi Malik the then Head Mistress. She herself being DDO was competent to do so. The relevant record including vouchers, bills and the Authority for final payment etc. was available for verification.

Audit verified the record and recommended the para for settlement.

**The para was accordingly settled.**

**225. Para No.191 Page 147 of Audit Report for the year 1999-2000; Unsecured Payment of House Building Advance Rs.200,000/-.**

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**30.08.2005** The Department explained that the recovery was being made on monthly installment basis and Rs.141,440/- had been recovered.

The Committee **kept the para pending** for balance recovery.

**226. Para No.193 Pages 148 & 149 of Audit Report for the year 1999-2000; Loss Due To Non Deposit Into Government Treasury Of Amount Lying in Bank Accounts Of the Institution Of Rs.934,781/-**

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**30.11.2004** The Department explained that an amount of Rs. 1,029,259/- had been recovered from the management of the school which had been seen and verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**227. Para No.194 Page 149 of Audit Report for the year 1999-2000; Expenditure Over And Above the Budget Allotment Rs.671,499/-**

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**30.11.2004** The Department explained that the excess expenditure was incurred under the Head of the salary of the employees and the responsible for the excess payment was DDO and District Accounts Officer concerned. The Department further stated that action would be taken against the DDO and DAO concerned for making expenditure over and above the budget allocation. However, it was requested that the para be settled on the basis that the Appropriation Accounts for the year had been settled.

The Committee acceded to the request of the Department and decided to **settle the para** with the direction that administrative department should take action against the responsible under intimation to the PAC and a copy to the Finance Department.

**Audit Paras (Commercial) for the year 1999-2000**

**1. Para No.66 Page 33 on Commercial Accounts of Audit Report for the year 1999-2000; Working Results.**

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**20.11.2003** The Audit had pointed out that the repair, maintenance of vehicles and POL charges of the foundation were increased in 1999-2000 as compared to previous years.

The Department explained that these vehicles were purchased in 1991-93 and used for long journey in connection with inspections of more than 324 NGOs/Clients located in the scattered places in the Punjab.

The Committee was not satisfied with the explanation and directed that a Committee comprising



one officer each of Administrative Department, Finance Department and Commercial Audit would check the record and verify the departmental contention.

The para was kept pending.

**30.07.2004** The Department explained that in compliance with PAC directions, an Inquiry Committee had made a probe into the matter. As per its findings, although log books were not being maintained in accordance with instructions on the subject, yet the vehicles were used by the officers as per official requirements and exigencies.

Finance Department observed that log books should be properly maintained by all concerned using the vehicles for official duty.

The Committee directed the department to issue instructions to all concerned for proper maintenance of log books strictly as per government instructions on the subject.

**With this direction, the para was settled.**

## **2. Para No.67 Page 34 on Commercial Accounts of Audit Report for the year 1999-2000; Working Results.**

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**20.11.2003** The audit had pointed out that the record of other liabilities including interest payable on GP Fund and pension contribution were not provided to the audit.

The department explained that the record had since been provided to the audit. The audit verified the contention of the department.

On recommendation of Audit, **the para was settled.**

## **3. Para No.68 Page 35 on Commercial Accounts of Audit Report for the year 1999-2000; Working Results.**

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**20.11.2003** The audit had pointed out expected loss of Rs.1.600 million due to non recovery of loan.

The department explained that the Board of Directors, Punjab Education Foundation approved financial assistance amounting to Rs.12,00,000/- for the construction of Millat Islamia Public Higher Secondary School for Boys in Rawalpindi. The school was located in the

Cantonment area of Rawalpindi and its building was constructed but later on the Cantonment Board demolished the building. Now the dispute whether the land belonged to Provincial Government or the Cantonment Board is under consideration of the Board of Revenue for settlement.

The Committee directed that the SMBR be requested to take up the matter with the Federal Government for decision of ownership and demarcation of the land.

The para was kept pending.

**30.07.2004** The Department explained that in compliance with PAC directions, Senior Member Board of Revenue had been requested to take up the matter with Federal Government for necessary decision of ownership and demarcation of disputed land.

The Committee directed the Department to pursue the matter vigorously for getting it resolved at the earliest.

**The para was kept pending.**

The paras were discussed in the meetings of PAC-II held on 28.04.2004, 29.04.2004, 30.04.2004 & 30.05.2005.

### **Audit Paras (Commercial) for the year 1999-2000**

#### **1. Para No.69 Page 39 of Audit Report for the year 1999-2000; Working results.**

**28.04.2004** Audit had pointed out late submission of accounts of the department for the years 1993-94 to 1999-2000.

The Committee **settled the para** with the directions that the department should submit its accounts to audit in future well in time.

### **Audit Paras (Revenue Receipts) for the year 1999-2000**

#### **1. Para No.1.1 Pages 9 & 10 of Audit Report for the year 1999-2000; Non-realization of 15% share of provincial government from cantonment boards-Rs.23,753,172/-.**

**28.04.2004** Audit had pointed out that there was non realization of 15% Government share of property tax outstanding against Cantonment Boards.

The Department explained that the matter had been taken up with the Ministry of Defence, Government of Pakistan with the request to issue instructions to all the Cantonment Executive Officers in Punjab for release of 15% share of property tax. It was further stated that consolidated information was being prepared for onward transmission to the Ministry of Defense. The department further stated that if it was not able to effect recoveries, the Finance Department would be moved to adjust the same in the budget. The DG Revenue Receipts could also send a formal letter requesting DG Defence Audit to look into this matter.

Finance Department observed that the outstanding dues could be got adjusted through the adjuster.

The Committee observed that the Department should remain in constant contact with the Ministry of Defence for ensuring early recovery of outstanding dues.

#### **i) (PDP No.6005) ETO, (Entertainment) Lahore-Rs.13,106,600/-**

**28.04.2004** The department explained that an amount of Rs.5,500,000/- had been recovered leaving balance of Rs.7,600,000/-.

The Committee **kept the item pending** for balance recovery.

ii) **(PDP No.5977) ETO, Jhelum-Rs.157,668/-.**

**28.04.2004** The department explained that an amount of Rs.80,743/- had been recovered leaving balance of Rs.76,925/-.

The Committee **kept the item pending** for balance recovery.

iii) **(PDP No.5684) ETO, Gujrat-Rs.270,959/-.**

**28.04.2004** The department explained that entire amount had been recovered.

The Committee **conditionally settled the item** subject to verification of recovery by audit.

iv) **(PDP No.5872) ETO, Bahawalpur-Rs.811,027/-.**

v) **(PDP No.5785) ETO, Rawalpindi-Rs.219,447/-.**

vi) **(PDP No.5771) ETO, Rawalpindi-Rs.7,028,185/-.**

**28.04.2004** The department explained that entire amount of items involving Rs.811,027/-, Rs.219,447/- and Rs.702,815/- respectively was outstanding.

The Committee **kept all the items pending** for effecting recoveries.

vii) **(PDP No.6097) ETO, Attock-Rs.223,621/-.**

viii) **(PDP No.6141) ETO, Okara-Rs.82,759/-.**

ix) **(PDP No.5670) ETO, Sialkot-Rs.737,408/-.**

x) **(PDP No.5663) ETO-III, Gujranwala-Rs.346,034/-.**

**28.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of the audit, the Committee **settled the items**.

xi) **(PDP No.5950) ETO, Sargodha-Rs.347,018/-.**

**28.04.2004** The department explained that entire amount of item was outstanding.

The Committee **kept the item pending** for effecting recovery.

**xii) (PDP No.5837) ETO, Multan-Rs.722,446/-.**

**28.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of the audit, **the Committee settled the item.**

**2. Para No.1.2 Pages 10 & 11 of Audit Report for the year 1999-2000; Non-realization of property tax due to non-issuance of demand notices-Rs.15,652,411/-.**

**28.04.2004** Audit had pointed out non realization of property tax due to non issuance of demand notices to autonomous bodies and corporations like WAPDA, PTCL, LDA, and Market Committees, despite the fact that they were not exempted from the payment of property tax.

The department explained that the Punjab Government had made an agreement with WAPDA that in lieu of tax exemption on WAPDA properties by Punjab Government, WAPDA would charge concessional tariff for street lights and drinking water tube wells etc. Accordingly, after obtaining the approval of the competent authority, notification regarding remitting of property tax on WAPDA properties was issued. During the course of meeting, audit demanded that a copy of the agreement be also provided to them.

Finance Department observed that such remittances were competently made under Section 3 of the Punjab Urban Immovable Property Tax Act, 1958. It was not necessary to provide copy of agreement to the audit, however, Audit could depute some officer to study the agreement. Finance Department recommended the paras relating to WAPDA for settlement.

The Committee decided to settle all the paras/items included in this report to the extent of property tax dues against WAPDA in view of the agreement between the Punjab Government and WAPDA and the notification issued by the former remitting all such dues against WAPDA.

Regarding PTCL, the Department explained that after change of status of PTCL as a company, it no more remained under the ambit of property tax exemption and hence the demand was created. Referring to Development authorities and Market Committees, the Department stated that they did not fall within the definition of “local authority” and, therefore, recoveries against them were due. However, the matters relating to PTCL, development authorities and Market Committees etc. were being adjudicated upon by the courts and hence were sub-judice.

In view of position explained about PTCL, Development authorities and the Market Committees, the Committee decided to keep the relevant paras pending as the matter related thereto were sub-judice.

i) **(PDP No.6015) ETO, Zone-VII, Lahore-Rs.822,150/-.**

**28.04.2004** The department explained that recovery was outstanding against LDA.

The Committee **kept the item pending** being subjudice.

ii) **(PDP No.6013) ETO, Zone-VI, Lahore-Rs.143,338/-.**

**28.04.2004** The department explained that recovery was outstanding against PTCL.

Being subjudice, the Committee **kept the item pending.**

iii) **(PDP No.6310) ETO, Zone-IX, Lahore-Rs.30,358/-.**

iv) **(PDP No.6307) ETO, Zone-X, Lahore-Rs.37,747/-.**

**28.04.2004** The Department explained that both the cases fell within the ambit of remittance allowed to WAPDA by the Government of the Punjab.

The Committee **settled the items accordingly.**

v) **(PDP No.6331) ETO, Zone-IX, Lahore-Rs.149,293/-.**

**28.04.2004** The Department stated that the entire amount had been recovered.

The Committee **settled the item subject to** verification of recovery by audit.

vi) **(PDP No.5676) ETO, Sialkot-Rs.57,758/-.**

**28.04.2004** The department explained that entire recovery of Rs.57758/- was outstanding against Punjab Small Industries Estate Sialkot and efforts for recovery were being made.

The Committee directed the Department to take up the matter with MD PSIE for ensuring early recovery.

**The item was kept pending.**

vii) **(PDP No.5678) ETO, Sialkot-Rs.51,343/-.**



**28.04.2004** The department explained that recovery pertained to PTCL and matters related thereto were sub-judice.

Being subjudice, the Committee **kept the item pending**.

viii) **(PDP No.5856) ETO, Pakpattan-Rs.73,999/-.**

**28.04.2004** The Department explained that an amount of Rs.20,438/- had been recovered and verified by audit.

The Committee **kept the item pending** for balance recovery.

ix) **(PDP No.5819) ETO, Pakpattan-Rs.86,339/-.**

**28.04.2004** The Department stated that an amount of Rs.10,319/- was not due in view of remission allowed to WAPDA whereas balance was outstanding against PTCL.

The Committee **settled the portion of item** relating to WAPDA and **kept the remaining part pending** relating to PTCL being sub-judice.

x) **(PDP No.5655) ETO, Gujranwala-Rs.1,820,193/-.**

**28.04.2004** The department explained that recovery was outstanding against PTCL and matter related thereto were sub-judice.

Being sub-judice the Committee **kept the item pending**.

xi) **(PDP No.5654) ETO, Gujranwala-Rs.4,355,488/-.**

**28.04.2004** The department explained that recovery was outstanding against GDA and matters related thereto were sub-judice.

Being subjudice, the Committee **kept the item pending**.

xii) **(PDP No.5656) ETO, Gujranwala-Rs.439,887/-.**

**28.04.2004** The Department explained that the entire recoverable amount fell within the ambit of remittance allowed to WAPDA.

**The item was settled.**

xiii) **(PDP No.5660) ETO, Gujranwala-1,992,925/-.**

xiv) **(PDP No.5894) ETO, Vehari-Rs.120,008/-.**

xv) **(PDP No.5861) ETO, Khanewal-Rs.58,279/-.**

xvi) **(PDP No.5857) ETO, Khanewal-Rs.49,968/-.**

**28.04.2004** The department explained that recoveries were outstanding against PTCL and matters related thereto were sub-judice.

The Committee **kept all the four items pending being sub-judice.**

xvii) **(PDP No.6104) ETO, Hafizabad-Rs.138,000/-.**

**28.04.2004** The department explained that the recovery was outstanding against Market Committee Hafizabad and the matter was under the adjudication of courts.

**The item was kept pending.**

xviii) **(PDP No.5347) ETO, Mianwali-Rs.184,743/-.**

xix) **(PDP No.5317) ETO, Sargodha-Rs.3,497,890/-.**

**28.04.2004** The department explained that recoveries were out standing against PTCL and the matters related thereto were sub-judice.

The Committee **kept both the items pending being sub-judice.**

xx) **(PDP No.5900) ETO, Vehari-Rs.32,886/-.**

**28.04.2004** The department explained that the recovery was outstanding against Market Committee Vehari and such matters were being adjudicated upon by the courts.

**The item was kept pending.**

xxi) **(PDP No.6008) ETO, Zone-VI, Lahore-Rs.985,058/-.**

**28.04.2004** The department explained that an amount of Rs.985,058/- was outstanding against certain organizations i.e. National Bank of Pakistan, PCSIR, S&T, PCB and Pakistan Arts Council who were claiming exemption from property tax. As the demand was created against them they filed an appeal in the court. However, recovery of Rs.230,374/- from Pakistan Arts Council was not due being Government property and record had been verified by audit.

The audit verified the contention of the Department regarding Pakistan Arts Council and recommended the item for settlement to this extent.

The Committee **kept the item pending** to the extent of NBP, PCSIR, S&T and PCB being under adjudication and **settled the portion relating to Pakistan Arts Council.**

**xxii) (PDP No.5986) ETO, Zone-III, Lahore-Rs.399,198/-.**

**28.04.2004** The department explained that the recovery related to Government property and therefore, was not due.

The audit verified the contention of the Department and recommended the item for settlement.

On the recommendation of audit, the Committee **settled the item.**

**xxiii) (PDP No.5310) ETO, Sargodha-Rs.125,563/-.**

**28.04.2004** The department explained that the recovery was outstanding against Market Committee Sargodha and matters was sub-judice.

The Committee **kept the item pending being sub-judice.**

### **3. Para No.1.3 Pages 12, 13 & 14 of Audit Report for the year 1999-2000; Non-recovery of outstanding property tax as arrears of land revenue-Rs.9,826,632/-.**

**28.04.2004** Audit had pointed out non recovery of outstanding property tax as arrears of Land Revenue.

**i) (PDP No.5876) ETO, Bahawalpur-Rs.137,059/-.**

**28.04.2004** The department explained that an amount of Rs.118,116/- had been recovered and verified by audit.

The Committee **kept the item pending** for balance recovery upto 30-6-2004.

**ii) (PDP No.5880) ETO, Rahim Yar Khan-Rs.120,869/-.**

**iii) (PDP No.5770) ETO, (P-T), Rawalpindi-Rs.337,940/-.**

**iv) (PDP No.5983) ETO, Zone-I, Lahore-106,528/-.**

v) **(PDP No.5988) ETO, Zone-III, Lahore-Rs.206,548/-.**

**28.04.2004** The department explained that entire amount had been recovered and verified by audit.

On the recommendations of audit, the Committee **settled all the four items.**

vi) **(PDP No.5992) ETO, Zone-IV, Lahore-Rs.216,027/-.**

**28.04.2004** The department explained that an amount of Rs.129,193/- had been recovered and verified by audit. An amount of Rs.32,234/- was not due.

The Committee **kept the item pending** for balance recovery up to 30-6-2004.

vii) **(PDP No.5996) ETO, Zone-V, Lahore-Rs.550,471/-.**

viii) **(PDP No.6016) ETO, Zone-VII, Lahore-Rs.310,091/-.**

**28.04.2004** The department explained that entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled both the items.**

ix) **(PDP No.6034) ETO, Rajanpur-Rs.397,579/-.**

**28.04.2004** The department explained that an amount of Rs.2,221,941/- had been recovered and verified by audit.

The Committee **kept the item pending** for balance recovery up to 30-6-2004.

x) **(PDP No.6063) ETO, Bahawalnagar-Rs.111,766/-.**

**28.04.2004** The department explained that an amount of Rs.99,619/- had been recovered and verified by audit.

The Committee **kept the item pending** for balance recovery upto 30-6-2004.

xi) **(PDP No.6099) ETO, Attock-Rs.126,929/-.**

xii) **(PDP No.6010) ETO, Zone-VI, Lahore-Rs.248,371/-.**

**28.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendations of audit, **the Committee settled both the items.**

**xiii) (PDP No.6105) ETO, Hafizabad-Rs.53,302/-.**

**28.04.2004** The department explained that an amount of Rs.47,518/- had been recovered and verified by audit.

The Committee **kept the item pending** for balance recovery upto 30-6-2004.

**xiv) (PDP No.6173) ETO, Toba Tek Singh-Rs.51,546/-.**

**28.04.2004** The department explained that out of total recoverable amount, Rs.38116/- had been recovered leaving balance of Rs.13430/- which was not due because it related to Katchi Abbadi notified by the Government.

The Committee **conditionally settled the item subject to** verification of contention of the department/record by audit.

**xv) (PDP No.5671) ETO, Sialkot-Rs.182,275/-.**

**xvi) (PDP No.5852) ETO, Pakpattan-Rs.96,912/-.**

**28.04.2004** The department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled both the items.**

**xvii) (PDP No.5664) ETO, Gujranwala-Rs.514,439/-.**

**28.04.2004** The Department stated that an amount of Rs.330,329/- had been recovered and verified by audit whereas an amount of Rs.151,846/- was not due. It was further stated that an amount of Rs.11,000/- had also been recovered.

The Committee **kept the item pending** for balance recovery up to 30.6.2004.

**xviii) (PDP No.5657) ETO, Gujranwala-Rs.105,118/-.**

**xix) (PDP No.5895) ETO, Vehari-Rs.118,876/-.**

xx) **(PDP No.6108) ETO, Mandi-Bahauddin-Rs.207,774/-.**

xxi) **(PDP No.5858) ETO, Khanewal-Rs.289,166/-.**

xxii) **(PDP No.5685) ETO, Gujrat-Rs.172,775/-.**

**28.04.2004** The department explained that entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the five items.**

xxiii) **(PDP No.5689) ETO, Gujrat-Rs.36,450/-.**

**28.04.2004** The department explained that entire amount was not due and stood adjusted.

The audit insisted that the department should get the position verified from it.

The Committee **conditionally settled the item subject to** verification of record/recovery by audit.

xxiv) **(PDP No.5692) ETO, Narowal-Rs.127,993/-.**

**28.04.2004** The department stated that the entire amount had been recovered and verified by audit.

On the recommendation of the audit, **the Committee settled the item.**

xxv) **(PDP No.6329) ETO, Zone-XI, Lahore-Rs.672,030/-.**

**28.04.2004** The department explained that entire amount was outstanding.

The Committee **kept the item pending** for effecting recovery up to 30-6-2004.

xxvi) **(PDP No.6321) ETO, Zone-VIII, Lahore-Rs.2,499,345/-.**

**28.04.2004** The department explained in the meeting that some amount had now been recovered, about Rs.10 lac fell within the ambit of remission and efforts for balance recovery were continuing.

The Committee **kept the item pending** for effecting balance recovery upto 30-6-2004 and



verification of amount already recovered by audit.

**xxvii) (PDP No.6300) ETO, Zone-IX, Lahore-Rs.118,613/-.**

**28.04.2004** The department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, **the item was settled.**

**xxviii) (PDP No.6305) ETO, Zone-X, Lahore-Rs.166,169/-.**

**28.04.2004** The department explained that an amount of Rs.90,748/- had been recovered and verified by audit, an amount of Rs.39,393/- was not due and efforts for balance recovery were continuing.

The Committee **kept the item pending** for effecting balance recovery upto 30-6-2004.

**xxix) (PDP No.6314) ETO, Zone-XI, Lahore-Rs.140,455/-.**

**28.04.2004** The department explained that an amount of Rs.35,787/- was recovered and verified by audit; an amount of Rs.14,695/- was not due and efforts for balance recovery were being made.

The Committee **kept the item pending** but balance recovery upto 30-6-2004.

**xxx) (PDP No.6295) ETO, Zone-II, Lahore-Rs.199,300/-.**

**28.04.2004** The department explained that an amount of Rs.33,555/- had been recovered and verified by audit.

The Committee **kept the item pending** for balance recovery upto 30-6-2004.

**xxxi) (PDP No.6284) ETO, Zone-XII, Lahore-Rs.429,033/-.**

**28.04.2004** The department stated that an amount of Rs.248,824/- had been recovered and verified by audit, an amount of Rs.86,952/- was not due and efforts for balance recovery were being made.

The Committee **kept the item pending** for balance recovery upto 30-6-2004.

**xxxii) (PDP No.6073) ETO, Sheikhpura-Rs.238,714/-.**

**28.04.2004** The department stated that an amount of Rs.144,007/- had been recovered and verified by audit, an amount of Rs.51,886/- was not due and efforts for balance recovery were

being made.

The Committee **kept the item pending** for balance recovery upto 30-6-2004.

**xxxiii) (PDP No.5934) ETO, Mianwali-Rs.424,309/-.**

**28.04.2004** The department stated that an amount of Rs.238,034/- had been recovered and verified by audit, an amount of Rs.12,960/- was due and efforts for balance recovery were continuing.

The Committee **kept the item pending** for balance recovery upto 30-6-2004.

**xxxiv) (PDP No.5947) ETO, Sargodha-Rs.133,380/-.**

**28.04.2004** The department explained that an amount Rs.69,464/- had been recovered and verified by audit, whereas Rs.5,866/- being duplication of DP No.7106 was not due. The balance recovery was Rs.58,030/- instead of Rs.63,916/- for which efforts were being made.

The Committee **kept the item pending** for balance recovery upto 30-6-2004.

**xxxv) (PDP No.5844) ETO, Zone-II, Multan-Rs.229,757/-.**

**28.04.2004** The department explained that an amount of Rs.133,769/- had been recovered and verified by audit, an amount of Rs.34,780/- was not due and efforts for balance recovery were being made.

The Committee **kept the para pending** for balance recovery upto to 30-6-2004.

**4. Para No.1.4 Pages 14, 15, 16, 17, & 18 of Audit Report for the year 1999-2000; Non-realization of property tax due to grant of inadmissible exemption-Rs.9,264,523/-.**

**29.04.2004** Audit had pointed out non realization of property tax on properties belonging to Semi Government Organizations and autonomous bodies which were not exempted from the payment of tax.

The Department explained that “Development Authorities etc. claiming exemption did not fall within the definition of local authority” under the law. The matters in this regard were being adjudicated upon by the courts.

**i) (PDP No.5779) ETO, Rawalpindi-Rs.221,660/-.**

**29.04.2004** The Department explained that outstanding amount was recoverable against RDA

which was claiming itself a “Local Authority” exempted from the payment of property tax. Since the matters regarding Development Authorities etc. were being adjudicated upon by the courts, therefore, recovery could not be effected. The Department had also filed an appeal in the Supreme Court against the verdict of the Lahore High Court.

The Committee **kept the item pending being sub-judice.**

ii) **(PDP No.5777) ETO, Rawalpindi-Rs.539,460/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

iii) **(PDP No.5782) ETO, Rawalpindi-Rs.35,135/-.**

**29.04.2004** The department explained that the LHC had stayed the recovery.

The Committee **kept the item pending being sub-judice.**

iv) **(PDP No.5831) ETO, Multan-Rs.3,978,968/-.**

**29.04.2004** The department explained that entire amount was outstanding against MDA and PTCL and the matters in this regard were in the courts.

The Committee **kept the item pending being sub-judice.**

v) **(PDP No.5881) ETO, Rahim Yar Khan-Rs.99,900/-.**

vi) **(PDP No.5843) ETO-II, Multan-Rs.619,860/-.**

vii) **(PDP No.5874) ETO, Bahawalpur-Rs.233,792/-.**

viii) **(PDP No.5693) ETO, Narowal-Rs.107,801/-.**

**29.04.2004** The department explained that recovery was outstanding against PTCL and the matters were sub-judice.

**The items were kept pending.**

**ix) (PDP No.5694) ETO, Narowal-Rs.72,976/-.**

**29.04.2004** The department explained that in view of the remittance allowed to WAPDA by Punjab Government, no recovery was due.

**The Committee settled the item.**

**x) (PDP No.5730) ETO-I, Faisalabad-Rs.1,350,116/-.**

**29.04.2004** The department explained that recovery was outstanding against Market Committee Faisalabad and the case in this regard was subjudice.

The Committee **kept the item pending** with the direction that the Department should pursue all such cases in the courts.

**xi) (PDP No.5840) ETO-II, Multan-Rs.46,702/-.**

**xii) (PDP No.5883) ETO, Rahim Yar Khan-Rs.68,742/-.**

**xiii) (PDP No.5888) ETO, Lodhran-Rs.108,230/-.**

**29.04.2004** The department explained that recoveries were outstanding against Market Committees Shuja Abad, Rahim Yar Khan and Lodhran respectively. It was further stated that notices for recovery had been issued and cases in respect of these Market Committees were not pending in the Courts.

The Committee **kept all the items pending** with directions that if cases in respect of these Market Committees were not pending in courts then recoveries should be effected at the earliest.

**xiv) (PDP No.5728) ETO-I, Faisalabad-Rs.519,644/-.**

**29.04.2004** The department explained that recovery was outstanding against FDA which was claiming the status of “local authority” and matters relating to Development authorities were being adjudicated upon.

**The item was kept pending.**

**xv) (PDP No.5731) ETO-I, Faisalabad-Rs.97,296/-.**

**29.04.2004** The department explained that efforts to recover the amount were being made.

The Committee **kept the item pending** for recovery.

(b) Audit had pointed out that the department failed to demand/recover property tax from the owners of certain newly constructed residential properties even after expiry of the exemption period of first 3 years.

**xvi) (PDP No.6171) ETO, Toba Tek Singh-Rs.107,622/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

**xvii) (PDP No.6326) ETO, Zone VIII, Lahore-Rs.27,000/-.**

**29.04.2004** The Department explained that efforts for effecting the recovery were being made.

**The item was kept pending.**

**xviii) (PDP No.6328) ETO, Zone VIII, Lahore-Rs.43,200/-.**

**29.04.2004** The department explained that the recovery was outstanding against property of MCL which fell within the definition of “Local Authority”. The audit, however, observed that it was not MCL property but a residential accommodation owned by a private person.

The Committee **kept the item pending** for recovery.

**xix) (PDP No.6009) ETO, Zone VI, Lahore-Rs.310,230/-.**

**xx) (PDP No.5994) ETO, Zone VI, Lahore-Rs.29,835/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendations of audit the Committee **settled the items.**

(C) Audit had pointed out non recovery of property tax from certain properties owned by Evacuee Property Trust Board because they were not being used for worship or public charity but were rented out and the rent was also not being used for public welfare.

**xxi) (PDP No.5673) ETO, Sialkot-Rs.107,600/-.**

**29.04.2004** The department explained that recovery was outstanding against Evacuee Property Trust Board. Being a Government institution recovery was not due.

On the recommendation of audit, the Committee **settled the item.**

**xxii) (PDP No.5826) ETO-I, Multan-Rs.106,108/-.**

**29.04.2004** The department explained an amount of Rs.49,907/- was not due and efforts for balance recovery were being made. The Department further stated that a “mosque” fell within the definition of waqf property but in this case no waqf deed was available.

The Committee **kept the item pending** for balance recovery.

**xxiii) (PDP No.6098) ETO, Attock-Rs.141,299/-.**

**xxiv) (PDP No.6106) ETO, Hafizabad-Rs.33,780/-.**

**xxv) (PDP No.6112) ETO, Mandi Bahauddin-Rs.55,985/-.**

**29.04.2004** The department explained that recovery outstanding against Evacuee Property Trust Board was not due as it qualified for exemption from payment of property tax being a Government institution.

On the recommendation of audit, the Committee **settled all the three items.**

(d) Audit had pointed out non-recovery of property tax from certain private educational institutions even after withdrawal of the exemption w.e.f. 1 July 1998.

**xxvi) (PDP No.6324) ETO, (Zone-VIII), Lahore-Rs.25,180/-.**

**29.04.2004** The department explained that entire amount had been recovered.

The Committee **conditionally settled the item subject to** verification of recovery by audit.

**xxvii) (PDP No.6014) ETO, (Zone-VI), Lahore-Rs.108,000/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.



On the recommendation of audit, **the Committee settled the item.**

**xxviii) (PDP No.6311) ETO, (Zone-X), Lahore-Rs.32,670/-.**

**29.04.2004** The Department stated that efforts for realization of recovery were being made.

The Committee **kept the item pending** for effecting the recovery.

**xxix) (PDP No.6002) ETO, (Zone-V), Lahore-Rs.35,732/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of the audit, the committee **settled the item.**

#### **5. Para No.1.5 Pages 18, 19, & 20 of Audit Report for the year 1999-2000; Non-assessment of additional tax-Rs.2,979,594/-.**

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**29.04.2004** Audit had pointed out non assessment and non realization of 25% additional tax payable in respect of owners of self occupied property built on a plot of land measuring 2 kanals or more or having covered area exceeding 6000 sqft.

**i) (PDP No.5976) ETO, Jehlum-Rs.44,779/-.**

**ii) (PDP No.5993) ETO, Zone-IV, Lahore-Rs.86,164/-.**

**iii) (PDP No.5734) ETO, Faisalabad-Rs.41,653/-.**

**iv) (PDP No.5729) ETO, Faisalabad-Rs.148,377/-.**

**v) (PDP No.5736) ETO-III, Faisalabad-Rs.224,007/-.**

**29.04.2004** The department explained that the recovery had been realized and verified by audit.

On the recommendation of the audit, the committee **settled all the five items.**

**vi) (PDP No.5756) ETO, Jhang-Rs.224,772/-.**

**29.04.2004** The department explained that entire amount had been recovered.

The Committee **salted the item subject to** the verification of recovery by audit.

vii) **(PDP No.5774) ETO-I, Rawalpindi-Rs.54,404/-.**

**29.04.2004** The Department explained that an amount of Rs.42,140/- had been recovered and verified by audit. The balance amount was outstanding against Nishat Cinema, Rawalpindi which was closed due to litigation over ownership pending in the Lahore High Court, Rawalpinidi Bench.

**The para was kept pending.**

viii) **(PDP No.5901) ETO, Vehari-Rs.21,751/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by the audit.

On the recommendation of audit, **the committee settled the item.**

ix) **(PDP No.6004) ETO, Entertainment, Lahore-Rs.27,314/-.**

**29.04.2004** The department explained that the recovery was outstanding against PADSC which was disbanded in 1998 and its assets and liabilities were devolved in favour of the Government. The department stated that two options i.e. of write off or budget allocation for cleaning the pending liability were available.

Finance Department suggested that the Department should refer the case for write off to Finance Department.

The Committee **kept the item pending** and directed the Department to refer the case to Finance Department for write off of the liability.

x) **(PDP No.6035) ETO, Rajanpur-Rs.63,825/-.**

xi) **(PDP No.6142) ETO, Okara-Rs.123,522/-.**

**29.04.2004** The department explained that recovery to the tune of Rs.56082/- and Rs. 105567/- respectively was outstanding in respect of the above items.

The committee **kept the items pending** for recovery.

xii) **(PDP No.6170) ETO, Toba Tek Singh-Rs.35,066/-.**

xiii) **(PDP No.5681) ETO-I, Gujranwala-Rs.47,670/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the items.**

xiv) **(PDP No.5682) ETO-III, Gujranwala-Rs.41,430/-.**

**29.04.2004** The department explained that entire amount had been recovered. The audit, however, contended that the property unit was partly self-occupied and partly on rent.

The Committee **conditionally settled the item subject to** verification of record by audit.

xv) **(PDP No.5683) ETO-III, Gujranwala-Rs.40,884/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of the audit, the Committee **settled the item.**

xvi) **(PDP No.5680) ETO, Sialkot-Rs.190,291/-.**

**29.04.2004** The Department explained that the balance amount had also been recovered.

The Committee **conditionally settled the item subject to** verification of recovery by audit.

xvii) **(PDP No.5851) ETO, Pakpattan-Rs.74,735/-.**

xviii) **(PDP No.5865) ETO, Khanewal-132,336/-.**

xix) **(PDP No.6068) ETO, Sahiwal-Rs.66,505/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the items.**

**xx) (PDP No.5686) ETO, Gujrat-Rs.171,089/-.**

**29.04.2004** The Department stated that the amount was not due in view of remittance allowed to WAPDA by Government of the Punjab.

**The item was settled.**

**xxi) (PDP No.6110) ETO, Mandi Bahauddin-Rs.65,098/-.**

**29.04.2004** The department explained that the recovery was outstanding against PTCL and the matter was sub-judice

**The Committee kept the item pending.**

**xxii) (PDP No.6306) ETO, Zone-X, Lahore-Rs.55,364/-.**

**29.04.2004** The department explained that the balance amount had also been recovered.

The Committee **settled the item subject to** verification of recovery by audit.

**xxiii) (PDP No.6315) ETO, Zone XI, Lahore-Rs.75,766/-.**

**29.04.2004** The Department explained that an amount of Rs.63,436/- had been recovered and verified by audit and efforts for reconciliation of balance amount were being made.

The Committee **kept the item pending for reconciliation or recovery**, as the case may be.

**xxiv) (PDP No.6330) ETO, Zone XI, Lahore-Rs.35,340/-.**

**xxv) (PDP No.6012) ETO, Zone-IV, Lahore-Rs.136,991/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the items.**

**xxvi) (PDP No.6074) ETO, Sheikhpura-Rs.85,396/-.**

**29.04.2004** The Department explained that an amount of Rs.375,00/- had been recovered and verified by audit.

Out of balance recovery, some amount had been recovered, some was miscalculated by audit and some fell within the ambit of exemption.

The Committee **kept the item pending.**

**xxvii) (PDP No.6048) ETO, Muzaffargarh-Rs.149,115/-.**

**29.04.2004** The department explained that now the balance recovery was to the tune of Rs.1,646/- only.

The Committee **conditionally settled the item subject to** verification of recovery effected by audit and the balance recovery.

**xxviii) (PDP No.6019) ETO, Zone-VII, Lahore-Rs.43,236/-.**

**xxix) (PDP No.6298) ETO-IX, Lahore-Rs.212,042/-.**

**xxx) (PDP No.6297) ETO, Zone-II, Lahore-Rs.56,983/-.**

**xxxi) (PDP No.6293) ETO, Zone-II, Lahore-Rs.18,442/-.**

**xxxii) (PDP No.6299) ETO, Zone-IX, Lahore-Rs.41,396/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled all the five items.**

**xxxiii) (PDP No.6265) ETO, Layyah-Rs.13,283/-.**

**29.04.2004** The Department explained that an amount of Rs.5,713/- had been recovered and verified by audit. Insofar as balance recovery was concerned, exemption to a widow had been granted by the competent authority.

The Committee **conditionally settled the item subject to** verification of relevant record by audit.

**xxxiv) (PDP No.6021) ETO, D. G. Khan-Rs.139,897/-.**

**29.04.2004** The department explained that the para had been reduced to Rs.12112/- by SDAC which had been recovered and verified by audit.

The Committee **conditionally settled the item subject to** verification of relevant record by audit.

**6. Para No.1.6 Pages 20 & 21 of Audit Report for the year 1999-2000; Non-recovery of property tax due to non-issuance of demand notices Rs.1,830,151/-.**

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- i) (PDP No.5773) ETO, Rawalpindi-Rs.69,120/-.
- ii) (PDP No.5776) ETO-I, Rawalpindi-Rs.76,500/-.
- iii) (PDP No.5999) ETO, Zone V, Lahore-Rs.128,145/-.
- iv) (PDP No.6018) ETO, Zone VII, Lahore-Rs.77,850/-.

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled all the four items.**

- v) (PDP No.6294) ETO, Zone II, Lahore-Rs.38,070/-.

**29.04.2004** The Department explained that an amount of Rs.23,370/- had been recovered and verified by audit. The matter was also sub-judice.

The item was **kept pending being sub-judice.**

- vi) (PDP No.6312) ETO, Zone X, Lahore-Rs.1,440,466/-.

**29.04.2004** The Department explained that an amount of Rs.1,229,574/- had been recovered and verified by audit. Efforts for balance recovery were continuing. The matter was sub-judice and the property had been sealed by the Banking Court.

The Committee **kept the item pending.**

**7. Para No.1.7 Pages 21 & 22 of Audit Report for the year 1999-2000; Non-realization of property tax due to non-carrying forward of the outstanding balances-Rs.1,552,434/-.**

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**29.04.2004** Audit had pointed out non realization of property tax due to non carrying forward of balance amount outstanding at the end of the year to the next year's Demand & Receipt Register



(PT-8) for recovery.

i) **(PDP No.6264) ETO, Layyah-Rs.138,148/-.**

**29.04.2004** The Department explained that an amount of Rs.6,692/- had been recovered and verified by audit. Out of balance recovery, some amount had also been recovered and some amount fell within the ambit of exemption.

The Committee **kept the item pending** for balance recovery upto 30-6-2004.

ii) **(PDP No.6296) ETO, Z-II, Lahore-Rs.294,171/-.**

**29.04.2004** The Department explained that an amount of Rs.53,963/- had been recovered and verified by audit. The matter was sub-judice.

The Committee **kept the item pending.**

iii) **(PDP No.5853) ETO, Pakpattan-Rs.83,184/-.**

iv) **(PDP No.6000) ETO, Z-V, Lahore-Rs.112,734/-.**

v) **(PDP No.6301) ETO, Z-IX, Lahore-Rs.47,167/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled all the three items.**

vi) **(PDP No.6322) ETO, Z-VIII, Lahore-Rs.143,490/-.**

**29.04.2004** The Department stated that some partial recovery had been made.

The Committee **kept the item pending** for recovery up to 30.6.2004.

vii) **(PDP No.6316) ETO, Z-XI, Lahore-Rs.40,283/-.**

**29.04.2004** The Department explained that the property related to the Data Darbar Extension Scheme. An appeal in respect of assessment done was also pending.

The Committee **kept the item pending.**

viii) **(PDP No.6327) ETO, Z-VIII, Lahore-Rs.81,000/-.**

ix) **(PDP No.5786) ETO-I, Rawalpindi-Rs.379,517/-.**

**29.04.2004** The department explained that the balance amount in respect of the two items had since been recovered.

The Committee **settled both the items subject to** verification of recovery by audit.

x) **(PDP No.5897) ETO, Vehari-Rs.70,165/-.**

xi) **(PDP No.5738) ETO, Faisalabad-III, Rs.162,575/-.**

**29.04.2004** The Department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled both the items.**

#### **8. Para No.1.8 Pages 23 & 24 of Audit Report for the year 1999-2000; Short-realization of property tax due to computational error-Rs.1,040,968/-.**

i) **(PDP No.6024) ETO, D. G. Khan-Rs.83,011/-.**

**29.04.2004** The Department explained that an amount of Rs.34,289/- had been recovered and Rs.28,087/- was not due. It was further stated that balance recovery was now Rs.3,400/-.

The Committee **conditionally settled the item subject to** verification of recovery effected by audit and balance recovery.

ii) **(PDP No.6050) ETO, Muzaffargarh-Rs.57,754/-.**

**29.04.2004** The department explained that the matter was sub-judice. However, some amount had been recovered and some needed reconciliation.

As the item was sub-judice, the Committee **kept it pending.**

iii) **(PDP No.6037) ETO, Rajanpur-Rs.131,296/-.**

**29.04.2004** The department explained that an amount of Rs.20,156/- had been recovered and verified by audit. Balance recovery was outstanding. However, the matter was sub-judice.

The Committee **kept the item pending.**

iv) **(PDP No.6102) ETO, Attock-Rs.23,502/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

v) **(PDP No.6172) ETO, Toba Tek Singh-Rs.65,390/-.**

**29.04.2004** The department explained that balance recovery of item was nil because out of total recoverable amount, a sum of Rs.36,200/- had been settled by SDAC in its meeting held on 14-2-2002, a sum of Rs.6,872/- had been recovered and a sum of Rs.22,318/- was not due.

The Committee **conditionally settled the item subject to** verification of relevant record by audit.

vi) **(PDP No.5677) ETO, Sialkot-Rs.57,550/-.**

**29.04.2004** The department explained that entire amount had been recovered.

The Committee **settled the item subject to** verification of recovery by audit.

vii) **(PDP No.5669) ETO-III, Gujranwala-Rs.30,937/-.**

viii) **(PDP No.5658) ETO-I, Gujranwala-Rs.56,847/-.**

**29.04.2004** The Department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled both the items.**

ix) **(PDP No.5893) ETO, Vehari-Rs.153,361/-.**

**29.04.2004** The Department explained that an amount of Rs.135,361/- had been recovered and verified by audit, whereas Rs.12,824/- was not due. Efforts for balance recovery were being made.

The Committee **kept the item pending** for balance recovery.

**x) (PDP No.5864) ETO, Khanewal-Rs.42,797/-.**

**29.04.2004** The department explained that recovery was outstanding against PTCL and the matter was sub-judice.

The Committee **kept the item pending.**

**xi) (PDP No.6070) ETO, Sahiwal-Rs.88,112/-.**

**29.04.2004** The Department explained that Rs.11,982/- had been recovered and verified by audit whereas an amount of Rs.40,681/- was not due.

The Committee **kept the item pending** for balance recovery.

**xii) (PDP No.5696) ETO, Narowal-Rs.25,475/-.****xiii) (PDP No.5935) ETO, Mianwali-Rs.52,447/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled both the items.**

**xiv) (PDP No.6052) ETO, Muzaffargarh-Rs.109,258/-.**

**29.04.2004** The department explained that the item had been settled by SDAC with observation that amount was not due.

The Committee conditionally **settled the item subject to** verification of record by audit.

**xv) (PDP No.6027) ETO, D. G. Khan-Rs.63,231/-.**

**29.04.2004** The department explained that the para had been reduced by SDAC to Rs.9,518/- which had been recovered.

The Committee conditionally **settled the item subject to** verification of record and recovery by audit.

**9. Para No.1.9 Pages 24 & 25 of Audit Report for the year 1999-2000; Short-realization of property tax due to non-addition of 25 percent mandatory increase in annual rental value-Rs.670,784/-.**

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**29.04.2004** Audit had pointed out short realization of property tax on self occupied properties due to non-addition of 25% mandatory increase in annual rental value.

- i) **(PDP No.5690) ETO, Gujrat-Rs.23,940/-.**
- ii) **(PDP No.5695) ETO, Narowal-Rs.62,962/-.**
- iii) **(PDP No.6101) ETO, Attock-Rs.23,495/-.**
- iv) **(PDP No.5896) ETO, Vehari-Rs.93,023/-.**
- v) **(PDP No.5672) ETO, Sialkot-Rs.147,221/-.**
- vi) **(PDP No.6020) ETO, Zone VI, Lahore-Rs.50,624/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit the Committee **settled all the six items.**

- vii) **(PDP No.5877) ETO, Bahawalpur-Rs.79,386/-.**

**29.04.2004** The Department explained that Rs.10,000/- had been recovered and verified by audit and that Rs.43,219/- had further been recovered, leaving balance recovery of Rs.26,165/-.

The Committee **kept the item pending** for balance recovery and verification of recovery made.

- viii) **(PDP No.5882) ETO, Rahim Yar Khan-Rs.73,982/-.**
- ix) **(PDP No.5737) ETO, Faisalabad-Rs.24,816/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled both the items.**

- x) **(PDP No.6285) ETO, Zone-XIII, Lahore-Rs.46,498/-.**
- xi) **(PDP No.5839) ETO-II, Multan-Rs.58,195/-.**

**29.04.2004** The department explained that recoverable amount of both items was Rs.18349/- and Rs.17,227/- respectively. Efforts for recovery were being made.

The Committee **kept the items pending** for balance recovery.

**10. Para No.1.10 Pages 25 & 26 of Audit Report for the year 1999-2000; Non/short-assessment of property tax due to non-entry of particulars of taxable property units in Demand Registers-Rs.516,289/-.**

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**i) (PDP No.5936) ETO, Mianwali-Rs.19,238/-.**

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

**ii) (PDP No.6292) ETO, Zone-II, Lahore-Rs.32,414/-.**

**29.04.2004** The department stated that efforts for recovery were being made.

The Committee **kept the item pending** for recovery.

**iii) (PDP No.5989) ETO, Zone-III, Lahore-Rs.151,701/-.**

**iv) (PDP No.6011) ETO, Zone-VI, Lahore-Rs.60,750/-.**

**29.04.2004** The Department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled both the items.**

**v) (PDP No.6039) ETO, Rajanpur-Rs.81,000/-.**

**29.04.2004** The Department stated that efforts for recovery were being made.

The Committee **kept the item pending** for entire recovery.

**vi) (PDP No.5898) ETO, Vehari-Rs.44,924/-.**

**29.04.2004** The Department stated that an amount of Rs.32,671/- had been recovered and verified by audit whereas remaining amount had also been recovered.

The Committee **conditionally settled the item subject to** verification of recovery by audit.



vii) **(PDP No.6325) ETO, Zone- VIII, Lahore-Rs.63,704/-.**

viii) **(PDP No.6323) ETO, Zone- VIII, Lahore-Rs.62,558/-.**

**29.04.2004** The department explained that entire amount of the items was recoverable.

The Committee **kept both the items pending** for recovery.

**11      Para No.1.11 Pages 26 & 27 of Audit Report for the year 1999-2000; Short-realization of property tax due to non-consolidation-Rs.362,489/-.**

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**29.04.2004** Audit had pointed out that aggregated annual value of certain properties owned by same person in a rating area were not consolidated, resulting in short realization of Government revenue.

i) **(PDP No.6100) ETO, Attock-Rs.27,232/-.**

**29.04.2004** The Department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

ii) **(PDP No.5675) ETO, Sialkot-Rs.76,776/-.**

**29.04.2004** The Department explained that an amount of Rs.61,889/- had been recovered and verified by audit whereas the balance amount had also been recovered.

The Committee **conditionally settled the item subject to** verification of balance recovery by audit.

iii) **(PDP No.5668) ETO-III, Gujranwala-Rs.32,100/-.**

**29.04.2004** The Department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

iv) **(PDP No.5659) ETO-I, Gujranwala-Rs.32,242/-.**

**29.04.2004** The Department stated that an amount of Rs.31,351/- had been recovered and verified by audit, whereas the remaining amount had also been recovered.

The Committee **conditionally settled the item subject to** verification of balance recovery by audit.

v) **(PDP No.5891) ETO, Lodhran-Rs.24,414/-.**

**29.04.2004** The Department stated that Rs.19,265/- had been recovered and verified by audit. Audit, however, contended that photocopies of treasury challans supplied by the Department were not legible.

The Committee **kept the item pending** for balance recovery and verification of recovery already effected by audit.

vi) **(PDP No.5688) ETO, Gujrat-Rs.44,197/-.**

**29.04.2004** The Department stated that an amount of Rs.22,654/- had been recovered and verified by audit whereas the balance amount had also been recovered.

The Committee **conditionally settled the item subject to** verification of balance recovery by audit.

vii) **(PDP No.5697) ETO, Narowal-Rs.23,133/-.**

viii) **(PDP No.6279) ETO, Zone-XII, Lahore-Rs.42,224/-.**

ix) **(PDP No.6075) ETO, Sheikhpura-Rs.19,609/-.**

**29.04.2004** The department explained that entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled all the three items.**

x) **(PDP No.5879) ETO, Bahawalpur-Rs.43,154/-.**

**29.04.2004** The department explained that Rs.33947/- was outstanding.

The Committee **kept the item pending** for balance recovery.

**12      Para No.1.12 Page 27 of Audit Report for the year 1999-2000; Short-realization of property tax due to un-authorized reduction in gross annual rental value-Rs.135,326/-.**

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**29.04.2004** The department stated that the entire recovery was outstanding.

The Committee directed that the department should hold an inquiry and fix responsibility within 60 days into the matter of reduction made by ETO Rajanpur in gross annual rental value of certain property units in six cases without any order/record.

The para was kept pending.

**30.05.2005** The Department explained that as per directions of Sub-Cte-VI of PAC-II given in its meeting held on 23.05.2005, the matter was being pursued vigorously. The Director General E & T assured the committee that inquiry proceedings would be finalized at the earliest.

**The para was kept pending** with the direction that matter be finalized within 45 days under intimation to the PAC.

**13.      Para No.1.13 Page 28 of Audit Report for the year 1999-2000; Non-realization of tax on luxury houses-Rs.251,250/-.**

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- i)      (PDP No.5665) ETO-III, Gujranwala-Rs.50,000/-.
- ii)     (PDP No.6001) ETO, Zone-V, Lahore-Rs.51,250/-.
- iii)    (PDP No.6017) ETO, Zone-VII, Lahore-Rs.150,000/-.

**29.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the three items.**

**14.      Para No.1.14 Pages 29 & 30 of Audit Report for the year 1999-2000; Non-realization of token tax-Rs.4,406,109/-.**

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**29.04.2004** Briefing the Committee on motor registration and tax system, the Department stated that the entire system would be computerized in due course and RFI would be monitored. In this regard, a pilot project would introduced in Lahore.

- i)      (PDP No.5666) ETO-II, Gujranwala-Rs.53,118/-.

**29.04.2004** The Department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item**.

ii) **(PDP No.5691) ETO, Narowal-Rs.125,530/-.**

**29.04.2004** The department explained that recovery of Rs.49834/- was outstanding.

The Committee **kept the item pending** for balance recovery.

iii) **(PDP No.5687) ETO, Gujrat-Rs.76,477/-.**

**29.04.2004** The Department stated that an amount of Rs.57,308/- had been recovered and verified by audit, whereas the balance amount had also been recovered.

The Committee **conditionally settled the item subject to** verification of balance recovery by audit.

iv) **(PDP No.5757) ETO, Jhang-Rs.103,488/-.**

**29.04.2004** The Department stated that Rs.4,284/- had been recovered and verified by audit and that out of total balance amount, some more recovery had been effected.

The Committee **kept the item pending** for balance recovery.

v) **(PDP No.5740) ETO, (M), Faisalabad-315,724/-.**

**29.04.2004** The Department stated that an amount of Rs.225,182/- had been recovered and verified by audit, whereas an amount of Rs.44,024/- was not due. Audit contended that recovery to the tune of Rs.66,234/- only had been verified by it.

The Committee **kept the item pending** for balance recovery and verification of the recovery already effected by audit.

vi) **(PDP No.5778) ETO-(MV), Rawalpindi-Rs.388,890/-.**

**29.04.2004** The Department explained that an amount of Rs.90,074/- had been recovered and verified by audit. The audit, however, contended it had verified the recovery of Rs.68,242/- only.

The Committee **kept the item pending** for balance recovery and getting the recovery already effected verified by audit.

vii) **(PDP No.5811) ETO, Chakwal-Rs.168,380/-.**

viii) **(PDP No.5855) ETO, Pakpattan-Rs.112,645/-.**

**29.04.2004** The department explained that entire amount had been recovered.

The Committee **conditionally settled the items subject to** verification of recovery and relevant record by audit.

ix) **(PDP No.6304) ETO, (Tie-Up), Lahore-Rs.120,500/-.**

**29.04.2004** The department explained that Rs.34,700/- had been recovered and verified by audit. The audit, however, stated that no recovery had been verified by it.

The Committee **kept the item pending** for balance recovery and verification of recovery already effected by audit.

x) **(PDP No.5886) ETO, Rahim Yar Khan-Rs.52,584/-.**

**29.04.2004** The Department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

xi) **(PDP No.5890) ETO, Lodhran-Rs.40,356/-.**

**29.04.2004** The department explained that entire amount had been recovered.

The Committee **conditionally settled the item subject to** verification of recovery by audit.

xii) **(PDP No.5899) ETO, Vehari-Rs.43,050/-**

**29.04.2004** The department explained that Rs.29,484/-had been recovered and verified by audit.

The Committee **kept the item pending** for balance recovery.

xiii) **(PDP No.5938) ETO, Mianwali-Rs.117,246/-.**

**29.04.2004** The department stated that the entire amount had been recovered and verified by

audit.

On the recommendation of audit, the Committee **settled the item**.

**xiv) (PDP No.5949) ETO, Sargodha-Rs.107,979/-.**

**29.04.2004** The department explained that an amount of Rs.98,361/- had been recovered and verified by audit. A sum of Rs.8,568/- was not due and Rs.1,050/- had been paid to other District.

On the recommendation of audit, the Committee **settled the item**.

**xv) (PDP No.6040) ETO, Rajanpur-Rs.570,961/-.**

**29.04.2004** The Committee **kept the item pending** for balance recovery of Rs.519,082/-

**xvi) (PDP No.6046) ETO, Muzaffargarh-Rs.139,362/-.**

**29.04.2004** The department explained that entire amount had been recovered.

The Committee **conditionally settled the item subject to** verification of recovery by audit.

**xvii) (PDP No.6064) ETO, Bahawalnagar-Rs.274,191/-.**

**29.04.2004** The department explained that a sum of Rs.199,154/- had been recovered and verified by audit. Balance recovery was outstanding against Government vehicles.

The Committee **kept the item pending** for balance recovery up to 30.6.2004.

**xviii) (PDP No.6069) ETO, Sahiwal-Rs.329,947/-.**

**29.04.2004** The Department stated that an amount of Rs.141,533/- had been recovered and verified by audit. The audit, however, contended it had verified recovery of Rs.111,968/- only.

The Committee **kept the item pending** for balance recovery and verification of recovery made by audit.

**xix) (PDP No.6072) ETO, Sheikhpura-Rs.395,182/-.**

**29.04.2004** The Department stated that an amount of Rs.348,488/- had been recovered and verified by audit whereas Rs.24,698/- were not due.



Audit, however, contended that it had verified recovery of Rs.345,338/-.

The Committee **kept the item pending** for balance recovery and verification of recovery already made by audit.

**xx) (PDP No.6111) ETO, Mandi Bahauddin-Rs.54,968/-.**

**29.04.2004** The Department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

**xxi) (PDP No.6145) ETO, Okara-Rs.261,248/-.**

**29.04.2004** The Department stated that an amount of Rs.103,272/- had been recovered and verified by audit. The audit, however, contended that it had verified recovery of Rs.33,006/-.

The Committee **kept the item pending** for balance recovery and verification of recovery already effected by audit.

**xxii) (PDP No.6266) ETO, Layyah-Rs.73,790/-.**

**29.04.2004** The Department stated that an amount of Rs.60,464/- had been recovered and verified by audit, whereas an amount of Rs.365/- was not due.

The Committee **kept the item pending** for balance recovery.

**xxiii) (PDP No.5674) ETO, Sialkot-Rs.90,000/-.**

**29.04.2004** The department explained that entire amount had been recovered.

The Committee **conditionally settled** the item subject to verification of recovery by audit.

**xxiv) (PDP No.6022) ETO, D. G. Khan-Rs.148,380/-.**

**xxv) (PDP No.6025) ETO, D. G. Khan-Rs.65,000/-.**

**29.04.2004** The Committee **kept both the items pending** for balance recovery of Rs.59466/- and Rs.55,000/- respectively.

**xxvi) (PDP No.5403) ETO, Jehlum-Rs.118,965/-.**

**xxvii) (PDP No.5975) ETO, Jehlum-Rs.58,148/-.**

**29.04.2004** The department explained that entire amount of the items had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled both the items.**

**15. Para No.1.15 Pages 30 & 31 of Audit Report for the year 1999-2000; Short-realization of token tax due to application of incorrect rate-Rs.165,736/-.**

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**29.04.2004** Audit had pointed out that token tax in respect of vehicles of long trailer or other vehicles with maximum loading capacity exceeding 12000 kg. was enhanced to Rs.5,000/-, but the Motor Registration Authority Multan failed to realize tax at the new rate.

The department explained that entire amount of the item was outstanding and efforts for recovery were being made.

The Committee directed that keeping in view the observations of the audit, the Administrative Secretary should hold an inquiry and fix responsibility within 60 days under intimation to PAC.

**The item was kept pending.**

**16. Para No.1.16 Pages 31 & 32 of Audit Report for the year 1999-2000; Variation in collection figures of token tax-Rs.46,529,794/-.**

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**29.04.2004** Audit had pointed out variation in the remittance shown by D.G Postal Accounts and the receipts shown by the E&T Department in respect of the token tax collected by the former for the years 1994-95 to 1998-99.

The Department explained that there was some error in the figures.

The audit suggested that the Department should reconcile the figures with postal authorities.

The Committee directed that the Department should reconcile the figures with Postal Authorities and furnish report to PAC by 30.6.2004.

**The para was kept pending.**

**17. Para No.1.17 Pages 32 & 33 of Audit Report for the year 1999-2000; Non-**

**realization of tax on luxury vehicles-Rs.3,500,000/-.**

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**i) (PDP No.5679) ETO, Sialkot-Rs.500,000/-.**

**29.04.2004** The department explained that balance recovery was Rs.350,000/- out of which Rs.150,000/- had further been recovered.

The Committee **kept the item pending** for balance recovery up to 30.6.2004.

**ii) (PDP No.5739) ETO-I, Faisalabad-Rs.1,400,000/-.**

**29.04.2004** The Department stated that total amount of Rs.900,000/- was still outstanding.

The Committee **kept the item pending** for recovery.

**iii) (PDP No.5873) ETO, Bahawalpur-Rs.700,000/-.**

**29.04.2004** The Department stated that an amount of Rs.400,000/- had been recovered and verified by audit.

The Committee **kept the item pending** for balance recovery.

**iv) (PDP No.5887) ETO, Lodhran-Rs.1,200,000/-.**

**29.04.2004** The department explained that entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

**v) (PDP No.6049) ETO, Muzaffargarh-Rs.300,000/-.**

**29.04.2004** The department stated that two vehicles were registered under one registration number. Therefore, recovery was due against one vehicle. It was further stated that the vehicle was registered before the tax was levied.

The Committee directed that the department should hold an inquiry into the matter and fix responsibility for the lapse within 60 days under intimation to the PAC.

The item was kept pending.

**30.05.2005** The Department explained that as per directions of Sub-Cte-VI of PAC-II given in its meeting held on 23.05.2005, the matter was being pursued vigorously. The Director General E &

T assured the committee that inquiry proceedings would be finalized at the earliest.

**The para was kept pending** with the direction that matter be finalized within 45 days under intimation to the PAC.

**18. Para No.1.18 Pages 33 & 34 of Audit Report for the year 1999-2000; Non-realization of education cess-Rs.6,259,023/-.**

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**30.04.2004** The department explained that the matter pertaining to “Education Cess” stood transferred to Labour Department/Social Security Department since 2001 and the relevant record had also been transferred to them. The recovery of the amount involved in para 1.18/PDPs was to be effected by the said department. The department further stated that identical para contained in audit report for the year 1998-99 pertaining to Education Cess was also discussed in PAC-I and the Committee had transferred the para to the Labour Department.

Finance and Audit Departments endorsed the departmental contention.

The Committee directed that para 1.18 (15 PDPs) should be transferred to Labour Department whose Administrative Secretary would explain latest position about it in the next PAC meeting as and when held.

**Para 1.18/PDPs was kept pending.**

**19. Para No.1.19 Pages 34 & 35 of Audit Report for the year 1999-2000; Non-realization of cotton fee and penalty-Rs.2,755,044/-.**

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**i) (PDP No.6047) ETO, Muzaffargarh-Rs.620,034/-.**

**30.04.2004** The department explained that Rs.269,094/- had been recovered and the balance amount was due against the owner who was reportedly abroad and the factory was presently closed.

Audit, however, contended it had verified recovery of Rs.246,098/- only.

The Committee **kept the item pending** with the direction to ensure recovery at the earliest and verification of recovery already effected by audit.

**ii) (PDP No.5892) ETO, Vehari-Rs.218,051/-.**

**30.04.2004** The department explained that entire amount had been recovered.

The Committee **conditionally settled the item subject to** verification of recovery by audit.

**iii) (PDP No.5871) ETO, Bahawalpur-Rs.1,288,224/-.**

**30.04.2004** The department explained that out of balance recovery of Rs.1087090/- some more amount had been recovered and now recoverable balance was Rs.435,000/-.

The Committee **kept the item pending** for balance recovery up to 30-6-2004.

**iv) (PDP No.5889) ETO, Lodhran-Rs.51,221/-.**

**30.04.2004** The department explained that entire amount had been recovered.

The Committee **conditionally settled the item subject to** verification of recovery by audit.

**v) (PDP No.5818) ETO, Pakpattan-Rs.431,324/-.**

**30.04.2004** The department explained that the entire amount of Rs.431,324/- was recoverable.

The matter was sub-judice and decision was likely to be announced by the Court soon

The Committee **kept the item pending being sub-judice.**

**vi) (PDP No.5860) ETO, Khanewal-Rs.146,190/-.**

**30.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

**20. Para No.1.20 Pages 36 & 37 of Audit Report for the year 1999-2000; Non-realization of video trade tax-Rs.1,168,500/-.**

**30.04.2004** The audit stated that this tax was now no more leviable, however, efforts for outstanding recoveries needed to be intensified.

The Committee observed that timely recovery was the responsibility of the concerned officers and appropriate action should be taken against those who failed in performance of their duties. The Committee desired that the Department should focus its attention on recovery.

i) **(PDP No.5735) ETO-II, Faisalabad-Rs.20,000/-.**

**30.04.2004** The Department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

ii) **(PDP No.5781) ETO-III, Rawalpindi-Rs.193,000/-.**

**30.04.2004** The Department stated that the entire amount was still outstanding because the video shops had been found closed.

The Committee **kept the item pending** for recovery.

iii) **(PDP No.5862) ETO, Khanewal-Rs.12,000/-.**

**30.04.2004** The Department stated that the entire amount had been recovered and verified by audit.

On the recommendation of audit, the Committee **settled the item.**

iv) **(PDP No.5945) ETO, Sargodha-Rs.26,000/-.**

**30.04.2004** The department explained that entire amount had been recovered.

The Committee **conditionally settled the item subject to** verification of recovery by audit.

v) **(PDP No.5847) ETO, Multan-Rs.38,000/-.**

**30.04.2004** The Committee **kept the item pending** for entire recovery of Rs.38000/-

vi) **(PDP No.5961) ETO, Khushab-Rs.21,000/-.**

**30.04.2004** The Department stated that the entire amount had been recovered.

On the recommendation of audit, the Committee **settled the item.**

vii) **(PDP No.5978) ETO, Jehlum-Rs.37,000/-.**

**30.04.2004** The department explained that Rs.4000/- had been recovered. The balance amount could not be recovered because the concerned video shops had been found closed.



The Committee **kept the item pending** for recovery up to 30-6-2004.

viii) **(PDP No.6006) ETO, Entertainment, Lahore-Rs.144,000/-.**

**30.04.2004** The department explained that some partial recovery had been realized leaving balance of Rs.65,500/-.

The Committee **kept the item pending** for balance recovery and verification of recovery already effected by audit.

ix) **(PDP No.6051) ETO, Muzaffargarh-Rs.91,000/-.**

**30.04.2004** The Department stated that an amount of Rs.43,000/- had been recovered and verified by audit.

The Committee **kept the item pending** for balance recovery.

x) **(PDP No.6103) ETO, Attock-Rs.24,000/-.**

**30.04.2004** The department explained that the amount of Rs.24,000/- involved in the item was not due.

The Committee **conditionally settled the item subject to** verification of relevant record by audit.

xi) **(PDP No.6143) ETO, Okara-Rs.353,000/-.**

**30.04.2004** The department explained that a sum of Rs.6000/- had been recovered and verified by audit.

The Committee **kept the item pending** for balance recovery.

xii) **(PDP No.6169) ETO, Toba Tek Singh-Rs.185,500/-.**

**30.04.2004** The department explained that an amount of Rs.41,000/- had been recovered and verified by audit whereas an amount of Rs.144,500/- was not due.

The audit stated that no recovery had been verified by it.

The Committee **conditionally settled the item subject to** verification of recovery/ record by audit.

xiii) **(PDP No.6183) ETO, Bhakkar-Rs.24,000/-.**

**30.04.2004** The Department explained that the entire amount had been recovered and verified by audit.

On the recommendation of audit the Committee **settled the item.**

### **General Observation**

**29.04.2004** The Committee expressed concern over non carrying forward of outstanding balances of the last year to the register of next year and observed that there should be fool proof mechanism of internal audit. The department assured that it would take up this issue with the District Government with the request to issue directions to DCOs to look into such matters during inspections.

The paras were discussed in the meeting of PAC-II held on 29.12.2004.

## **Draft Para (Civil) for the Year 1999-2000**

### **1. Para No.1 Page 6 of Audit Report for the year 1999-2000; Misappropriation of Rs.405,600/-.**

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**29.12.2004** The Department explained that the printing material had been entered in the relevant stock registers by all Assistant Directors of different districts and copy of stock registers was available for verification.

Audit stated that the Department had produced the stock registers and the same had been seen and verified.

On the recommendation of Audit **the para was settled.**

### **2. Para No.2.1 Pages 7 & 8 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.2,354,800/- on Purchase of Vehicles.**

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Secretary Environmental Protection Agency, Lahore – Rs.780,000/-

### **3. Para No.2.2 Pages 7 & 8 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.2,354,800/- on Purchase of Vehicles.**

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Director general Environmental Protection Agency, Lahore – Rs.1,574,800/-

### **4. Para No.3.7 Pages 8 & 9 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.882,534/- on Account of Purchase of Furniture.**

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Secretary Environmental Protection Agency, Lahore – Rs.270,286/-

### **5. Para No.3.8 Pages 8 & 9 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.882,534/- on Account of Purchase of Furniture.**

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Director General Environmental Protection Agency, Lahore – Rs.194,213/-

### **6. Para No.4.1 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,963,463/-.**

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Deputy Director Environmental Protection, Faisalabad – Rs.228,161/-

**7. Para No.4.2 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,963,463/-.**

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Director General Environmental Protection Agency, Lahore – Rs.348,559/-

**8. Para No.4.3 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,963,463/-.**

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Deputy Director Environmental Protection, Faisalabad– Rs.122,683/-

**9. Para No.4.4 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,963,463/-.**

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Director General Environmental Protection Agency, Lahore – Rs.67,463/-

**10. Para No.4.5 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,963,463/-.**

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Director General Environmental Protection Agency, Lahore – Rs.51,950/-

**11. Para No.4.6 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,963,463/-.**

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Director General Environmental Protection Agency, Lahore – Rs.358,693/-

**12. Para No.4.8 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,963,463/-.**

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Secretary Environmental Protection Agency, Lahore – Rs.90,250/-

**13. Para No.4.9 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,963,463/-.**

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Director General Environmental Protection Agency, Lahore – Rs.146,000/-

**14. Para No.5.1 Page 11 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.179,486/-on Account of Purchase of POL.**

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Assistant Director Environmental Protection Dera Ghazi Khan, – Rs.81,395/-

**15. Para No.5.2 Page 11 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.179,486/-on Account of Purchase of POL.**

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Assistant Director Environmental Protection Multan – Rs.98,091/-

**16. Para No.6.1 Pages 11 & 12 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.888,806/-on Account of Repair of Vehicles.**

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Assistant Director Environmental Protection Sargodha – Rs.59,364/-

**17. Para No.6.2 Pages 11 & 12 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.888,806/-on Account of Repair of Vehicles.**

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Director General Environmental Protection Lahore– Rs.626,675/-

**18. Para No.7 Page 13 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.344,095/-on Account of Repair of Equipment/Machinery.**

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**19. Para No.8 Pages 13 & 14 of Audit Report for the year 1999-2000; Irregular Payment of Rs.362,784/-on Account of Fixed TA/DA.**

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**20. Para No.9 Page 15 of Audit Report for the year 1999-2000; Blockade of Government Money Due to Non Disposal of Machinery Worth Rs.326,130/-.**

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**21. Para No.11 Page 16 of Audit Report for the year 1999-2000; Rcovery of Rs.128,000/- on Account of Dismantled Materials of Stall.**

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**22. Para No.13.4 Page 18 of Audit Report for the year 1999-2000; Non-Production of Record for Rs.2,468,777/-.**

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Deputy Director Environmental Protection Faisalabad– Rs.676,279/-

**29.12.2004** The Department explained that the paras were discussed in SDAC meeting dated 27-7-2000 and were approved for settlement.

Audit verified the contention of the Department and recommended the paras for settlement.

**The paras were accordingly settled.**

**23. Para No.3.1 Pages 8 & 9 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.882,534/- on Purchase of Furniture.**

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Assistant Director Environmental Protection, Sheikhpura– Rs.69,850/-

**24. Para No.3.2 Pages 8 & 9 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.882,534/- on Purchase of Furniture.**

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Assistant Director Environmental Protection, Gujrat– Rs.68,685/-

**25. Para No.3.3 Pages 8 & 9 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.882,534/- on Purchase of Furniture.**

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Assistant Director Environmental Protection, Sialkot– Rs.69,600/-

**26. Para No.3.4 Pages 8 & 9 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.882,534/- on Purchase of Furniture.**

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Assistant Director Environmental Protection, Jhang– Rs.70,000/-

**27. Para No.3.5 Pages 8 & 9 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.882,534/- on Purchase of Furniture.**

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Assistant Director Environmental Protection, Sahiwal– Rs.69,900/-

**28. Para No.3.6 Pages 8 & 9 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.882,534/- on Purchase of Furniture.**

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Assistant Director Environmental Protection, Kasur – Rs.70,000/-

**29.12.2004** The Department explained that in compliance of the decision of SDAC dated 27-7-2000, the matter was referred to Finance Department for regularization and the Governor of the Punjab had been pleased to regularize the said expenditure vide order No. SO(G)EPD No. 4-12/2002 dated 16-10-2002.

**The paras were accordingly settled.**

**29. Para No.4.7 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,963,463/-.**

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Deputy Director Environmental Protection (IMP) Agency, Lahore – Rs.549,704/-

**29.12.2004** Audit had pointed out irregular purchase of Rs. 5,49,704/-. The para was discussed in SDAC meeting and was reduced to Rs. 418,804/-. Record of expenditure a sum of Rs. 258,804/- had indicated that the expenditure was incurred after observing codal formalities etc. However, expenditure amounting to Rs. 160,000/- was found incurred without quotations etc.

The Department explained that the expenditure to the tune of Rs. 160,000/- was made on construction of stalls at Jashan-e-Baharan held at Gaddafi Stadium, Lahore for awareness of the public. The arrangements were made in emergency under the orders of the Chief Minister. Relevant record and stock entries were available for verification. The funds were spent in emergency for making arrangements for the events in the light of the orders of the Chief Minister, therefore, tenders were not called for. However, approval for that purpose was obtained from the next higher authority i.e. Administrative Secretary/DG regarding the expenditure incurred.

In view of the explanation of the Department, **the para was settled subject to** verification of record by Audit.

### **30. Para No.6.3 Pages 11 & 12 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.888,806/-on Account of Repair of Vehicles.**

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Assistant Director Environmental Protection Bahawalpur – Rs.46,802/-

**29.12.2004** The Department explained that the para was discussed in the SDAC meeting dated 17-9-2002 and was approved for settlement.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

### **31. Para No.6.4 Pages 11 & 12 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.888,806/-on Account of Repair of Vehicles.**

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Deputy Director Environmental Protection Faisalabad – Rs.155,965/-

**29.12.2004** The Department explained that the expenditure had been incurred on the repair/ maintenance of two government vehicles in 12 years i.e. Rs.13,000/- per year of average. The Department further stated that the expenditure was incurred after fulfilling all the codal formalities.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**32. Para No.10 Page 16 of Audit Report for the year 1999-2000; Loss of Rs.198,000/-Due to Misuse of Government Vehicle.**

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**29.12.2004** Audit had pointed out the recovery of Rs.198,000/- from Malik Saleh Muhammad Gunjial, Ex-minister, EPD, Lahore regarding misuse of vehicle No. LOT-3998 (Toyota Hiace).

The Department explained that the observation had already been converted into Draft Para No. 4.1 for the year 1996-97 and was discussed by *adhoc* PAC in its meeting held on 28-8-2001. *Adhoc* PAC had directed that recovery be effected as arrears of land revenue from the concerned. The instant para was duplication of that para i.e. 4.1, therefore, it could be deleted from here. The Department further stated that against the decision of the *adhoc* PAC, the Minister concerned filed an appeal before the Lahore High Court Lahore on the plea that he was condemned unheard. Therefore, learned Judge disposed off the appeal with the direction that opportunity of personal hearing be provided to the appellant concerned. After personal hearing, the Administrative Secretary submitted the Inquiry Report to the PAC.

The Committee, after due consideration of the matter, decided to **settle the para.**

**33. Para No.12 Page 17 of Audit Report for the year 1999-2000; Recovery of Rs.82,430/- on Account of P.O.L. Charges Over and Above the Ceiling.**

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**29.12.2004** The Department explained that the vehicles were used by the officers of the department within the municipal limit for local duty. POL consumption had been approved by the competent authority i.e. Secretary/Director General. Log books of all the vehicles were available and same could be verified.

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

**34. Para No.13.1 Page 18 of Audit Report for the year 1999-2000; Non-Production of Record for Rs.2,468,777/-.**

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Director General Environmental Protection Lahore– Rs.424,182/-

**29.12.2004** The Department explained that the telephone bills system was digital and therefore, there was no need to maintain the telephone trunk call registers, however, monthly bills had been verified by the officers/users.

The Committee desired that at random verification of telephone bills be made and directed that as a test case a bill for the month of May 1999 be checked and verified by the next higher officer.

With this observation **the para was kept pending.**

**35. Para No.13.2 Page 18 of Audit Report for the year 1999-2000; Non-Production of Record for Rs.2,468,777/-.**

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Director General Environmental Protection Lahore– Rs.989,986/-

**29.12.2004** The Department explained that the vehicles were used by the officers of the department within the municipal limit for local duty. The POL consumption had been approved by the competent authority i.e. Secretary/Director General. The Log books of all the vehicles were available and the same could be verified.

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

**36. Para No.13.3 Page 18 of Audit Report for the year 1999-2000; Non-Production of Record for Rs.2,468,777/-.**

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Deputy Director Environmental Protection (IMP) Lahore– Rs.378,330/-

**29.12.2004** The Department explained that the para was discussed in the SDAC meeting dated 27-7-2000 and was reduced from Rs.378,330/- to Rs.250,380/-.

The record of the remaining observation i.e. quotations/tenders bills for advertisement etc. had been seen/verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

### **GENERAL OBSERVATION**

**29.12.2004** The Committee during the meeting observed that in certain cases the Administrative Departments, instead of giving detailed explanation to the draft paras, had only mentioned that the Draft Para had been discussed in the DAC/SDAC meeting and **was settled.**

The Committee desired that the Finance Department should issue instructions/clarification to all Administrative Departments that the draft paras which had been printed in the Audit reports **was not to be settled in** the DAC/SDAC beyond the jurisdiction of DACs/SDAC. However, the

forums of DAC and SDAC may be utilized for settlement of Audit observations and advance paras before they were printed in the Audit Reports.

The paras were discussed in the meetings of PAC-II held on 17.11.2003, 18.11.2003, 19.11.2003 and 29.07.2004.

## **Audit Paras (Civil) for the year 1999-2000**

### **1. Para No.1 Page 8 of Audit Report for the year 1999-2000; Embezzlement/ fraud of Rs.12,874,617/-.**

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**17.11.2003** Audit had pointed out that an amount of Rs.12,874,617/- was embezzled in sale of non-judicial papers.

The Department explained that a detailed scrutiny of the record and stock of the Sub-Treasury Fateh Jang District Attock had been conducted and a criminal case was got registered against the responsible official with the Police Station ACE Rawalpindi for embezzlement of Rs.17,638,633/-. Departmental proceedings were also initiated against him and as a result he was dismissed from service and orders had been issued to recover the embezzled amount as arrears of land revenue.

The Department further stated that the case was later on referred to the Regional Accountability Bureau. The Accountability Court had since decided the case and imposed the recovery. The Committee directed that DO(Rev) Attock should attend the next meeting and apprise the Committee about the latest position of recovery and the para was kept pending.

**29.07.2004** In compliance to PAC directions, EDO(R), Attock appeared before the Committee and explained that Board of Revenue had been requested for grant of permission to auction the property of the accused vide letter dated 23-6-2004 which was awaited.

After detailed discussion, the Committee desired that directions be issued to Board of Revenue, Punjab to finalize the matter of requisite permission within 30 days and date of auction be fixed immediately under intimation to PAC.

**The para was kept pending.**

### **2. Para No.2 Pages 8 & 9 of Audit Report for the year 1999-2000; Loss of Rs.150,000/- due to theft.**

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**17.11.2003** Audit had pointed out that Government sustained a loss of Rs.150,000/- due to theft of Government vehicle No.LOW-4077 (Khyber Suzuki).

The Department explained that an inquiry was conducted into the matter and in the light of the inquiry proceedings, the loss had been written off by the Government of the Punjab (S & GAD) vide sanction No.E&A(FD)V-2/95 dated 28.10.2003.

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

**3. Para No.3.1 Page 10 of Audit Report for the year 1999-2000; Overpayment on account of pension and commutation amounting to Rs.1,108,865/-.**

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District Accounts Office, Multan-Rs.21,799/-.

**17.11.2003** The Department explained that the amount of Rs.21,799/- had been recovered and verified by Audit.

On the recommendation of Audit, **the para was settled.**

**4. Para No.3.2 Page 10 of Audit Report for the year 1999-2000; Overpayment on account of pension and commutation amounting to Rs.1,108,865/-.**

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District Accounts Office, Multan-Rs.560,716/-.

**17.11.2003** The Department explained that the para comprised of 10 cases. In 8 cases the recovery had been made and got verified by Audit. In the case of Mr Ghulam Rasool, the PPO No. was not traceable and in the case of Mr Muhammad Iqbal Lodhi, his pension had been stopped till the adjustment of his overpayment.

The Committee settled the para subject to recovery in respect of the remaining two cases.

**29.07.2004** The Department explained that an amount of Rs.85,993/60 had been recovered from Mr. Muhammad Iqbal Lodhi and deposited into the Govt. Treasury. The record for the period 1966 to 1977 relating to pension contribution was not presently traceable. However, a sum of Rs.1857/25 was still recoverable from Mr Saeed Ahmad Ansari because his PPO No. was not traceable.

Audit made certain observations about working out of pension contribution etc. in respect of Mr. Iqbal Lodhi.

The Committee in view of the fact that the amount outstanding against Mr. Saeed Ahmad Ansari was nominal, **settled this part of the para.** The other part pertaining to Mr. Muhammad Iqbal Lodhi was **kept pending** with the direction to the Department to resolve the matter at the earliest.



**5. Para No.3.3 Page 10 of Audit Report for the year 1999-2000; Overpayment on account of pension and commutation amounting to Rs.1,108,865/-.**

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District Accounts Office, Multan-Rs.54,510/-.

**17.11.2003** Audit pointed out that an excess payment of pension of Rs.54,510/- was made by the Department.

The Department explained that the para comprised of 25 cases. In 13 cases excess payment was not involved and Audit had verified the same. In the remaining 12 cases, pension payments had been stopped and recoveries worked out for adjustment of overpayment and partial recovery had been made.

The Committee settled the para subject to complete recovery and its verification by Audit.

**29.07.2004** The Department explained that the para comprised 25 cases. In 13 cases excess payment was not involved and in the remaining 12 cases, pension papers alongwith commutation forms were received in District Accounts Office within due dates. The retiring officials signed Pen-6 forms during their respective service. Therefore, no recovery was involved in the matter and requisite record was available for verification.

**The para was kept pending** for verification of relevant record by Audit within one month.

**6. Para No.3.4 Page 10 of Audit Report for the year 1999-2000; Overpayment on account of pension and commutation amounting to Rs.1,108,865/-.**

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District Accounts Office, Multan-Rs.79,361/-.

**17.11.2003** The Department explained that the total recovery in cases of PPO No.9513,9683 and 9871 and partial recovery in cases of PPO No.9853 and 9690 had been effected and verified by Audit.

The Committee settled the para subject to recovery of the balance amount and its verification by Audit.

**29.07.2004** The Department explained that total recovery in cases of PPO No.9513, 9683, 9871, 9890 and 9853 had been effected. Audit, however, contended that an amount of Rs.24,349/- was still recoverable.

**The para was kept pending** with the direction that Department should get the total recovery/record verified by Audit within one month.

**7. Para No.3.5 Page 10 of Audit Report for the year 1999-2000; Overpayment on account of pension and commutation amounting to Rs.1,108,865/-.**

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District Accounts Office, Multan-Rs.302,045/-.

**17.11.2003** The Department explained that the service qualifying for pension in the case of a tubewell driver in question had been verified on the basis of collateral evidence.

In view of the explanation of the Department, **the para was settled.**

**8. Para No.3.6 Page 10 of Audit Report for the year 1999-2000; Overpayment on account of pension and commutation amounting to Rs.1,108,865/-.**

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District Accounts Office, Gujranwala-Rs.90,434/-.

**17.11.2003** The Department explained that the actual recoverable amount was Rs.85,011/-. An amount of Rs.84,844/75 had been recovered and efforts were being made to recover the balance amount of Rs.166/25.

The para was settled subject to complete reconciliation of the recoverable amount, recovery and its verification by Audit.

**29.07.2004** The Department explained that all outstanding amounts had been recovered. Audit, however, stated that an amount of Rs.9,418/- was still outstanding.

The Committee directed the Department to get the relevant record/recoverable amount reconciled with and verified by Audit within 30 days.

**The para was kept pending.**

**9. Para No.4 Page 11 of Audit Report for the year 1999-2000; Overpayment of Rs.87,944/- on account of science teaching allowance.**

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**17.11.2003** The Department explained that the recovery of over-payment had been made on installment basis @ Rs.500/- per month from the concerned employees and an amount of Rs.65,667/- had been recovered and the balance amount would be recovered in due course.

The para was settled subject to recovery of balance amount and its verification by Audit.

**29.07.2004** The Department explained that in the light of directions of PAC-II, total recovery had been effected and verified by the Audit.

**The para was settled.**

**10. Para No.5 Page 11 of Audit Report for the year 1999-2000; Overpayment of Rs.25,800/- on account of practice compensatory allowance.**

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**17.11.2003** The Department explained that as per the terms of the contract, Practice Compensatory Allowance was admissible to those Doctors who performed their duties in villages where they did not have the opportunity of private practice vide Health Department's letter No. SO(North) Contractor 2002 dated 3.3.2003/R

The Committee settled the para subject to verification of departmental contention by Audit.

**29.07.2004** The Department explained that Practice Compensatory Allowance was admissible to the contract appointee which had been verified by Audit.

On the verification and recommendation of Audit, **the para was settled.**

**11. Para No.6 Page 13 of Audit Report for the year 1999-2000; Doubtful payment of Rs.52,300/-.**

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**17.11.2003** Audit had pointed out that salary of the staff of Water Management Specialist, Narowal for the months of July and August 1999 had been made without attestation of the sanctioned strength of that office and the payment was discontinued after August 1999.

The Committee was not satisfied with the explanation of the Finance Department given in the working paper and the Committee directed that the Finance Department, Agriculture Department and Audit should jointly reconcile the facts and figures relating to this para within one month.

The para was kept pending.

**29.07.2004** The Department explained that a certificate had been obtained from the concerned quarters regarding non-drawal of the salary of the staff from any other station. The establishment involved in the project was to be paid salary either from old station or from new station of posting being permanent employees and expenditure was debited to the same grant.

The Department assured the Committee that double payment was not possible.

The Committee accepted the explanation of the Department and **settled the para.**  
**12. Para No.7 Pages 13 & 14 of Audit Report for the year 1999-2000; Non maintenance of audit register and irregular payment on account of transportation charges of Rs.3,015,417/-.**

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**17.11.2003** The Department explained that the expenditure in question was incurred on the transportation charges of the Government stocks of the Food Department. The District Food Controller had full power in this regard under the Delegation of Financial Power Rules.

Audit verified the contention of the Department and **the para was settled.**

**13. Para No.8 Page 14 of Audit Report for the year 1999-2000; Non-maintenance of G. P. Fund ledger cards and un-justified payment of Rs.319,259/-.**

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**17.11.2003** The Department explained that due to ban on new appointments and shortage of ledger cards, the record of G.P. fund was not properly maintained. Now the ledger cards had been properly maintained in collaboration with A.G. Office.

The Committee directed that the A.G. Office should maintain the ledger cards annually and update these cards timely in future.

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

**29.07.2004** Finance Department explained that preparation and completion of ledger cards was the responsibility of AG's office, which was necessary to facilitate proper verification of record pertaining to G.P. fund accounts.

The Committee directed that Accountant General Punjab be requested to prepare/update the ledger cards and complete the process of ledgerization of G.P. fund accounts at the earliest.

**The para was kept pending.**

**14. Para No.9.1 Page 16 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Lodhran-Rs.56,195/-.

**17.11.2003** The Department explained that to the extent of Rs.19,275/- and Rs.19,920/- the para

was settled in SDAC meeting held on 8 May 2000 and the record of the leaving amount of Rs.17,000/- had also been got verified by Audit.

On recommendation of Audit, **the para was settled.**

**15. Para No.9.2 Page 16 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Rahim Yar Khan-Rs.979,999/-.

**16. Para No.9.3 Page 16 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Rahim Yar Khan-Rs.974,575/-.

**17.11.2003** The Department explained that the paras had been settled in the SDAC meeting held on 11 & 12 December 2000 after verification that the expenditure in question was incurred after observing all the codal formalities by the DDO.

On recommendation of Audit **the paras No. 9.2 & 9.3 were settled.**

**17. Para No.9.4 Page 16 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Multan-Rs.126,000/-.

**17.11.2003** The Department explained that sanctions to incur the expenditure were accorded by the DIG Police Multan separately for each case who was competent to accord sanction upto Rs.25,000/-.

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

**18. Para No.9.5 Page 16 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Multan-Rs.187,838/-.

**17.11.2003** The Department explained that the Senior Medical Officer, Jalalpur Pirwala and Senior Medical Officer, Matotli were requested for the supply of details of expenditure/sanctions vide letters dated 5.8.2000, 11.8.2001 and 9.7.2002 but no response had been received from the

concerned officers.

The Department requested that since the original vouchers/record were available with the said formations of the Health Department, therefore, the para should be transferred to the Health Department.

The Committee decided to transfer the para to the Health Department.

The para was kept pending.

**29.07.2004** The Department explained that as per directions of PAC meeting dated 17.11.2003, the para had been transferred to Health Department for further action.

The Committee observed that the para would be discussed during consideration of the report of Health Department.

**The para was kept pending.**

**19. Para No.9.6 Page 16 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Multan-Rs.87,164/-.

**18.11.2003** The Department explained that the expenditure incurred was relating to the Agriculture Engineer and was within his financial competency.

The Committee accepted the contention of the Department and **settled the para**

**20. Para No.9.7 Page 16 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Vehari-Rs.43,896/-.

**18.11.2003** The Department explained that the expenditure of Rs.26,676/- had been regularized by the Finance Department vide sanction dated 18.6.2001 which had already been got verified by Audit. In the meantime the remaining amount of Rs.17,220/- had also been regularized by the Finance Department.

The para was settled subject to verification by Audit.

**29.07.2004** The Department explained that in compliance with directions of PAC meeting dated



17.11.2003, the relevant record had been verified by audit.

On verification and the recommendations of the Audit, **the para was settled.**

**21. Para No.9.8 Page 16 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Mianwali-Rs.1,729,389/-.

**18.11.2003** The Department explained that the para had already been transferred to Health Department by SDAC in its meeting held on 17 and 19 January 2000.

The Committee accordingly transferred the para to the Health Department.

**29.07.2004** Para Nos.9.8, 9.11, 9.12 & 9.15 were jointly considered by the Committee.

The Department explained as under:-

- i) Sub para involving Rs.1729389/- had since been transferred to Health Department as per PAC directions dated 17.11.2003.
- ii) The minutes of SDAC meeting regarding amounts of Rs.588,032/- and Rs.176,880/- had been produced to and verified by audit.
- iii) The matter pertaining to amount of Rs.68,103/- was pending with the Prisons Department.

The Committee **settled sub-paras involving Rs.588,032/- and Rs.176,880/- and kept sub-para involving Rs.68,103/- pending** till further progress.

**22. Para No.9.9 Page 16 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Mianwali-Rs.23,014/-.

**18.11.2003** The Department explained that Audit had verified the record and recommended the para for settlement.

The Audit verified the contention of the Department and **the para was settled.**

**23. Para No.9.10 Page 16 of Audit Report for the year 1999-2000; Expenditure**

### **beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Mianwali-Rs.27,680/-.

**18.11.2003** The Audit confirmed the verification of the Departmental record and recommended the para for settlement.

**The para was settled.**

### **24. Para No.9.11 Page 16 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Mianwali-Rs.588,032/-.

**18.11.2003** The Department explained that this para had already been settled by the SDAC in its meeting held on 30.10.1997.

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

**29.07.2004** Para Nos.9.8, 9.11, 9.12 & 9.15 were jointly considered by the Committee.

The Department explained as under:-

- i) Sub para involving Rs.1729389/- had since been transferred to Health Department as per PAC directions dated 17.11.2003.
- ii) The minutes of SDAC meeting regarding amounts of Rs.588,032/- and Rs.176,880/- had been produced to and verified by audit.
- iii) The matter pertaining to amount of Rs.68,103/- was pending with the Prisons Department.

The Committee settled sub-paras involving Rs.588,032/- and Rs.176,880/- and kept sub-para involving Rs.68,103/- pending till further progress.

### **25. Para No.9.12 Page 16 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Mianwali-Rs.176,880/-.

**18.11.2003** The Audit had pointed out that the expenditure was incurred by the Department beyond the competency.

The Department explained that this para had already been settled by the SDAC in its meeting held on 30.10.1997.

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

**29.07.2004** Para Nos.9.8, 9.11, 9.12 & 9.15 were jointly considered by the Committee.

The Department explained as under:-

- i) Sub para involving Rs.1729389/- had since been transferred to Health Department as per PAC directions dated 17.11.2003.
- ii) The minutes of SDAC meeting regarding amounts of Rs.588,032/- and Rs.176,880/- had been produced to and verified by audit.
- iii) The matter pertaining to amount of Rs.68,103/- was pending with the Prisons Department.

The Committee settled sub-paras involving Rs.588,032/- and Rs.176,880/- and kept sub-para involving Rs.68,103/- pending till further progress.

**26. Para No.9.13 & 9.14 Pages 16 & 17 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Mianwali-Rs.1,128,183/-and Rs.82,815/-.

**18.11.2003** The Audit had verified of the Departmental record and recommended the paras for settlement.

The paras were settled.

**27. Para No.9.15 Pages 16 & 17 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Mianwali-Rs.68,103/-.

**18.11.2003** The Department had not submitted working paper of this para.

The para was kept pending.

**29.07.2004** Para Nos.9.8, 9.11, 9.12 & 9.15 were jointly considered by the Committee.

The Department explained as under:-

- i) Sub para involving Rs.1729389/- had since been transferred to Health Department as per PAC directions dated 17.11.2003.
- ii) The minutes of SDAC meeting regarding amounts of Rs.588,032/- and Rs.176,880/- had been produced to and verified by audit.
- iii) The matter pertaining to amount of Rs.68,103/- was pending with the Prisons Department.

**The Committee settled sub-paras involving Rs.588,032/- and Rs.176,880/- and kept sub-para involving Rs.68,103/- pending till further progress.**

**28. Para No.9.16 Pages 16 & 17 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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Secretary Finance Department, Lahore-Rs.288,506/-.

**18.11.2003** The Audit had pointed out that un-authorized/irregular expenditure of Rs.288,506/- on private printing.

The Department explained that the para was reduced to Rs.74,375/- in the SDAC meeting held on 2<sup>nd</sup> August 2002. This amount had also been got regularized by the competent authority vide sanction dated 15.8.2002 which had been verified by Audit.

**The para was settled.**

**29. Para No.9.17 Pages 16 & 17 of Audit Report for the year 1999-2000; Expenditure beyond competency for Rs.6,894,905/-.**

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District Accounts Office, Multan-Rs.326,636/-.

**18.11.2003** The Department explained that the expenditure was incurred by the M.S Nishtar

Hospital, Multan who was fully competent for sanctioning of this expenditure.

The Audit had verified the contention of the Department.

**The para was settled.**

**30. Para No.10.1 Page 17 of Audit Report for the year 1999-2000; Irregular expenditure of Rs.21,030,694/- on purchase of various items.**

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District Accounts Office, Lodhran-Rs.294,808/-.

**31. Para No.10.2 Page 17 of Audit Report for the year 1999-2000; Irregular expenditure of Rs.21,030,694/- on purchase of various items.**

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District Accounts Office, Lodhran-Rs.285,129/-.

**32. Para No.10.3 Page 17 of Audit Report for the year 1999-2000; Irregular expenditure of Rs.21,030,694/- on purchase of various items.**

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District Accounts Office, Lodhran-Rs.107,211/-.

**18.11.2003** The Department explained that District Health Officer, Lodhran had been requested to get the expenditure regularized by the Health Department vide letters dated 18.5.2002 and 29.9.2003 but no action had been taken by the DHO.

On the request of the Finance Department, the paras were transferred to the Health Department.

**29.07.2004** The Committee was informed that the paras had since been transferred to Health Department.

The Committee observed that the paras would be discussed during consideration of report of Health Department

**The paras were kept pending.**

**33. Para No.10.4 Page 17 of Audit Report for the year 1999-2000; Irregular expenditure of Rs.21,030,694/- on purchase of various items.**

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District Accounts Office, Multan-Rs.2,718,344/-.

**18.11.2003** The Department explained that the expenditure was incurred after obtaining sanction from Government and observing all the codal formalities.

The Audit verified the contention of the Department and **the para was settled.**

**34. Para No.10.5 Pages 17 & 18 of Audit Report for the year 1999-2000;  
Irregular expenditure of Rs.21,030,694/- on purchase of various items.**

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District Accounts Office, Multan-Rs.368,613/-.

**18.11.2003** The Department explained that all the purchases were made by the Principal, Nishtar Medical College, Multan according to the rate contract and observing all the codal and legal formalities.

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

**29.07.2004** The Department stated that difficulties were being faced in obtaining the record lying in Nishtar Medical College, Multan, which being an autonomous body was out of the jurisdiction of DAO.

The Committee was not satisfied with the departmental explanation and directed it to obtain the requisite record from the concerned quarters and produce the same to audit for verification within one month.

**The para was kept pending.**

**35. Para No.10.6 Pages 17 & 18 of Audit Report for the year 1999-2000;  
Irregular expenditure of Rs.21,030,694/- on purchase of various items.**

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District Accounts Office, Multan-Rs.1,583,779/-.

**18.11.2003** The Department explained that the record relating to the expenditure of Rs.246,556/- in respect of printing charges had been verified by Audit.

The Department was directed to get the record relating to the expenditure of Rs.800,357/- in respect of repair of buildings and the expenditure of Rs.536,866/- in respect of repair of machinery and equipment be got verified by Audit in support of departmental contention.

The para was kept pending for verification.

**29.07.2004** The Department stated that difficulties were being faced in obtaining the record lying



in Nishtar Medical College, Multan, which being an autonomous body was out of the jurisdiction of DAO.

The Committee was not satisfied with the departmental explanation and directed it to obtain the requisite record from the concerned quarters and produce the same to audit for verification within one month.

**The para was kept pending.**

**36. Para No.10.7 Pages 17 & 18 of Audit Report for the year 1999-2000;  
Irregular expenditure of Rs.21,030,694/- on purchase of various items.**

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District Accounts Office, Multan- Rs.4,710,689/-.

**18.11.2003** The Department explained that the expenditure had been incurred after obtaining sanctions from the Government and observing all the codal formalities.

The departmental contention had been verified by Audit.

**The para was settled.**

**37. Para No.10.8 Pages 17 & 18 of Audit Report for the year 1999-2000;  
Irregular expenditure of Rs.21,030,694/- on purchase of various items.**

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District Accounts Office, Multan-Rs.1,083,781/-.

**18.11.2003** The Department explained that there was no need of calling tenders because the medicines were purchased on the rate contract which was approved by the Punjab Government.

The Committee kept the para pending for verification of record by Audit.

**29.07.2004** The Department stated that difficulties were being faced in obtaining the record lying in Nishtar Medical College, Multan, which being an autonomous body was out of the jurisdiction of DAO.

The Committee was not satisfied with the departmental explanation and directed it to obtain the requisite record from the concerned quarters and produce the same to audit for verification within one month.

**The para was kept pending.**

**38. Para No.10.9 Pages 17 & 18 of Audit Report for the year 1999-2000;  
Irregular expenditure of Rs.21,030,694/- on purchase of various items.**

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District Accounts Office, Mianwali-Rs.9,738,272/-.

**18.11.2003** The Department explained that the S.P was fully competent to purchase the items of uniforms and liveries.

On the request of Audit, the Committee decided that item-wise detail be provided to the Audit for verification.

The para was kept pending.

**29.07.2004** Audit stated that PAC in its meeting dated 17.11.2003 had directed the presentation of record which was not produced to audit for verification.

The Committee showed displeasure on non-production of record and directed the Department to take necessary action against the concerned DAO within one month under intimation to PAC.

**The para was kept pending** for production of record to and verification by audit.

**39. Para No.10.10 Pages 17 & 18 of Audit Report for the year 1999-2000;  
Irregular expenditure of Rs.21,030,694/- on purchase of various items.**

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District Accounts Office, Mianwali-Rs.66,718/-.

**18.11.2003** The Department explained that the Audit para had been settled in DAC meeting held on 22-23.8.2003.

The Committee directed that the minutes of the SDAC meeting be got verified by Audit.

The para was kept pending.

**29.07.2004** Audit stated that PAC in its meeting dated 17.11.2003 had directed the presentation of record which was not produced to audit for verification.

The Committee showed displeasure on non-production of record and directed the Department to take necessary action against the concerned DAO within one month under intimation to PAC.

**The para was kept pending** for production of record to and verification by audit.

**40. Para No.10.11 Pages 17 & 18 of Audit Report for the year 1999-2000; Irregular expenditure of Rs.21,030,694/- on purchase of various items.**

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District Accounts Office, Mianwali-Rs.73,350/-.

**18.11.2003** The Department explained that the expenditure was incurred in accordance with the contract rate and sanction in case of contract rate was not required.

The Committee directed that the record be presented to Audit for verification.

The para was kept pending.

**29.07.2004** Audit stated that PAC in its meeting dated 17.11.2003 had directed the presentation of record which was not produced to audit for verification.

The Committee showed displeasure on non-production of record and directed the Department to take necessary action against the concerned DAO within one month under intimation to PAC.

**The para was kept pending** for production of record to and verification by audit.

**41. Para No.11 Page 18 of Audit Report for the year 1999-2000; Irregular payments without supporting vouchers for Rs.4,117,483/-.**

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**19.11.2003** The Department explained that at the time of pre-audit of the bills, all supporting documents were examined and returned along with the passed bills as it was the record of the department. Moreover this para was also raised against the Health Department which had been settled in DAC meeting held on 17 to 19 January 2000.

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

**42. Para No.12 Page 19 of Audit Report for the year 1999-2000; Irregular payment of T.A. amounting to Rs.149,044/-.**

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**19.11.2003** The Department explained that the T.A bills had been correctly admitted on the countersignature of the next higher authority.

The para was settled subject to verification.

**29.07.2004** The Department stated that the relevant record had been produced to audit and verified by it.

On the verification and recommendations of Audit, **the para was settled.**

**43. Para No.13.1 Page 19 of Audit Report for the year 1999-2000; Expenditure made out of wrong heads of accounts for Rs.175,116/-.**

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District Accounts Office, Vehari-Rs.16,097/-.

**19.11.2003** The Department explained that the objection related to the expenditure of Rs.2100/-.

The Department explained that the objection related to the expenditure of Rs.2100/- had already been settled by SDAC on 7.8.2000 and expenditure of Rs.13,997/- had been got regularized by the Finance Department.

The Audit verified the contention of the Department and **the para was settled.**

**44. Para No.13.2 Pages 19 & 20 of Audit Report for the year 1999-2000; Expenditure made out of wrong heads of accounts for Rs.175,116/-.**

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District Accounts Office, Mianwali-Rs.97,229/-.

**19.11.2003** The Department explained that the SDAC in its meeting held on 22 and 23 August 2003 directed the Department to get the expenditure regularized by the Finance Department.

The Committee kept the para pending for regularization of the expenditure by the Finance Department.

**29.07.2004** The Department stated that SP, Mianwali had sent the case for regularization of the expenditure and requested that since the matter was under process in the office of I.G Police Punjab/Home Department, the para should be transferred to Home Department.

The Committee decided to transfer the para to the Home Department with the direction to Finance Department to proceed accordingly.

**The para was kept pending.**

**45. Para No.13.3 Pages 19 & 20 of Audit Report for the year 1999-2000; Expenditure made out of wrong heads of accounts for Rs.175,116/-.**

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District Accounts Office, Mianwali-Rs.61,790/-.

**19.11.2003** The Department explained that the para had already been settled by SDAC in its meeting held on 28.5.1997.

The Committee accepted the explanation of the Department and settled the para subject to verification.

**29.07.2004** The Department explained that requisite record had been produced to audit for verification.

Audit recommended the para for settlement in the meeting.

On the recommendations of Audit, **the para was settled.**

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**46. Para No.14.1 Page 20 of Audit Report for the year 1999-2000; Irregular payment of commutation/pension amounting to Rs.2,488,096/-.**

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District Accounts Office, Attock-Rs.233,169/-.

**19.11.2003** The Department explained that according to the pension rule 3.3 when an employee was declared physically or mentally unfit by Medical Board, he could not remain in service and in this particular case the Medical Board had declared the person unfit for service mentioning him as a category-C employee just for the classification of his pensionary benefits.

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

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**47. Para No.14.2 Page 20 of Audit Report for the year 1999-2000; Irregular payment of commutation/pension amounting to Rs.2,488,096/-.**

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District Accounts Office, Rawalpindi-Rs.2,254,927/-.

**19.11.2003** The Department explained that the issue raised by the Audit in this para had already been clarified by the Finance Department vide circular letter dated 22.12.2001 in compliance with the decision of Lahore High Court, Lahore in writ petition No.19206/2001.

The Department was directed to produce the copies of the Medical Certificates in question and the above mentioned judgment of Lahore High Court to Audit.

The para was kept pending.

**29.07.2004** The Department explained that in compliance with PAC directions, photocopies of

medical invalid certificates under Category “C” issued by MS, DHQ Hospital Rawalpindi and copy of the judgment of High Court had been produced for verification.

Audit was of the view that in this case relaxation of rules was required. The Department stated in the meeting that the matter would be regularized in keeping with High Court’s directions.

The Committee directed the Department to get the expenditure regularized.

**The para was kept pending.**

**48. Para No.15.1, 15.2 & 15.3 Page 21 of Audit Report for the year 1999-2000; Payment in excess of budgetary allocation for Rs.756,173/-.**

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(i) District Accounts Office, Mianwali-Rs.190,336/-. (15.1)

(ii) District Accounts Office, Mianwali-Rs.492,527/-. (15.2)

(iii) District Accounts Office, Mianwali-Rs.73,310/-. (15.3)

**19.11.2003** The Department explained that these paras had already been settled in SDAC meeting held on 17.1.2000.

The Committee, however, observed that the matter of excess expenditure over the budgetary allocation allowed by the District Accounts Officers may be looked into by the Finance Department.

The para was kept pending.

**29.07.2004** The Committee in its last meeting had directed the Department to look into the matter of excess expenditure over budgetary allocation.

The Department explained that the expenditure was within the sanctioned allocation and no excess had occurred. However, some releases of additional budget were not recorded in the budget control register.

Audit stated that the Department had not produced relevant record in support of its contention.

The Committee directed the Department to produce the relevant record to audit for verification within 30 days.

**The para was kept pending.**



The paras were discussed in the meetings of PAC-II held on 21.01.2004, 22.01.2004, 23.01.2004, 16.02.2005, 17.02.2005 & 18.02.2005.

## **FOREST DEPARTMENT**

### **Audit Paras (Civil) for the year 1999-2000**

**1. Para No.1.1 Page 7 of Audit Report for the year 1999-2000; Loss of Rs.515,112/- Due to Misappropriation of Plants, Timber and Stump, ETC.**

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*DFO, Muzaffar Garh-Rs.16,638/-.*

**16.02.2005** The Department explained that actual outstanding amount had been fully recovered and deposited in to Government treasury which also verified by Audit.

**The para was settled.**

**2. Para No.1.3 Page 7 of Audit Report for the year 1999-2000; Loss of Rs.515,112/- Due to Misappropriation of Plants, Timber and Stump, ETC.**

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*DFO, Gujranwala - Rs.403,474/-.*

**16.02.2005** The Department explained that para comprised of three parts out of which item (i) and (iii) had been verified by Audit. For remaining item (ii), an inquiry was held into the matter concluding that material was auctioned as per rules.

However, the Committee was not satisfied with the Departmental reply and directed that *de-novo* inquiry be held into the matter by higher officer within 90 days.

**The para was kept pending.**

**3. Para No.2.2 Page 8 of Audit Report for the year 1999-2000; Embezzlement of Rs.165,400/- on Account of Compensation Recovered From Offenders.**

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*DFO, Faisalabad - Rs.113,200/-*

**4. Para No.3.1 Pages 8 & 9 of Audit Report for the year 1999-2000; Doubtful Existence of Timber/Plants at Site Valuing Rs.799,030/-.**

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*DFO, Gujrat - Rs.115,464/-*

**5. Para No.3.5 Pages 8 & 9 of Audit Report for the year 1999-2000; Doubtful Expenditure of Timber/Plants at Site Valuing Rs.799,030/-.**

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*DFO, Mianwali - Rs.34,000/-*

**16.02.2005** The Department explained that recovery/adjustment of total amount involved in subject paras had been seen and verified by Audit.

On recommendation of Audit, **the paras were settled.**

**6. Para No.3.2 Pages 8 & 9 of Audit Report for the year 1999-2000; Doubtful Existence of Timber/Plants at Site Valuing Rs.799,030/-.**

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*DFO, Multan - Rs.555,126/-.*

**16.02.2005** The Department explained that efforts were being made for disposal of material and same would be auctioned on receipts of reasonable rates.

**The para was kept pending.**

**7. Para No.3.3 Pages 8 & 9 of Audit Report for the year 1999-2000; Doubtful Existence of Timber/Plants at Site Valuing Rs.799,030/-.**

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*DFO, Faisalabad - Rs.47,040/-.*

**8. Para No.3.4 Pages 8 & 9 of Audit Report for the year 1999-2000; Doubtful Existence of Timber/Plants at Site Valuing Rs.799,030/-.**

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*DFO, Lahore/Sheikhupura-Rs.47,400/-.*

**16.02.2005** The Department explained that total amount had been recovered from the concerned officials which were also verified by the Audit.

**The paras were accordingly settled.**

**9. Para No.4 Pages 9 & 10 of Audit Report for the year 1999-2000; Loss of Rs.637,350/- Due to Un-authorized Cutting and Misappropriation of Trees.**

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**16.02.2005** The Department explained that there were two parts of the para:-

- i) An inquiry was conducted in the matter, as per recommendations, thereon the recovery was under process and partial recovery had been effected. Relevant record was available which would be got verified by Audit.
- ii) As per inquiry report, the material of 12 trees was taken in form 17 of Khanpur Range. Therefore, recovery of compensation of 12 trees worth Rs.600/- was imposed and effected. Material of 12 trees was sold through open auction. During personal hearing Mr Hamid Hussain FG explained that he had lodged FIR No.131/99 against culprit. The case had been decided and the culprit had been acquitted. Now the department was taking action against the concerned staff.

The Department further explained that the matter of recovery had been taken up very seriously and a policy was being considered that in case of recovery exceeding Rs.200,000/-, the concerned officers/officials would be dismissed from the service.

Representative of FD pointed out that PAC-I had agreed with the FD's proposal that recoveries reflected in form 11 of NDC should not be taken as regular draft paras. Audit should point out those irregularities where recovery had been stopped, or there was some negligence in effecting recovery. He suggested that the Committee may settle the part where recovery had been reflected in form-11. Department should provide in writing that those officers/officials would be dismissed from service against whom recovery was due more than Rs.2 lac.

Audit did not agree with the AD/FD's proposal and pointed out that the para should stand in the working paper unless and until entire recovery was effected. Department may accelerate the pace of recovery.

The Committee directed that the Department should devise a mechanism for recovery and send a copy thereof to the PAC and the actual position of the subject para be explained on 17.02.2005.

On 17.02.2005 **the para was conditionally settled subject to** recovery and its verification by Audit.

#### **10. Para No.5 Page 10 of Audit Report for the year 1999-2000; Less Yield of Scantling Amounting to Rs.355,440/-.**

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**23.01.2004** Audit had observed that according to rules when trees were converted into scantlings, wastage should not exceed 53 % of the gross yield, otherwise sanction to write off by the competent authority was required which had not been obtained by the department.

The Department explained that the para had already been discussed and dropped in the meeting of

SDAC held on 26, 27-10-2000. Minutes of the meeting were awaited when this para was inadvertently printed in the audit report for the year 1999-2000. Now the minutes had also been got verified by audit.

The department further explained that the out turn of trees/crop depended upon their condition and audit had considered only those trees in which out turn was less in one month than the prescribed and not those whose out turn received was in excess.

The Committee accepted the explanation of the department and **settled the para.**

**11. Para No.7.1 Page 11 of Audit Report for the year 1999-2000; Loss of Rs.645,500/- Due to Misappropriation of Plants and Stumps, ETC.**

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*DFO, Lahore/Sheikhupura - Rs.37,200/-.*

**16.02.2005** The Department explained that the amount of para had been reduced to Rs.37,200/- in SDAC meeting and acknowledgement of plants supplied to Pak Army and Education Department had been verified by the Audit.

**The para was accordingly settled.**

**12. Para No.8 Pages 11 & 12 of Audit Report for the year 1999-2000; Doubtful Disposal of Plants, Timber and Seed Valuing Rs.1,342,509/-.**

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**23.01.2004** Audit observation consisted of the following two parts:-

- (a) Scrutiny of Nursery registers had revealed that various quantities of plants valuing Rs.12,24,444/- were discharged from registers without showing specific disposal thereof.
- (b) As per Timber Form No.7, various quantities of plants valuing Rs.118065/- were disposed off, seeds consumed without showing specific disposal/consumption thereof.

The department while explaining its position about (a) above, stated that all the plants in question were properly utilized in Government forests and accounted for, which had been verified by audit.

Audit endorsed the statement of department.

Regarding (b) above, the department explained that all the timber, plants and seeds in question were properly accounted for and disposed of. The relevant record was shown to audit during the

meeting.

The Committee was satisfied with the explanation of the department and **settled the para.**

**13. Para No.9.1 Pages 12 & 13 of Audit Report for the year 1999-2000; Recovery of Rs.2,013,120/- Due to Mis-Use/Doubtful Repair of Vehicle.**

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Chief Conservator of Forests, P & E, Central Zone Lahore – Rs.1,282,490/- and Rs.551,630/-

**17.02.2005** The department explained that para comprised two parts.

Part I. The vehicles in question were used for official purpose including the raid parties appointed by the Minister and log books of the vehicles had been properly maintained. As such no vehicle was misused.

Part II. The expenditure on repair of the vehicle had been incurred after observing all the codal formalities and entries of POL/repair had been recorded in log books.

Audit contended that expenditure was doubtful as DFO Okara had already incurred the a sum of Rs.307,000/- on the said vehicle.

The Committee after detailed consideration, **settled Part I of the para** and **Part II was kept pending** with the direction that department should probe into the matter to thrash out facts and submit report to the PAC within the period of four months.

**14. Para No.10 Pages 13 & 14 of Audit Report for the year 1999-2000; Loss of Government Vehicle Worth Rs.575,000/-.**

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**17.02.2005** The department explained that the vehicle in question had been used for four years by Commissioner Bahawalpur who was also Chairman of Parks Project Committee and department had requested him to return the vehicle which had been received back later.

The Committee directed the department to come up with factual position of the case on 18.02.2005.

On 18.02.2005 the Committee after hearing the view point of the department, decided to **settle the para.**

**15. Para No.11 Page 15 of Audit Report for the year 1999-2000; Loss of Rs.21,396,922/- Due to Less Realization of Revenue.**

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**23.01.2004** Audit had observed that as per Finance Department's letter dated 14.10.1986

expenditure-income ratio for timber extraction was fixed as 1:4 and department had spent according to ratio 1:2.

The department explained that due to ban imposed on green felling by the Government of the Punjab since 1982, the expenditure income-ratio had been fixed as 1:2 for dead/dry conversion by the Finance Department vide letter dated 14-10-1986, whereas for green/live felling it was 1:4. The revenue realized during the relevant period was more than the target fixed by the Finance Department.

The department further explained that the para had been settled in the meeting of SDAC held on 26-27.10.2000 which had also been verified by audit. The Committee accepted the explanation of the Department and **settled the para.**

### **16      Para No.12 Pages 15 & 16 of Audit Report for the year 1999-2000; Loss of Rs.2,420,000/- Due to Huge Mortality of Black Bucks and Chinkaras.**

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**17.02.2005** The Department explained an inquiry was conducted into the matter which concluded that as per post-mortem reports, the death of animals in question was reported natural and actual number of diseased animals was 68 instead of 71.

Finance Department explained that any loss to the Government was required to be written off by the competent authority.

**The para was conditionally settled subject to** write off/loss sanction by the competent authority.

### **17.      Para No.13 Page 16 of Audit Report for the year 1999-2000; Loss of Rs.691,000/- (Approx) Due to Encroachment of Forest Land.**

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**18.02.2005** The Department explained that the matter pertaining to subject para had been investigated at departmental level as well as by the CMIT, both of them recommended that Government land be got vacated, but despite best efforts it was not vacated by illegal occupants who had filed a case in the Court of law.

Matter being subjudice, **the para was kept pending.** The department was directed to pursue the eviction of encroachments vigorously.

### **18.      Para No.14 Pages 16 & 17 of Audit Report for the year 1999-2000; Loss of Rs.223,500/- Due to Less Yield of Timber and Firewood.**

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**18.02.2005** The Department explained that appropriate action was being taken against the responsible officers/officials and an inquiry for the purpose was under process with higher



authorities.

**The para was kept pending** till finalization of the inquiry which would be produced before the committee in its next meeting.

**19. Para No.16.3 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Sargodha – Rs.266,400/-

**23.01.2004** Audit had pointed out that forest cases regarding theft of forest produce were got registered with police, but no efforts had been made to get the cases decided by the courts and to recover the loss by the Department.

The department explained that the para had been discussed in the meeting of SDAC held on 27-3-2001 and amount was reduced to Rs.266,400/-. Position in respect of cases since decided by the courts and those still pending was also explained.

The department informed the Committee that the present punishment of 6 months imprisonment and a fine of Rs.500/- as provided in the existing law for theft of forest produce virtually had no deterrent effect. Therefore, the Department in compliance of directions of PAC-I was proposing an amendment in the Law to enhance the fine upto Rs.5 lakh for such theft cases. The establishment of a legal cell in the Forest Department was also under active consideration.

The Committee while endorsing the proposal of the Department for enhancing the imposition of fine in fresh theft cases to Rs.5 lakh, directed it to pursue all cases pending in the courts vigorously. The para was kept pending.

**31.07.2004** The Department gave details of present stage of cases in courts, superdari and other matters. The Department informed the Committee that necessary amendments in the Law had been proposed and the case was under examination in the Law Department.

The Committee directed the Department to provide a copy of the proposed amendments to PAC.

**The para was kept pending** for balance recovery and verification of recovery already effected by audit.

**20. Para No.16.5 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Lahore/Sheikhupura-Rs.21,452/-.

**18.02.2005** The Department explained that the matter of theft of forest timber was being pursued vigorously. However the Court did not decide the matter because complainant of the case had deceased and prosecution witnesses had retired.

**The para was kept pending** till decision of the Court.

**21. Para No.16.7 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, R.Y. Kahn - Rs.269,585/-.

**18.02.2005** The Department explained that out of total 20 cases involved in the para 2 had been decided by the Court and remaining cases were being pursued vigorously.

Audit contented that Department should get the write off sanction of the amount, for which recovery had not been imposed by the Court.

Finance Department was of the view that since the cases had been decided by the competent forum, no write off sanction was necessary.

The Committee directed that Department may seek advice from the Law Department to resolve the issue.

**The para was kept pending.**

**22. Para No.16.8 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Layyah - Rs.145,340/-

**18.02.2005** The Department explained that out of total cases involved in the para, only four were outstanding involving a sum of Rs.34,100/- only.

The Committee **conditionally settled the para** by reducing the size of it up to extent of amount verified by Audit.

**23. Para No.16.11 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Faisalabad - Rs.3,166,675/-

**18.02.2005** The Department explained that out of total 443 cases involved in the para, only 81

cases were outstanding involving recovery Rs.2,081,857/- approximately. The Department further explained that 49 cases involved recovery against officials of the Department which had been included in Farm-11.

**The para was conditionally settled subject to balance recovery of outstanding amount and its verification by Audit.**

**24. Para No.16.12 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Faisalabad - Rs.595,200/-

**18.02.2005** The Department explained that out of total FIRs involved in the para, 32 FIRs involving Rs.144,900/- had been decided by the Court and penalty had been imposed on responsables. The remaining cases were under process in the Court and Administrative Secretary quarterly reviewed the departmental efforts.

The Committee **kept the para pending** with the direction that Department should pursue the cases vigorously.

**25. Para No.16.18 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Gujranwala - Rs.981,900/-

**18.02.2005** The Department explained that out of 23 FIRs involved in the para, 6 had been decided and remaining cases were being pursued vigorously.

**The para was kept pending** with the direction that Department should pursue the cases vigorously.

**26. Para No.16.21 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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*DFO, Jhang - Rs.16,150/-*

**16.02.2005** The Department explained that actual outstanding amount had been recovered and adjusted in the accounts.

Audit verified the Departmental contention.

**The para was accordingly settled.**

**27. Para No.16.23 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Murree - Rs.47,960/-

**18.02.2005** The Department explained that all 48 forest cases involved in the para had been decided by the Court. However in the view of latest Audit comments, out of 3 cases in question, recovery of Rs.2,550/- had been effected in one case and in remaining two cases arrest warrants had been issued by the Court.

**The para was conditionally settled subject to verification of departmental contention by Audit within one month.**

**28. Para No.16.26 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Attock - Rs.71,230/-

**29. Para No.16.27 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Gujrat - Rs.579,097/-

**30. Para No.16.29 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Khushab - Rs.64,000/-

**31. Para No.16.31 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Layyah - Rs.136,630/-

**32. Para No.16.32 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Chichawatni - Rs.62,350/-

**33. Para No.16.34 Pages 18, 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.13,626,454/- on Account of Non-Finalization of Offence Cases.**

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DFO, Bhakkar - Rs.62,500/-

**18.02.2005** The Department explained that above paras related to forest offence cases which were being pursued vigorously in the Court and in cases already finalized, recovery was being effected.

The Committee directed that Department should devise a mechanism to efficiently pursue the cases in the Court.

With above directions, **the paras were conditionally settled subject to** complete recovery and its verification by Audit.

**34. Para No.17.1 Pages 21 & 22 of Audit Report for the year 1999-2000; Irregular Contingent Expenditure of Rs.1,337,167/-.**

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DFO (North) Forest Division, Rawalpindi – Rs.96,588/-

**23.01.2004** Audit had pointed out that there were two vehicles whereas three drivers and one cleaner were drawing pay regularly. Similarly one boatman was also drawing pay without any specific duty. Audit was of the view that expenditure on one post of driver, one cleaner and one boatman was wasteful.

The department explained that there were two double cabin vehicles and one tanker; hence there was requirement of 3 drivers. Although cleaner was appointed to operate tanker but his services were utilized as driver. As such there was no surplus driver or cleaner. Similarly the boatman was posted in Kallar forest sub division and performed duty regularly in sailing the official boat in River Jhelum at the lake.

The department further explained that this para had already been settled in the SDAC meeting held on 26-27/10/2000. The facts were also verified by audit.

On the recommendation of audit, **the para was settled.**

**35. Para No.17.2 Pages 21 & 22 of Audit Report for the year 1999-2000; Irregular Contingent Expenditure of Rs.1,337,167/-.**

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DFO, (South) Rawalpindi – Rs.18,090/-

**23.01.2004** Audit had pointed out that contrary to Finance department's instructions dated 15.10.1997, contingent staff was employed without the approval of the competent authority and had not been regularized despite the lapse of more than 3 years.

The department explained that the para was discussed in SDAC meeting held on 26-27/10/2000 and was reduced to Rs.18,090/-, The department explained the pressing circumstances under which two Chowkidars and a cook were appointed in public interest.

The Committee directed that the Principal Accounting Officer should hold an inquiry, fix responsibility and make good the loss. The inquiry should be completed within 3 months under intimation to PAC. The para was kept pending.

**31.07.2004** The Department explained that in compliance with PAC directions, an inquiry into the matter was held. As per the findings of the inquiry report, the expenditure incurred on salary of the watch and ward staff and cook was justified and the payment were made through Muster Rolls in accordance with the lawful procedure. As such drawing and disbursing officers were not found guilty/responsible for any lapse.

Administrative Secretary stated that he was not satisfied with the Inquiry Report and that *de-novo* inquiry would be held into the matter.

The Committee **kept the para pending** till finalization of the issue/fresh inquiry by the department.

### **36. Para No.17.3 Pages 21 & 22 of Audit Report for the year 1999-2000; Irregular Contingent Expenditure of Rs.1,337,167/-.**

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*DFO, Murree - Rs.53,325/-.*

**16.02.2005** The Department explained that expenditure in question was actually incurred on ward and watch of firewood which was supplied to public on no profit no loss basis. This amount was included in sale price and recovered from beneficiaries and labour was engaged on day to day basis.

Audit verified the Departmental contention.

**The para was accordingly settled.**

### **37. Para No.19.1 Page 23 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.282,986/- Without Provision in Annual Plan of Operations.**

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DFO (North) Forest Division, Rawalpindi – Rs.158,927/-

**23.01.2004** The department explained that the expenditure incurred during 1997-98 and 1998-99 was according to revised APO, approved by the Competent authority. The department further explained that the para had already been settled in the SDAC meeting held on 26-27/10/2000.



The audit verified the facts and **the para was settled** by the Committee.

**38. Para No.22 Page 25 of Audit Report for the year 1999-2000; Purchase of POL Worth Rs.242,809/- in Bulk Without Immediate Requirement.**

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**16.02.2005** The Department explained that bulk purchase of POL was made from Pakistan State Oil to keep the tractor in working condition in far flung areas. The consumption of the POL had also been verified by Audit.

On recommendation of Audit, **the para was settled.**

**39. Para No.23 Pages 25 & 26 of Audit Report for the year 1999-2000; Irregular Payment of Liabilities Worth Rs.408,200/-**

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**23.01.2004** The department explained that the amount of liability was paid after getting necessary approval from DG MKDA granted vide his office letter dated 12.8.1998. This para had been settled in the meeting of SDAC held on 26-27.10.2000. The facts were also verified by audit.

On the recommendation of audit, the Committee **settled the para.**

**40. Para No.25.1 Page 27 of Audit Report for the year 1999-2000; Loss of Rs.1,837,335/- Due to Irregular Payment of Loading, Unloading, Stacking and Carriage Charges.**

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DFO, Timber Extraction Division, Rawalpindi – Rs.143,749/-

**23.01.2004** The department explained that the para had been settled in the meeting of SDAC held on 26-27.10.2000.

The department further explained that the Forest Department followed its own schedule of rates approved by the competent authority. The carriage of the timber was a separate operation from stacking/loading and unloading for which rates were also separate. Therefore, no excess was charged.

Audit also verified the departmental reply and **the para was settled.**

**41. Para No.25.2 Page 27 of Audit Report for the year 1999-2000; Loss of Rs.1,837,335/- Due to Irregular Payment of Loading, Unloading, Stacking and Carriage Charges.**

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DFO, Timber Extraction Division, Rawalpindi – Rs.1,643,389/-

**23.01.2004** Audit had pointed out that carriage charges drawn were found in excess of schedule of rates, 1998.

The department explained that the said para was also taken as PDP No.62-1 of audit report of Rawalpindi Division for 1997-98 which was discussed and dropped in the meeting of PAC held on 15-17/01/2002. The department clarified that the rates for unskilled labour engaged on daily wages had been fixed by the Commissioner and then the schedule of rates were fixed/approved by competent authority on the basis of these rates which were being followed since creation of Forest Department. The audit had considered the composite schedule of rates 1998, which were meant for carriage of timber from Katcha and Packa roads through trucks & trolleys whereas the timber in question was carried through pack animals from forest to road side depot on 3-4 feet width paths where roads did not exist. Furthermore, para of similar nature had already been settled in the meeting of SDAC held on 14.3.1998. The audit verified the contention of the department.

In light of explanation given by the Department and recommendations made by audit, the Committee **settled the para.**

**42. Para No.25.3 Page 27 of Audit Report for the year 1999-2000; Loss of Rs.1,837,335/- Due to Irregular Payment of Loading, Unloading, Stacking and Carriage Charges.**

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*DFO, Rajanpur - Rs.50,197/-*

**16.02.2005** The Department explained that Audit objection was not justified as the carriage of timber to sale depot had been allowed according to site condition and the rates for carriage of timber had been approved by conservator Forest.

Audit verified the Departmental reply.

**The para was accordingly settled.**

**43. Para No.26 Page 28 of Audit Report for the year 1999-2000; In fructuous Expenditure of Rs.1,133,081/- on Carriage Charges.**

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**23.01.2004** Audit had pointed out that according to rules nurseries were required to be raised near planting areas to save the expenditure on the carriage. However, heavy expenditure on carriage of plants had been incurred in violation of rules.

The department explained that nurseries in the hilly areas could be raised where site/location as well as water was available. Therefore, the nurseries were raised at the available sites where water

was also available near the planting areas. The department further explained that the para had already been settled in SDAC meeting held on 26-27/10/2000.

The audit also verified the facts. On the recommendation of audit, **the para was settled.**

#### **44. Para No.27.2 Pages 29 & 30 of Audit Report for the year 1999-2000; Loss of Rs.1,418,730/- Due to Non/Less Deduction of Income/Professional/General Sales Tax.**

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DFO, (South) Rawalpindi – Rs.34,236/-

**23.01.2004** Audit had pointed out that purchases were made from firms/persons who were not registered with the Sales Tax Department and sales tax was not paid/deducted. Secondly, various repairs/construction works were carried out and payments were made without deduction of Income tax.

The department explained that the para was discussed in SDAC meeting held on 22-3-2001 and the para was reduced to Rs.34,236/- by deleting the amount of income tax to the tune of Rs.10,470/- from the para.

As for the sales tax, the department explained that most of the items of the para, consisted of petty vouchers like photo stat copies, stationery and other small items of daily use. A mention was made of the protest lodged by the traders over levy of sales tax during the period in question when shop keepers were not ready to pay sales tax. Hence, purchases were made under inevitable conditions. Moreover, an amount of Rs.52900/- paid on account of POL charges was also exempt from sales tax.

The audit agreed with the contention of the department with regard to non-deduction of Sales Tax to the extent of Rs.9,499/- on Photostat, POL etc. and recommended recovery of Rs.24,737/-.

The Committee directed the department to effect recovery within 2 weeks. The para was kept pending.

**31.07.2004** The Department explained that the balance recovery pertained to small amounts and notices for recovery thereof had been issued.

The Committee directed the Department to resolve the issue at its own level under intimation to PAC.

**The para was kept pending.**

#### **45. Para No.27.5 Pages 29 & 30 of Audit Report for the year 1999-2000; Loss of**

**Rs.,1,418,730/- Due to Non/Less Deduction of Income/Professional/General Sales Tax.**

DFO, Timber Extraction Division, Rawalpindi – Rs.50,794/-

**23.01.2004** With reference to part “A” of the para, for recovery of Rs.12,698/-, the department explained that income tax @3%, on the purchase of tyres valuing Rs.48200/- had been recovered from the party and deposited into the Government treasury, while Rs.2,598/- were spent on small works which were not taxable.

For recovery of sales tax amounting to Rs.38,096/- on account of auction of timber as mentioned in part ‘B’ of the para, the department explained that Rs.31378/- had been recovered and deposited into the Government treasury.

The Committee conditionally settled the para, subject to record verification by audit.

**31.07.2004** The Department explained that all the outstanding dues had been recovered, deposited into government treasury and verified by Audit.

On recommendation of Audit, **the para was settled.**

**46. Para No.27.6 Pages 29 & 30 of Audit Report for the year 1999-2000; Loss of Rs.,1,418,730/- Due to Non/Less Deduction of Income/Professional/General Sales Tax.**

DFO, Timber Extraction Division, Rawalpindi – Rs.75,064/-

**23.01.2004** The Department explained that income tax amounting to RS.75,064/- had been recovered and deposited into Government treasury. The same fact was also verified by Audit.

The Committee on the recommendation of audit **settled the para.**

**47. Para No.27.8 Pages 29 & 30 of Audit Report for the year 1999-2000; Loss of Rs.1,418,730/- due to Non/Less deduction of Income/Professional/General Sales Tax**

**DFO, Muzaffar Garh - Rs.6,581/-**

**16.02.2005** The Department explained that para had already been settled in the SDAC meeting dated 27.03.2001 which had also been verified by Audit.

On recommendation of Audit, **the para was settled.**

**48. Para No.27.9 Pages 29 & 30 of Audit Report for the year 1999-2000; Loss of Rs.1,418,730/- due to Non/Less deduction of Income/Professional/General Sales Tax**

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*DFO, Muzaffar Garh - Rs.6,396/-*

**16.02.2005** The Department explained that entire amount of Sales Tax had been recovered and verified by Audit.

**The para was accordingly settled.**

**49. Para No.28.1 Pages 30 & 31 of Audit Report for the year 1999-2000; Excess Expenditure of Rs.774,842 on Account of Charging of Higher Rates.**

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DFO, (North) Forest Division, Rawalpindi – Rs.109,396/-

**23.01.2004** Audit had pointed out that higher forestry operation rates meant for hilly areas were sanctioned instead of applying scrub area rates.

The department explained that the sanctioned schedule of rates for hilly areas was different from that of scrub areas. The planting with polythene bag had been done according to the approved schedule of rates for the hilly areas. It was further explained that since the daily wages rates for hilly area were higher than other areas because the efficiency of the Labour in hilly areas was neither comparable to nor compatible with that in plain areas. Therefore, no deviation had been made from approved schedule of rate. The observation made by audit that rates of scrub areas be applied to hilly area was unrealistic.

The Committee accepted the explanation of the department and **settled the para.**

**50. Para No.28.2 Pages 30 & 31 of Audit Report for the year 1999-2000; Excess Expenditure of Rs.774,842 on Account of Charging of Higher Rates.**

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DFO, (North) Forest Division, Rawalpindi – Rs.115,571/-

**23.01.2004** Audit had pointed out that higher rates were charged for hand watering to polythene bag plants in nurseries situated in North Forest Division Rawalpindi as compared to rates charged by DFO Jhelum and Chakwal.

The department explained that the sanctioned schedule of rates for hilly areas was different than that of scrub areas. The hand watering had been done according to the approved schedule of rates prescribed for hilly areas. The presumption of the audit in this regard was unrealistic. The department further explained that the para had been settled in SDAC meeting held on 26-27/10/2000.

The audit verified the facts and the Committee **settled the para.**

**51. Para No.28.3 Pages 30 & 31 of Audit Report for the year 1999-2000; Excess Expenditure of Rs.774,842 on Account of Charging of Higher Rates.**

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DFO, (North) Forest Division, Rawalpindi – Rs.154,089/-

**23.01.2004** Audit had pointed out that excess rates were charged for earth work, contrary to the approved composite schedule of rates applicable to all the departments of the Provincial Government.

The department explained that no deviation had been made from the approved schedule of rates of the Forest Department for the hilly areas. The pits were dug for planting of Polythene bags plants in hilly area as per available land. The composite schedule of rates as referred by audit had no concern with the work in question, which related to roads, buildings and construction works.

The contention of the department was also verified by audit. The Committee, therefore, **settled the para.**

**52. Para No.28.5 Pages 30 & 31 of Audit Report for the year 1999-2000; Excess Expenditure of Rs.774,842/- on Account of Charging of Higher Rates.**

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*DFO, Multan - Rs.90,536/-.*

**16.02.2005** The Department explained that all operation in question had been carried out according to CSR 1970 and rates charged along with premium were less than the rates of CSR 1998.

On recommendation of audit, **the para was settled.**

**53. Para No.28.6 Pages 30 & 31 of Audit Report for the year 1999-2000; Excess Expenditure of Rs.774,842 on Account of Charging of Higher Rates.**

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DFO, Timber Extraction, Rawalpindi – Rs.136,560/-

**23.01.2004** Audit had observed that sawn trees were converted for charging dry sawing rates and thus higher rates were paid to the Labour.

The department explained that the para had been settled in the meeting of SDAC held on 26-



27.10.2000. The department further explained that the marking was carried out in October-November 1997 and March-May 1998, whereas the conversion work was carried out during October-November 1998 and March-April 1999, due to snowfall i.e. after six months to one year when these trees were dry. Hence, rates of dry conversion were paid to Labour.

Audit also verified these facts. The Committee accordingly **settled the para.**

**54. Para No.30.10 Pages 32 & 33 of Audit Report for the year 1999-2000; Recovery of Rs.2,456,368/- imposed Upon the Officials Not Effectuated.**

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*DFO, Gujranwala - Rs.31,500/-.*

**16.02.2005** The Department explained that the amount involved in subject para had already been included in DP No.6 for the year 1998-99 which was also verified by Audit.

**The para was accordingly settled.**

**55. Para No.33.2 Pages 34 & 35 of Audit Report for the year 1999-2000; Loss of Rs.2,097,425/- Due to Shortage of Timber, Stumps and Different Articles.**

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*DFO, Lahore/Sheikhupura - Rs.26,962/-.*

**16.02.2005** The Department explained that items involved in the para had been included in DP No.10.2 for the year 1997-98, which stood verified by Audit.

On recommendation of Audit, **the para was settled.**

**56. Para No.33.4 Pages 34 & 35 of Audit Report for the year 1999-2000; Loss of Rs.2,097,425/- Due to Shortage of Timber, Stumps and Different Articles.**

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*DFO, Faisalabad - Rs.32,000/-.*

**16.02.2005** The Department explained that 16,000 plant bags had been supplied free of cost to various educational institutions and no shortage was there.

Audit stated that facts had been verified.

**The para was accordingly settled.**

**57. Para No.34.1 Pages 35 & 36 of Audit Report for the year 1999-2000; Loss of**

## **Rs.712,017/- due to Non/Less recovery of House Rent & Conveyance Allowance**

***DFO, Pest Control, Forest Division, Lahore-Rs.106,284/-.***

**16.02.2005** The Department explained that penal rent of Rs.47,611/- had been deposited by concerned officer and store articles were also returned by him.

Audit verified the Departmental contention.

**The para was accordingly settled.**

## **58. Para No.35.4 Pages 36 & 37 of Audit Report for the year 1999-2000; Loss of Rs.12,180,375/- Due to Non Recovery of Dues from Contractors/Officials.**

***DFO, Rahim Yar Khan-Rs.652,495/-.***

**16.02.2005** The Department explained that recovery/adjustment of total amount of the para had been verified by Audit.

On recommendation of Audit, **the para was settled.**

## **59. Para No.35.7 Page 36 of Audit Report for the year 1999-2000; Loss of Rs.12,180,375/- Due to Non-Recovery of Dues From Contractors/Officials**

DFO, Multan – Rs.2,205,337/-

**23.01.2004** Audit had pointed out that a sum of Rs.2,430,696/- was lying pending for want of recovery since many years from Government contractors and certain officials.

The department explained that the para was discussed in the meeting of SDAC held on 27-3-2001 and was reduced to Rs.2,205,337/-. However, the audit commented that as result of said meeting the amount was reduced to Rs.177,105/-.

The Department explained the details viz-a-viz the amount recovered and the amount which was still recoverable.

The Committee directed the Department to vigorously pursue the case for recovery as arrears of land revenue and make all other efforts for ensuring its realization at the earliest. The para was kept pending.

**31.07.2004** The Department explained that an amount of Rs.52,973/- had been recovered in five

cases which was also verified by Audit. In case of Mr. Faiz-ur-Rehman, FG, District Nazim and DCO Khanewal had been requested to recover the outstanding amount as arrears of land revenue.

The Committee reduced the para to the extent of amount recovered and verified by Audit.

**The para was kept pending** for balance recovery.

#### **60. Para No.35.11 Pages 36 & 37 of Audit Report for the year 1999-2000; Loss of Rs.12,180,375/- Due to Non Recovery of Dues From Contractors/Officials**

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DFO, (North) Rawalpindi – Rs.659,891/-

**23.01.2004** Audit had pointed out that scrutiny of form No. 11 revealed that balances were outstanding against many contractors/employees since long.

The department explained that most of the outstanding dues pertained to different forest contractors. However, recoveries from Govt. officials were being made from their salaries which could not exceed 1/3<sup>rd</sup> of the salary of the official concerned.

The department further explained that some of the contractors belonged to pre-partition period and had expired. The outstanding amount against the contractors to the tune of Rs.6,22313/- had been got declared as arrears of Land Revenue in 2003. The successors of deceased contractors were not in a position to pay this amount. Notwithstanding this, the department assured to effect recovery at the earliest. In case recovery could not be realized, the case for write off etc. would be referred to the Finance Department.

The Committee observed that the performance of Conservators of Forests left much to be desired and directed the Secretary to streamline such things and make strenuous efforts for effecting recovery at the earliest. The para was kept pending.

**31.07.2004** The Department inter alia stated that cases had been taken up with Revenue authorities and banks for recovery as arrears of land revenue and releasing of call deposits for adjustment against outstanding amount respectively. It was further stated that the cases being very old including for the period even before partition, the relevant record in some cases was not traceable. However, sincere efforts for recovery were continuing and if deemed necessary, the department would move case for write off also.

The Committee directed the Department to effect recovery at the earliest and take appropriate action in respect of old cases under intimation to PAC.

**The para was kept pending.**

**61. Para No.36.3 Pages 37 & 38 of Audit Report for the year 1999-2000; Recovery of Rs.675,803/- Due to Over Payment of Pay.**

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*DFO, Lahore/Sheikhupura-Rs.8,879/-.*

**16.02.2005** Audit had pointed out that deduction on account of stoppage of annual increment and reduction in stages of certain officials was not made.

The Department explained that amount of para had been reduced in meeting held on 22-03-2001 and balance amount of Rs.8,873/- had been recovered from concerned officials.

Audit stated that facts had been verified.

**The para was accordingly settled.**

## **FISHERIES DEPARTMENT**

### **Audit Paras (Civil) for the year 1999-2000**

**1. Para No.1 Page 7 of Audit Report for the year 1999-2000; Misappropriation of Rs.110,825/-**

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**16.02.2005** Audit had pointed out that various collections from the contractors deposited through challans had not been entered in the cash book in violation of rules.

The Department explained that an amount of Rs.110,825/- was not collected directly from fish contractors who themselves deposited the income tax in Government treasury and provided challans to the Department and the credit verification of this amount had been counter signed by District Accounts Officer.

Audit stated that facts had been verified.

**On recommendation of Audit, the para was settled.**

**2. Para No.2 Page 7 of Audit Report for the year 1999-2000; Misappropriation of Fish Seed Amounting to Rs.119,086/-**

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**16.02.2005** Audit had pointed out less balance of fish seed against the consumption mentioned in sale register.

The Department explained that District Okara had two fish seed producing units. The Audit had examined the record of fish seed supply of only one unit neglecting the other one. The supply/

stocking of balance number of fish seed was available in the record of other unit. However a probe was conducted in to the matter which revealed that there was tempering in the record for which warning had been issued to the responsible person.

Finance Department stated that Department should re-examine the matter as two contrary statements of the Department were noticed and it could be assumed that there was conscious concealment of facts.

**The para was kept pending** for verification of relevant record by the Audit within 30 days.

### **3. Para No.3 Page 8 of Audit Report for the year 1999-2000; Irregular Payment of Telephone Charges Valuing Rs.242,337/-.**

**16.02.2005** Audit had pointed out that the Department made payment for telephone bill which actually ought to had been paid by S & GAD.

The Department explained that official telephone was installed at the residence of the then Minister for Fisheries and payment was made by orders of the Chief Minister of the Punjab.

The Committee accepted the Departmental reply and **the para was settled.**

### **4. Para No.4.1 Pages 8 & 9 of Audit Report for the year 1999-2000; Loss of Rs.445,528/- Due to Illegal Appointments and Change of Cadre.**

*Assistant Director Fisheries, Multan - Rs.78,760/-*

**16.02.2005** The Department explained that concerned official was working as Beldar in the office of Deputy Director Fisheries under a development scheme for which a Beldar was provided in District Multan and currently the said official is still working as Beldar. As such no change of cadre was involved.

Audit in its comments dated 10.02.2005, agreed with the contention of the Department and recommended PAC to settle the para.

**The para was accordingly settled.**

### **5. Para No.4.2 Pages 8 & 9 of Audit Report for the year 1999-2000; Loss of Rs.445,528/- Due to Illegal Appointments and Change of Cadre.**

*Assistant Director Fisheries, Khanewal - Rs.53,722/-*

**21.01.2004** Audit had pointed out that under age appointment and promotion was made by the department due to which Government sustained a loss of Rs.53,722/-.

The Department explained that an inquiry was being made into the matter and action would be taken in the light of findings of the inquiry report.

The Committee directed the Department to expedite the enquiry proceedings and the para was kept pending.

**31.07.2004** The Department explained that as per the findings of an inquiry held in to the mater, the appointment of the under-age official was irregular and unlawful. The then Assistant Director, Fisheries was responsible for this appointment who had retired from service. The Administrative Secretary stated that the department would move a summary for regularization on humanitarian grounds and added that those found responsible for the lapse would be penalized.

Finance Department suggested that the Law Department should be consulted on this issue.

The Committee directed the Administrative Secretary to take appropriate action as deemed fit to resolve the matter.

**The para was kept pending.**

#### **6. Para No.4.3 Pages 8 & 9 of Audit Report for the year 1999-2000; Loss of Rs.445,528/- Due to Illegal Appointments and Change of Cadre.**

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*Deputy Director, Fisheries, Bahawalpur - Rs.67,147/-*

**16.02.2005** The Department explained that all District offices were working under control of Director Fisheries (extension) and in view of shortage of staff in his office the official in question was deputed on special duty for completion of urgent work. During this period no additional benefit was given to him. However Finance Department observed that Headquarter could not be changed for temporary posting exceeding the period of three months and the matter required regularization.

**The para was kept pending with the direction that:-**

- i) regularization from Finance Department and
- ii) initiation of action under RSO 2000 Rule against the responsible.

#### **7. Para No.4.4 Pages 8 & 9 of Audit Report for the year 1999-2000; Loss of Rs.445,528/- Due to Illegal Appointments and Change of Cadre.**

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***Assistant Director, Fisheries, Bahawalpur - Rs.66,660/-.***

**16.02.2005** The Department explained that there were two sanctioned posts of the drivers in the office of Assistant Director Fisheries Bahawalpur out of which one was lying vacant and Mr Sadiq Hussain was appointed against that vacant post. He had retired from service on 31.12.2000 and a similar para against the said official was discussed in PAC meeting on 14.11.2003 and was settled.

The Committee accepted the Departmental reply and **settled the para.**

**8. Para No.4.5 Pages 8 & 9 of Audit Report for the year 1999-2000; Loss of Rs.445,528/- Due to Illegal Appointments and Change of Cadre.**

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***Assistant Director, Fisheries, Kasur - Rs.179,239/-.***

**16.02.2005** The Department explained that official involved in audit observation was appointed on 23.06.1992 and cutting on his service book was attested by the concerned officer, medical certificate was obtained from the official and submitted to District Accounts Office. Moreover the services of the official were regularized in the DPC meeting held on 17.12.1992, as such all codal formalities were observed.

Audit stated that no advertisement was published for the recruitment.

**The para was kept pending** with the directions by the Committee that disciplinary action be initiated against Assistant Director Fisheries (Retd) under Rule 1.8 (b) of Pension Rule.

**9. Para No.5.1 Page 10 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs. 1,436,437/- on Account of Maintenance and Cost of Fish Seed Nurseries.**

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Assistant Director Fisheries, Jhelum - Rs.321,297/-

**10. Para No.5.2 Page 10 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs. 1,436,437/- on Account of Maintenance and Cost of Fish Seed Nurseries.**

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Assistant Director Fisheries, Chakwal - Rs.1,115,140/-

**21.01.2004** Both the paras being of similar nature were considered jointly. The Audit had pointed out that heavy amounts had been shown spent on the maintenance of Sohawa Fish Seed Nursery during the period under report but income from the sale of fish seed was very nominal.

The Department explained that cost of land, worked out by the audit was not based on facts. The fish seed nursery unit was established on state land and was in possession of the Department since 1960. Moreover the cost of land could not be compared with the recurring operational cost. It was further explained that an income of Rs.308,890/- had been realized through various activities of nursery unit. The Department added that nursery units were not commercial ventures and had been established to provide seeds to farmers. The discrepancy occurred because the relevant record was not shown to Audit at the time of audit. The record could be got verified by audit. The Department assured that in future such record would be got verified at the proper time with a view to avoid audit observations.

The Committee conditionally settled paras 5.1 and 5.2 subject to verification by Audit within one week.

**31.07.2004** The Department stated in the meeting that directions for making hatcheries commercially viable had been issued. D.G. Fisheries was taking keen interest and results would be visible in due course. It was added that in two districts where there was no private hatchery, the Department intended to penetrate into the private market.

On the assurance of the Administrative Secretary that efforts for making the fish nursery units commercially viable were being made, the Committee **settled the paras 5.1 and 5.2.**

**11. Para No.6.1 Pages 10 & 11 of Audit Report for the year 1999-2000; Loss of Rs.355,955/- Due to Non-Occupation of Government Residences.**

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*Assistant Director, Fisheries, Chhanawan, District Gujranwala - Rs.181,734/-*

**16.02.2005** The Department explained that out of total four quarters, two had been allotted to primary schools on request of Education Department and one was not worth living having lack of basic facilities and remaining one was occupied by class-IV employee and deductions were made. Later, all the four quarters had been occupied. However record pertaining to Education Department was not traceable.

Audit stated that above contention of the Department was not included in the working papers.

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

**12. Para No.6.2 Pages 10 & 11 of Audit Report for the year 1999-2000; Loss of Rs.355,955/- Due to Non-Occupation of Government Residences.**

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*Assistant Director, Fisheries, Chhanawan, District Gujranwala - Rs.105,278/-*

**16.02.2005** The Department explained that Mr Ghulam Hussain, Chemist had deposited Rs.5,000/-

and given undertaking to deposit the same amount each month while the remaining three officers had deposited the amount.

**The para was kept pending** to the extent of recovery against Mr Gulam Hussain and remaining portion of the para was conditionally settled subject to verification of the record by the audit.

**13. Para No.6.3 Pages 10 & 11 of Audit Report for the year 1999-2000; Loss of Rs.355,955/- Due to Non-Occupation of Government Residences.**

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*Deputy Director, Fisheries, Bahawalpur - Rs.28,242/-*

**16.02.2005** The Department explained that out of total six residences involved in subject para, two were occupied and deduction of Rs.11,571/- was made from dues of concerned officials while 2 quarters remained vacant due to need of major repair and vacant post of stenographer.

In case remaining two residences, 4<sup>th</sup> class employees were residing as per policy of the Government.

The Committee accepted the Departmental reply and **settled the para.**

**14. Para No.6.4 Pages 10 & 11 of Audit Report for the year 1999-2000; Loss of Rs.355,955/- Due to Non-Occupation of Government Residences**

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*Assistant Director Fisheries (H), Faisalabad - Rs.40,701/-*

**21.01.2004** The Department explained that the same para was included in the draft paras report for the year 1998-99 which was discussed in PAC meeting held on 12-13 November 2003.

The audit stated that the para had wrongly been printed in this report.

The Committee accepted the explanation of the Department supported by the audit and **deleted the para** from the report of 1999-2000.

**15. Para No.7.1 Pages 11 & 12 of Audit Report for the year 1999-2000; Loss of Rs.3,572,847/- Due to Auction/Lease on Less Rate**

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*Assistant Director Fisheries, Muzaffar Garh - Rs.1,642,075/-*

**16. Para No.7.2 Pages 11 & 12 of Audit Report for the year 1999-2000; Loss of Rs.3,572,847/- Due to Auction/Lease on Less Rate**

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*Assistant Director Fisheries, R.Y. Khan - Rs.336,000/-*

**17. Para No.7.3 Pages 11 & 12 of Audit Report for the year 1999-2000; Loss of**

**Rs.3,572,847/- Due to Auction/Lease on Less Rate**

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Assistant Director Fisheries, Multan - Rs.227,000/-

**18. Para No.7.4 Pages 11 & 12 of Audit Report for the year 1999-2000; Loss of Rs.3,572,847/- Due to Auction/Lease on Less Rate**

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Assistant Director Fisheries, Rajanpur - Rs.579,900/-

**19. Para No.7.5 Pages 11 & 12 of Audit Report for the year 1999-2000; Loss of Rs.3,572,847/- Due to Auction/Lease on Less Rate**

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Assistant Director Fisheries, Gujranwala - Rs.284,500/-

**20. Para No.7.6 Pages 11 & 12 of Audit Report for the year 1999-2000; Loss of Rs.3,572,847/- Due to Auction/Lease on Less Rate**

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Assistant Director Fisheries, Bhawal Nagar - Rs.503,372/-

**21.01.2004** The above paras being of similar nature, were discussed jointly.

Audit had pointed out that in various cases loss was sustained by the Department due to low bid as compared to the previous year while the same should have increased at least by 10% of the last bid. The loss occurred due to violation of instructions issued by Finance Department.

The Department explained that fishing rights of all public waters were put to open auction annually and Director General Fisheries, Punjab was fully competent to approve lease amount vide Finance Department's letter dated 8.12.1997. These powers were, however, withdrawn vide letter dated 26.8.1999 and low bid cases were being referred to Finance Department for approval. It was further stated that competition was transparent and no irregularity had been committed. The record could be got verified by the Audit.

The Committee kept paras 7.1 to 7.6 pending with the direction to get the record verified by the Audit by 22.01.2004.

The above paras were again considered on 22.01.2004. The Department explained that the auction process of bidding was transparent and there was no element of malafide in this case.

The Committee conditionally settled paras 7.1 to 7.6 subject to verification by audit.

**31.07.2004** The Department reiterated its previous contention and stated that due to short rain fall

during the year under audit observation, the level of water in rivers was quite low. The entire bidding process was transparent and there was no chance of malafide. Moreover, audit had no objection on the bidding process and procedure. Rainfall data had also been provided to audit.

The Committee accepted the contention of the department and **settled the paras 7.1 to 7.6.**

**21. Para No.8 Page 13 of Audit Report for the year 1999-2000; Recovery of Rs.427,365/- on Account of Misuse of Government Vehicle**

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**21.01.2004** The Department explained that the vehicle was provided to the staff of then Minister for Forest, Wildlife, Fisheries & Tourism Department for performance of official duties. It was further stated that a draft para of same nature was settled by Public Accounts Committee in its meetings held on 25.5.1995 and 13.11.2003.

The Committee accepted the explanation of the department and **settled the para.**

**22. Para No.9.1 Pages 13 & 14 of Audit Report for the year 1999-2000; Misappropriation of sale proceed of Fish/Fish Seed amounting to Rs.680,896/-**

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*Assistant Director, Fisheries, Bahawal Nagar - Rs.32,111/-*

**16.02.2005** The Department explained that Deputy Director Fisheries Multan had investigated the matter and concluded that actual recovery was Rs.17,230/- which had already been effected and deposited into Government treasury.

The Committee **conditionally settled the para** with the direction that Inquiry Report be shown to Audit for necessary verification.

**23. Para No.9.2 Pages 13 & 14 of Audit Report for the year 1999-2000; Misappropriation of Sale Proceed of Fish/Fish Seed Amounting to Rs.680,896/-.**

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*Assistant Director, Fisheries, Bahawal Nagar - Rs.55,020/-*

**16.02.2005** Audit had pointed out that huge quantity of fish was issued to Lahore shop for sale without obtaining any receipt.

The Department explained that 917 kg fish was sent to Government Fish Shop Lahore from Tehsil Minchinabad for which acknowledgment receipts were available for verification and Income realized had been deposited into Government treasury. As such no misappropriation was there.

**The para was conditionally settled subject to the verification of record by audit.**



**24. Para No.9.3 Pages 13 & 14 of Audit Report for the year 1999-2000;  
Misappropriation of Sale Proceed of Fish/Fish Seed Amounting to Rs.680,896/-**

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Assistant Director Fisheries, Bahawal Nagar - Rs.19,080/-

**21.01.2004** The Department explained that according to the record/fish seed supply register actual amount of recovery was Rs.17,030/- instead of Rs.19,080/- which had been recovered and deposited into Government Treasury.

Audit verified the contention of the Department.

On the verification by the audit, the Committee decided to **settle the para.**

**25. Para No.9.4 Pages 13 & 14 of Audit Report for the year 1999-2000;  
Misappropriation of Sale Proceed of Fish/Fish Seed Amounting to Rs.680,896/-.**

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*Assistant Director, Fisheries, Sahiwal - Rs.29,600/-.*

**16.02.2005** The Department explained that total amount had been recovered and verified by Audit.

On recommendation of audit **the para was settled.**

**26. Para No.9.5 Pages 13 & 14 of Audit Report for the year 1999-2000;  
Misappropriation of Sale Proceed of Fish/Fish Seed Amounting to Rs.680,896/-.**

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*Assistant Director, Fisheries, Sargodha - Rs.463,125/-*

**16.02.2005** The Department explained that audit had miscalculated the total quantity of fish seed against actual supply. The cost of actual supply had been deposited as per existing rates, notified by the Director General Fisheries.

The Committee accepted the Departmental reply and **settled the para.**

**27. Para No.9.6 Pages 13 & 14 of Audit Report for the year 1999-2000;  
Misappropriation of Sale Proceed of Fish/Fish Seed Amounting to Rs.680,896/-**

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Assistant Director Fisheries, Sargodha - Rs.81,960/-

**21.01.2004** The Department explained that the actual amount of licence fee received was



Rs.89,160/-instead of Rs.81,960/- as mentioned in the audit para. The amount was deposited into the Government Treasury. The same was also verified by audit in its comments.

**The para was accordingly settled.**

**28. Para No.10 Page 14 of Audit Report for the year 1999-2000; Loss of Rs.100,000/- Due to Non-Recovery of House Building Advance**

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**21.01.2004** The Department explained that the recovery from both the officials had been started and that their salaries had also been stopped.

The Committee after considering the explanation of the Department conditionally settled the para subject to completion of recovery process within two months.

**31.07.2004** The Department stated that total recovery had been effected from the concerned officials and show cause notices had also been issued to them for proceeding under Punjab Removal from Service Ordinance 2000.

The Committee accepted the reply of the department and **para was settled.**

**29. Para No.11.1 Page 15 of Audit Report for the year 1999-2000; Loss of Rs.291,681/- Due to Less Realization of License Fee of Fish Hunting**

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Assistant Director Fisheries, Faisalabad - Rs.460,395/-

**30. Para No.11.2 Page 15 of Audit Report for the year 1999-2000; Loss of Rs.291,681/- Due to Less Realization of License Fee of Fish Hunting**

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Assistant Director Fisheries, Jhang - Rs.409,536/-

**31. Para No.11.3 Page 15 of Audit Report for the year 1999-2000; Loss of Rs.291,681/- Due to Less Realization of License Fee of Fish Hunting**

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Assistant Director Fisheries, Sargodha - Rs.145,440/-

**32. Para No.11.4 Page 15 of Audit Report for the year 1999-2000; Loss of Rs.291,681/- Due to Less Realization of License Fee of Fish Hunting**

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Assistant Director Fisheries, T.T. Singh - Rs.33,210/-

**33. Para No.11.5 Page 15 of Audit Report for the year 1999-2000; Loss of**

**Rs.291,681/- Due to Less Realization of License Fee of Fish Hunting**

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Assistant Director Fisheries, Sahiwal - Rs.166,900/-

**34. Para No.11.6 Page 15 of Audit Report for the year 1999-2000; Loss of Rs.291,681/- Due to Less Realization of License Fee of Fish Hunting**

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Assistant Director Fisheries, Faisalabad - Rs.76,200/-

**21.01.2004** Paras 11.1 to 11.6 were considered jointly being of similar nature. The Department explained that as per Government orders the license fee was enhanced from Rs.30/- to Rs.300/- per license vide orders issued on 26.12.1996 and implemented w.e.f. 7.1.1997. However, these orders were suspended by the court vide stay order dated 25.9.1997. The stay order was vacated by the court on 12.6.1998 which was received in the department on 31.7.1998.

The period during which the stay order remained in force, license fee at the previous rate viz Rs.30/- instead of Rs.300/- per license was charged. Therefore, the licenses were issued and fee was charged in accordance with the rules and regulations. Hence, no loss had occurred to Government.

The Committee accepted the explanation of the department and **settled paras 11.1 to 11.6.**

**35. Para No.12 Page 16 of Audit Report for the year 1999-2000; Recovery of Rs.52,651/- on Account of Mis-use of Government Vehicle**

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**21.01.2004** The Department explained that ex-Advisor to Chief Minister had been requested to deposit the said amount which, when received, would be deposited into Government Treasury.

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

**36. Para No.13.1 Pages 16 & 17 of Audit Report for the year 1999-2000; Over Payment of Rs.371,564/- on Account of House Rent and Conveyance Allowance.**

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*Assistant Director Fisheries, Lahore - Rs.114,276/-.*

**16.02.2005** The Department explained that total recovery had been effected and verified by audit.

The para was accordingly settled.

**37. Para No.13.2 Pages 16 & 17 of Audit Report for the year 1999-2000; Over Payment of Rs.371,564/- on Account of House Rent and Conveyance Allowance.**

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***Deputy Director Fisheries, D.G. Khan - Rs.68,406/-***

**16.02.2005** The Department explained that residences in question were constructed by the Commissioner out of his own funds and allotments were also awarded by him. On retirement of Mr Shamim ahmad Khan, Deputy Director Fisheries, the Commissioner allotted the residence No.A-29 to Director Education (EE) afterwards to DAO, DG Khan. It was further explained that after devolution, the residences were in possession of DCO who had denied from handing over them to the Department.

The Committee **settled the para** with the direction that factual position should be fully incorporated in working papers and it should be updated.

**38. Para No.13.3 Pages 16 & 17 of Audit Report for the year 1999-2000;  
Overpayment of Rs.371,564/- on Account of House Rent and Conveyance Allowance**

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Director Fisheries, Hatchery Management, Lahore - Rs.47,266/-

**21.01.2004** The Department explained that the Office of Director Fisheries (Hatcheries Management) Manawan (Punjab) was situated in Rakh Harbanspura which fell within the jurisdiction of Lahore Municipal Corporation and the staff was drawing house rent at the rate of 45% admissible to the employees working within the limit of Lahore Corporation.

This fact was also verified by audit

On the verification by audit, the Committee **settled the para.**

**39. Para No.13.4 Pages 16 & 17 of Audit Report for the year 1999-2000;  
Overpayment of Rs.371,564/- on Account of House Rent and Conveyance Allowance**

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Director Fisheries, Hatchery Management, Lahore - Rs.60,384/-

**21.01.2004** The Department explained that the office of Director Fisheries (Hatcheries Management) Manawan (Punjab) was situated in Rakh Hrbanspura which fell within the jurisdiction of Lahore Municipal Corporation and the staff was drawing conveyance allowance admissible to the employees working within the limits of Lahore Corporation.

The fact was also verified by audit.

The Committee being satisfied with the explanation of the department, **settled the para.**

**40. Para No.13.5 Pages 16 & 17 of Audit Report for the year 1999-2000;  
Overpayment of Rs.371,564/- on Account of House Rent and Conveyance Allowance**

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Deputy Director Fisheries, Faisalabad - Rs.69,136/-

**21.01.2004** The Department explained that as per decision by the Finance Department vide its letter No. FD/SRI/9/9/87 dated 29.11.1987, office of Deputy Director Fisheries, Faisalabad was included within the limits of Municipal Corporation Faisalabad and the officials of said office were drawing house rent allowance and conveyance allowance as admissible to them under the rules.

Audit had verified the contention of the department.

The Committee was satisfied with the explanation of the department and **the para was settled.**

**41. Para No.13.6 Pages 16 & 17 of Audit Report for the year 1999-2000;  
Overpayment of Rs.371,564/- on Account of House Rent and Conveyance Allowance**

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Assistant Director Fisheries (H), Faisalabad - Rs.12,096/-

**21.01.2004** Audit had observed that the officials were residing in Fisheries Colony situated within the same premises in which the office building (Hatchery) was situated, therefore, they were not entitled to the conveyance allowance.

The Department explained that the Colony was situated far from the office building, therefore, conveyance allowance was admissible. The same facts were physically examined by the DAC meeting held on 26.11.1999 and 9.3.2002 at Faisalabad.

The audit verified the facts.

In the light of the explanation made by the Department, the Committee **settled the para.**

**42. Para No.14.1 Pages 17 & 18 of Audit Report for the year 1999-2000; Non/Less  
Realization of Lease Money from Contractors Amounting to Rs.3,044,200/-**

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Assistant Director Fisheries, R.Y. Khan - Rs.1,017,000/-

**21.01.2004** The Department explained that out of total recoverable amount a sum of Rs.503,000/- had been recovered. One defaulter had died leaving no property in his name. Efforts for recovery as arrears of land revenue were continuing through relevant channels. It was further stated that amount against Azizullah (deceased) would be got written off from the competent authority.

The audit also verified recovery of Rs.503,000/-

The Committee directed the Department to recover remaining amount as arrears of land revenue and the para was kept pending.

**31.07.2004** The Department explained that out of total amount, a sum of Rs.503,000/- had been recovered and verified by Audit. In case of contractor Mr. Azizullah (deceased), his wife had submitted an appeal for mercy and the case for write off had been sent to the competent authority. In case of contractor Mr. Abdul Latif, efforts were being made for recovery through auction of the mortgaged property.

**The para was kept pending** with direction to the Department to expedite the recovery process.

**43. Para No.14.2 Pages 17 & 18 of Audit Report for the year 1999-2000; Non/Less Realization of Lease Money From Contractors Amounting to Rs.3,044,200/-.**

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*Assistant Director, Fisheries, Gujrat - Rs.73,200/-.*

**16.02.2005** Audit had pointed out less deposit of auction money Fishing rights in pond area.

The Department explained that subject para was duplication of the Draft Para No.22.1 for the year 1998-99.

The Committee deferred the consideration of the para with the direction that factual position be explained on 18.02.2005.

On 18.02.2005, the Department explained that Mr Zaffar Ullah Chattha, Ex-Assistant Director Fisheries was involved in the matter, who had been compulsorily retired and recovery was imposed against him as arrears of Land Revenue.

**The para was conditionally settled subject to** recovery of outstanding amount and verification.

**44. Para No.14.3 Pages 17 & 18 of Audit Report for the year 1999-2000; Non/Less Realization of Lease Money From Contractors Amounting to Rs.3,044,200/-.**

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*Assistant Director, Fisheries, Bahawalpur - Rs.163,000/-*

**16.02.2005** Audit had pointed out that heavy amounts were outstanding against the contractors since long.

The Department explained that efforts for recovery as arrears of Land Revenue were under process as the defaulter namely Mr Muhammad Ramzan had died. Similarly, in case of recovery of Rs.75,200/- Mr Atta Muhammad, no moveable or immoveable property was available and cases for

written off sanction were being referred to competent authority.

In case of recovery of Rs.30,400/- matter was under process with DCO Muzaffar Garh which was being pursued vigorously.

**The para was kept pending** with the direction that efforts should be made for early recovery.

**45. Para No.14.4 Pages 17 & 18 of Audit Report for the year 1999-2000; Non/Less Realization of Lease Money from Contractors Amounting to Rs.3,044,200/-**

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Assistant Director Fisheries, Kasur - Rs.832,500/-

**21.01.2004** The Department explained that out of total recoverable amount a sum of Rs.200,000/- had been recovered from Sardar Faisal Zaib, and deposited into Government Treasury. For the recovery of remaining amount from the contractors namely Mr. Miraj Din and Mr. Pervaiz Afzal the matter was subjudice in the court of law. The Contractors had filed a suit in the court against the pledged property transferred in favour of Department. Auction proceedings in respect of the pledged property had also been stayed by the court.

The Audit desired to see the copy of the stay order.

In view of the explanation of the Department that the matter was subjudice, the Committee kept the para pending.

**31.07.2004** The Department explained that property of the guarantors of the contractors had been transferred in favour of Fisheries Department for auction and further action was under process.

Administrative Secretary observed in the meeting that no fishing was done for 8 months causing loss to the department, therefore, an inquiry would be held to fix responsibility and further action would also be taken.

The Committee directed that the department should hold an inquiry into the matter, fix responsibility for the lapse, make good the loss and also take further action as deemed fit.

**The para was kept pending.**

**46. Para No.14.5 Pages 17 & 18 of Audit Report for the year 1999-2000; Non/Less Realization of Lease Money From Contractors Amounting to Rs.3,044,200/-.**

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*Assistant Director, Fisheries, Jhang - Rs.97,000/-*

**16.02.2005** The Department explained that cases against defaulting fish contractors had been



referred to Deputy Commissioner/DCO, for recovery as arrears of Land Revenue and strenuous efforts were being made for the purpose.

**The para was kept pending** for recovery of outstanding amount.

**47. Para No.14.6 Pages 17 & 18 of Audit Report for the year 1999-2000; Non/Less Realization of Lease Money from Contractors Amounting to Rs.3,044,200/-**

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Assistant Director Fisheries, Muzaffar Garh - Rs.66,000/-

**21.01.2004** The audit had pointed out that a contract in respect of River Chenab Tehsil Alipur and Jatoi was made with one Sikandar Hayat for Rs.900,000/- for the year 1997-98, out of which Rs.620,000/- were recovered and the contract was cancelled. The contract was re-auctioned in the same year for Rs.214,000/- due to which loss was sustained to Government for Rs.66,000/-.

The Department explained that audit had pointed out wrong recovery. The contract was given to the second Contractor for Rs.214,000/-. A sum of Rs.66,000/- as pointed out by audit was differential amount. As such there was no loss to the Government.

The Committee accepted the explanation of the Department, which was also endorsed by the Finance Department and **settled the para.**

**48. Para No.14.7 Pages 17 & 18 of Audit Report for the year 1999-2000; Non/Less Realization of Lease Money from Contractors Amounting to Rs.3,044,200/-**

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Assistant Director Fisheries, Mianwali - Rs.795,500/-

**21.01.2004** The Department explained that the Contractor had filed a suit against the Department on 29.12.1993. The case was decided against the contractor by the Honourable Court on 11.2.1998. Later he filed stay applications in Lahore High Court and Supreme Court which were rejected.

The Department further stated that out of total recovery of Rs.795,500/- due from the contractor since 92-93, a sum of Rs.289,600/- had been effected leaving balance of Rs.505,900/-. The Department was pursuing recovery of remaining amount vigorously through auction of pledged land of his father.

Audit also verified recovery to the tune of Rs.289,600/-.

The Committee kept the para pending till the recovery of remaining amount.

**31.07.2004** The Department explained that complete recovery had been effected.

On verification and recommendation of Audit, the Committee **settled the para.**

**49. Para No.15 Pages 18 & 19 of Audit Report for the year 1999-2000; Unauthorized Occupation of Government Residence, Recovery of Penal Rent Amounting to Rs.265,068/-**

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**21.01.2004** The Department explained that the officer had been directed to deposit house rent recovery and he had given his written statement that:-

- 1) from 4/1992 to 11/1992 he had not occupied the Government residence.
- 2) from 12/1994 to 2/1998 he had occupied Government residence which was allotted to him vide DDF No.1404-19 dated 29.11.1994. This allotment was not un-authorized and deduction @ 60% was unjustified and he was bound to pay house rent allowance and 5% of his basic pay only.

However, the department further added that the officer had deposited the amount due on account of house rent allowance with 5% deduction. Audit had also verified the record and the amount deposited. **The para was settled.**

**50. Para No.16 Page 19 of Audit Report for the year 1999-2000; Loss of Rs.84,000/- Due to Non Deposit of Amount of Challans/Fine.**

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**16.02.2005** The Department explained that an inquiry was held into the matter which concluded that all 84 challans were properly disposed off and an amount of Rs.4,050/- as compensation fee and Rs.2,800/- as fine had been recovered.

The Committee accepted the Departmental reply and **the para was settled.**

**51. Para No.17 Pages 19 & 20 of Audit Report for the year 1999-2000; Loss of Rs.360,520/- Due to Doubtful Auction of Fish at Low Rates and Un-Acknowledged Despatch of Fish.**

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**16.02.2005** The para comprised three parts:

(a) It was stated that small size injured fish of 400g-700g was caught during netting which could not be returned in pond to avoid further loss. The same was sold through open auction. Entire record of auction and fish sent to Government shop, Lahore was available for verification. However, the approval of Director General for auction rates was not available.

(b) The record and acknowledgment of fish sent to Lahore shop was available for verification.

(c) The matter of fishing charges had been reconciled with Audit and facts had been verified.

The Committee **settled part (c) and conditionally settled part (b) subject to** verification of record while **part (a) was kept pending** with the direction that inquiry be ordered into the matter, for fixing responsibility and action be taken against the defaulters within 90 days.

**52. Para No.18 Page 20 of Audit Report for the year 1999-2000; Doubtful Cash Receipt and Treasury Challan Amounting to Rs.140,000/-.**

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**16.02.2005** The Department explained that the matter pertaining to subject para had been cleared by Lahore High Court. However the matter of allegation, levelled by petitioner against official of the Department, was investigated into by Anticorruption Establishment which had acquitted the accused official from charges.

The Committee accepted the Departmental reply and **the para was settled.**

**53. Para No.19.1 Page 21 of Audit Report for the year 1999-2000; Non/Less Realization of Income Tax and Withholding Tax Amounting to Rs.173,594/-**

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*Assistant Director Fisheries, Sahiwal - Rs.16,736/-*

**16.02.2005** The Department explained that the total amount pertaining to subject para had been recovered and verified by Audit.

**The para was accordingly settled.**

**54. Para No.19.2 Page 21 of Audit Report for the year 1999-2000; Non/Less Realization of Income Tax and Withholding Tax amounting to Rs.173,594/-**

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*Assistant Director, Fisheries, R.Y. Khan - Rs.25,100/-*

**16.02.2005** The Department explained that an amount of Rs.15,050/- had been recovered and a case for write off sanction of Rs.10,050/- was under process in Finance Department.

Finance Department stated that Department should approach proper forum for write off sanction of the matter pertaining to withholding tax.

**The para was conditionally settled subject to** verification by Audit/Finance Department.

**55. Para No.19.3 Page 21 of Audit Report for the year 1999-2000; Non/Less Realization of Income Tax and Withholding Tax Amounting to Rs.173,594/-**

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*Assistant Director, Fisheries, Chakwal - Rs.28,180/-*

**16.02.2005** The Department explained that audit had mistakenly calculated the amount of Income Tax @ 5% instead of @ 3%. Similarly lease amount of WALANA Dam and amount pertaining to water area had also been wrongly calculated. The factual recovery amounting to Rs.19,847/- had been effected and deposited into Government treasury.

**The para was conditionally settled subject to** verification of relevant record by Audit.

**56. Para No.19.4 Page 21 of Audit Report for the year 1999-2000; Non/Less Realization of Income Tax and Withholding Tax Amounting to Rs.173,594/-**

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*Assistant Director, Fisheries, Gujrat - Rs.71,178/-.*

**16.02.2005** The Department explained that subject para was duplication of DP No.17.3 for the year 1998-99 which had been settled subject to recovery in PAC-I meeting held on 14.11.2003.

The para was discussed and was **kept pending** for the next day. It was again discussed on the next day and was **kept pending** for necessary verification by Audit.

**57. Para No.19.5 Page 21 of Audit Report for the year 1999-2000; Non/Less Realization of Income Tax and Withholding Tax Amounting to Rs.173,594/-**

---

*Assistant Director Fisheries, Jhang - Rs.32,400/-*

**16.02.2005** The Department explained that efforts for recovery as arrears of Land revenue were made through DCO Sheikhpura but the defaulter had expired on 27.10.2004 and case for write off sanction was being sent to Finance Department.

Finance Department stated that matter of write off was to be decided by the Federal Government.

**The para was kept pending** with the direction to the Department to move for write-off of the financial loss from Finance Department.

**58. Para No.20 Pages 21 & 22 of Audit Report for the year 1999-2000; Unjustified**

## **Expenditure of Rs.388,594/- on Account of POL and Repair Charges**

**21.01.2004** The Department explained that funds were spent on the repair of various vehicles attached with Minister for Fisheries. Most of sanctions were issued by the officers having competency. NOC had been obtained before repair of vehicle, and all the entries of POL and repair were available. The old parts were also taken in dead stock register. Since record was available, therefore, above mentioned facts could be verified.

The Committee was satisfied with the explanation of the department and **settled the para.**

## **59. Para No.21 Page 23 of Audit Report for the year 1999-2000; Doubtful Expenditure of Rs.474,900/- on Accounts of Purchase of New “KIA” Pick-Up**

**21.01.2004** The Department explained that the vehicle was allotted to the office of the Assistant Director Fisheries, Rawalpindi by the orders of the then Director General Fisheries, Punjab, Lahore, which was duly got registered from that office. The vehicle was now at the disposal of ADF Okara. The Department was ready to show original log book and registration book to audit.

The Committee conditionally settled the para subject to record verification by audit.

**31.07.2004** The Department explained that the vehicle was purchased through open tenders by competent authority. The vehicle was used by different District Officers and was currently on the strength of DG, Fisheries, Punjab. which was physically available for verification.

Finance Department observed that vehicles should only be used by the concerned officers as per entitlement.

The Committee accepted the reply of the department and **the para was settled.**

## **60. Para No.22 Pages 23 & 24 of Audit Report for the year 1999-2000; Non Verification of Rs.855,944/- Due to Non Production of Record.**

**16.02.2005** The Department explained that para comprised five items:-

**Item I & II** had already been verified by Audit, accepting the Departmental contention.

**Item III** the printing work amounting to Rs.51,485/- was got done as per provisions of PC-I on urgent bases and the remaining amount was paid to Government Printing Press through Book Transfer.

**Item IV**      The provisions of PFR were observed in utilization of POL.

**Item V**      The purchase of synthetic mat was made for audio/video lab.

The Committee accepted the Departmental reply and **settled the para subject to** verification of relevant record by Audit.

**61.      Para No.23.1 Page 24 of Audit Report for the year 1999-2000; Non Production of Consumption Account of POL Valuing Rs.81,650/-.**

*Assistant Director, Fisheries, Rajanpur - Rs.44,350/-*

**16.02.2005** The Department explained that all the entries for the consumption of POL were available in the log books and warning had been issued to the concerned officers.

Audit stated that facts had been verified.

**The para was accordingly settled.**

**62.      Para No.23.2 Page 24 of Audit Report for the year 1999-2000; Non Production of Record of Consumption on Account of POL Valuing Rs.81,650/-**

*Assistant Director Fisheries, Khanewal - Rs.21,285/-*

**21.01.2004** Audit had observed that grant had been allocated for purchase of POL for generator to be used for machinery provided for watering in the Fish Farm in emergency, during load shedding. But neither any load shedding schedule from WAPDA was announced nor consumption stood approved from the record.

The Department explained that in fact there was no generator in the office of Assistant Director Fisheries Khanewal. The POL for Rs.21,284/- had been consumed in Government vehicles. All the entries were recorded in the relevant log book.

Audit also verified the explanation/record of the Department.

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

**63.      Para No.23.3 Page 24 of Audit Report for the year 1999-2000; Non Production of Record of Consumption on Account of POL Valuing Rs.81,650/-**

*Assistant Director Fisheries (H), Faisalabad - Rs.16,015/-*



**21.01.2004** The Department explained that Government vehicle No. FDD 8858 remained under the use of the staff of Ex-Minister for Fisheries and an expenditure of Rs.16,015/- was incurred on consumption of POL.

The Department further stated that draft para of similar nature for the year 1998-99 regarding the use of Government vehicle by the same Minister had already been settled by Public Accounts Committee in its meeting held on 13.11.2003.

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

**64. Para No.24 Page 25 of Audit Report for the year 1999-2000; Embezzlement of Thousands of Rupees Realized on Account Issuance of General Ravi & Rod Line Licenses.**

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**16.02.2005** The Department explained that a probe was conducted into the matter which concluded that an amount Rs.19,932/- had already been deposited into Government treasury and only one receipt book was issued to the concerned official.

**The para was conditionally settled subject to** verification of relevant record by audit.

## WILDLIFE DEPARTMENT

### Audit Paras (Civil) for the year 1999-2000

**1. Para No.1 Page 7 of Audit Report for the year 1999-2000; Non-Utilization of Old Structures. Loss to the Government Worth Rs.800,000/- (Approx).**

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**22.01.2004** Audit had pointed out that instead of using existing structures/buildings, the Department had incurred expenditure on raising of new structure costing Rs.800,000/- which was contrary to principles of financial propriety.

The department explained that the para had been discussed in the meeting of SDAC held on 31-8-2000 and as per directions given therein, the Buildings Department was approached to evaluate whether these buildings were fit for utilization or not, which vide letter dated 21-4-2001 had confirmed that the buildings and structures were unserviceable/dangerous and recommended their demolition.

Audit also verified the contention of the department, on whose recommendation the Committee **settled the para.**

## **2. Para No.2.1 Page 8 of Audit Report for the year 1999-2000; Irregular Repair of Vehicles Worth Rs.166,125/-**

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Assistant Game Warden, D.G. Khan – Rs.84,925/-.

**22.01.2004** The department explained that the original record was misplaced. On the directions given by SDAC in its meeting held on 19-4-2003, an inquiry was held. As per findings of the Inquiry Officer the expenditure incurred was correct according to duplicate copy of the record. The duplicate record had been shown to audit and the Department was ready to verify it.

The Committee accepted the explanation of the department and **settled the para.**

## **3. Para No.2.2 Page 8 of Audit Report for the year 1999-2000; Irregular Repair of Vehicles Worth Rs.166,125/-**

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Secretary, Wildlife, Fisheries, Forestry & Tourism – Rs.67,300/-.

**22.01.2004** The department explained that NOC for getting the vehicles repaired by private workshop was obtained from the quarter concerned. As for expenditure of Rs.2960/-, payments were made for two different bills worth Rs.1485/- and Rs.1375/- and, therefore, NOC was not required. It was further explained that log book was complete, but could not be verified by audit; dead stock register was also complete and stood verified.

Audit verified the contention of the Department. The Committee **accordingly settled the para.**

## **4. Para No.2.3 Page 8 of Audit Report for the year 1999-2000; Irregular Repair of Vehicles Worth Rs.166,125/-**

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Assistant Game Warden, Faisalabad – Rs.13,900/-

**22.01.2004** Audit had pointed out that splitting of expenditure was done to avoid sanction by higher competent authority, which was a financial irregularity.

The department explained that in a meeting of SDAC held on 10-5-2000, the original audit para was reduced to Rs.13,900/- with the direction for regularization of the said amount by the competent authority. The matter for regularization was under process.

The Committee kept the para pending till regularization of the expenditure by the competent authority.

**31.07.2004** The Department explained that the competent authority had accorded *ex-post facto*

sanction of the expenditure of Rs.13,970/- incurred on the repair of Govt. Vehicle.

On the verification and recommendation of audit, **the para was settled.**

#### **5. Para No.3 Page 9 of Audit Report for the year 1999-2000; Loss of Rs.343,900/- Due to Mortality of Wild Life**

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**22.01.2004** Audit had pointed out that for the mortality of wildlife valuing lacs of rupees, no sanction regarding writing off etc. of the loss by the competent authority had been obtained as required under the financial rules.

The department explained that all the deaths occurred due to natural causes, which were beyond human control and no negligence on the part of the staff was involved. Post mortem reports of all such cases were available. The department further explained that the loss had been written off by the competent authority i.e. Director General (Wild Life).

Finance department observed that the loss was in lacs of rupees, whereas the Administrative department was competent to write off such loss up to Rs.20,000/- only and cases involving loss beyond that were required to be referred to Finance Department for write off/regularization.

The Committee was not satisfied with the explanation of the department and conditionally settled the para subject to write off/regularization of loss by the Finance Department.

**31.07.2004** The Department explained that in compliance with PAC directions, a case for write off/regularization of the loss due to mortality of different animals and birds in Wildlife Park, Rahim Yar Khan, had been moved to the Finance Department.

Finance Department observed that the case was being examined and would be finalized soon.

During the course of the meeting, the Committee expressed concern over the reports to the effect that wildlife was not being looked after properly and certain mal-practices had come to notice. The Committee directed that the department should look into these matters and exercise greater vigilance.

**The para was kept pending.**

#### **6. Para No.4 Page 9 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.94,150/- Due To Illegal Re-Instatement in Government Service.**

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**22.01.2004** The department explained that in compliance with the directions of SDAC in its meeting held on 31-8-2000, the matter had been referred to Finance Department for regularization

of expenditure to the tune of Rs.94,150/-

The Committee kept the para pending till regularization of expenditure by the Finance Department.

**31.07.2004** The Department explained that in compliance with PAC directions, the case for regularization of the expenditure had been moved to Finance Department.

Finance Department was of the view that the Department should move a summary to the Chief Minister, Punjab through Finance Department as the leave involved was for more than 5 years. The Department should also check whether the case was in Supreme Court or not.

**The para was kept pending.**

#### **7. Para No.5 Page 10 of Audit Report for the year 1999-2000; Non-Accountal of Durable Goods in the Stock Register Valuing Rs.96,096/-**

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**22.01.2004** The department explained that durable goods were purchased from the budget provided under development scheme “Punjab Wildlife Survey and Management Planning, Gatwala, Faisalabad” and were properly entered in the stock registers. Reference page N0.10 of Stock Register had been duly recorded on the purchase vouchers. Necessary physical verification had also been carried out in accordance with the provisions of financial rules and no discrepancy was found.

Audit stated that the relevant record had been seen and verified. The Committee **settled the para.**

#### **8. Para No.6 Pages 10 & 11 of Audit Report for the year 1999-2000; Irregular Payments Amounting to Rs.980,534/- In Cash.**

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**22.01.2004** Audit had pointed out that cash payments beyond Rs.10,000/- in each case were made to suppliers and contractors in violation of rule 4.49(a) of Punjab Subsidiary Treasury Rules.

The department explained that the scheme “Punjab Wildlife Survey and Management Planning” was a World Bank aided scheme and no such binding was imposed by the latter in this regard. The suppliers were reluctant to accept PLA cheques due to late clearance, therefore, to achieve the targets of the project in a smooth manner cash payments were made.

The department further explained that the para had been discussed in SDAC meeting held on 30-31/8-2000 and in compliance with the directions; the case had been referred to Finance Department for condonation/regularization.

The Committee kept the para pending till condonation of irregularity by the Finance Department.

**31.07.2004** The Department explained that the irregular expenditure amounting to Rs.9,80,534/- had been condoned vide Finance Department's letter No. B&A/Accts(W)/174/250-51 dated 30-7-2004.

The Committee accordingly **settled the para.**

**9. Para No.7 Page 11 of Audit Report for the year 1999-2000; Un-Authorized Expenditure of Rs.329,562/- on Account of T.A Boarding/Lodging etc.**

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**22.01.2004** Audit had pointed out that a sum of Rs.3,29,562/- had been incurred on boarding, lodging and traveling charges of participants of a workshop/seminar arranged by Project Director Punjab Wildlife Survey and Management Planning, in violation of Finance Department's instruction dated 20-6-1997 relating to economy and austerity measures.

The department explained that the para had been discussed in the meeting of SDAC held on 30-31/8/2000 and in compliance with the directions of SDAC, the matter after examination would be referred to Finance Department for regularization of the said expenditure.

The Committee kept the para pending till the regularization of expenditure by the Finance Department.

**31.07.2004** The Department explained that the matter for regularization had been taken up with the Finance Department.

On the statement of Finance Department that the case was under consideration, **the para was kept pending.**

**10. Para No.8 Pages 11 & 2 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.749,059/-**

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**22.01.2004** Audit had pointed out that the codal formalities were not observed while making financial transactions like purchases and repair works. Moreover, heavy expenditure was made on repair of vehicles as well as on the purchase of a number of other items out of project funds, which was irregular and unjustified.

The department explained that all codal formalities were completed before making purchases and repair works in respect of Punjab Wildlife Survey and Management Planning Project, which was an integrated part of the Punjab Wildlife Research Institute. The Department further explained that the para had been discussed in the meeting of SDAC held on 30-31/8/2000 and was kept pending for detailed verification by audit.

Finance department observed that proper procedure was not adopted while making purchases and carrying out repair works. Therefore, it was necessary to examine, whether there was any provision in PC-I for use of project funds for non development works such as purchases of furniture etc. Record also needed to be checked to ensure that no double expenditure had been incurred.

The Committee kept the para pending up to 23-1-2004 with the directions to the Department to check the position and apprise the Committee viz-a-viz diversion of funds meant for the project to the institute etc. However, on 23.1.2004, the para did not come under consideration and was kept pending.

**31.07.2004** The Department explained that a case had been moved to the Finance Department for regularization of the expenditure.

Finance Department stated that the case had been examined and the department had been advised to clarify certain points.

**The para was kept pending.**

#### **11. Para No.9.1 Page 13 of Audit Report for the year 1999-2000; Non/Less Deduction of Income Tax Amounting to Rs.57,061/-**

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District Wildlife Officer, Bahawalnagar – Rs.17,266/-

**22.01.2004** The department explained that three paras of three different formations had been included in this Draft Para. The para was discussed in SDAC meeting held on 10-5-2000 and was reduced to Rs.17,266/-, which had been recovered and deposited into Govt. treasury.

Audit verified the contention of the Department. The Committee on the recommendation of audit settled the para.

#### **12. Para No.9.2 Page 13 of Audit Report for the year 1999-2000; Non/Less Deduction of Income Tax Amounting to Rs.57,061/-**

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District Wildlife Officer, D.G Khan – Rs.20,979/-

**22.01.2004** The department explained that the para had been discussed in the meeting of SDAC held on 10-5-2000 and was reduced to Rs.12921/-. Not only the reduced amount Rs.12,921/- had been recovered but balance amount of Rs.8058/- had also been recovered.

The Committee settled the para subject to verification by audit.



**31.07.2004** The Department explained that entire amount had been recovered and deposited in the respective income-tax head.

On the verification and recommendation of Audit, the Committee **settled the para.**

**13. Para No.9.3 Page 13 of Audit Report for the year 1999-2000; Non/Less Deduction of Income Tax Amounting to Rs.57,061/-**

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District Wildlife Officer, R.Y. Khan – Rs.18,816/-

**22.01.2004** The department explained that total amount of Rs.18816/- had been recovered and deposited into Govt. treasury vide challan No.31 dated 31-1-2001 under the prescribed head of Income Tax department.

Audit also verified that the recovery had been effected. On the recommendation of audit, **the para was settled.**

**14. Para No.10 Page 14 of Audit Report for the year 1999-2000; Recovery of Rs.173,714/- on Account of Charging Higher Rate For Excavation of Earth.**

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**22.01.2004** Audit had pointed out that instead of ordinary rate of excavation of earth, very hard rate of excavation i.e. Rs.896.90/- Cft. was paid and resultantly an amount of Rs.173714/- had been drawn/paid in excess. Moreover, department was required to get the sampling done by the testing laboratory staff and explain reasons for providing samples of its own choice.

The department explained that the para had been discussed in the meeting of SDAC held on 30-31/8/2000 and in compliance with its directions soil report had been obtained from Soil Testing Laboratory.

The department clarified that the visit of laboratory staff to the site to collect soil sample, involved payment of Rs.11500/-. In order to save the extra expenditure soil samples were sent to the laboratory by the department itself.

The Committee accepted the explanation of the department and **settled the para.**

**15. Para No.11.1 Page 15 of Audit Report for the year 1999-2000; Non-Production of Log Books Involving Expenditure of Rs.124,937/- on Procurement of POL**

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Secretary, Wildlife, Fisheries, Forestry & Tourism – Rs.72,000/-.

**22.01.2004** The department explained that the relevant log books were in the field and could not be

shown at the time of audit. It was further explained that the log books/record had since been shown to audit.

Audit observed that in view of the satisfaction of the Administrative Secretary, there was no objection to the settlement of the para.

On the recommendations of the audit, **the para was settled.**

#### **16. Para No.11.2 Page 15 of Audit Report for the year 1999-2000; Non-Production of Log Books Involving Expenditure of Rs.124,937/- on Procurement of POL**

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Secretary, Wildlife, Fisheries, Forestry & Tourism – Rs.52,937/-.

**22.01.2004** Audit had pointed out that the log books were not being maintained in accordance with Govt. instructions and a number of irregularities viz-a-viz entries in log books were noted.

The department explained that the log books of vehicles under the use of the department were being maintained properly as per Govt. instructions and all entries i.e. engine/chassis number, average certificates etc were duly recorded in the log books. Log book of Motorcycle No. LOW 5503 was also shown to audit during the meeting.

The Committee was satisfied with the explanation of the department and **settled the para.**

## **TOURISM DEVELOPMENT DEPARTMENT**

### **Audit Paras (Commercial) for the year 1999-2000**

#### **1. Para No.71 Page 44 of Audit Report for the year 1999-2000; Working Results**

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**21.01.2004** The Committee **settled the para** being introductory.

#### **2. Para No.72 Page 44 of Audit Report for the year 1999-2000; Working Results**

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**21.01.2004** The Department explained that accounts of the Company for the year 1997-98 and 1998-99 were provided to audit department vide letter dated 13-3-2000. It was further stated that now the accounts of the company were being provided on time.

The committee accepted the explanation of the department and **the para was settled.**

### **3. Para No.73 Page 44 of Audit Report for the year 1999-2000; Working Results**

**21.01.2004** The audit had pointed out that the Corporation owed Rs.487.738 million including a loan of Rs.455.860 million payable to Punjab Government and another amount of Rs.31.878 borrowed from Provident Fund Trust. Audit had, therefore, suggested that steps needed to be taken to further control direct expenses as also administration and general expenses so as to make the corporation a viable entity.

The department explained that the Company was floated with 1.5 lac rupees. Therefore, to run the Company Government had granted loan to it. The department stated that a request had been made to the Punjab Government to convert this loan into equity and final decision in this regard was awaited. It was further explained that major part of the loan received from Provident Fund Trust had been repaid and efforts were being made to repay the whole amount.

The committee directed the department to explain full facts about the financial health of the corporation and the latest position about the conversion of loan into equity.

The para was kept pending.

**31.07.2004** The Department referring to the previous direction of PAC, explained that the matter of conversion of loans into equity was under consideration in the Finance Department.

Finance Department stated that the loan issue was under consideration and para be kept pending till finalization of the case.

D.G Commercial Audit stated in the meeting that now profit position of corporation was better, however, early decision about conversion of loan into equity was required.

The para was kept pending.

### **4. Para No.74 Page 45 of Audit Report for the year 1999-2000; Working Results**

**21.01.2004** The audit had pointed out that advance deposits, pre payments and other receivables stood at 28.650 million on 30.6.2000 which included an amount of Rs.21.430 million relating to lease money receivable from the licensees of tourist resorts. The amount under this Head was constantly on the increase.

The Managing Director, TDCP explained that the main component of advances, deposits and repayments pertained to the lease money receivable from M/s Sultan Contractors Company, a

lessee of Chattar Bagh Tourist Resorts. It was further explained that the contractor had made investments illegally without the permission of the Corporation and had also gone to the court. The Sessions Court had decided the case in favour of the contractor, however, the TDCP had moved the High Court and got a Stay Order against the award of the lower court. The hearing of the case was still pending and TDCP was pursuing it vigorously.

The Committee was not satisfied with the explanation of the department and constituted the following sub committee to look thoroughly into the matter involving this para and furnish its report within 2 months:-

- |    |                                         |          |
|----|-----------------------------------------|----------|
| 1. | Ch Mumtaz Hussain, MPA (PP-229)         | Convener |
| 2. | Sardar Dildar Ahmed Cheema, MPA (PP-61) | Member   |
| 3. | Sh Amjad Aziz, MPA (PP-156)             | Member   |

The Sub Committee will be assisted by the following officers:-

- a. Mr Khalid Mahmood  
General Manager (Finance), TDCP
- b. Mr Rab Nawaz  
Deputy Secretary (Monitoring), Finance Department
- c. Mr Ashfaq Ahmad Malik  
Deputy Director, Commercial Audit

**31.07.2004** The Department explained that matter was still under consideration of sub-Committee-IV.

The Committee **kept the para pending** till submission of report by the sub-Committee.

#### **5. Para No.75 Page 45 of Audit Report for the year 1999-2000; Working Results**

**21.01.2004** The audit had pointed out that Sundry Debtors stood at Rs.0.309 million on 30.6.2000 as against Rs.0.234 million on 30.6.1999 and that circumstances leading to heavy provisions for doubtful debts needed to be explained.

The department explained that the amount was due from a number of parties/customers which had been accumulated due to non recovery of advertisement charges for advertisement in “*Sayahat Nama*”, a magazine of TDCP

The Committee directed the department to furnish all details/record about the parties from

whom the advertisement charges were recoverable in the meeting of PAC to be held on 22.1.2004.

On 22.1.2004, the department furnished a list of 29 parties showing an amount of Rs.208,421/- recoverable from them and explained that advertisements involving these parties were issued without any commitment from them to attract clientage. As per directions given by the previous Public Accounts Committee, the recoveries were to be effected in six months; however, no recoveries could be made so far. The Secretary conceded that it was a past bad job done which needed to be regularized.

The Committee directed that the Secretary/Principal Accounting Officer should hold an inquiry in this regard, fix responsibility and make good the loss within three months under intimation to PAC.

The para was kept pending.

**31.07.2004** The Department explained that in compliance with PAC directions, an inquiry was held into the matter. As per findings thereof, recovery of outstanding amount falling in three categories was very difficult as the same related to very old period and in some cases no record was available. However, efforts for recovery were continuing and further progress would again be reported to PAC.

The Committee was not satisfied with the explanation of the Department and observed that non-availability of record was a serious matter. The Committee directed the Administrative Secretary to minutely look into the matter and give a full and satisfactory account of the matter to PAC.

The para was kept pending.

#### **6. Para No.76 Page 46 of Audit Report for the year 1999-2000; Wasteful expenditure of Rs.605,684/- incurred on maintaining of guest house.**

**22.01.2004** Audit had pointed out that TDCP had established a guest house at Rawalpindi at a monthly rent of Rs.11000/- for three years which was to be operated on self supporting basis. However, no income was earned, guest house was vacated on 30-4-1999 and furniture and fixtures purchased for it worth Rs.250,000/- was auctioned for Rs.137,406/-. Thus the Corporation sustained a loss of Rs.605,684/- on the operation of guest house.

The department explained that the Corporation had saved a huge amount of expenditure on account of hotel charges after the establishment of guest house by making its officers stay in it. It was, however, stated that the guest house was closed on 30-4-1999 and furniture/fixture was sold at a price of Rs.137,406/-. The loss of Rs.112,594/- worked out in this regard by the audit did not seem

relevant because the assets were depreciated for there years.

The Department further stated that holding of inquiry to make a probe into this matter had already been ordered.

The Committee directed the department to finalize the inquiry within 3 months and fix responsibility under intimation to PAC. The para was kept pending.

**31.07.2004** The Department explained that as per findings of the inquiry held into the matter, TDCP had hired the upper portion of a house in Lalazar Rawalpindi for providing accommodation to officers visiting Rawalpindi/Murree in connection with supervision of Corporation's projects including the Patriata Chair Lift and Cable Car Project. The Inquiry Officer had concluded that the decision by the then M.D, being the competent authority, was in good faith and in the interest of TDCP, thereby saving huge amount the Corporation had to incur to host its officers otherwise. Therefore, the decision was taken by competent authority without any malafide. The Department requested for the settlement of the para.

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

#### **7. Para No.77 Pages 46 & 47 of Audit Report for the year 1999-2000; Non-recovery of Rs.29.158 million from M/S. REDCO**

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**22.01.2004** Audit observation consisted of two parts. Firstly, the audit had pointed out that delay of one year in getting possession of Patriata chairlifts from M/s Redco after refusal of the latter to negotiate lease rates at the expiry of first five years of lease in Nov, 1994 as per terms of the agreement had resulted in a loss of Rs.19 Million to the corporation.

Secondly, when contract was awarded to second contractor in February, 1996 the project was not in good condition and the new contractor was allowed by TDCP to arrange repair and adjust charges against lease money. While taking over possession, TDCP failed to point out defects and recover maintenance charges from M/s Redco, which resulted in a claim of Rs.10,57,845/- as repair charges of chairlifts etc. by new contractor.

The department explained the circumstances under which M/s Redco refused to revise lease fee after first five years in violation of terms of agreement which led to litigation. As per court's order first five years' period of agreement was to end on 11-7-1995 instead of 31-10-1994 and Ms Redco was to pay rent enhancing the same @ 5 % after 11.7.1995. The contention of Audit that corporation had sustained a loss of Rs.19 million due to non vacation of possession by M/s Redco was not correct as the date of vacation after 5 year i.e 11.7.1995 and enhancement of rent for interim period had been determined by the court. Hence, TDCP was not in a position to get more than that amount as the same could have tantamounted to contempt of court.



With reference to Audit's second observation regarding recovery of expenditure incurred on the repair of chairlifts from M/s Redco, the department explained that it also did not seem good because TDCP operated the chairlifts from 5.11.1995 to 13.2.1996 itself and it was handed over to the second party i.e. Ch. Sanaullah on 14.2.1966. According to the terms of agreement with Ch. Sanaullah, total cost of repair etc. was to be borne by TDCP. Thus the expenditure of Rs.10.158 million was incurred with the approval of competent authority. The Department further stated that an inquiry with reference to this part had been ordered for fixing responsibility etc.

The Committee was not satisfied with the explanation of the Department and directed it to hold an inquiry into the above matters, fix responsibility and make good loss within three months under intimation to PAC.

The para was kept pending.

**31.07.2004** The Department explained that in compliance with PAC directions, an inquiry was held into the matter. As per findings thereof, the Inquiry Officer reported that soon after the handing over of chairlift and cable car system to the new contractor, an amount of Rs.9,223,588/- was incurred on the repair and maintenance of the said system and the said amount was claimed along with other dues totaling Rs.22,083,784/- from M/s. Redco. Deputy Commissioner, Rawalpindi was requested to recover the amount as arrears of land revenue. Moreover, the system, on the request of TDCP, was also inspected by a representative of M/S Doppelmayr, the manufacturer in Austria, on 16.4.1996. It was after the said inspection that DC Rawalpindi was requested to recover the amount from M/S Redco as arrears of land revenue.

The Committee directed that SMBR be requested to direct the EDO (R), Rawalpindi to expedite the recovery process and also coordinate with the TDCP in this regard.

The para was kept pending.

### **BRIEFING ON THE PROGRESS AND ACHIEVEMENTS OF FOREST DEPARTMENT IN THE YEAR 2003-04**

**31.07.2004** As desired by the Committee, the Administrative Secretary gave a briefing about the activities of the Forest Department. He highlighted the targets and achievements of the Department with the help of slides pertaining to afforestation, bed nurseries, linear plantation, the campaign launched for tree plantation during spring and the progress of extension and publicity activities. The Department also highlighted the expenditure and revenue and stated that during the years 2000 to 2003, the financial viability of the Department was not good as it had gone into deficit. However, during the year 2003-2004, the Department had become financially viable as the revenue was Rs.693.27 million as against the expenditure of Rs.558.09 million.

The Department stated that the proposals for making amendments in the Forest Act for enhancing the amounts of fines to be imposed by the courts in case of theft of trees etc. and summary trial of Forest cases by the courts had been submitted to the Law Department for consideration. The Department was also framing rules with the suggestion that every tree worker should be classified as an industrial worker and that every civil servant would plant ten trees in a year and this fact should also be reflected in his ACR. Further, provision was being made to the effect that owners of news houses should plant trees in their news houses. Publicity campaign for public awareness was also being launched.

The Committee appreciated the efforts of the Forest Department and directed it to continue the same with a view to making further progress in the right direction. The Committee also desired that public awareness campaign should be launched at a larger scale and the activities/ achievements of the Forest Department should also be brought on the web site for the information of the general public.

## **Audit Paras (Works) for the year 1999-2000**

### **Relating to MKDA (Defunct)**

#### **NON RECEIPT OF WORKING PAPERS IN RESPECT OF MUREE-KAHOTA AUTHORITY (DEFUNCT)**

**21.01.2004** It was brought to the notice of the Committee that working papers in respect of draft paras (Works) relating to Murree – Kahota Development Authority which had since been dissolved had not been received, due to some confusion between concerned departments. The Chairman decided to constitute the following sub committee to probe into the matter and scrutinize the draft paras (works) relating to Murree Kahota Development Authority (defunct) with a view to deciding the matter in issue so that the concerned department should explain the same before the PAC, and submit its report within one month to PAC for further consideration:-

- |    |                                                     |          |
|----|-----------------------------------------------------|----------|
| 1. | Sh Amjad Aziz, MPA (PP-156)                         | Convener |
| 2. | Sardar Muhammad Rafiq Ahmad, MPA (PP-107)           | Member   |
| 3. | Makhdoom Syed Iftikhar Hassan Gillani, MPA (PP-267) | Member   |

The Committee would be assisted by the following officers :-

1. Mr Masood-ur-Rasool  
Additional Secretary (Technical) C&W Department

2. Mr Farid Ahmad Tarar  
Director (Budget & Accounts), FWF&T

3. Mr Ghulam Abbas Nakai  
Director (Works) Audit

4. Mr Rab Nawaz  
Deputy Secretary (Monitoring), Finance Department

**16.02.2005** The Committee was informed by the District Officer (Roads) Rawalpindi that he had been deputed by EDO (W & S) to attend the meeting of PAC on his behalf.

The Committee showed its displeasure on the absence of EDO (W & S) Rawalpindi and directed that his presence should be ensured in the meeting on 17-02-05.

With above directions the consideration of Draft Paras pertaining to MKDA (Defunct) was deferred for 17.02.2005.

### **1. Para No.1.1 Page 9 of Audit Report for the year 1999-2000; Overpayment of Rs.0.735 Million.**

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**17.02.2005** Audit had pointed out that the department fictitiously measured excess items which were not actually executed.

The department explained that actual outstanding amount mounted up to Rs.1,098,000/- after including the risk & cost factor which was to be recovered from the M/S HR Buildings. The department further explained that out of total six accused officers, one XEN namely Mr Farooq Ullah Khan had expired, two Sub Divisional Officers were working in Auqaf Department while the remaining three officers had reportedly fled abroad and efforts were being made for recovery from the contractors as arrears of land revenue.

**The para was kept pending** with the direction;

- i) Action against the official/officers responsible for loss under RSO 2000 with in 90 days;
- ii) The department should accelerate recovery process with the revenue authorities; and
- iii) EDO (R) Rawalpindi will explain the update position of the case in next meeting.

**2. Para No.1.2 Pages 9 & 10 of Audit Report for the year 1999-2000; Overpayment of Rs.1.005 Million.**

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**17.02.2005** Audit had pointed out that excessive measurements had resulted in overpayment to the contractor.

The Department explained that DCO Rawalpindi had appointed an inquiry committee to carry out the measurements of work done by the defaulting contractors, calculate bogus payment and fix responsibility for over-payment. However the balance work was still incomplete.

The Committee directed that inquiry be finalized within the period of 90 days and action be taken against the responsible officers under intimation to PAC.

**The para was kept pending.**

**3. Para No.1.3 Page 10 of Audit Report for the year 1999-2000; Overpayment of Rs.0.515 Million.**

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**17.02.2005** Audit had pointed out that MKDA made excess payment to the contractor as compared to actual work done at site.

The Department explained that para comprised two parts:-

- i) original contractor had left the work incomplete after executing the work amounting to Rs.908,041/- against the payment of Rs.1,423,374/- in the 4<sup>th</sup> running bill and revenue authorities had been requested for recovery from the contractor as arrears of land revenue.
- ii) the work had been completed and partial recovery had been effected from the security deposit of the contractor. For balance recovery, EDO (Rev) Rawalpindi had been approached.

The Committee directed that disciplinary action be taken against the responsible officers, under RSO, 2000 and department should pursue the recovery proceedings vigorously and ERO (Rev) Rawalpindi should intimate the latest position in the next meeting.

**The para was kept pending.**

**4. Para No.1.4 Page 11 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.0.865 Million.**

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**17.02.2005** Audit had pointed out that the department made payment for certain deleted items of

work which resulted in un-authorized payment.

The Department explained that revised TS estimate incorporating the items in question had been accorded by the competent authority and Finance Department had been requested for ex-post facto sanction of the revised TS estimate.

Finance Department contented that its sanction was not necessary in the instant case and matter should be thrashed out at departmental level.

Department stated that matter would be re-examined in the light of Finance Department's clarification.

**The para was kept pending.**

#### **5. Para No.1.5 Pages 11 & 12 of Audit Report for the year 1999-2000; Overpayment of Rs.1.755 Million.**

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**17.02.2005** The Department explained that para comprised eight Advance Paras.

- (i) & (iii) Revised detailed estimate was being prepared as per actual work done and Finance Department had been requested for ex-post facto sanction.
- (ii) All the relevant record had been verified by Audit.
- (iv) The matter related to the water supply scheme Ghora Gali Tehsil Murree and TMA Murree was responsible for necessary action in the matter.
- (v) Base and Sub-base on berms existed in the TS estimate and the payment was made accordingly.
- (vi) Only a few items were slightly excess than sanctioned quantity and revised TS estimate had been approved by the competent authority. Finance Department contented that no ex-post facto sanction was required in the matter.
- (vii) & (viii) Revised TS had been granted by the competent authority and quantity paid was within the provision.

After due consideration, the Committee **kept items (i), (iii) and (iv) pending** for necessary action by the department while **items (ii), (v) & (vi) were settled** and **items (vii) & (viii) were conditionally settled subject** to the verification of record by Audit.

**6. Para No.2.1 Pages 12 & 13 of Audit Report for the year 1999-2000; Loss of Rs.1.015 Million.**

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**17.02.2005** Audit had pointed out that the negligence of the field staff had resulted in loss to the Government.

The department explained that recovery had been imposed on the concerned officers/officials responsible for construction of road on faulty alignment and inquiry was ordered into matter, the fate of which could not be determined due to disbanding of MKDA (defunct). It was also requested for more time to bring facts of the case before the committee.

The request of the Department was accepted and the committee directed the department to explain the factual position of the case till next meeting.

**The para was kept pending.**

**7. Para No.3.1 Page 13 of Audit Report for the year 1999-2000; Non-Forfeiture of Security Deposits of Rs.0.343 Million.**

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**17.02.2005** Audit had pointed out that the department did not forfeit the security deposit of defaulting contractor.

The department explained that tenders were invited several times for completion of balance work at the risk & cost of original contractor, but no one participated in the bid. Accordingly District Coordination Officer had been requested to forfeit the security, review the matter of risk & cost and revise the scheme.

Finance Department observed that matter be referred to Additional Secretary (Exp) Finance Department for necessary clarification/advice.

**The para was kept pending.**

**8. Para No.4.1 Pages 14 & 15 of Audit Report for the year 1999-2000; Non-Adjustment of Rs.81.818/- Million.**

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**17.02.2005** The Department explained that a sum of Rs.30,008,231/- was received by DFO North Rawalpindi and Murree and all vouched accounts were provided by both the Divisional Forest Officers.

Similarly a sum of Rs.20,089,550/- was received by DFO South Rawalpindi and was properly utilized for relevant scheme.



Audit stated that record pertaining to an amount of Rs.29 Million approximately had been verified.

The Committee directed that para be reduced to the extent of verified amount and department should get the relevant record in support of its contention verified by Audit.

**The para was kept pending.**

#### **9. Para No.4.2 Page 15 of Audit Report for the year 1999-2000; Non-Recovery of Rs.2.469 Million.**

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**17.02.2005** The Department explained that para comprised five parts.

In the case of part I, II, III & V the contractors had filed a suit against the action taken by the department for recovery of risk & cost amount. In the case of part IV, the contract had been rescinded by competent authority due to non completion of work and recovery was imposed on the contractor on account of risk & cost. However the contractor requested the DG, MKDA for reviewing the action against him who acceded to his request. As such no recovery was outstanding against him.

Finance Department contented that department should get the record verified by Audit and if so required, opinion of the Finance Department be sought.

**The para was kept pending** with the observation/directions that the matter of Court case in the case of recovery should be pursued vigorously by EDO (Revenue) and the record in respect of part-IV should be got verified by the Audit. The department should do the needful.

#### **10. Para No.5.1 Pages 16 & 17 of Audit Report for the year 1999-2000; Loss of Rs.0.322 Million.**

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**17.02.2005** Audit had pointed out that the department failed to get the work completed from the contractor resulting in wastage of material.

The Department explained that tenders for completion of the balance work had been invited several times but no contractor had participated and DCO, Rawalpindi had been requested to forfeit the security of the contractor, revise the scheme and review the matter of risk & lost.

**The para was kept pending.**

The paras were discussed in the meetings of PAC-II held on 29.07.2002, 29.09.2004, 30.09.2004, 16.10.2004, 22.07.2005 & 23.07.2005.

### **Audit Paras (Revenue Receipts) for the year 1999-2000**

#### **1. Para No.5.1 Page 67 of Audit Report for the year 1999-2000; Non-realization of sugarcane (Development) cess due to laxity in enforcing recoveries- Rs.317,108,615/-**

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**30.09.2004** The department explaining the recovery position in detail stated that the amount due was being recovered from some mills in installments, cases of a few mills were sub-judice and in some cases appeals against imposition of penalty were pending before the administrative secretary for decision. The recovery was a continuing process and entire record was available.

The Committee observed that the facts and figures of recovery and balance amount quoted by the Department and Audit were at variance with each other. The Committee directed that necessary reconciliation shall be done by the department and the audit; recovery process should continue in respect of cases where there was no stay order by the court; the appeals pending with the Administrative Secretary shall be decided in 90 days and reassessment procedure should also be finalized in 90 days.

The para was kept pending.

**22.07.2005** The Department explained that in the light of PAC directions dated 30-9-2004, an amount of Rs.256,213,051/- out of Rs.317,108,614/- had been recovered and verified by audit. It was further stated that vigorous efforts were being made to recover the balance amount.

The Committee **kept the para pending** with the directions that the balance amount be recovered at the earliest.

#### **2. Para No.5.2 Page 68 of Audit Report for the year 1999-2000; Short-realization of sugarcane (development) cess due to under valuation- Rs.20,106,037/-**

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**30.09.2004** The Department explained that as per Law Department's advice, additional/enhanced price paid to sellers as incentive to growers could not be made part of support price. As such the amount of sugarcane cess had rightly been realized.

The audit accepted the departmental contention and on its recommendation, **the para was settled.**

### **3. Para No.5.3 Page 68 & 69 of Audit Report for the year 1999-2000; Short-realization of sugarcane (development) cess Rs.118,278,327/-**

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**30.09.2004** Audit had pointed out that mill's share of sugarcane cess was assessed/deposited at lower rates.

The Department explained that rate of cess was reduced during 1998-99 from Rs.1.75 to Rs.0.80 per KG for the season vide notification dated 13.1.99. The mills had already deposited entire amount against growers share i.e Rs.21.875 per M. Ton from start of crushing up to 12.1.99. Thereafter i.e. from 13.1.99, the mills deposited their share according to revised rates. Actually growers share was excessively deducted and deposited and there was no loss to government.

Audit verified the departmental contention in the meeting and recommended the para for settlement.

After some discussion, **the para was settled.**

### **4. Para No.5.4 Page 69 & 70 of Audit Report for the year 1999-2000; Non-realization of penalty- Rs.11,035,130/-**

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**30.09.2004** Audit had pointed out that penalty imposed on various mills managements as a result of default in payment of sugar cane cess within due dates was not recovered despite lapse of a considerable period.

The Department furnished facts and figures about 9 mills on which penalties were imposed out of which appeals of 8 mills were rejected and remanded back to Cane Commissioner. The Department giving mills-wise position stated that efforts for effecting recovery from five mills as arrears of land revenue were being made; appeals of two mills were pending with Administrative Secretary for decision; one mill had given undertaking to pay penalty in installments and record of one mill was not available which would be traced in two weeks and further action would be taken. The department further stated that imposition and recovery of penalties was a legal process which had to be brought to its logical conclusion.

The Committee directed that DCOs should be requested to expedite recovery as arrears of land revenue from mills concerned; the appeals pending with the Secretary should be finalized within 90 days and efforts for effecting recovery should continue unabated.

The para was kept pending.

**22.07.2005** The Department explained that in the light of the PAC directions dated 30-9-2004, a sum of Rs.1,000,000/- had been recovered and verified by Audit. It was also stated that the competent authority had waived off penalty of Rs.1,200,000/- which was imposed upon Tandlianwala Sugar Mills.

The Committee **kept the para pending** with the directions that the appeals pending with the Appellant Authority be disposed off before 30-7-2005.

**5. Para No.5.5 Page 70 & 71 of Audit Report for the year 1999-2000; Short-realization of sugarcane (development) cess - Rs.2,741,704/-**

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**30.09.2004** Audit had pointed out short realization of sugarcane cess because mills share (at the prevailing rate in NWFP) was paid to Punjab Government and growers share i.e. 12.50 per mound was paid to NWFP Government, retaining the remaining amount with the Mill.

The Department stated that necessary penalty was imposed on the mill which had filed a writ petition in Lahore High Court, Lahore which had suspended the operation of Food Department's impugned order till decision.

The Committee directed that the department should pursue the case in the light of stay order granted by the High Court.

The matter being sub-judice, the para was kept pending.

**22.07.2005** The Department explained that the matter is subjudice in the Lahore High Court, Lahore.

The Committee **kept the para pending** being the matter subjudice and directed that the efforts should be made to resolve the matter at the provincial level if there would be no progress then it would be taken at the Federal level.

**6. Para No.5.6 Page 71 & 72 of Audit Report for the year 1999-2000; Non-realization of sugarcane (development) cess - Rs.956,972/-**

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**30.09.2004** The department stated that full record was not available due to which the amount of cess could not be assessed/determined and requested for grant of some time to resolve/finalize the matter.

The Committee directed that the department should finalize the matter within 60 days

under intimation to PAC.

The para was kept pending.

**22.07.2005** The Department explained that the matter is subjudice in the Lahore High Court, Lahore.

The Committee **kept the para pending** being the matter subjudice and directed that the efforts should be made to resolve the matter at the provincial level if there would be no progress then it would be taken at the Federal level.

### **Audit Paras (Civil) for the year 1999-2000**

#### **1. Para No.1.10 Pages 8 & 45 of Audit Report for the year 1999-2000; Loss of Rs.68,738,263/- Due to Godown Shortage of Wheat.**

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District Food Controller, Multan-Rs.638,367/-.

**30.09.2004** The Department stated that a case was got registered with ACE Multan in which challan had been submitted. Meanwhile, inquiry proceedings against accused officials were at the final stage.

The Committee directed the department to finalize inquiry within one week under intimation to PAC.

**The para was kept pending.**

#### **2. Para No.1.11 Pages 8 & 45 of Audit Report for the year 1999-2000; Loss of Rs.68,738,263/- Due to Godown Shortage of Wheat.**

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District Food Controller, Multan-Rs.887,998/-.

**30.09.2004** The Department explained that as a result of departmental proceedings, recovery upon accused officials had been imposed with major penalty of dismissal from service. Demand had been got created for recovery as arrears of land revenue. Meanwhile, the officials had been acquitted by the Anticorruption court.

Finance Department observed that department should immediately file an appeal lest the period for the purpose expired.

The Committee directed the department to pursue the matter of filing an appeal in higher court and also effect recovery.

**The para was kept pending.**

**3. Para No.1.13 Pages 8 & 45 of Audit Report for the year 1999-2000; Loss of Rs.68,738,263/- Due to Godown Shortage of Wheat.**

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District Food Controller, R.Y. Khan-Rs.22,639,212/-

**4. Para No.1.15 Pages 8 & 45 of Audit Report for the year 1999-2000; Loss of Rs.68,738,263/- Due to Godown Shortage of Wheat.**

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District Food Controller, R.Y. Khan-Rs.1,224,089/-

**5. Para No.2.18 Pages 8, 9 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, R. Y. Khan-Rs.210,397/-

**23.07.2005** The Department explained that a shortage of 2459.800 MT had been noticed and criminal case was got registered in Anti-Corruption Establishment Multan where the next date of hearing was fixed for 17-9-2005. The departmental inquiry had been finalized and Mr. Muhammad Jamil Abbasi AFC and Mr. Sajid Iftikhar FGI had been dismissed from service and recovery of Rs.12,031,752/- had been imposed against them and the case for recovery was referred to district revenue authorities.

**The paras were kept pending** with the direction that the department should pursue the matter vigorously.

**6. Para No.1.14 Pages 8 & 45 of Audit Report for the year 1999-2000; Loss of Rs.68,738,263/- Due to Godown Shortage of Wheat.**

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District Food Controller, R.Y. Khan-Rs.6,568,666/-

**23.07.2005** The Department explained that M/S Ghulam Nazik Abbasi, FGI and Rasheed Ahmad Dholan, FGS were held responsible for shortage of 713.700 MT wheat at the godown. A criminal case was registered against them with the ACE, Multan, on account of misappropriation and the next date of hearing had been fixed for 05-7-2005. It was also stated that the pension of both the accused officials had been stopped and demand for recovery as arrears of land revenue had been



created against them.

The Committee **kept the para pending** with the direction that the recovery be made at the earliest.

**7. Para No.1.17 Pages 8 & 45 of Audit Report for the year 1999-2000; Loss of Rs.68,738,263/- Due to Godown Shortage of Wheat**

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District Food Controller, Bahawalpur – Rs.980,477/-

**23.07.2005** The Department explained that the para comprised on three parts:-

**Item I & II:** The Departmental contention had been verified by Audit.

**Item III:** It was ensured that the outstanding amount would be recovered from the amount payable to Pakistan Railway as transportation charges.

**The para was conditionally settled subject to** complete recovery and its verification by Audit.

**8. Para No.1.18 Pages 8 & 45 of Audit Report for the year 1999-2000; Loss of Rs.68,738,263/- Due to Godown Shortage of Wheat.**

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District Food Controller, R.Y. Khan-Rs.3,206,353/-

**23.07.2005** The Department explained that the record was in the custody of Anti-Corruption Department and efforts were being made to obtain the attested photocopies of the record from the Anti-Corruption Department.

The Committee **kept the para pending** for verification of record by Audit.

**9. Para No.2.5 Pages 8, 9 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Kasur-Rs.351,948/-.

**29.09.2004** The Department explained that total recovery of Rs.351,948/- had been effected from the Railway vide bill dated 29.6.2004 and record was available for verification.

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

**10. Para No.2.7 Pages 8, 9 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Gujrat-Rs.49,363/-.

**29.09.2004** The Department explained that total amount pointed out by Audit had been recovered and deposited into Government treasury which had been verified by Audit.

On recommendation of Audit, **the para was settled.**

**11. Para No.2.9 Pages 8 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller-I, Lahore-Rs.1,476,933/-

**23.07.2005** The Department explained that the total recovery had been made and got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**12. Para No.2.10 Pages 8, 9 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller-I, Lahore – Rs.823,245/-

**23.07.2005** The Department explained that the para consisted of two parts:-

**I- Imported Wheat:** The Department explained that the case regarding shortage of 17779 MT wheat was in the Anti-Corruption Court, therefore, the record could not be produced to audit.

The Committee reduced the para to the extent of Rs.163,633/- and rest of the sub-parts of the para were settled on the recommendation of Audit.

**II- Indigenous wheat:** The Department explained that the recovery of Rs.68,799/- regarding sub-parts I, II, III and recovery of Rs.6,149/- regarding sub-para IV had been verified by Audit. Whereas, the recovery of Rs.17,837/- was still pending.

The Committee **settled the parts I to IV and kept the para V pending** with the direction that the recovery be made at the earliest.

**13. Para No.2.11 Pages 8, 9 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Bhakkar-Rs.11,942/-.

**30.09.2004** The para had already been settled in SDAC meeting dated 27.9.2000 after verification of necessary recovery.

On the verification and recommendation of Audit, **the para was settled.**

**14. Para No.2.12 Pages 8, 9 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Sargodha-Rs.77,249/-.

**29.09.2004** The Department explained that total amount of Rs.70,822/- and Rs.6,440/- being cost of enroute shortage of wheat had been recovered and credited to Government account.

On the verification of departmental contention and recommendation of audit, **the para was settled.**

**15. Para No.2.13 Pages 8, 9 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Sargodha-Rs.87,860/-.

**29.09.2004** Audit had pointed out that the Department dispatched 10093.367 M.Tons of imported wheat from Port Qasim Karachi but only 10083.812 M.Tons of imported wheat was received at PR Centre-II, Sargodha which resulted in enroute shortage.

The Department explained that claim for recovery of enroute shortage was deducted from the rental claim of Pakistan Railways and relevant record had been produced to Audit.

On the verification of departmental contention and recommendation of Audit, **the para was settled.**

**16. Para No.2.14 Pages 8, 9 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Jhelum - Rs.66,744/-

**23.07.2005** The Department explained that total recovery had been effected and verified by Audit.

On recommendation of Audit, **the para was settled.**

**17. Para No.2.15 Pages 8, 9 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller-II, Lahore - Rs.1,586,675/-

**18. Para No.2.16 Pages 8, 9 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller-II, Lahore - Rs.173,206/-

**19. Para No.2.20 Pages 8, 9 & 47 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Vehari – Rs.45,560/-

**20. Para No.3.21 Pages 9 & 48 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Sahiwal - Rs.45,503/-

**21. Para No.3.24 Pages 9 & 48 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Layyah - Rs.42,264/-

**22. Para No.4.8 Pages 9, 10 & 50 of Audit Report for the year 1999-2000; Loss of Rs.56,903,973/- Due to Un-Acknowledged Despatch of Bardana/Stock Articles/Wheat.**

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District Food Controller, Layyah – Rs.251,100/-

**23. Para No.9 Page 13 of Audit Report for the year 1999-2000; Apprehended**

**Embezzlement of Rs.3,231,260/- Due to Doubtful Issue/Sale of Wheat.**

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**24. Para No.10.29 Pages 14 & 52 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock Articles.**

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District Food Controller-II, Lahore-Rs.1,600,000/-

**25. Para No.11.5 Pages 14 & 15 of Audit Report for the year 1999-2000; Loss of Rs.3,357,535/- Due to Excess Use and Despatch of AP Tablets.**

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District Food Controller-II, Lahore-Rs.1,800,200/-

**26. Para No.22.5 Page 23 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.2,132,937/- Beyond Competency.**

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Director Food, Punjab, Lahore-Rs.720,000/-

**27. Para No.26.6 Pages 26 & 27 of Audit Report for the year 1999-2000; Irregular Drawal of Salaries of Contingent Paid Staff Amounting to Rs.4,898,720/-.**

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District Food Controller, Rajanpur - Rs.30,960/-

**28. Para No.26.9 Pages 26 & 27 of Audit Report for the year 1999-2000; Irregular Drawal of Salaries of Contingent Paid Staff Amounting to Rs.4,898,720/-.**

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District Food Controller-II, Lahore-Rs.151,900/-

**29. Para No.31.13 Pages 31 & 54 of Audit Report for the year 1999-2000; Loss of Rs.7,969,550/- Due to Undue Favours to the Contractors.**

---

District Food Controller, R. Y. Khan – Rs.415,320/-

**30. Para No.38.1 Pages 37 & 38 of Audit Report for the year 1999-2000; Non Realization of Penalties Valuing Rs.1,970,408/-.**

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District Food Controller, Vehari – Rs.50,927/-

**23.07.2005** The Department explained that audit observation in respect of above paras had been

dealt with properly and departmental contention had been verified by Audit.

On recommendation of Audit, **the paras were settled.**

**31. Para No.2.17 Pages 8, 9 & 45 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Bahawalpur – Rs.980,477/-.

**22.07.2005** The Department explained that the record of sub-paras 1, 3 and 4 was provided to audit on 30-4-2005 who had seen/recommended these sub-paras for settlement.

The Committee **settled the sub-paras** on the recommendation of audit.

**1. Sub-para 2 (Chak No. 63/P Sehja 1993-94)**

The Department explained that the record of GP-6 and 7 was available for verification and there was no en-route shortage.

The Committee **settled this part subject to** verification of record by Audit.

**2. Sub-para 5 (Peer Hussain Abad to Iqbal Abad 1998-99)**

The Department explained that the cost of 27 bags enroute shortage @Rs.921/- per bag had been recovered and deposited into the government treasury which had been seen/verified by Audit.

The Committee **settled this part** on the recommendation of Audit.

**3. Sub-para 6 (Bangla Manthar to Chak No. 5/NQ)**

The Department explained that recovery of Rs.6,402/- had been made and deposited into the government treasury which had been seen/verified by Audit.

The Committee **settled this part** on the recommendation of Audit.

**32. Para No.2.21 Pages 8, 9 & 47 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Vehari-Rs.175,608/-



**23.07.2005** The Department explained that record pertaining to 8.818 MT of wheat had been produced for verification vide the GP-7 while in case of remaining wheat weighing 18.623 MT actual recovery amounting to Rs.87,385/- had been effected which had been verified by Audit.

On recommendation of Audit, **the para was settled.**

**33. Para No.2.22 Pages 8, 9 & 47 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Faisalabad-Rs.46,018/-.

**29.09.2004** The Department explained that entire recovery on account of enroute shortage of wheat had been effected and verified by Audit.

On recommendation of Audit, **the para was settled.**

**34. Para No.2.23 Pages 8, 9 & 46 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Gujranwala-Rs.278,017/-

**23.07.2005** The Department explained that partial recovery had been effected and efforts were being made for balance recovery at the earliest.

**The para was kept pending** for verification of relevant record and balance recovery.

**35. Para No.2.24 Pages 8, 9 & 47 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

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District Food Controller, Rawalpindi-Rs.1,815,827/-.

**29.09.2004** The Department explained item-wise position of dispatch/receiving centres and stated that relevant record in support of its contention was available for verification.

The Committee directed that the Department should get the relevant record verified by Audit by 1.10.2004.

The para was kept pending.

**16.10.2004** The Department explained item wise position in respect of each centre as well as

recoveries effected and requested that some time be granted to trace out the relevant record.

On request of the department, **the para was kept pending.**

**36. Para No.2.25 Pages 8, 9 & 47 of Audit Report for the year 1999-2000; Loss of Rs.20,914,566/- Due to Enroute Shortage of Wheat.**

---

District Food Controller, R. Y. Khan-Rs.1,310,320/-

**23.07.2005** The Department explained that the para comprised four parts:

- i- Mr. Anwar Saleem FGS was found responsible for shortage of wheat and major penalty of dismissal from service was imposed upon him alongwith recovery of Rs.127,297/- and efforts were being made for recovery of stated amount as arrears of land revenue. Moreover, a case against the said official was also under process in Anti-Corruption Establishment Multan.
- ii- The matter was subjudice in anti-Corruption Establishment Bahawalpur.
- iii & iv The matter was under process for approval of the competent authority.

**The para was kept pending.**

**37. Para No.3.1 Pages 9 & 48 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Multan-Rs.7,160,174/-.

**30.09.2004** The department explained that as a result of departmental proceedings, recovery of Rs.1,160,084/- was imposed upon two officials and a demand for recovery as arrears of land revenue had been got created. Meanwhile, in the criminal case, one official was acquitted by the court whereas punishment till the close of court was awarded to the other. Law Department's advice for filing an appeal was being obtained.

The Committee directed the department to pursue the matter of filing an appeal as well the recovery process.

**The para was kept pending.**

**38. Para No.3.2 Pages 9 & 48 of Audit Report for the year 1999-2000; Loss of**

## **Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Multan-Rs.4,359,753/-.

**30.09.2004** The department explained that a criminal case got registered against the accused found responsible for shortage was pending in court and departmental inquiry would be finalized within one week.

Audit pointed out that difference in number of bags found short as indicated by department *viz-a-viz* those pointed out by audit should also be sorted out.

The Committee directed that the department should finalize inquiry within a week and pursue the case in the court also.

**The para was kept pending.**

## **39. Para No.3.3 Pages 9 & 48 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Sargodha-Rs.306,285/-.

**29.09.2004** Audit had pointed out that balance of 8751 B-Class bags of bardana in April 1998 was not carried forward in May 1998 which had resulted in misappropriation.

The Department explained that the succeeding staff at PRC Sillanwali did not take charge of Bardana due to engagement in fresh wheat procurement and posting of their predecessors at PR Centre Shah Nikdar. However, the bags in question were taken in charge in July 1998 without any shortage or change of category.

On verification and recommendation of Audit, the Committee **settled the para.**

## **40. Para No.3.4 Pages 9, 48 & 49 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Bahawalpur – Rs.36,113,490/-.

**22.07.2005** The Department explained that the relevant record had been produced to audit who

had verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**41. Para No.3.5 Pages 9 & 48 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Gujranwala-Rs.1,975,644/-

**23.07.2005** The Department explained that criminal cases were got registered against Mr. Muhammad Hanif Khokhar AFC, Mr. Pervaiz Anwar FGI and Rana Muhammad Yasin FGI on account of misappropriation of bardana at Wazirabad Centre. The matter was under process in Anti-corruption Establishment Gujranwala. Besides that E&D proceeding were also under process simultaneously. Moreover, the case for recovery had been forwarded to District Officer (R), Gujranwala for recovery as arrears of land revenue.

The Committee directed that a list of all the cases alongwith letters written to revenue authorities be provided to the Assembly Secretariat for forwarding the recommendations of PAC-II to Board of Revenue Punjab.

**The para was kept pending.**

**42. Para No.3.6 Pages 9 & 48 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Jhang-Rs.82,833/-.

**29.09.2004** The Department explained that total recovery of Rs.82,833/- had been effected and verified by audit.

On recommendation of Audit, **the para was settled.**

**43. Para No.3.7 Pages 9 & 48 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Jhang-Rs.2,800,680/-.

**44. Para No.10.27 Pages 14 & 52 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/damage of Bags Tarpaulines and Stock Articles.**

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District Food Controller, Jhang-Rs.324,050/-.

**29.09.2004** The Department explained that Mr. Riaz Hussain, Foodgrains Inspector, who was found responsible for the loss was dismissed from service and recovery had been imposed on him by the Competent Authority. Cases were also registered against him which were pending in Anti Corruption Court. The case for effecting recovery as arrears of land revenue had also been referred to Revenue Authorities. No whereabouts of the accused were known.

Finance Department observed that the case could be referred to NAB.

The Committee directed the Department that all cases involving the aforesaid official should be referred to NAB for further action under intimation to PAC.

The paras No.3.7 and 10.27 were **kept pending**.

**45. Para No.3.8 Pages 9 & 48 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Jhang-Rs.77,343/-.

**29.09.2004** The Department explained that the requisite recovery of Rs.82,377/- had since been effected and deposited into Government treasury.

On the verification of departmental contention and recommendation of Audit, **the para was settled.**

**46. Para No.3.9 Pages 9 & 48 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Toba Tek Singh-Rs.64,000/-.

**29.09.2004** Audit had pointed out that 2000 bags of bardana had been dispatched to PR Centre Janiwala without accountal entry thereof.

The Department explained that the para was settled in SDAC meeting dated 20.12.2000 on the basis that 2000 bags had been received back and were accounted for, which had been verified by Audit.

On the verification of Audit, **the para was settled.**

**47. Para No.3.15 Pages 9 & 48 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/ Bardana and Stock Articles.**

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District Food Controller, Rawalpinidi – Rs.36,000/-

**29.09.2004** Audit stated in the meeting that relevant record in respect of above para had not been produced by the Department.

The Administrative Secretary assured the Committee that record pertaining to the aforesaid paras would be produced to Audit the same day for verification. Therefore, the consideration of these paras was deferred to 30<sup>th</sup> September 2004.

On 30.9.2004 Audit informed the Committee that the Department did not produce any record pertaining to the said paras.

The Committee showed its displeasure on non-production of record despite commitment made by the Administrative Secretary and directed that the Administrative Secretary, Director Food and concerned DDFs/DFCs should appear before the Committee on 16.10.2004 to explain reasons for non-complying with its direction.

The Committee further directed that a letter expressing its displeasure be sent to the Secretary, Food Department with a copy to the Chief Secretary, Punjab.

The para was kept pending.

**16.10.2004** The Department explained that partial recovery had been effected and amount equal to outstanding dues was lying with DFC Jhelum as unpaid salary of the concerned official for two years.

Audit, however, verified recovery to the tune of Rs.43,506/- out of total recovery of Rs.103,500/- imposed upon Abdul Majeed, FGI.

The Committee directed the department to get the record verified within 15 days by audit.

**The Para was kept pending.**



**48. Para No.3.26 Pages 9 & 49 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, Multan-Rs.350,138/-.

**30.09.2004** The Department stated that out of 9372 B/class bardana, 600 bags were deposited at P. R.Centre Jalalpur Pirwala while cost of remaining 8772 bags amounting to Rs.219,300/- @ Rs.25/- per bag had been imposed upon Mr. Dur Mohammad Bhatti, Ex-FGS who had since been dismissed from service. A demand had been got created for recovery of said amount as arrears of land revenue. Efforts for recovery would be made in right earnest.

The Committee directed the department to get record regarding deposit of 600 bags verified by audit, differences in price of bardana be resolved and recovery be pursued.

**The para was kept pending.**

**49. Para No.3.29 Pages 9, 48 & 49 of Audit Report for the year 1999-2000; Loss of Rs.67,329,926/- Due to Misappropriation/Shortage of Wheat/Bardana and Stock Articles.**

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District Food Controller, R. Y. Khan – Rs.72,232/-.

**22.07.2005** The Department explained that the total amount had been recovered and deposited into the government treasury.

The Committee **settled the para subject to** credit verification by Audit.

**50. Para No.4.1 Pages 9, 10 & 50 of Audit Report for the year 1999-2000; Loss of Rs.56,903,973/- Due to Un-Acknowledged Dispatch of Bardana/Stock Articles/Wheat.**

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District Food Controller, Sargodha – Rs.420,000/-.

**22.07.2005** The Department explained that a total of 12,000 bags were dispatched to Marri Indus Centre from PR Centre Assian Wala. The acknowledgment of GP-7 and inventory register had been got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**51. Para No.4.2 Pages 9, 10 & 50 of Audit Report for the year 1999-2000; Loss of Rs.56,903,973/- Due to Un-Acknowledged Dispatch of Bardana/Stock Articles/Wheat.**

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District Food Controller, Sargodha – Rs.3,500,000/-.

**22.07.2005** The Department explained that the original GP-7 and inventory register of Bardana of PR Centre, Marri Indus/PR Centre Piplan had been got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**52. Para No.4.4 Pages 9, 10 & 50 of Audit Report for the year 1999-2000; Loss of Rs.56,903,973/- Due to Un-Acknowledged Despatch of Bardana/Stock Articles/Wheat.**

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District Food Controller, Khushab – Rs.280,000/-.

**22.07.2005** The Department explained that the acknowledgement in shape of GP-7 No.03464678 dated 17-4-1999 on account of 8,000 B-class bags and its accountal in the inventory register of PR Center Wan Bacharan had been seen/verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**53. Para No.4.10 Pages 9, 10 & 50 of Audit Report for the year 1999-2000; Loss of Rs.56,903,973/- Due to Un-Acknowledged Dispatch of Bardana/Stock Articles/Wheat.**

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District Food Controller-I, Lahore-Rs.17,647,495/-

**23.07.2005** The Department explained that the receipt of 122000 B/class bags pertaining to Muzafargarh had already been got verified by Audit and the record regarding the remaining bags and tablets pertaining to the remaining districts had now been got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**54. Para No.4.11 Pages 9, 10 & 50 of Audit Report for the year 1999-2000; Loss of Rs.56,903,973/- Due to Un-Acknowledged Dispatch of Bardana/Stock Articles/**

**Wheat.**

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District Food Controller, Bhakkar-Rs.1,401,000/-.

**30.09.2004** The para had already been settled in SDAC meeting dated 27.9.2000 after verification of GP-7.

On the verification and recommendation of Audit, **the para was settled.**

**55. Para No.4.13 Pages 9, 10 & 50 of Audit Report for the year 1999-2000; Loss of Rs.56,903,973/- Due to Un-Acknowledged Dispatch of Bardana/Stock Articles/Wheat.**

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District Food Controller, R. Y. Khan-Rs.74,007/-

**23.07.2005** The Department explained that receipt of 2671 bags at the recipient centers and deposit of Rs.2,100/- on account of 70 bags had been seen/verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**56. Para No.4.15 Pages 9 & 50 of Audit Report for the year 1999-2000; Loss of Rs.56,903,973/- Due to Un-Acknowledged Dispatch of Bardana/Stock Articles/Wheat.**

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District Food Controller, Mianwali – Rs.219,855/-.

**22.07.2005** The Department explained that the record of GP-7 of the recipient centre on account of receipt of 43971 AP tablets from PR Centre Mianwali had been produced to audit who had verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**57. Para No.4.16 Pages 9 & 50 of Audit Report for the year 1999-2000; Loss of Rs.56,903,973/- Due to Un-Acknowledged Dispatch of Bardana/Stock Articles/Wheat.**

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District Food Controller, Mianwali-Rs.460,100/-.

**29.09.2004** The Department explained that G.P. No.7 of PRC Jauharabad on account of receipt of 50 M.Tons wheat dispatched from PRC Wah Bachran was available for verification.

On the verification of departmental contention and recommendation of Audit, **the para was settled.**

**58. Para No.4.17 Pages 9, 10 & 50 of Audit Report for the year 1999-2000; Loss of Rs.56,903,973/- Due to un-acknowledged dispatch of Bardana/Stock Articles/Wheat.**

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District Food Controller, Mianwali - Rs.1,015,000/-

**23.07.2005** The Department explained that the record i.e. GP-7 of the recipient centre on account of receipt of 29,000 B-class bags from PR Centre Mianwali had been seen/verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**59. Para No.4.18 Pages 9, 10 & 50 of Audit Report for the year 1999-2000; Loss of Rs.56,903,973/- Due to Un-Acknowledged Dispatch of Bardana/Stock Articles/Wheat.**

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District Food Controller, Bhakkar-Rs.740,950/-.

**30.09.2004** The para had already been settled in SDAC meeting dated 27.9.2000 after verification of account of 16000 empty bags and 5170 filled bags in the inventory register of the concerned centres.

On the verification and recommendation of Audit, **the para was settled.**

**60. Para No.6.1 Page 11 of Audit Report for the year 1999-2000; Loss of Rs.235,689/- Due to Theft of Wheat Weighing 24.900 M.T.**

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District Food Controller, Sialkot-Rs.15,376/-.

**29.09.2004** Audit had pointed out that 16 bags of wheat weighing 1.600 M.Tons were stolen from godown but recovery of loss amounting to Rs.15,376/- had not been made.

The Department explained that the requisite recovery had since been effected and

deposited into Government Treasury.

On the verification of departmental contention by Audit, **the para was settled.**

**61. Para No.7 Pages 11 & 12 of Audit Report for the year 1999-2000; Misappropriation of 240 Bags of Wheat Valuing Rs.220,872/-.**

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**29.09.2004** The Department explained that cost of 240 filled bags of imported wheat amounting to Rs.220,872/- had been adjusted from Railways bill paid under token No.2029 dated 18.8.2000 which had been verified by Audit.

On recommendation of Audit, **the para was settled.**

**62. Para No.8 Pages 12 & 13 of Audit Report for the year 1999-2000; Loss of Rs.469,000/- Due to Robbery of Government Vehicle.**

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**29.09.2004** The Department explained that vehicle No.TSB-2566 was robbed on 23 January 1999 and a case was got registered with Sadar Police Station TT Singh vide FIR No. 15 dated 23.1.1999. However, the case was still untraceable. The Department added that an inquiry into the matter had been ordered on 21.9.2004 which would be completed soon.

The Committee directed that inquiry be finalized within 30 days under intimation to PAC.

**The para was kept pending.**

**63. Para No.10.4 Pages 14 & 51 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock Articles.**

---

District Food Controller, Multan-Rs.149,440/-.

**30.09.2004** The Department explained that out of 4000 bags 3200 bags were replaced by the concerned officials except M. Iqbal FGI. Therefore, recovery of Rs.32000/- as cost of remaining 800 bags was imposed on him and demand for realizing recovery as arrears of land revenue had been got created.

The Committee **kept the para pending** for recovery and verification of record by audit.

**64. Para No.10.6 Pages 14 & 51 of Audit Report for the year 1999-2000; Loss of**

## **Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock Articles.**

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District Food Controller, Khanewal-Rs.163,600/-

**23.07.2005** The Department explained that an inquiry was held in the case and it had been proved that 282 bags were utilized after the repair and recovery of Rs.140,570/- was imposed against the responsible.

The Committee **kept the para pending** for verification of relevant record and necessary action by the Department.

### **65. Para No.10.7 Pages 14 & 51 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/damage of Bags Tarpaulines and Stock Articles.**

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District Food Controller, Vehari-Rs.71,785/-.

**29.09.2004** The Department explained that the bags in question were declassified on the orders of competent authority. Hence, there was no question of write off etc.

The Committee **conditionally settled the para subject to** verification of record by Audit.

### **66. Para No.10.8 Pages 14 & 51 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to Tarpaulines and Stock Articles.**

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District Food Controller, Okara-Rs.54,180/-.

**29.09.2004** The Department explained that recovery of Rs.37,625/- on account of 1505 gunny bags had since been recovered from concerned officials and deposited into Government treasury whereas auction price of said bags amounting to Rs.1,505/- had also been deposited into Government treasury. The Department further stated that rates of gunny bags were fixed each year as per policy applicable to that year.

Audit, however, observed that Department should justify reduction of recoverable amount from Rs.54,180/- to Rs.37,626/-.

The Committee directed the department to produce the policy as well as relevant record for verification to Audit.

**The para was kept pending.**



**67. Para No.10.9 Pages 14 & 51 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/damage of Bags Tarpaulines and Stock Articles.**

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District Food Controller, Sialkot-Rs.318,480/-.

**29.09.2004** The Department explained that 7962 bags were de-classified by competent authority vide letter dated 3.1.2001 and auction price amounting to Rs.15,404/- was deposited into Government treasury. The Department added that relevant record revealed that 7962 bags relating to scheme 1997-98 were erroneously taken into scheme 1998-99.

The Committee directed the Department to produce relevant record to Audit for verification.

**The para was kept pending.**

**68. Para No.10.10 Pages 14 & 51 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/damage of Bags Tarpaulines and Stock Articles.**

---

District Food Controller, Toba Tek Singh-Rs.44,955/-.

**29.09.2004** The Department explained that the para was settled in SDAC meeting dated 20.12.2000 after verifying the facts.

On recommendation of Audit, **the para was settled.**

**69. Para No.10.11 Pages 14 & 51 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/damage of Bags Tarpaulines and Stock Articles.**

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District Food Controller, Toba Tek Singh-Rs.87,880/-.

**29.09.2004** The Department explained that the para was settled in SDAC meeting dated 20.12.2000 with the observations that as per receipt back entries mentioned in inventory register, the bags were shown as once used. Thereafter these bags were dispatched to other regions which also acknowledged as once used (A/class).

On the verification of departmental contention by Audit, **the para was settled.**

**70. Para No.10.16 Pages 14 & 51 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock Articles.**

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District Food Controller, Mianwali - Rs.30,000/-

**23.07.2005** The Department explained that the competent authority had declared the articles unserviceable and the auction money of un-serviceable articles had been deposited into government treasury.

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

**71. Para No.10.17 Pages 14, 51, 52 & 53 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock Articles.**

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District Food Controller, Mianwali – Rs.32,125/-.

**22.07.2005** The Department explained that the articles were declared un-serviceable by the competent authority and the auction money of un-serviceable articles had been deposited into the government treasury which had been seen/verified by audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**72. Para No.10.20 Pages 14 & 52 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/damage of Bags, Tarpaulines and Stock Articles.**

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District Food Controller, D. G. Khan-Rs.1,143,000/-.

**29.09.2004** The Department explained that Tarpaulins involved in the audit observation were declared as unserviceable by competent authority and were auctioned for Rs.3,099/- which had since been deposited into Government Treasury. However, departmental proceedings against Muhammad Ramzan, FGI were under process.

The Committee directed the Department to finalize the inquiry proceedings within 30 days under intimation to the Public Accounts Committee.

**The para was kept pending.**

**73. Para No.10.21 Pages 14 & 52 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock Articles.**

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District Food Controller, Bhakkar-Rs.26,250/-

**23.07.2005** The Department explained that 375 bags had been declared unserviceable while recovery of remaining 375 bags had been imposed which had been effected and verified by Audit.

On the recommendation of Audit, **the para was settled.**

**74. Para No.10.34 Pages 14 & 52 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock Articles.**

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District Food Controller, Layyah-Rs.14,584/-.

**30.09.2004** The Department stated that entire amount had been recovered and deposited into government treasury.

Audit verifying the departmental contention added that actual amount came to Rs.14,684/- which had been deposited.

**The para was settled.**

**75. Para No.10.35 Pages 14 & 52 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/damage of Bags Tarpaulines and Stock Articles.**

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District Food Controller, D. G. Khan-Rs.338,071/-.

**29.09.2004** The Department stated that total bardana was declared as unserviceable by competent authority. Out of 19057 bags, 16179 were auctioned and auction money of Rs.10,704/- was deposited into Government treasury.

The Department furnished details of departmental proceedings as under:-

**PART-I:** In case of K. Chutta Centre, it was stated that 2378 bags were de-classified by competent authority and official concerned was exonerated as a result of inquiry proceedings. Bardana was auctioned and auction money was deposited into Government Treasury.

**PART-II:** In case of S.S. Din Centre, the Department explained that the concerned official was exonerated in inquiry proceedings. The bags after being declared D/class were auctioned for Rs.1686/30 and amount was deposited.

**PART-III:** In case of Mana Centre, it was stated that recovery of Rs.64,960/- was imposed upon Anjum Farid FGS which was being recovered from his salary.

**PART-IV:** In case of Taunsa Centre, it was stated that as a result of inquiry proceedings, Muhammad Ramzan, FGI was exonerated in respect of 12000 bags, whereas the inquiry about 500 bags was under process. Sale proceeds of 12000 bags viz Rs.7,800/- had been deposited into Government treasury.

Audit verified the facts about Part-II and emphasized balance recovery and finalization of inquiry proceedings.

The Committee settled part-II of the para while part-IV was conditionally settled subject to production to and verification of record by Audit. Part-I & III were kept pending for production of relevant record to Audit.

**The para was kept pending.**

**76. Para No.10.36 Pages 14 & 52 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/damage of Bags Tarpaulines and Stock Articles.**

---

District Food Controller, D. G. Khan-Rs.1,017,000/-.

**29.09.2004** The Department explained that 263 Tarpaulins of P.R Centre D.G Khan were declared surplus/D-class by Competent Authority and 113 Tarpaulins involved in the para were also included in the said quantity. All the tarpaulins were disposed off through auction and auction money of Rs.7,890/- was deposited into Government Treasury. The officials concerned were exonerated as a result of departmental proceedings.

The Committee **conditionally settled the para subject to** verification of relevant record by Audit.

**77. Para No.10.37 Pages 14 & 52 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock**

## Articles.

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District Food Controller-I, Lahore-Rs.296,973/-

**23.07.2005** The Department explained that the efforts were being made for recovery.

The Committee **kept the para pending** with the directions that the recovery be made from the responsables within 45 days.

**78. Para No.10.40 Pages 14 & 52 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock Articles.**

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District Food Controller, Okara-Rs.316,620/-.

**30.09.2004** The Department stated that the stocks were dispatched in B/class bags and not in D/class bags. Record was available for verification.

**The para was kept pending** for verification of record by audit.

**79. Para No.10.42 Pages 14 & 53 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock Articles.**

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District Food Controller, Faisalabad-Rs.1,066,089/-

**23.07.2005** The Department explained that record pertaining to each centre had been verified by Audit showing the actual position/consumption of bags.

Audit had recommended the each component of para for settlement.

**The para was accordingly settled.**

**80. Para No.10.43 Pages 14 & 51 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock Articles.**

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District Food Controller, Jhelum-Rs.52,500/-

**23.07.2005** The Department explained that verification of total amount involved in the para had

been conducted by Audit.

On recommendation of Audit, **the para was settled.**

**81. Para No.10.44 Pages 14 & 53 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/damage Tarpaulines and Stock Articles.**

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District Food Controller, Sialkot-Rs.73,480/-.

**29.09.2004** The Department explained that out of 1837 bags, 151 B-class bags were utilized after repair, 1686 bags were auctioned after declassification and auction money of Rs.1,855/- was deposited into Government Treasury. It was further stated that price of 1686 bags amounting to Rs.45,522/- had been deducted from pension dues of Gulzar Hussain, FGS (Retired) who was held responsible in this behalf.

The Committee **conditionally settled the para subject to** verification of relevant record by Audit.

**82. Para No.10.45 Pages 14 & 53 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due to De-Classification/Damage of Bags, Tarpaulins and Stock Articles.**

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District Food Controller, Kasur-Rs.100,672/-

**23.07.2005** The Department explained that the wheat was received at Usmanwala from Bahawalnagar during 1999-2000. At the time of unloading 2288 bags were detected as D-class. Preliminary inquiry was held and Mr. Akhtar Ali, FGI was found responsible. It was also stated that he had been dismissed from service and a reference is pending in NAB against him. Demand for recovery as arrears of land revenue had been created and revenue authorities were being pursued to recover the amount at the earliest.

The Committee **kept the para pending** with the directions that the recovery process be pursued vigorously.

**83. Para No.10.47 Pages 14 & 53 of Audit Report for the year 1999-2000; Loss of Rs.36,642,592/- Due To De-Classification/Damage Of Bags, Tarpaulins And Stock Articles.**

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District Food Controller, Gujrat– Rs.70,350/-



**29.09.2004** Audit stated in the meeting that relevant record in respect of above para had not been produced by the Department.

The Administrative Secretary assured the Committee that record pertaining to the aforesaid paras would be produced to Audit the same day for verification. Therefore, the consideration of these paras was deferred to 30<sup>th</sup> September 2004.

On 30.9.2004 Audit informed the Committee that the Department did not produce any record pertaining to the said paras.

The Committee showed its displeasure on non-production of record despite commitment made by the Administrative Secretary and directed that the Administrative Secretary, Director Food and concerned DDFs/DFCs should appear before the Committee on 16.10.2004 to explain reasons for non-complying with its direction.

The Committee further directed that a letter expressing its displeasure be sent to the Secretary, Food Department with a copy to the Chief Secretary, Punjab.

The para was kept pending.

**16.10.2004** The Department explained that in case of 2690 Bags received from Duniyapur Centre, recovery had been imposed on the staff of the Centre. However, de-novo inquiry into the matter had been ordered. About 2000 Bags of Bahawalnagar Centre, it was stated that bags were sold to flour mills at Government price which stood verified by Audit.

The para was settled to the extent of 2000 bags of Bahawalnagar Centre while the remaining part was kept pending with the direction that the department should finalize inquiry within 90 days and effect recovery.

With the above directions, **the para was kept pending.**

#### **84. Para No.11.1 Pages 14 & 15 of Audit Report for the year 1999-2000; Loss of Rs.3,357,535/- Due to Excess Use and Dispatch of AP Tablets.**

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District Food Controller, Sargodha-Rs.1,099,100/-.

**29.09.2004** Audit had pointed out that there was no acknowledgement of 219820 AP tablets at recipient centres in the shape of Form GP-7 which needed explanation/justification.

The Department explained that the requisite AP tablets were duly accounted for in the

relevant inventory registers of recipient centres.

On the verification of departmental reply and recommendation of audit, **the para was settled.**

**85. Para No.11.2 Pages 14 & 15 of Audit Report for the year 1999-2000; Loss of Rs.3,357,535/- Due to Excess Use and Despatch of AP Tablets.**

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District Food Controller, Sargodha – Rs.206,140/-.

**22.07.2005** The Department explained that in the light of the instructions issued by Food Department Punjab dated 16-7-1997, Fumigant tablets were used according to volume of godowns. The utilization of 86,708 AP tablets was justified according to the government policy.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**86. Para No.11.3 Pages 14 & 15 of Audit Report for the year 1999-2000; Loss of Rs.3,357,535/- Due to Excess Use and Despatch of AP Tablets.**

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District Food Controller, Mianwali – Rs.35,190/-.

**22.07.2005** The Department explained that as per GP-8 this wheat was stored in house type godowns having volume of 3,749 cubic meters per godown and a total of 13,320 AP tablets were used in fumigate for these four godowns. Less than one tablet per cubic meter was used to fumigate these stocks.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**87. Para No.11.4 Pages 14 & 15 of Audit Report for the year 1999-2000; Loss of Rs.3,357,535/- Due to Excess Use and Despatch of AP Tablets.**

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District Food Controller, Khushab-Rs.200,000/-.

**29.09.2004** The Department explained that the para had already been settled in SDAC meeting dated 27.9.2000 after verifying the facts.

On the verification and recommendation of Audit, the Committee **settled the para.**

**88. Para No.11.6 Pages 14 & 15 of Audit Report for the year 1999-2000; Loss of Rs.3,357,535/- Due to Excess Use and Despatch of AP Tablets.**

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District Food Controller, Bhakkar-Rs.16,905/-.

**30.09.2004** The para had already been settled in SDAC meeting dated 27.09.2000 after accepting contention of Department in the light of Food Department's letter dated 10.05.1999.

On the verification and recommendation of Audit, **the para was settled.**

**89. Para No.12.2 Pages 15 & 16 of Audit Report for the year 1999-2000; Loss of Rs.16,258,793/- Due to Infructuous Transportation of 22978.482 M.T. Wheat.**

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District Food Controller, Multan-Rs.14,021,792/-.

**30.09.2004** Audit had pointed out that by dispatching a certain quantity of imported wheat directly to upper Punjab area, the government could have saved transportation charges of Rs.14,021,792/-.

The Department stated that there was visible gap of period between dispatching indigenous wheat and receiving imported wheat. Therefore, audit observation was not valid. However, department was now planning to distribute wheat according to requirement.

The Committee observed that the matter required reconciliation of figures of quantity of imported wheat and indigenous wheat by the department and the audit as well as verification of consumption account/relevant record.

**The para was kept pending** for the needful.

**90. Para No.13 Page 17 of Audit Report for the year 1999-2000; Irregular Issue of Permits of Wheat to the Flour Mills Worth Rs.444,444,520/-.**

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**23.07.2005** The Department admitted that only district Food Controller was competent to issue wheat to the flour mills but in this case the concerned PR Centers had issued wheat to the flour mills themselves. However the amount was deposited well in time in the government treasury.

The Committee took serious notice of the irregularity and directed that disciplinary proceedings under PRSO 2000 be initiated against the responsables who had issued wheat to the flour mills in violation of the government policy.

**The para was kept pending.**

**91. Para No.15.1 Pages 18 & 19 of Audit Report for the year 1999-2000; Irregular Payment of Transportation Charges Amounting to Rs.36,633,654/-.**

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District Food Controller, Faisalabad-Rs.145,352/-.

**92. Para No.15.2 Page 18 of Audit Report for the year 1999-2000; Irregular Payment of Transportation Charges Amounting to Rs.36,633,654/-.**

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District Food Controller, Jhang-Rs.2,961,331/-.

**93. Para No.15.5 Page 18 of Audit Report for the year 1999-2000; Irregular Payment of Transportation Charges Amounting to Rs.36,633,654/-.**

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District Food Controller, Sialkot-Rs.75,228/-.

**94. Para No.15.6 Pages 18 & 19 of Audit Report for the year 1999-2000; Irregular Payment of Transportation Charges Amounting to Rs.36,633,654/-.**

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District Food Controller, Okara-Rs.2,975,398/-.

**95. Para No.15.11 Pages 18 & 19 of Audit Report for the year 1999-2000; Irregular Payment of Transportation Charges Amounting to Rs.36,633,654/-.**

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District Food Controller, Kasur-Rs.63,482/-.

**29.09.2004** Audit had pointed out that the Department paid transportation charges of wheat along with cost of wheat charging the same head of account whereas transportation charges were required to be drawn under a separate head

The Department stated that transportation charges were paid to the farmers along with the cost of wheat in the same bill in order to ensure financial transparency and the decision was taken in public interest to facilitate the farmers. As such there was no malafide involved. The Department added that framing of a new policy in this regard was under consideration.

Finance Department observed that the Department should get the new policy approved by the Finance Department.

The Committee agreed with the departmental contention of preparing single bill for transportation charges as well as cost of wheat and observed that the same procedure may

continue to be adopted in the new policy with a view to safeguarding the interest of the farmers.

With the above observations, the Committee **settled paras No.15.1, 15.2, 15.5, 15.11 & 15.6.**

**96. Para No.15.3 Pages 18 & 19 of Audit Report for the year 1999-2000; Irregular Payment of Transportation Charges Amounting to Rs.36,633,654/-.**

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District Food Controller, Sheikhpura-Rs.43,214/-

**23.07.2005** The Department explained that during the last PAC meeting held on 29-9-2004, the similar paras were settled in the public interest on the explanation of the Department that the transportation charges were paid to the farmer's alongwith the cost of wheat in the same bill in order to ensure financial transparency. It was also stated that the transportation charges paid to the contractor within the district had been stopped.

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

**97. Para No.15.7 Pages 18 & 19 of Audit Report for the year 1999-2000; Irregular Payment of Transportation Charges Amounting to Rs.36,633,654/-.**

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District Food Controller, Vehari – Rs.64,952/-.

**98. Para No.15.8 Pages 18 & 19 of Audit Report for the year 1999-2000; Irregular Payment of Transportation Charges Amounting to Rs.36,633,654/-.**

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District Food Controller, Khanewal – Rs.588,493/-.

**99. Para No.15.9 Pages 18 & 19 of Audit Report for the year 1999-2000; Irregular Payment of Transportation Charges Amounting to Rs.36,633,654/-.**

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District Food Controller, R. Y. Khan – Rs.16,068,614/-.

**100. Para No.15.10 Pages 18 & 19 of Audit Report for the year 1999-2000; Irregular Payment of Transportation Charges Amounting to Rs.36,633,654/-.**

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District Food Controller, Bahawalnagar – Rs.5,266,071/-.

**22.07.2005** The Department explained that during the last PAC meeting held on 29-9-2004, the paras of similar nature were settled in the public interest on the explanation of the department

“that the transportation charges were paid to the farmers alongwith the cost of wheat in the same bill in order to ensure financial transparency”. It was also stated that the transportation charges paid to the contractors within the districts had been abolished.

The Committee accepted the explanation of the Department and **the paras were settled.**

**101. Para No.18.1 Pages 20 & 21 of Audit Report for the year 1999-2000; Irregular Payment of Rs.813,788/-on Account of Rent of Tharajaat at Flage Centres.**

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District Food Controller, Bahawalpur – Rs.788,788/-

**22.07.2005** The Department explained that all the payments on account of rent of Tharra Jaat centers were made under the approval of competent authority. The Department assured that the rent was reasonable.

On the assurance of the Department, **the para was settled.**

**102. Para No.18.2 Pages 20 & 21 of Audit Report for the year 1999-2000; Irregular payment of Rs.813,788/- on account of rent of Tharajaat at Flag Centers**

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District Food Controller, R.Y. Khan-Rs.25,000/-.

**23.07.2005** The Department explained that a sum of Rs.2,131/- had been deposited into the government treasury and the measurement certificate from the Municipal Committee Sadiqabad and assessment certificate from the office of the Excise & Taxation Rahim Yar Khan had been produced to audit for verification, who had verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**103. Para No.19 Page 21 of Audit Report for the year 1999-2000; Lapsing of Funds Amounting Rs.4,420,030/- Due to Failure of the Department to Exercise Timely Surrender.**

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**29.09.2004** Audit stated in the meeting that relevant record in respect of above para had not been produced by the Department.

The Administrative Secretary assured the Committee that record pertaining to the



aforesaid paras would be produced to Audit the same day for verification. Therefore, the consideration of these paras was deferred to 30<sup>th</sup> September 2004.

On 30.9.2004 Audit informed the Committee that the Department did not produce any record pertaining to the said paras.

The Committee showed its displeasure on non-production of record despite commitment made by the Administrative Secretary and directed that the Administrative Secretary, Director Food and concerned DDFs/DFCs should appear before the Committee on 16.10.2004 to explain reasons for non-complying with its direction.

The Committee further directed that a letter expressing its displeasure be sent to the Secretary, Food Department with a copy to the Chief Secretary, Punjab.

The para was kept pending.

**16.10.2004** The Department explained that it dealt in state trading of wheat and had classified Account-II Food for the purpose. All transactions pertaining to expenditure and receipts remained within the said account. Surplus amount, if any, was not placed at the disposal of any other Department. Savings, if not surrendered, did not affect Account-II Food as the surrendered amount could not be utilized by any other Department.

On the verification of departmental contention and recommendation of audit, **the para was settled.**

#### **104. Para No.21.2 Pages 22 & 23 of Audit Report for the year 1999-2000; Irregular Payment of Rs.2,845,613/- to the Market Committees.**

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District Food Controller, Faisalabad-Rs.412,325/-.

**29.09.2004** Audit had pointed out that wheat was purchased from unregistered Arhties and, therefore, payment of Committee fee from Government funds was irregular.

The Department stated that date-wise register of bardana was not available with some centres but inventory register was available which was the permanent record and reflected the transaction of bardana. The Department further stated that prescribed commission was paid to Arhties which was reflected in the bill whereas no commission was paid to growers.

Audit desired that the Department should produce contingent bills, purchase bills and

bardana register for verification.

The Committee directed that the Department should get the relevant record verified by Audit by 1.10.2004.

**The para was kept pending.**

**105. Para No.21.3 Pages 22 & 23 of Audit Report for the year 1999-2000; Irregular Payment of Rs.2,845,613/- to the Market Committees.**

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District Food Controller, Jhang-Rs.1,269,060/-.

**29.09.2004** The Department explained that Market fee was paid in accordance with Government Notification No. PD/XVI-II/8/-II dated 24.9.1996 and entire record viz purchase bills and inventory registers were produced for verification. Moreover, all the purchase was made from the growers and not from Arhties.

Audit in its latest comments vide letter dated 29.9.2004 accepted the departmental reply to the effect that payment of Market Committee fee was in order.

On recommendation of Audit, **the para was settled.**

**106. Para No.22.1 Page 23 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.2,132,937/- Beyond Competency**

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District Food Controller, Rawalpinidi – Rs.878,520/-

**29.09.2004** Audit stated in the meeting that relevant record in respect of above para had not been produced by the Department.

The Administrative Secretary assured the Committee that record pertaining to the aforesaid paras would be produced to Audit the same day for verification. Therefore, the consideration of these paras was deferred to 30<sup>th</sup> September 2004.

On 30.9.2004 Audit informed the Committee that the Department did not produce any record pertaining to the said paras.

The Committee showed its displeasure on non-production of record despite commitment made by the Administrative Secretary and directed that the Administrative Secretary, Director Food and concerned DDFs/DFCs should appear before the Committee on 16.10.2004 to explain reasons for non-complying with its direction.

The Committee further directed that a letter expressing its displeasure be sent to the Secretary, Food Department with a copy to the Chief Secretary, Punjab.

The para was kept pending.

**16.10.2004** The Department explained that expenditure was within the competency of DDF being category-I officer in each case. The record had been seen and verified by Audit.

On the verification and recommendation of Audit, **the para was settled.**

**107. Para No.22.2 Page 23 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.2,132,937/- Beyond Competency.**

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Deputy Director Food, Lahore-Rs.38,652/-

**23.07.2005** The Department explained that the expenditure had been got regularized by the competent authority.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**108. Para No.22.4 Page 23 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.2,132,937/- Beyond Competency.**

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Director Food, Punjab, Lahore-Rs.427,924/-

**23.07.2005** The Department explained that two electric water coolers were purchased to provide pure water for the staff in order to prevent the use of unhygienic and unhealthy ice available in the market. It was added that purchase of water coolers was necessary in view of the circumstances.

The Committee taking a lenient view **settled the para** with the direction that DDO should be warned to observe the rules strictly in future.

**109. Para No.23.2 Page 24 of Audit Report for the year 1999-2000; Irregular Payment of Rs.146,954/- on Account of Octroi and Handling Charges.**

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District Food Controller, Faisalabad-Rs.45,319/-.

**29.09.2004** The Department in its detailed reply stated that laid down procedure for approval of handling contract was adopted and no deviation was made. The record could be verified by audit.

Audit inter alia pointed out that negotiations were not made with the lowest tenderer.

The Committee was not satisfied with the explanation of the Department and directed it to produce the relevant record in support of its reply for verification by audit.

**The para was kept pending.**

**110. Para No.24.3 Pages 24 & 25 of Audit Report for the year 1999-2000; Excess Expenditure Over Budget Allocation Rs.2,801,249/-.**

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District Food Controller, Sargodha-Rs.442,354/-

**23.07.2005** The Department explained that expenditure and receipt of Food Department were regulated through Account-II maintained in the State Bank of Pakistan where in only the financial transactions of Food Department were made and overall appropriation accounts of the Food Department had already been settled by the PAC.

The Committee **settled the para** with the direction that Administrative Secretary may resolve the issue as he may deem suitable.

**111. Para No.24.4 Pages 24 & 25 of Audit Report for the year 1999-2000; Excess Expenditure Over Budget Allocation Rs.2,801,249/-.**

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District Food Controller, Toba Tek Singh-Rs.86,347/-.

**29.09.2004** Audit had pointed out that the Department incurred expenditure on account of leave salary without any provision for the same in budget and necessary funds were not obtained for the purpose.

The Department explained that salaries of officials were drawn from the sub-head of leave salary after obtaining sanction of the competent authority. The viewpoint of the Department was accepted in SDAC meeting dated 20.12.2000 and the para was settled.

On the verification of departmental contention by Audit, **the para was settled.**

## **112. Para No.24.5 Pages 24 & 25 of Audit Report for the year 1999-2000; Excess Expenditure Over Budget Allocation Rs.2,801,249/-**

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District Food Controller, Mianwali– Rs.289,007/-

**29.09.2004** Audit stated in the meeting that relevant record in respect of above para had not been produced by the Department.

The Administrative Secretary assured the Committee that record pertaining to the aforesaid paras would be produced to Audit the same day for verification. Therefore, the consideration of these paras was deferred to 30<sup>th</sup> September 2004.

On 30.9.2004 Audit informed the Committee that the Department did not produce any record pertaining to the said paras.

The Committee showed its displeasure on non-production of record despite commitment made by the Administrative Secretary and directed that the Administrative Secretary, Director Food and concerned DDFs/DFCs should appear before the Committee on 16.10.2004 to explain reasons for non-complying with its direction.

The Committee further directed that a letter expressing its displeasure be sent to the Secretary, Food Department with a copy to the Chief Secretary, Punjab.

The para was kept pending.

**16.10.2004** The Department explained that allocation of funds under the Head of Pay & Allowances was decreased to the tune of Rs.225,000/- during the scheme 1998-99 as compared to the allocation of previous year. As such excess was inevitable and the case for regularization had been moved to competent forum.

Audit stated that department should justify reduction in excess expenditure of Rs.289,000/- to Rs.225,000/-.

The Committee directed that the department should reconcile the figure of excess expenditure with Audit and get the matter regularized by Finance Department.

**The para was conditionally settled subject to regularization by Finance Department.**

## **113. Para No.26.1 Pages 26 & 27 of Audit Report for the year 1999-2000; Irregular Drawal of Salaries of Contingent Paid Staff Amounting to Rs.4,898,720/-.**

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District Food Controller, Jhang-Rs.108,955/-.

**29.09.2004** The Department explained that Chowkidars were engaged during procurement of wheat in 1997-98 at various PR/Flag/Temporary Purchase Centres where wheat was stored in shape of Gungies. The staff concerned was appointed for the safety of wheat procured in public interest and thus no irregularity was committed.

The Committee accepted the departmental reply and **settled the para.**

**114. Para No.26.2 Pages 26 & 27 of Audit Report for the year 1999-2000; Irregular Drawal of Salaries of Contingent Paid Staff Amounting to Rs.4,898,720/-.**

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District Food Controller, Khushab – Rs.18,525/-.

**22.07.2005** The Department explained that the audit had verified the facts from contingent bill and GPO-II of temporary chowkidar and accepted the contention of the Department.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**115. Para No.26.5 Pages 26 & 27 of Audit Report for the year 1999-2000; Irregular Drawal of Salaries of Contingent Paid Staff Amounting to Rs.4,898,720/-.**

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District Food Controller, Toba Tek Singh-Rs.95,485/-

**23.07.2005** The Department explained that the chowkidars were appointed as per capacity and storage of the godowns for watch and ward till the clearance of stock and all the record had been got verified by Audit.

On recommendation of Audit, **the para was settled.**

**116. Para No.26.7 Pages 26 & 27 of Audit Report for the year 1999-2000; Irregular Drawal of Salaries of Contingent Paid Staff Amounting to Rs.4,898,720/-.**

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District Food Controller-I, Lahore-Rs.138,950/-



**23.07.2005** The Department explained that during the period under observation there was no ban imposed by the Finance Department on the engagement of contingent paid staff.

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

**117. Para No.26.10 Pages 26 & 27 of Audit Report for the year 1999-2000; Irregular Drawal of Salaries of Contingent Paid Staff Amounting to Rs.4,898,720/-.**

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District Food Controller, Kasur-Rs.447,154/-

**23.07.2005** The Department explained that a preliminary inquiry was conducted into the matter and the concerned district food controller had been found responsible in the case. Disciplinary proceeding under PRSO 2000 had been initiated against him.

The Committee **kept the para pending** with the directions that the disciplinary proceeding be completed within 50 days.

**118. Para No.28.1 Pages 28 & 29 of Audit Report for the year 1999-2000; Loss of Rs.1,229,232/- Due to Shifting of Headquarter Without Sanction of the Competent Authority.**

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Deputy Director Food, Lahore – Rs.927,100/-

**23.07.2005** The Department explained that the matter had been referred to the Finance Department for regularization.

**The para was kept pending** till the decision of Finance Department.

**119. Para No.28.2 Pages 28 & 29 of Audit Report for the year 1999-2000; Loss of Rs.1,229,232/- Due to Shifting of Headquarter Without Sanction of the Competent Authority.**

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District Food Controller, Kasur-Rs.302,132/-.

**29.09.2004** The Department explained that the matter had since been referred to Finance Department for regularization whose decision was awaited.

**The para was kept pending** till decision by Finance Department.

**120. Para No.29 Page 30 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,116,000/- Due to Hiring of Godown at Higher Rates.**

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**23.07.2005** The Department explained that wheat stock was available at Raiwand and department was in need of godowns for storage of reserved stocks.

**The para was kept pending** for verification of relevant record by Audit.

**121. Para No.31.3 Pages 31 & 54 of Audit Report for the year 1999-2000; Loss of Rs.7,969,550/- Due to Undue Favours to the Contractors.**

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District Food Controller, R. Y. Khan-Rs.180,188/-

**23.07.2005** The Department explained that copy of approved rates by Director Food and distance from dispatching end to destination had been provided to audit who had verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**122. Para No.31.4 Pages 31 & 54 of Audit Report for the year 1999-2000; Loss of Rs.7,969,550/- Due to Undue Favours to the Contractors.**

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District Food Controller, Jhelum-Rs.4,428,945/-

**23.07.2005** The Department explained that the rates for transportation of imported wheat from port Qasim Karachi to Jhelum were accepted after fulfilling all the codal formalities which had been verified by Audit.

On recommendation of Audit, **the para was settled.**

**123. Para No.31.7 Pages 31 & 54 of Audit Report for the year 1999-2000; Loss of Rs.7,969,550/- Due to Undue Favours to the Contractors.**

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District Food Controller, Sahiwal-Rs.196,098/-

**23.07.2005** The Department explained that delivery charges @ 0.95 per bag were allowed under

provision of para 5(III) of the Purchase Policy issued by Food Department. As such no over payment was involved.

On the recommendation of Audit, **the para was settled.**

**124. Para No.31.8 Pages 31 & 54 of Audit Report for the year 1999-2000; Loss of Rs.7,969,550/- Due to Undue Favours to the Contractors.**

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District Food Controller, R. Y. Khan – Rs.240,240/-.

**22.07.2005** The Department explained that the record of PR Centre Chak No.264/P and Chak No.5/NP i.e. GP-form-2, form-3, GP-6 and GP-7 had been provided to audit for verification who had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**125. Para No.31.12 Pages 31 & 54 of Audit Report for the year 1999-2000; Loss of Rs.7,969,550/- Due to Undue Favours to the Contractors.**

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District Food Controller, R.Y. Khan-Rs.30,627/-

**23.07.2005** The Department explained that audit had agreed that actual recoverable amount on account of penalty was Rs.13,368/- instead of Rs.30,627/- which had been deposited into the government treasury. It was also stated that Rs.3,319/- on account of Income Tax had already been deposited.

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

**126. Para No.34.1 Pages 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.68,557,407/- on Account of Non/Less Deposit of Sale Proceed of Wheat.**

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District Food Controller, Bahawalpur – Rs.2,272,773/-.

**22.07.2005** The Department explained that the detail of sale accounts of the PR Centers was given below:-

**1. PR Centre Israni 1996-97:**

The Department explained that the record of the wheat sold out and cost thereof deposited into the government treasury had been seen/verified by audit.

The Committee **settled this part** on the recommendation of audit.

## **2. PR Centre Chak No. 51/DB 1996-97:**

The Department explained that the difference of less deposit amount of Rs.50,000/- had been deposited into the government treasury.

The Committee **settled this part subject to** verification of record by Audit.

## **3. PR Centre Bhawalpur 1996-97:**

The Department explained that the total amount had been recovered and deposited into the government treasury.

The Committee **settled this part subject to** verification of record by Audit and desired that the record be got verified before 11-8-2005.

## **4. PR Centre Bini Shells 1996-97:**

The Department explained that the total amount of the wheat sold out had been deposited into the government treasury and the record was available for verification.

The Committee **settled this part subject to** verification of record by Audit.

## **5. PR Centre Israni 1998-99:**

The Department explained that as per final stock report, the cost of wheat amounting to Rs.4,433,550/- had been deposited into the government treasury and the record was available for verification.

The Committee **settled this part subject to** verification of record by Audit and desired that the record be got verified before 11-8-2005.

## **6. PR Centre Yazman 1998-99:**

The Department explained that Rs.3,750/- had been deposited into the government treasury which had been verified by audit.

The Committee **settled this part** on the recommendation of audit.

**127. Para No.34.2 Page 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.68,557,407/- on Account of Non/Less Deposit of Sale Proceed of Wheat.**

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District Food Controller, Sargodha-Rs.477,200/-.

**29.09.2004** The Department explained that the sale rate of wheat was reduced from Rs.6,500/- to Rs.5,500/- per M.T vide letter dated 26.8.1998 and the instructions were implemented accordingly.

On the verification of departmental contention and recommendation of audit, **the para was settled.**

**128. Para No.34.3 Pages 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.68,557,407/- on Account of Non/Less Deposit of Sale Proceed of Wheat.**

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District Food Controller, Khushab-Rs.137,500/-.

**29.09.2004** The Department explained that the para had already been settled in the SDAC meeting dated 27.9.2000 after verifying deposit of Rs.137,500/-.

On the verification of departmental contention and recommendation of audit, **the para was settled.**

**129. Para No.34.4 Pages 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.68,557,407/- on Account of Non/Less Deposit of Sale Proceed of Wheat.**

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District Food Controller, Jhelum-Rs.46,440/-

**23.07.2005** The Department explained that inquiry had been initiated into the matter which revealed that 880 bags had been returned to Arthies which had been verified by audit.

On recommendation of audit, **the para was settled.**

**130. Para No.34.5 Pages 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.68,557,407/- on Account of Non/Less Deposit of Sale Proceed of Wheat.**

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District Food Controller, Gujranwala-Rs.37,693,500/-

**23.07.2005** The Department explained that total wheat issued to military had been got deposited into government accounts.

The para was **conditionally settled subject to** verification of the relevant record.

**131. Para No.34.6 Pages 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.68,557,407/- on Account of Non/Less Deposit of Sale Proceed of Wheat.**

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District Food Controller, Rawalpindi-Rs.20,295,922/-.

**29.09.2004** Audit had pointed out that cost of wheat sold to the Pak Army had not been recovered.

The Department explained that payment of the stocks lifted by Pak Army had been made to Director Food, Punjab. Moreover, the para had already been settled in SDAC meeting dated 20.12.2004.

On the verification of departmental contention and recommendation of Audit, **the para was settled.**

**132. Para No.34.7 Pages 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.68,557,407/- on Account of Non/Less Deposit of Sale Proceed of Wheat.**

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District Food Controller, Rawalpindi-Rs.6,770,000/-.

**29.09.2004** The Department explained that total recovery had since been effected and record was available for verification by Audit.

The Committee directed the Department to produce the relevant record to Audit for verification the same day and consideration of the para was deferred to 30.9.2004.

On 30.9.2004, Audit stated in the meeting that relevant record had been seen and verified by it.



On the recommendation of Audit, **the para was settled.**

**133. Para No.34.8 Pages 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.68,557,407/- on Account of Non/Less Deposit of Sale Proceed of Wheat.**

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District Food Controller, Rawalpindi-Rs.418,999/-.

**29.09.2004** The Department explained that the para was settled in SDAC meeting dated 20.12.2000 after verification of record.

On the verification and recommendation of audit, **the para was settled.**

**134. Para No.34.9 Pages 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.68,557,407/- on Account of Non/Less Deposit of Sale Proceed of Wheat.**

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District Food Controller, Mianwali-Rs.416,800/-.

**29.09.2004** The Department explained that an amount of Rs.299,750/- as well as Rs.117,150/- had been recovered and deposited into Government treasury.

Audit verified deposit of Rs.299,750/- only.

The Committee settled the para to the extent of Rs.299,750/- while the remaining portion pertaining to deposit of Rs.117,150/- was conditionally settled subject to verification of record by Audit.

**16.10.2004** The Department explained that entire recovery was effected and deposited into Government treasury.

On the verification of departmental contention and recommendation of audit, **the para was settled.**

**135. Para No.34.10 Pages 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.68,557,407/- on Account of Non/Less Deposit of Sale Proceed of Wheat.**

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District Food Controller, Bhakkar-Rs.28,273/-.

**30.09.2004** The para had already been settled in SDAC meeting dated 27.9.2000 after verification

of deposit of Rs.28,273/-.

On recommendation of Audit, **the para was settled.**

**136. Para No.35.1 Pages 35 & 36 of Audit Report for the year 1999-2000; Non Recovery of Bardana Amounting to Rs.2,091,938/-.**

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Deputy Director Food, Lahore-Rs.541,170/-

**23.07.2005** The Department explained that Mr. Ibne Saud FGS was involved in the matter who had been compulsorily retired by the orders of competent authority on 30-8-2001. However, later he was reinstated in service on 21-5-2005 and a fresh inquiry had been ordered into the matter on 27-6-2005.

The Committee observed that the matter was quite serious and directed that a copy of all the orders issued in respect of aforesaid officials be provided and the inquiry be finalized within 60 days under intimation to the PAC.

**The para was kept pending.**

**137. Para No.35.2 Page 34 of Audit Report for the year 1999-2000; Non Recovery of Bardana Amounting to Rs.2,091,938/-.**

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District Food Controller, Toba Tek Singh-Rs.19,840/-.

**29.09.2004** The Department explained that the para had been settled in SDAC meeting dated 20.12.2000 on the basis of deposit of total amount of Rs.19,840/-.

On the verification of departmental contention and recommendation of Audit, **the para was settled.**

**138. Para No.35.3 Pages 35 & 36 of Audit Report for the year 1999-2000; Non Recovery of Bardana Amounting to Rs.2,091,938/-.**

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District Food Controller, Mianwali-Rs.12,750/-.

**29.09.2004** The Department explained that 255 B class empty gunny bags were accounted for in inventory register of PRC, Mianwali, for the month of August 2000 and GP 7 dated 4.8.2000 was available for verification.

Audit verified the departmental contention and **the para was settled.**

**139. Para No.35.6 Pages 35 & 36 of Audit Report for the year 1999-2000; Non Recovery of Bardana Amounting to Rs.2,091,938/-.**

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District Food Controller, Bhakkar-Rs.36,820/-.

**30.09.2004** The para had already been settled in SDAC meeting dated 27.9.2000 after verification of accountal of 1052 B/Class bags in the inventory register of PRC Bhakkar.

On the verification and recommendation of Audit, **the para was settled.**

**140. Para No.35.7 Pages 35 & 36 of Audit Report for the year 1999-2000; Non Recovery of Bardana Amounting to Rs.2,091,938/-.**

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District Food Controller, Sialkot-Rs.136,280/-.

**29.09.2004** The Department explained that out of 2727 bags of Qila Kalawala, 1424 bags after recovery from growers were accounted for in inventory register and 680 bags of Kingra More were also recovered and accounted for in the inventory register of P.R Centre Sialkot. However, price of remaining 1303 B-Class bags would be effected from the pension of concerned official who had been compulsorily retired.

**The para was kept pending** for verification of relevant record and balance recovery.

**141. Para No.36.1 Pages 36 & 37 of Audit Report for the year 1999-2000; Non/Less Recovery of Rs.861,990/- on Account of Income Tax at Source.**

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Deputy Director Food, Lahore-Rs.64,291/-.

**29.09.2004** The Department explained that amount of income tax i.e. Rs.66,356/- had been deposited into the Government treasury vide challan dated 10.2.2000.

On the verification of departmental reply and recommendation of audit, **the para was settled.**

**142. Para No.36.2 Pages 36 & 37 of Audit Report for the year 1999-2000; Non/Less Recovery of Rs.861,990/- on Account of Income Tax at Source.**

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District Food Controller, R. Y. Khan-Rs.321,372/-

**23.07.2005** The Department explained that during the last PAC meeting held on 29-9-2004, the similar paras were settled in the public interest on the explanation of the Department that the transportation charges were paid to the farmers alongwith the cost of wheat in the same bill in order to ensure financial transparency.

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

**143. Para No.36.4 Pages 36 & 37 of Audit Report for the year 1999-2000; Non/Less Recovery of Rs.861,990/- on Account of Income Tax at Source.**

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District Food Controller, Sahiwal-Rs.167,630/-

**23.07.2005** The Department explained that Income Tax was not liable on supply of Agricultural Produce in the light of Income Tax Ordinance and requisite record had been got verified by Audit.

On the recommendation of Audit, **the para was settled.**

**144. Para No.36.5 Pages 36 & 37 of Audit Report for the year 1999-2000; Non/Less Recovery of Rs.861,990/- on Account of Income Tax at Source.**

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District Food Controller, R. Y. Khan – Rs.3,320/-.

**22.07.2005** The Department explained that a sum of Rs.3,320/- related to this para on account of non/less deduction of income tax had been recovered and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**145. Para No.38.2 Pages 37 & 38 of Audit Report for the year 1999-2000; Non Realization of Penalties Valuing Rs.1,970,408/-.**

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District Food Controller, Bahawalpur – Rs.17,857/-.

**22.07.2005** The Department explained that the balance amount of Rs.17,857/- had been recovered and deposited into government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**146. Para No.38.4 Pages 37 & 38 of Audit Report for the year 1999-2000; Non Realization of Penalties Valuing Rs.1,970,408/-.**

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District Food Controller, Vehari-Rs.292,931/-.

**29.09.2004** The Department explained that in compliance with directions of SDAC meeting dated 18.11.2000, an inquiry into the matter was held. As per findings thereof, the action of District Food Controller, Vehari for not imposing penalty was held in order.

The Committee directed the Department to produce the copy of the inquiry report to Audit for verification.

**The para was kept pending.**

**147. Para No.38.6 Pages 37 & 38 of Audit Report for the year 1999-2000; Non Realization of Penalties Valuing Rs.1,970,408/-.**

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District Food Controller, Gujrat-Rs.78,133/-.

**29.09.2004** The Department explained that total recovery amounting to Rs.78,133/- had been deposited into Government treasury vide TC No.1 dated 6.2.1999.

Audit verified departmental contention in the meeting.

**The para was settled.**

**148. Para No.38.7 Pages 37 & 38 of Audit Report for the year 1999-2000; Non Realization of Penalties Valuing Rs.1,970,408/-.**

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District Food Controller-II, Lahore-Rs.1,099,702/-

**23.07.2005** The Department explained that a contract for the transportation of wheat was awarded to M/s Ch. Mushtaq Ahmad & Co. and he performed his duties properly but all the trucks could not be loaded due to less number of trucks demanded by Director General (food). Preference for the purpose was given to Pakistan Railway. Moreover, regional audit Officer had no objection on

the issue and did not impose any penalty or pending allocation of 1217.235 MT.

The Committee **kept the para pending** with the direction that record be got verified by Audit.

**149. Para No.39 Pages 38 & 39 of Audit Report for the year 1999-2000; Loss of Rs.328,296/- on Account of Irregular/Unjustified Payment of House Rent Allowance.**

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**22.07.2005** The Department explained that the para consisted of two parts:-

**A- Irregular and unauthorized drawl of 45% House Rent allowance and Con. Allowance at PR Centre beyond Municipal limits.**

The Department explained that food staff was posted at purchase centers in the beginning of procurement of wheat every year and just after the close of procurement mostly staff was repatriated to district office. All field staff did not remain posted at the PR Centers during the whole year.

The Committee **kept the para pending** with the directions that the record/recovery be got verified by Audit.

**B- Loss due to recovery of House Rent Allowance and 5% House Rent Charges.**

The Department explained that neither any official applied for allotment of accommodation at the centre nor any accommodation was allotted to anyone. It was also stated that the accommodation available at PR centers were only used for office purposes or stay of inspection team and audit parties.

The Committee **kept the para pending** with the directions that the record be reconciled with audit and if there was any recovery pending that should be made at the earliest.

**150. Para No.40 Page 39 of Audit Report for the year 1999-2000; Loss of Rs.1,545,455/- Due to Issue of Wheat at Old Rates.**

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**22.07.2005** The Department explained that the accounts had been scrutinized and reconciled as under:-

I- Rs.8,010/- and Rs.133,500/- had already been recovered from Kiran Flour Mills and deposited into the government treasury.



**This part of the para was settled** on the recommendation of Audit.

## II- Recovery of Rs.1,293,300/-:

The Department explained that actually 5257 bags valuing Rs.3,417,050/- @Rs.650/- per without bag were issued from PR Centre Bhawalpur to Flour Mills on 03-4-1997 instead of 8,622 bags and the actual amount had been deposited into government treasury.

The Committee **settled this part subject to** verification by Audit.

## III-IV-V and VI

The Department explained that the records of these sub-paras were produced to audit who had seen/verified the same.

Audit verified the contention of the Department and recommended these parts for settlement.

**These parts were settled.**

VII- The Department explained that the total amount had been recovered and deposited into government treasury.

The Committee **settled this part subject to** verification of recovery by Audit.

**151. Para No.41.3 Pages 39 & 40 of Audit Report for the year 1999-2000; Loss to Government Due to Non Recovery of Huge Government Dues Amounting to Rs.123,482,199/-.**

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District Food Controller, Sialkot-Rs.423,960/-.

**29.09.2004** Audit had pointed out recovery of Rs.423,960/- on account of cost of bardana from two officials.

The Department explained that credit verification of Rs.14,438/- was available for verification whereas 1903 bags were accounted for in inventory register of Q.K Wala. An amount of Rs.194,425/- would be deducted from pension of Afzal Hussain Bokhari who was responsible for the loss and had been compulsorily retired from service. Action for registration of criminal case against the accused official and recovery as arrears of land revenue was also being taken.

Finance Department observed that the official had been compulsorily retired. Therefore, it was for the Department to review the pension case in the context of good conduct in the light of relevant rules.

**The para was kept pending.**

**152. Para No.41.4 Pages 39 & 40 of Audit Report for the year 1999-2000; Loss to Government Due to Non Recovery of Huge Government Dues Amounting to Rs.123,482,199/-.**

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District Food Controller, Sialkot-Rs.3,936,425/-.

**29.09.2004** The Department explained the position about recovery due from three officials who had since been dismissed and that revenue authorities had been approached for recovery as arrears of land revenue. An amount of Rs.198,136/- had been deducted from pension of Muhammad Anwar, FGI. The position of court cases in respect of two officials was also explained. The Department added that recovery process was continuing and action on case to case basis was being taken.

**The para was kept pending for recovery.**

**153. Para No.41.6 Pages 39, 40 & 41 of Audit Report for the year 1999-2000; Loss to Government Due to Non Recovery of Huge Government Dues Amounting to Rs.123,482,199/-.**

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District Food Controller, Okara-Rs.90,883/-

**23.07.2005** The Department explained that complete recovery involved in the para had been effected and record had been produced to audit for verification.

Audit stated that credit verification of Rs.37,000/- was still outstanding.

**The para was conditionally settled subject to verification of complete recovery by Audit.**

**154. Para No.41.9 Pages 39 & 40 of Audit Report for the year 1999-2000; Loss to Government Due to Non Recovery of Huge Government Dues Amounting to Rs.123,482,199/-.**

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Deputy Director Food, Lahore-Rs.20,560,459/-.

**29.09.2004** The Audit had pointed out that the Government suffered huge loss due to non-recovery of Government dues from officials of the department who had either been dismissed or retired since long.

The Department stated that the process of recovery was being monitored and partial recovery approximately of Rs.6,300,000/- had been effected and efforts were being made to recover balance amount. The Department further stated that pace of recovery was slow because many officials had been retired, dismissed or their cases were pending in courts.

The Committee directed the Department to get the recovery already effected verified by Audit and expedite efforts for balance recovery.

**The para was kept pending.**

**155. Para No.41.10 Pages 39, 40 & 41 of Audit Report for the year 1999-2000; Loss to Government Due to Non Recovery of Huge Government Dues Amounting to Rs.123,482,199/-.**

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District Food Controller, Bahawalpur – Rs.23,255,769/-.

**22.07.2005** The Department explained that the recoveries had been imposed on the food officials on account of godown shortages/declassification of Bardana and misappropriation of wheat stock etc. Moreover, all the defaulters had been dismissed/retired from services or expired/absconded. The matter had been referred to concerned district collector and demand had been created for recovery as arrears of land revenue.

The Committee **kept the para pending** with the direction that vigorous efforts be made for early recovery.

**156. Para No.41.15 Pages 39, 40 & 41 of Audit Report for the year 1999-2000; Loss to Government Due to Non Recovery of Huge Government Dues Amounting to Rs.123,482,199/-.**

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District Food Controller-I, Lahore-Rs.6,423,184/-

**23.07.2005** The Department explained that Rs.92 lakhs had been recovered and the case was still pending in the court of law.

The Committee **kept the para pending** with the directions that the balance recovery be made at the earliest.

**157. Para No.42.3 Page 41 of Audit Report for the year 1999-2000; Loss of Rs.20,538,147/- Due to Non-Recovery/Less Recovery of Cost of Wheat and Bardana.**

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District Food Controller, Bahawalpur – Rs.19,374,057/-.

**22.07.2005** The Department explained that the record of all the centers was available for verification and requested that audit should give a date for detail verification of the record.

The Committee **kept the para pending** with the direction that the record be got verified by Audit before 11-8-2005.

**158. Para No.43.1 Page 42 of Audit Report for the year 1999-2000; Non Production of Actual Payees Receipts in Support of Payments of Rs.2,860,934/-.**

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District Food Controller, Mianwali – Rs.2,737,539/-.

**22.07.2005** The Department explained that the payments were made to bank through draft and bank accounts and not in cash. Bank draft and copy of bill had been produced to audit who had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**159. Para No.43.2 Page 42 of Audit Report for the year 1999-2000; Non Production of Actual Payees Receipts in Support of Payment of Rs.2,860,934/-.**

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District Food Controller, Sargodha-Rs.123,395/-.

**29.09.2004** Audit had pointed out that the Department disbursed amounts to different firms but actual payees receipt were not obtained at the time of payment in violation of rules.

The Department explained that actual payees receipt were available and had been seen by Audit.

On recommendation of Audit, **the para was settled.**

**160. Para No.44 Pages 42 & 43 of Audit Report for the year 1999-2000; Non Production of Record in Support of Sales Proceed of Wheat Amounting to**

**Rs.211,574,545/-.**

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**22.07.2005** The Department explained that during 1997-98 scheme, 40,285.500 MT wheat was stored at PR Centre Bini Shells and out of which 32,549.930 MT had been sold. It was also stated that Audit had taken statement of sale upto 22-1-1999 which was incomplete while the sale account pertained to whole scheme was calculated to 32,549.930 MT.

The Committee **kept the para pending** with the direction that the relevant record be produced to Audit and got verified before 11-8-2005.

**161. Para No.46.1 Pages 43 & 44 of Audit Report for the year 1999-2000; Non Production of Record of Wheat Procurement/Receipt Record Involving Doubtful Expenditure of Rs.1,043,771,731/-.**

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District Food Controller, Toba Tek Singh-Rs.18,046,179/-.

**29.09.2004** The Department explained that all the relevant record was available and that the para had already been settled in SDAC meeting dated 20.12.2000.

On the verification of departmental contention and recommendation of Audit, **the para was settled.**

**162. Para No.46.6 Pages 43 & 44 of Audit Report for the year 1999-2000; Non Production of Record of Wheat Procurement/Receipt Record Involving Doubtful Expenditure of Rs.1,043,771,731/-.**

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District Food Controller, Sargodha – Rs.2,241,060/-.

**22.07.2005** The Department explained that the record of payments made against the quantity of procured wheat i.e. form 2 and 3 were produced to Audit which had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**163. Para No.46.8 Pages 43 & 44 of Audit Report for the year 1999-2000; Non Production of Record of Wheat Procurement/Receipt Record Involving Doubtful Expenditure of Rs.1,043,771,731/-.**

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District Food Controller, Bahawalpur – Rs.116,268,440/-.

**22.07.2005** The Department explained that mostly record of the centers was presented before Audit party and remaining record was available for verification.

The Committee **kept the para pending** with the direction that the record be got verified by audit before 11-8-2005.

**164. Para No.46.9 Pages 43 & 44 of Audit Report for the year 1999-2000; Non Production of Record of Wheat Procurement/Receipt Record Involving Doubtful Expenditure of Rs.1,043,771,731/-.**

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District Food Controller, Rawalpindi-Rs.34,646,976/-.

**29.09.2004** The Department explained that the audit had seen the record and recommended the para for settlement.

On the verification and recommendation of Audit, **the para was settled.**

## General Observation

**16.10.2004** Draft paras No.19, 3.15, 22.1, 34.7, 10.47 and 24.5 were kept pending in PAC meeting held on 29-9-2004 and 30.9.2004 for verification of record the same day. However, on 30.9.2004 Audit informed the Committee that the department did not produce any record except that pertaining to DP. 34.7. The Committee showed its displeasure on non-production of record despite commitment made by the Administrative Secretary and directed that Administrative Secretary, Director Food and concerned DDFs/DFCs should appear before the Committee on 16.10.2004 to explain the reasons for not complying with its directions.

The Administrative Secretary accordingly attended the meeting on 16.10.2004 and informed the Committee that disciplinary action had been taken against the officials found responsible for delaying verification of record and assured the Committee that due caution and care would be exercised in future. The following Daft paras were considered by the Committee.



The paras were discussed in the meetings of PAC-II held on 28.01.2004, 29.01.2004, 30.01.2004, 25.02.2005, 26.02.2005 & 28.02.2005.

## **Audit Paras (Commercial) for the year 1999-2000**

### **1. Para No.78 Page 51 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** The audit had pointed out that the accounts of Govt. Medical Store Depot Lahore for the years 1993-94 to 1999 to 2000 were received late and printed in ARXPSE 2000-2001, therefore, timely submission of accounts should be ensured in future.

The department stated that some delay had taken place in the submission of the accounts; however, these were now being submitted on time.

The Committee directed the department that in future accounts should be submitted in time and **settled the para.**

### **2. Para No.79 Page 52 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** The audit had pointed out that the management provided appreciation on revaluation of store since 1987-88 to 1992-93 which had ultimately inflated gross profit/net profit. It was suggested that either this practice be stopped or approval of the competent authority be obtained for accounting of appreciation on revaluation.

The department explained that appreciation on revaluation had been carried out under Rule 15.20 of PFR Vol-I. However, keeping in view the suggestion of the audit, such practice had been stopped.

Finance Department while endorsing the Department's contention observed that in this regard the audit's proposal was not in order and revaluation of stock should be as per the market value.

DG Commercial Audit was satisfied with the explanation of the Department. The Committee, therefore, **settled the para.**

### **3. Para No.80 Page 52 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** Audit had pointed out that drugs and instruments valuing Rs.344.107 million held by the depot on 30-6-1993 also included expired medicines valuing Rs.15.572 million whereas no provision for expired medicines had been made and, therefore, value of stores had been overstated.

The department explained that the matter was under investigation with NAB. It was further explained that on the directions of PAC inquiry had been initiated in Nov, 1995 and according to the findings of inquiry report, a number of persons were held responsible. Since NAB had taken cognizance of the issue, therefore, it was not possible to proceed further in this regard.

The Committee kept the para pending till finalization of case by NAB.

**30.08.2004** The Department explained that final decision of the case pending with NAB was awaited.

The Committee **kept the para pending** with the direction that the Department should continue to pursue the case.

#### **4. Para No.81 Pages 52 & 53 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** Audit had pointed that trade debtors amounting to Rs.96.602 million were outstanding against the department on 30 June, 1993. The management had not provided aging statement/year-wise break-up of outstanding amount. Efforts for early realization of debts were also needed.

The department explained that as a result of utmost efforts, now the debtors had been reduced to Rs.11.94 million out of Rs.96.602 million. Explaining the aging of debtors, the Department stated that they included Rs.4.367 million inherited by MSD on its inception in 1962 from Central Govt.; Rs.4.9 million pertained to donation of medicines to Govt. of Iran and Rs.2.576 million receivable pertained to health facilities.

Finance Department observed that the Department should update the PAC on the efforts being made for the recovery pertaining to the three categories of debtors.

The Committee kept the para pending and directed the department to intensify efforts for the recovery of outstanding amount and submit a report in the next meeting.

**30.08.2004** The Department explaining the position of sundry debtors of Rs.4,355,248/- inherited

by MSD, stated that despite utmost efforts the recovery did not seem possible, hence a case for write off was being moved to Finance Department. As for debtors of Rs.2,576,882/-, it was stated that an amount of Rs.373,864/- had been received and for the balance amount write off case was under process. Regarding donation of medicines to Iran valuing Rs.4,999,956/-, the case for treating the transaction as “expense entry” was under process.

Finance Department observed that insofar as write off was concerned, audit should give comments on departmental contention so that further action could be taken in this regard; as for the recovery on account of health facilities, the Department should raise demand against the departments concerned for book transfer etc. and as for the donation to Iranian Government, the proposal of “expense entry” could be considered.

The Committee directed that the Department should examine the matter and take necessary action in the light of Finance Department’s observations and also take up the matter of recovery with DCOs concerned after identifying the concerned organizations.

With the above directions, **the para was kept pending.**

## **5. Para No.82 Page 53 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** In his comments, D.G. Commercial Audit pointed out that withdrawals and remittances in treasury had not so far been reconciled and a difference of Rs.3183647/- still existed.

The department explained that over-looking of this amount had been taken up with A.G. Punjab but reconciliation could not be made so far.

The Committee kept the para pending and directed the department and A.G. Punjab to reconcile the figures within one month.

**30.08.2004** The Department explained that non-reconciliation of figures related to 1991-92 which was included in the report for 1999-2000 whereas grant 34 for 1991-92 stood settled as a whole by PAC in its meeting dated 2-11-1998. However, reconciliation was being done on monthly basis.

Audit stated there was still difference of Rs.3,183,647/- which needed reconciliation. Finance Department observed that adjustment of this amount in next year’s account was to be shown for purpose of reconciliation.

The Committee directed that the Department in coordination with audit should resolve this matter.

**The para was kept pending.**

**6. Para No.83 Page 53 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** In his comments, D.G. Commercial Audit had pointed out that the books of accounts had not been maintained by the management on commercial pattern.

The Department explained that earlier the accounts of Medical Store Depot, Lahore were being maintained as per the Depot Manual. However, keeping in view the guidelines provided by D.G. Commercial Audit, these would be maintained accordingly.

The Committee **settled the para**, with directions to the Department to maintain the accounts on commercial pattern and timely submission thereof.

**7. Para No.84 Page 54 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** The Committee **settled the para**, being introductory in nature.

**8. Para No.85 Page 54 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** In his comments, D.G. Commercial Audit pointed out that the foundation received grants of Rs.376.781 million out of which only Rs.27.287 million i.e. 7.24% of grant were disbursed as loans to various NGOs and doctors, whereas recovery position was 27.14%. Even if the Foundation disbursed loans out of the profit earned, grant of loans of Rs.27.289 million against profit of Rs.61.94 million earned during 1999-2000 showed poor performance.

The department explained that Rs.376.781 million provided as grant by Govt. spread over 8 years and was meant to create Endowment Fund. The Foundation gave loans from the profit/earning on the fund and seed money could not be touched. Besides, administrative expenses were also met from the profit which was approximately Rs.43 million in 8 years. Every loan was recovered within 7 years in 14 installments. The total recovery position from 1997 to 2000 was 96%. The department further explained that from profit of Rs.353.5 million, the foundation had disbursed loans of Rs.189.5 million i.e. more than 50 % of the profit.

The Committee accepted the explanation of the department and **settled the para**.

**9. Para No.86 Page 54 of Audit Report for the year 1999-2000; Working**

## **Results.**

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**28.01.2004** Audit had pointed out that expenditure under the head of POL, telephone and repair of vehicles showed unusual increase.

The department explained that overall increase in income was 36.45% whereas the increase in expenditure was 3.02%. It was further stated that POL expenses increased due to 23% increase in their prices; expenses on repair of vehicles increased due to 8 years old fleet of Foundation's vehicles and increase in telephone charges was due to revision of call rates and line rent etc.

The Finance department observed that if there had been no irregular touring and log books were maintained properly, then there was sufficient justification for increase of such expenditure.

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

### **10. Para No.87 Page 55 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** The para being introductory in nature **was settled.**

### **11. Para No.88 Page 55 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** In his comments, DG Commercial Audit had suggested curtailment of expenditure which had increased by 35.20%. It was observed by the audit that the expenditure in question was made for training of drug inspectors and commutation of pension and the same was found justified on verification.

On the verification of the audit; the Committee **settled the para.**

### **12. Para No.89 Page 56 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** Audit had observed that interest income decreased by 6% over the previous year whereas fixed deposits increased from Rs.8.116 million to Rs.9.524 million. In his latest comments, D.G. Commercial Audit showed satisfaction over the position explained by the management to the effect that the income decreased mainly due to reduction in rates of interest as per Govt. policy and besides owing to non receipt of profit as a result of remaining short period in the Financial year.

On the recommendation of Audit, **the para was settled.**

### **13. Para No.90 Page 56 of Audit Report for the year 1999-2000; Working Results.**

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**28.01.2004** Audit had pointed out that the department paid Rs.30,000/- advance security to the ex-landlord on account of rent of office building and did not recover the said amount at the time of vacation.

The department explained that the amount of Rs.8,700/- had been adjusted against office rent for 15 days, therefore, the recoverable amount was Rs.21,300/- The department assured that in case of non-recovery of Rs.21,300/- the case would be filed in the court. The Committee kept the para pending till balance recovery.

**30.08.2004** The Department stated that a civil suit for recovery of balance amount had been filed against the land lord.

The Committee directed the Department to pursue the matter in the court.

**The para was kept pending.**

## **Audit Paras (Civil) for the year 1999-2000**

### **1. Para No.7 Pages 11 & 12 of Audit Report for the year 1999-2000; Unreliable consumption accounts/misappropriation of medicines, equipments and general stores amounting to Rs.919,609/-.**

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**30.01.2004** Audit had pointed out that medicines, equipments and general store items appeared to be misappropriated as consumption accounts; indent/stock registers were not properly maintained.

The department explained that as per the findings of an inquiry Committee, no misappropriation was found. Medical Superintendent of the hospital stated that a sum of Rs.681,471/- was spent on the purchase of cotton and general store items, whereas, Rs.238,138/- were spent on the purchase of medicines. He further stated that it was not possible to maintain patient wise consumption of cotton, gloves and general items, as these were being used in various operation theaters. However, the weekly record in respect of consumption of these general items and patient wise consumption of medicines was available which could be verified by audit.



Finance department observed that audit could verify patient wise consumption account.

The Committee conditionally settled the para subject to verification of patient wise detailed consumption of medicines and general store items by audit.

**30.08.2004** The Department explained that the consumption account had been produced to audit which had verified the same to the extent of Rs.474,914/-. The Department added that in view of large number of operations done and delivery cases, it was not possible to maintain patient wise consumption account for practical reasons. The Department requested for the settlement of the para.

The Committee **settled the para** with the direction that in future monthly consumption account be maintained.

## **2. Para No.8.4 Page 12 of Audit Report for the year 1999-2000; Shortage of equipments worth Rs.3,721,482/-.**

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Allied Hospital, Faisalabad-Rs.84,144/-.

**29.01.2004** The department explained that the matter related to supply of 4500 meter patient shirting cloth of 45" width by Punjab Small Industries Corporation against supply order for 6500 meter cloth of 33" width. Later, the said corporation replaced the cloth as per the specification which was entered in the stock register. Necessary bills, correspondence made with Small Industries Corporation and stock register were available for verification.

Finance Department observed that as per instructions on the subject, on receipt of stores inspection thereof should be done and emphasized the need for periodical inspections in this regard.

The Committee conditionally settled the para subject to verification of record by audit with the directions that the department should strengthen its internal control system and hold periodical inspections of the stores in accordance with the rules/instruction on the subject.

**30.08.2004** The Department stated that the record relating to replacement of cloth of 33" width measuring 6500 meters with 4500 meters of 45" width which was equal to 6500 meters cloth of 33" width had been shown to audit and necessary entry had been made in the stock register accordingly. Recovery of Rs.6,000/- was effected and deposited into Government treasury.

On a query raised by audit about the difference of 2000 meters, the Administrative

Secretary promised to hold an inquiry into this matter.

The Committee directed that the inquiry be completed within 90 days under intimation to PAC.

**The para was kept pending.**

**3. Para No.8.9 Pages 12 & 13 of Audit Report for the year 1999-2000; Shortage of equipments worth Rs.3,721,482/-.**

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Rawalpindi Medical College Rawalpindi-Rs.100,000/-.

**28.01.2004** The department explained that the para had been discussed in the meeting of SDAC held on 19-9-2001 and was settled in view of the fact that the amount had been repeated in advance para No.3 and the loss had been made good.

On the recommendation of audit, the Committee **settled the para.**

**4. Para No.8.11 Pages 12 & 13 of Audit Report for the year 1999-2000; Shortage of equipments worth Rs.3,721,482/-.**

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Holy Family Hospital Rawalpindi-Rs.276,385/-.

**28.01.2004** The department explained that the audit had pointed out shortage without sound documentary evidence, however, a sum of Rs.6,894/- had been recovered on account of charges of library books, while Rs.2,713/- had been recovered for shortage of medicines. So far as shortage of remaining items was concerned, an inquiry Committee constituted under the Chairmanship of Principal Holy Family Hospital, Rawalpindi, had recommended that omission had occurred in the maintenance of expense book by the Nursing Staff. No serious irregularity was committed and the shortage was meager/minor.

The Committee directed the department to hold an inquiry in respect of shortage of other articles/equipments within 30 days under intimation to PAC. The para was kept pending.

**30.08.2004** The Department explained that as per the findings of an inquiry held into the matter, it was proved that actual amount of the para was Rs.3,43,643/- instead of Rs.2,76,385/- and the competent authority had accepted the inquiry report. As per the report, equipment amounting to Rs.100,000/- had been stolen from laboratory for which FIR was got registered, articles worth Rs.170,070/- were available, full recovery on account of shortage of store worth Rs.13,538/- had been recovered and equipment worth Rs.58,000/- was received but returned to supplier having been rejected by the end user.

Audit stated in the meeting that relevant record had been verified.

**The Committee settled the para.**

**5. Para No.8.12 Pages 12 & 13 of Audit Report for the year 1999-2000; Shortage of equipments worth Rs.3,721,482/-.**

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Services Hospital, Lahore-Rs.253,109/-.

**30.01.2004** The department explained that in compliance with audit observation the matter was enquired by a Committee which concluded that no shortage of equipment was found.

The audit reported that the inquiry report had been seen and verified.

On the recommendation of the audit, the Committee **settled the para.**

**6. Para No.9 Page 13 of Audit Report for the year 1999-2000; Misappropriation of store items valuing Rs.170,714/-.**

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**29.01.2004** Audit had pointed out that during the audit of DHQ Hospital Rawalpindi items like crockery and furniture were found short.

The department explained that at the time of audit, the cook was on leave; therefore, articles could not be verified. However, Rs.14,000/- in respect of crockery items had been recovered and deposited into Govt. treasury. For the remaining articles, an inquiry Committee was constituted which declared them unserviceable. These unserviceable items were auctioned and auction money was deposited into Govt. treasury.

The Committee conditionally settled the para subject to verification of record by audit.

**30.08.2004** The Department explained that recovery of Rs.14,000/- as mentioned in audit comments was based on some misunderstanding because the actual recovery was Rs.2,919/- which had been effected and deposited into the government treasury.

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

**7. Para No.10 Page 14 of Audit Report for the year 1999-2000; Misappropriation of linen articles worth Rs.73,417/-.**

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**29.01.2004** The department explained that an inquiry had been conducted and it was found that there was no shortage of linen items. Since supply was in piece-meal, therefore, at the time of

physical verification, complete record of supply could not be shown to audit. The entries in the stock register had subsequently been made and got verified by audit. Moreover, findings of the inquiry report had been authenticated by the concerned Medical Superintendent.

The Committee settled the para subject to verification of stock register/record and approved inquiry report.

**30.08.2004** The Department explained that the relevant record had been got verified by Audit.

On the verification and recommendation of Audit, **the para was settled.**

**8. Para No.12 Page 15 of Audit Report for the year 1999-2000; Cash embezzlement of Rs.930,000/-.**

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**29.01.2004** The department explained that an amount of Rs.930,000/- on account of electricity bill was drawn by Mr. Zafar Iqbal, cashier, from State Bank of Pakistan, but he embezzled this amount as neither the amount drawn was entered in the cash book nor it was deposited in WAPDA accounts. A case against him was got registered with Anticorruption Establishment, Faisalabad vide Inquiry case no 60/99 and FIR No. 77/1999 and his services were terminated w.e.f. 17-12-1999. The accused who did not have any property in his name had not so far been arrested and was absconding. The accused was also involved in some other cases of embezzlement which stood reflected in other Draft Paras.

The department further stated that Anti Corruption Establishment had referred the matter for grant of permission to the competent authority to include the names of some other officers found involved in this case, the result of which was not known. Although the Department was constantly pursuing the matter with ACE, yet despite the lapse of four years no substantial progress had been made. The Department suggested that this case as well as other related cases be referred to NAB for further action.

Finance Department endorsed the view point of the Department for referring these cases to NAB.

The Committee accordingly directed the Administrative Secretary to refer this case/all other cases in which the said official was involved to NAB for further action under intimation to PAC. The para was kept pending.

**30.08.2004** The Department explained that in compliance with PAC directions, a consolidated case including all the cases against Mr. Zafar Iqbal, ex-cashier, O/O MS, DHQ Hospital, Faisalabad, had been forwarded to NAB.

**The para was kept pending till decision by NAB.**

**9. Para No.14 Page 16 of Audit Report for the year 1999-2000; Loss of Rs.367,170/- Due to Dacoity and accident of ambulance.**

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**28.01.2004** The department explained that the para consisted of two parts. The first portion involved a sum of Rs.317,169/- looted from the cashier in an incident of dacoity. The culprit had been arrested and total amount had been recovered by the Police which was in Mall Khana. The Committee observed that the department should apply for the “Superdari” of the amount recovered from the culprit.

The second part related to loss of Rs.50,000/- on account of damage caused to the Hospital ambulance which occurred due to unlawful act of the police constable namely Mr. Javed Iqbal posted at Faizabad check post. The Department had taken up this matter with the police authorities concerned.

The Committee directed the department to pursue the matter with police authorities with a view to bringing it to logical conclusion i.e. either recovery of Rs.50,000/- or repair of the ambulance as well as recovery of amount lying in Mall Khana. The para was conditionally settled subject to completion of recovery.

**30.08.2004** Referring to first part of the para, the Department explained that the dacoit had been arrested and all the money had been recovered and kept in ‘Mall Khana’ of Police Department. The case for collection of money on “superdari” through an order of the court was under process. As for the second part, the Department stated that ambulance had been got repaired by the policeman at his own expense which stood verified by the Audit.

The Committee **settled second part of the para** whereas the **first part regarding superdari was kept pending.**

**10. Para No.19.5 Pages 20 & 21 of Audit Report for the year 1999-2000; Misuse of Government vehicles recovery of Rs.1,597,707/-.**

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Sir Ganga Ram Hospital, Lahore-Rs.101,222/-.

**30.01.2004** Audit had pointed out that due to unauthorized use of Govt. vehicles; the expenditure incurred on POL and service charges etc. was irregular.

The department explained that the car and ambulance were never misused and all consumption of fuel was correct and properly recorded in log book. There being only one staff car, the hospital

administration had sometimes to use ambulance for official duties in public interest. The contention of the Department was also upheld by an inquiry Committee. It was further explained that in the light of audit observation recovery of Rs.3346/- regarding use of ambulance had since been effected.

The Committee accepted the explanation of the department and **settled the para.**

**11. Para No.26 Pages 26 & 27 of Audit Report for the year 1999-2000; Overpayment of pay & allowances and non recovery of utilities Rs.472,771/-.**

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**30.01.2004** Audit had pointed out that as a result of grant of annual increments to a female Medical Officer appointed on contract w.e.f. 27-8-1992, and provision of Govt. accommodation etc to her, an amount of Rs.472,771/- was outstanding against her as she was not entitled to the above facilities as per terms and conditions of her contractual appointment.

The department explained that as per the report of an inquiry Committee, Dr. Farzana Nazir, was appointed on contract basis and her services were extended up to 14-10-2002 without any break in service. As per the appointment letter she was entitled to draw allowances as sanctioned by the Govt. from time to time and as such recovery on account of increments and allowances was not justified.

It was further explained that no independent Govt. accommodation was provided to the lady doctor; rather she was allowed to stay in hospital hostel not located in office premises. Since office cum residence was not provided, hence conveyance allowance was drawn by her. Moreover, her monthly pay was drawn from the office of Accountant General Punjab without any objection from that end. The department, however, could not completely justify its contention before the Committee because the said lady doctor was still residing in the hostel.

The Committee desired the Department to make a probe into the matter and submit a report to PAC within 60 days. The para was kept pending.

**30.08.2004** The Department explained that an inquiry committee under the Chairmanship of Deputy Secretary (Technical) was constituted which had completed its report. The Department produced the inquiry report to the Committee during the meeting.

After some discussion, the Committee decided to **settle the para.**

**12. Para No.29.1 Pages 29 & 30 of Audit Report for the year 1999-2000; Irregular and Unauthorized Drawal of Pay and Allowances Amounting to Rs.1,512,115/- by Ward Servants.**

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D.H.Q. Hospital, Sargodha – Rs.417,720/-



**13. Para No.29.2 Pages 29 & 30 of Audit Report for the year 1999-2000; Irregular and Unauthorized Drawal of Pay and Allowances Amounting to Rs.1,512,115/- by Ward Servants.**

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D.H.Q. Hospital, Jhelum – Rs.336,970/-

**14. Para No.29.3 Pages 29 & 30 of Audit Report for the year 1999-2000; Irregular and Unauthorized Drawal of Pay and Allowances Amounting to Rs.1,512,115/- by Ward Servants.**

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D.H.Q. Hospital, Chackwal – Rs.149,555/-

**15. Para No.29.4 Pages 29 & 30 of Audit Report for the year 1999-2000; Irregular and Unauthorized Drawal of Pay and Allowances Amounting to Rs.1,512,115/- by Ward Servants.**

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D.H.Q. Attock – Rs.79,303/-

**16. Para No.29.5 Pages 29 & 30 of Audit Report for the year 1999-2000; Irregular and Unauthorized Drawal of Pay and Allowances Amounting to Rs.1,512,115/- by Ward Servants.**

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D.H.Q. Hospital, Sahiwal – Rs.528,567/-

**17. Para No.32.1 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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Govt. Hospital for Psychiatric Diseases, Lahore – Rs.4,556,866/-.

**18. Para No.32.2 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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Govt. Kot Khawaja Saeed Hospital, Lahore – Rs.269,309/-.

**19. Para No.32.3 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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DHQ Hospital, Khushab at Joharabad - Rs.165,240/-.

**20. Para No.32.4 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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M.S B.V, Hospital Bahawalpur – Rs.1,677,056/-.

**21. Para No.32.5 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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DHQ Hospital, Bhakhar - Rs.174,476/-.

**22. Para No.32.6 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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T.B Hospital, Sargodha - Rs.400,636/-.

**23. Para No.32.7 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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DHQ Hospital, Sargodha - Rs.1,183,322/-.

**24. Para No.32.8 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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DHQ Hospital, D.G. Khan - Rs.447,021/-.

**25. Para No.32.9 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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Govt. M.Nawaz Sharif Hospital, Lahore - Rs.366,938/-.

**26. Para No.32.11 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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DHQ Hospital, Khanewal - Rs.294,002/-.

**27. Para No.32.12 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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DHQ Hospital, Lodhran - Rs.180,375/-.

**28. Para No.32.13 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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Mian Munshi Hospital, Lahore - Rs.413,276/-.

**29. Para No.32.14 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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DHQ Hospital, Hafizabad - Rs.71,896/-.

**30. Para No.32.15 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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DHQ Hospital, Sahiwal - Rs.463,100/-.

**31. Para No.32.16 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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DHQ Hospital, Mianwali - Rs.240,154/-.

**32. Para No.32.17 Pages 32-34 of Audit Report for the year 1999-2000; Over Payment of Rs.26,292,749/- Due to Irregular Grant of Advance Increments.**

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Sir Ganga Ram Hospital, Lahore - Rs.5,415,075/-.

**33. Para No.44 Page 42 of Audit Report for the year 1999-2000; Irregular Purchase of Milk Worth Rs.1,033,155/-.**

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**34. Para No.45 Pages 42 & 43 of Audit Report for the year 1999-2000; Irregular Purchase of Stores Worth Rs.551,663/-.**

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**35. Para No.49.1 Page 45 of Audit Report for the year 1999-2000; Irregular Payment of Electricity Bills Worth Rs.2,279,166/-.**

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DHQ Hospital, Okara - Rs.579,166/-.

**36. Para No.68.7 Pages 60-62 of Audit Report for the year 1999-2000; Irregular Purchase of Medicines and Store/Stock Valuing Rs.23,299,545/-.**

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DHQ Hospital, Gujranwala - Rs.2,038,053/-.

**37. Para No.74.2 Pages 65 & 66 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.1,246,247/- on Account of Kitchen Staff Not Performing Their Duties.**

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D.H.Q. Hospital Mandi Bhauddin – Rs.61,032/-

**38. Para No.74.3 Pages 65 & 66 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.1,246,247/- on Account of Kitchen Staff Not Performing Their Duties.**

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Aziz Bhatti Shaheed Hospital, Gujrat – Rs.208,176/-.

**39. Para No.77.3 Pages 68-70 of Audit Report for the year 1999-2000; Irregular/ Doubtful Expenditure of Rs.3,750,594/- on Repair of Machinery/Equipment.**

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DHQ Hospital, Gujranwala - Rs.626,028/-.

**40. Para No.89.1 Pages 77 & 78 of Audit Report for the year 1999-2000; Non Receipt of Store/Stock Worth Rs.11,300,847/-.**

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DHQ Hospital, Muzaffargarh - Rs.58,987/-.

**41. Para No.89.2 Pages 77 & 78 of Audit Report for the year 1999-2000; Non Receipts of Store/Stock Worth Rs.11,300,847/-.**

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Govt. Mental Hospital Lahore – Rs.2,432,681/-

**42. Para No.89.4 Pages 77 & 78 of Audit Report for the year 1999-2000; Non Receipts of Store/Stock Worth Rs.11,300,847/-.**

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DHQ Hospital, Jhelum - Rs.96,545/-.

**43. Para No.90 Page 79 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.213,290/- Out of Hospital Funds.**

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**44. Para No.101.2 Pages 86 & 87 of Audit Report for the year 1999-2000; Recovery of Rs.1,468,072/- on Account of Income Tax From the Suppliers/Contractors**

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Health Care Development Project, Lahore - Rs.542,223/-.

**45. Para No.103.3 Page 88 of Audit Report for the year 1999-2000; Non Recovery of Outstanding Dues of Sui-Gas Rs.2,741,260/-.**

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DHQ Hospital, Sheikhupura - Rs.135,600/-.

**46. Para No.108 Pages 91 & 92 of Audit Report for the year 1999-2000; Less Realization of Government/College Dues Amounting to Rs.127,716/-.**

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**28.02.2005** The Department explained that in all the subject paras necessary adjustments/ recoveries had been effected and audit observations had been addressed properly. After verification of the facts, Audit had recommended the above paras for settlement.

The above paras were **accordingly settled** as per recommendation of Audit.

**47. Para No.31.1 Pages 31 & 32 of Audit Report for the year 1999-2000; Non deduction/unauthorized Drawal of house rent allowance amounting to Rs.7,378,585/-.**

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Allied Hospital, Faisalabad-73,894/-.

**29.01.2004** The department intimated that the said para was based on 2 advance paras viz Advance paras 8 and 12. Explaining Advance para 8, the Department stated that this para pertained to recovery of Rs.25,010/- on account of less deduction/ non deduction of 5% of basic pay from doctors who had been allotted Govt. accommodation. It was explained that a sum of Rs.6,763/- had been recovered and balance recovery would be effected soon.

As for Advance para 12, the Department stated that this para pertained to recovery of Rs.48,883/- on account of unauthorized drawal of House rent etc by nursing staff residing in Nursing Hostels. According to directions of Health Department and Finance Department, the charge nurses living in hostel were entitled to House rent, provided they paid rent assessed by the Buildings Department. The nurses were paying assessed rent of Rs.100/- per month. Meanwhile, reassessment of rent of Nursing Hostel had been pending with SE Buildings Division, Faisalabad for quite some time.

Finance department observed that according to the rules re-assessment, of rent was required to be done after every three years.

The Committee kept part-I of the para pending and directed the Department to effect balance recovery within 60 days under intimation to PAC. Part-II of the para pertaining to drawal of House rent allowance by nurses living in hostel was settled with the direction that a letter be written to the Buildings Department to complete the re-assessment process of rent without any further delay.

**30.08.2004** The Department explained that the para consisted of two parts. Regarding part-I, it

was stated that out of Rs.25,010/- the house rent of Rs.11,647/-, Rs.6,763/-, Rs.4,456/- and Rs.428/- had been deposited into the government treasury. About part-II, the Department explained that an assessment certificate had been obtained from SE, Provincial Building Division, Faisalabad, according to which monthly rent of a single room was assessed @ Rs.425/- per month of the hostels and deduction had been started accordingly.

The Committee **settled first part** subject to verification of record by audit. About second part, the Committee directed that rent as per assessment may be deducted. It, however, observed that if more than one nurse were residing in a single room then the rent be charged proportionately. With this observation **second part was settled**.

**48. Para No.31.8 Pages 31 & 32 of Audit Report for the year 1999-2000; Non deduction/unauthorized Drawal of house rent allowance amounting to Rs.7,378,585/-.**

Services Hospital, Lahore-Rs.2,498,343/-.

**30.01.2004** The department explained that the said para was based on three advance paras. With reference to Advance para No.3, it was explained that in terms of Health Department's letter dated 19-1-1998, water, suigas and electricity were to be provided to nurses/nursing officers free of cost. Moreover, recovery of rent in respect of flats was made as per assessment made by Buildings Department. About advance para No.5, Department gave reasons for non recovery of electricity and sui-gas charges and drawal of House rent allowance etc. Similar contention was made in respect of advance para No.10.

The audit in its comments did not agree with the explanation/contention of the Department.

In view of the complex nature of the para in which many issues were involved, the Committee directed that the Department/Services Hospital authorities in coordination with audit should check the relevant record, obtain approval of Finance Department where required and sort out the matter within 30 days and furnish report to the Committee in its next meeting. The para was kept pending.

**30.08.2004** The Department explained the position in respect of various issues involved in the para and stated that the matter was still under scrutiny in coordination with the Audit. The Department further stated that they would also coordinate with Finance Department to resolve this matter. The Secretary promised to look into this case personally.

The Committee directed that the Department in coordination with Finance Department and Audit should sort out all matters involved in this para at the earliest.



**The para was kept pending.**

**49. Para No.32.10 Pages 32 & 33 of Audit Report for the year 1999-2000; Over payment of Rs.26,292,749/- due to irregular grant of advance increments.**

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Services Hospital, Lahore-Rs.9,974,007/-.

**30.01.2004** The department explained that in the light of the decision of Lahore High Court, dated 22-5-2002 the amount of advance increments drawn by charge nurses was not recoverable.

The audit in its comments stated that in view of High Court's decision and Finance Department letter dated 5-9-2002, the contention of the Department was tenable.

**The Committee accordingly settled the para.**

**50. Para No.34.1 Pages 34 & 35 of Audit Report for the year 1999-2000; Unlawful Drawal of Conveyance Allowance Amounting to Rs.3,413,502/-.**

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Quaid-E-Azam Medical College Bahawalpur – Rs.643,170/-

**28.02.2005** The Department explained that residences in question were not situated within the boundaries of college campus and there was clear cut demarcation between the residential colony and college campus. As such, conveyance allowance was admissible to the staff.

Audit stated that departmental contention was not tenable as the master plan of the hospital revealed that accommodations fell within the boundaries walls of college and there was no bifurcation.

The Committee directed the department to seek advice from the Finance Department to resolve the matter.

**The para was kept pending.**

**51. Para No.34.3 Pages 34 & 35 of Audit Report for the year 1999-2000; Unlawful Drawal of conveyance allowance amounting to Rs.3,413,502/-.**

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M.S Services Hospital, Lahore-Rs.1,631,762/-.

**30.01.2004** Audit had pointed out that conveyance allowance paid to staff of various formations

residing in Govt. accommodation inside the boundary wall of hospital was irregular.

The department explained that the amount which needed to be recovered from 200 doctors and nurses came within the ambit of this para. The Department further informed the Committee that the matter was being probed by an Inquiry Committee.

Finance Department observed that different categories of people were living in hostels etc. who included nurses, trainee doctors, training doctors of post graduate medical institute and those who were not in service but had come to improve their qualification and hence enjoyed different terms and conditions.

The Committee directed that the Department/Services Hospital authorities in coordination with the audit should resolve/reconcile the matter within 30 days under intimation of PAC. The para was kept pending.

**30.08.2004** The Department stated that the matter was still under scrutiny in coordination with the Audit.

**The para was kept pending** for reconciliation /resolving the matter at the earliest.

**52. Para No.34.4 Pages 34 & 35 of Audit Report for the year 1999-2000;  
Unlawful Drawal of conveyance allowance amounting to Rs.3,413,502/-.**

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Holy Family Hospital, Rawalpindi-Rs.458,563/-.

**28.01.2004** The audit had pointed out that conveyance allowance was paid to the staff residing in Govt. accommodation inside the boundary wall of Hospital.

The department explained that the residential colony had its separate boundary wall and gate opening inside the Hospital premises.

In its comments, audit stated that departmental contention stood verified from the record and map of the building.

On the recommendation of audit, **the para was settled.**

**53. Para No.34.5 Pages 34 & 35 of Audit Report for the year 1999-2000;  
Unlawful Drawal of Conveyance Allowance amounting to Rs.3,413,502/-.**

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R.G.H, Rawalpindi-Rs.112,451/-.

**28.01.2004** The department explained that conveyance allowance was paid to the employees because they were not residing inside boundary wall of the Hospital and they had to use public road for reaching hospital. The department further explained that the para of similar nature had been settled in the meeting of SDAC held on 9-3-2002, therefore, recovery of Rs.98,358/- was not justified. The department informed about recoveries of Rs.6,930/- and Rs.7,478/- already made and state that recovery of Rs.7,163/- was under process because the officials concerned had either been transferred or resigned.

Finance Department stated that the Committee will be briefed in this regard after obtaining clarification from Auditor General of Pakistan. The para was kept pending till 29-1-2004. On 29-1-2004, the representative of Finance Department informed the Committee that the requisite clarification was still awaited, on receipt of which policy decision would be taken.

The para was kept pending.

**30.08.2004** The Department explained in the meeting that the employees had to go through the public road to reach the hospital. Hence conveyance allowance was admissible. Moreover, para No.77 for the year 1998-99 pertaining to QMC Bahawalpur of similar nature was settled by PAC. The Department requested for the settlement of the para.

The Committee accepted the reply of the Department and **settled the para.**

**54. Para No.49.2 Page 45 of Audit Report for the year 1999-2000; Irregular payment of electricity bills worth Rs.2,279,166/-.**

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Allied Hospital, Faisalabad-Rs.1,700,000/-.

**29.01.2004** Audit had pointed out that advance payment of Rs.1,700,000/- was made to WAPDA.

The department explained that part payment was made to WAPDA against total outstanding bill of Rs.23,945,600/- and no advance payment was made.

Finance department observed that the Federal Govt. adjusted WAPDA dues payable by Punjab Govt. in NFC award. The department should check the position of deduction at source from Finance Department and also reconcile with the Local WAPDA office to ensure there was no double payment i.e. adjustment by Finance Department as well as payment to WAPDA by the Department.

The Committee conditionally settled the para subject to verification of record by audit.

**30.08.2004** The Department stated that as certified by FESCO, the drawal of Rs.1,700,000/- was not advance payment and it was part payment of electricity bill amounting to Rs.23,945,600/-.

The Committee **conditionally settled the para** subject to Finance Department's advice on the issue of adjustment of electricity dues.

**55. Para No.50.2 Page 46 of Audit Report for the year 1999-2000; Irregular drawal of pay and allowances amounting to Rs.1,183,214/- in excess of sanctioned strength.**

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Holy Family Hospital, Rawalpindi-Rs.809,966/-.

**28.01.2004** The department explained that there were 95 sanctioned posts of WMOs/MOs/ Registrars in the hospital. Moreover, there were 8 posts of DMS and 4 posts of AMS. In this way total sanctioned strength of gazetted staff came to 107. Therefore, no excess payment had been made.

The audit recommended the para for settlement. **The Committee settled the para.**

**56. Para No.55.1 Page 50 of Audit Report for the year 1999-2000; Irregular expenditure of Rs.2,574,683/- on account of printing/stationery.**

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D.H.Q Hospital, Faisalabad-Rs.68,503/-.

**29.01.2004** Audit had pointed out that irregularity was committed by splitting the expenditure to keep it within financial competency and without obtaining NOC from Govt. printing Press.

The department explained that Govt. Printing Press was not functioning properly for many years and Govt. had allowed to arrange stationery items on competitive rates, therefore, supply of stationery items inclusive of printing work was arranged in public interest after observing necessary codal formalities, for which MS was competent.

It was further stated that 14 different transactions were spread over 8 months; however, payment was made on the same day due to closing of financial year in June. Therefore, no splitting of bills and irregularity had been committed.

Finance Department observed that payments were made the same day, exceeding the sanctioning power of Medical Superintendent, which needed regularization from the Finance Department.

The Committee kept the para pending with the direction, that the department should get the expenditure regularized by the Finance Department.

**30.08.2004** The Department explained that the case had since been forwarded to the Finance Department for regularization which was still under process.

**The Committee kept the para pending** till regularization of the expenditure by the Finance Department.

**57. Para No.65.6 Pages 57 & 58 of Audit Report for the year 1999-2000;  
Irregular expenditure on repair and maintenance of government vehicles amounting to Rs.2,263,342/-.**

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Post Graduate Medical Institute, Lahore-Rs.132,609/-.

**30.01.2004** Audit had pointed out that irregular expenditure was incurred on the repair of Govt. vehicles by splitting up the vouchers to avoid sanction of the Finance Department. Moreover, rules and regulations for such repair were not observed, as NOC/fitness certificates etc. were not obtained, nor the old parts were taken back from the workshop and disposed off through auction.

The department explained that the case pertained to pre-autonomy period. An inquiry was conducted which revealed that the Dean PGMI, being a category I officer was competent to sanction the expenditure. Old spare parts of vehicles were taken back from M/S Republic Motors, a Govt. enterprise being run under the Federal Govt. and were entered into dead stock register.

The Committee conditionally settled the para subject to verification of record by the audit.

**30.08.2004** The Department explained that the repair work in connection with the vehicles under observation was within the competence of the DEAN, PGMI and the vehicles were got repaired from M/s Republic Motors (Pvt.) Ltd. Lahore which was functioning under the ambit of the Federal Government.

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

**58. Para No.71 Pages 63 & 64 of Audit Report for the year 1999-2000;  
Unauthorized opening of private bank account.**

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**30.01.2004** Audit had pointed out that Medical Superintendent had opened a personal account in a commercial bank without obtaining the approval of Finance Department.

The department explained that a current account was opened by Medical Superintendent under his designation in National Bank of Pakistan. All cheques from AG Punjab were received in the name of MS being DDO of the institution and after drawal from State Bank only undisbursed amount was deposited in the said account which was disbursed to legitimate claimants/suppliers by cheques. This practice was introduced to safeguard public interest and avoid malpractices. The department further stated that the then MS who had since retired acted in good faith and no financial loss had occurred to the Govt.

Finance Department observed that opening of Govt. account in a bank without Finance Department's approval was a procedural irregularity.

The Committee directed that the audit should verify all the facts in coordination with the Department within 30 days under intimation to PAC. The para was kept pending.

**30.08.2004** The Department explained that all the relevant record had been produced to audit for verification.

Finance Department observed that opening of account in question in National Bank of Pakistan could be termed as procedural irregularity.

Audit verified departmental contention regarding deposits and payments.

The Committee taking a lenient view **settled the para** with the direction that in future approval of the Finance Department be obtained for opening such account.

#### **59. Para No.74.4 Pages 65 & 66 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.1,246,247/- on Account of Kitchen Staff Not Performing Their Duties.**

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DHQ Hospital, R.Y. Khan – Rs.500,304/-

**28.02.2005** The Department explained that the cook and other kitchen staff was employed on permanent basis and the services of the staff in question was being utilized in the nursing hostels keeping in view the public interest. Moreover, a reference had been moved to the government for abolishment of posts of cook.

Finance Department contended that department should frame a clear policy for utilization of existing kitchen staff and the same should be got implemented through the government.



The Committee **settled the para** with a direction that department should formulate a comprehensive policy in the matter with the approval of the competent authority.

**60. Para No.77.7 Pages 68 & 69 of Audit Report for the year 1999-2000; Irregular/doubtful expenditure of Rs.3,750,594/- on repair of machinery/equipments.**

Post Graduate Medical Institute, Lahore-107,800/-.

**30.01.2004** Audit had pointed out that expenditure was incurred on the repair of various equipments/Neon Sign Boards without observing codal formalities and splitting of expenditure was done to avoid sanction of higher authorities.

The department explained that expenditure was not incurred on repair but on the purchase of Neon Sign Boards on six different occasions from different suppliers by DDO in category-I in exercise of powers under Rule 3 (b) of Delegation of Financial Power Rules and was empowered to make purchase up to Rs.20,000/-.

Finance Department observed that splitting of expenditure in this case was done which required regularization from Finance Department.

The Committee was not satisfied with the departmental explanation and directed that Principal Accounting Officer should hold an inquiry and fix responsibility under intimation to PAC at the earliest. The para was kept pending.

**30.08.2004** The Department stated that as per findings of an inquiry held into the matter, recovery of Rs.38,400/- had been imposed on Muhammad Latif, ex-storekeeper and recovery process was being watched closely.

Finance Department pointed out that in view of splitting up of expenditure, regularization thereof was also required.

The Committee directed the department to move the case for regularization of expenditure and also effect recovery.

**The para was kept pending.**

**61. Para No.83 Page 73 of Audit Report for the year 1999-2000; Recovery of Rs.421,719/- due to irregular and uneconomical purchase of medical gases.**

**29.01.2004** Audit had pointed out that medical gases were purchased without observing codal formalities. Moreover, comparison of purchase rates of Allied Hospital with the DHQ Hospital, Faisalabad for the same year revealed that purchases were made at higher rates by the former.

The department explained that an inquiry into this matter was held. As per the findings of the inquiry report, the comparison between the two hospitals was unreasonable, because the tender committees of the two hospitals were separate which took their decisions independent of each other on overall basis. The rates approved by purchase Committee for 1997-98, being reasonable were adopted for 1998-1999. Further, no loss was sustained by the Govt.

Secretary Health conceded that a degree of irregularity had been committed because the previous agreement was extended for one year instead of three months.

The Committee observed that the MS was not competent to extend the contract for one year and directed that the Principal Accounting Officer i.e. Principal of the institution should hold an inquiry, fix responsibility and make good loss within 90 days under intimation to PAC.

The para was kept pending.

**30.08.2004** The Department explained that as per the findings of a fresh inquiry held into the matter, the amount spent on account of purchase of medical gases was most economical and cheaper than other institutions and comparison with one specific hospital was unreasonable.

Audit contended that in the present inquiry the same facts as contained in the previous inquiry had been reiterated.

The Administrative Secretary assured the Committee that he would himself look into the inquiry report.

The Committee directed that the Administrative Secretary should finalize the case in one week under intimation to PAC.

The para was kept pending.

## **62. Para No.85 Pages 74 & 75 of Audit Report for the year 1999-2000; Utilization of Funds Valuing Rs.9,944,789/- Without Authority/Competency.**

**28.02.2005** The Department explained that the hospital was given autonomy during 1998 and Chief Executive of the hospital was authorized to operate PLA Account. The rules of the autonomous hospitals/institutions were approved by the institutional management committee including the financial and administrative matters. All the expenditures were incurred within the

competency of rules framed by Institutional Management Committee. The department further explained that expenditure was inevitable for smooth functioning of the hospital.

The Committee **settled the para** subject to verification of departmental contention by Audit.

**63. Para No.86 Pages 75 & 76 of Audit Report for the year 1999-2000; Loss of Rs.346,527/- Due to Unlawful Appropriation of Fee/Hospital Receipt.**

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**28.02.2005** The Department explained that the share of hospital from receipts was revised by the Chief Executive, who was fully competent for the purpose under the rules framed by Institutional Management Committee and the revision was made keeping in view the autonomous status of the hospital in the interest of staff working there. The decision also resulted in increase of income. However, audit contended that the rate of share was revised prior to approval of the rules by IMC.

The Committee directed the department to explain the factual position and get the relevant record verified by audit.

**The para was kept pending.**

**64. Para No.89.3 Page 77 & 78 of Audit Report for the year 1999-2000; Non receipt of store/stock worth Rs.11,300,847/-.**

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D.H.Q, Hospital, Faisalabad-Rs.733,806/-.

**29.01.2004** The department explained that against the letters of credit the stores were received in 3 to 4 months. Moreover, on the suggestion of audit the matter was inquired into by a Committee headed by Principal DHQ Hospital who had reported that no loss/irregularity was committed.

Audit suggested that Inquiry report/stock register be shown to them.

The Committee conditionally settled the para, subject to verification of record by the audit.

**30.08.2004** The Department explained that the record had since been got verified by Audit.

On the verification and recommendation of Audit, **the para was settled.**

**65. Para No.89.5 Pages 77 & 78 of Audit Report for the year 1999-2000; Non receipt of store/stock worth Rs.11,300,847/-.**

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Allied Hospital, Faisalabad-Rs.6,517,701/-.

**29.01.2004** The department explained that consignment against opening of letter of credit was normally received/delivered to the consignee at his designated place within 3 to 4 months and, therefore, the store (machinery/equipment) already ordered was not available in stock at the time of annual physical verification. The requisite stores were received later on as per contract and entered in the stock register.

The audit verified the contention of the department, and the Committee **settled the para.**

**66. Para No.95.1 Page 82 of Audit Report for the year 1999-2000; Recovery outstanding against the contractors amounting to Rs.915,193/-.**

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Allied Hospital, Faisalabad-Rs.72,492/-.

**29.01.2004** The department explained that an amount of Rs.1,192/- was recovered from M/s Maqsood Ahmad, Contractor; security worth Rs.50,000/- of another contractor namely M/s Abdul Ghafoor was adjusted against recovery amount and an amount of Rs.9,000/- was also deposited into Govt. treasury. As for the recovery of remaining amount of Rs.12,304/-, the Department stated that the cycle stand remained non functional for 4 days, hence question of recovery of this amount did not arise.

The Committee conditionally settled the para subject to verification of record by audit.

**30.08.2004** The Department explained that entire recovery except Rs.12,304/- which related to cycle stand charges had been effected and got verified by Audit. It was added that cycle stand remained non-functional for four days because it was in the process of shifting from main gate to OPD. Therefore, there was no question of recovery of the said amount.

The Committee accepted the explanation of the department and **the para was settled.**

**67. Para No.95.3 Page 82 of Audit Report for the year 1999-2000; Recovery outstanding against the contractors amounting to Rs.915,193/-.**

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D.H.Q. Hospital, Rawalpindi-Rs.147,600/-.

**29.01.2004** Audit had pointed out that an amount of Rs.147,600/- was still outstanding against the contractors of various cycle stands. The audit further pointed out during the course of meeting that in violation of the agreement security camera was also not installed.

The department explained that the para was discussed and settled in the meeting of SDAC

held on 29-30.1.2001. The minutes of the said meeting were available in the office of DG Audit and in the record of the Department which could be verified.

The Committee observed that there was no mention of installation of camera in audit observation. The explanation of the department was accepted and **para was settled.**

**68. Para No.95.4 Page 82 of Audit Report for the year 1999-2000; Recovery outstanding against the contractors amounting to Rs.915,193/-.**

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R.G.H, Rawalpindi-Rs.111,667/-.

**28.01.2004** The department explained that the recoverable amount from contractors was Rs.91,927/- and not Rs.111,667/-, because the remaining amount pertained to of Income tax. District Revenue Collector, Rawalpindi had been approached to recover Govt. dues as arrears of land revenue and the matter was being pursued.

The Committee kept the para pending and directed the department to probe as to why codal formalities at the time of awarding contract were not followed and effect recovery vigorously as arrears of Land Revenue.

**30.08.2004** The Department stated that as per the findings of an inquiry held into the matter, the contract was awarded after fulfilling codal formalities and a proper agreement was executed accordingly. Further, a demand for recovery as arrears of land revenue had been created and the matter was being pursued with DCO Rawalpindi.

The Committee directed that the Department should produce a copy of inquiry report to Audit for verification and pursue recovery as arrears of land revenue.

**The para was kept pending.**

**69. Para No.100 Pages 85 & 86 of Audit Report for the year 1999-2000; Recovery of penal rent amounting to Rs.846,927/- due to unauthorized occupation of hospital residences.**

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**30.01.2004** Audit had pointed out that officers/officials had either been transferred or retired, but residences were not vacated by them in time, hence penal rent @ 60 % of their pay was required to be recovered from them.

The department explained that nine officers/officials were involved in this para. Of them, Dr. Amid-ur-Rehamn Baryal and Dr. Anwar Saeed Mirza were allowed to retain Gvot. residences

by the competent authority i.e. the Chief Executive. Therefore, recovery from them was not justified. Dr Muhammad Athar, as also verified by audit, was allowed to retain Govt. residence by Health Department. Mrs. Shahnaz Akhtar joined Services Hospital on 17-6-2000 as her retirement orders were declared ultra vires by Punjab Services Tribunal, thus penal rent was not recoverable from her. Others including Mrs. Kahliq-un-Niza, Ex-Aya, Mr. Arif Masih, Mr. Muhammad Younas, Ex-Head Mali, Mr. Abdul Aziz, Ex-Ward attendant had since retired. However, payment by Abdul Aziz, Ex-Ward Attendant was verified by the Audit. The Department stated that recovery from these class-IV employees at this stage was not possible.

In respect of Dr. Shahida Nasreen, the department explained that she challenged vacation of Govt. accommodation in the High Court and her appeal was finally rejected by the Supreme Court on 28-3-2002 with the direction to vacate the house within two months, therefore, her stay could not be termed as unauthorized and penal rent was not due.

Finance Department observed that as per government's accommodation policy, the retention of accommodation after transfer/retirement could be allowed by the competent authority. However, once occupation was declared unauthorized, the person concerned was liable to be penalized. In this case it appeared that the matter was not agitated at the appropriate time. Moreover, the cases in which recovery was not possible could have been referred to the competent authority for write-off etc.

The Committee settled all the parts of the para except the one relating to Dr. Shahida Nasreen and directed that the department should make recovery of Rs.192570/- as per rules from the lady doctor for unauthorized occupation of Govt. residence and apprise PAC about action taken in its next meeting. This part of the para was kept pending.

**30.08.2004** The Department explained that the lady doctor remained posted in Services Hospital, Lahore w.e.f 2-96 to 2-98 and she occupied the accommodation and did not vacate the same under the orders of various courts. It was further stated that the officer did not draw house rent allowance and conveyance allowance and in lieu thereof occupied the government residence. The Department requested for the settlement of the para.

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

**70. Para No.101.1 Page 86 of Audit Report for the year 1999-2000; Recovery of Rs.1,468,072/- on account of income tax from the suppliers/contractors.**

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D.H.Q Hospital, Rawalpindi-Rs.107,280/-.

**29.01.2004** Audit had pointed out that an amount of Rs.107,280/- was not deducted from the bills of the suppliers/contractors as income tax, as required under Income Tax Ordinance 1979.

The department furnished complete details of recoveries made/tax collected from various



firms and deposit thereof into Govt. treasury. Tax exemption certificates provided by M/s Agfa Gavert and PEL Appliances were available. The requisite record could be verified by audit.

The Committee conditionally settled the para subject to verification of record by audit.

**30.08.2004** The Department explained that all the relevant record had been got verified by the Audit and the exemption certificate issued in favour of PEL by Income Tax Department was also available.

Audit verified departmental contention in the meeting.

**The para was settled.**

**71. Para No.102.3 Page 87 of Audit Report for the year 1999-2000; Less/non recovery of electricity charges to the tune of Rs.5,815,935/-.**

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Allied Hospital, Faisalabad-Rs.5,546,120/-.

**29.01.2004** Audit had pointed out that electricity connection of hospital was extended to Govt. residences within premises of hospital but the charges at prescribed rates had not been recovered from the occupants. Thus Govt. had to sustain a loss up to the stated extent.

The department explained that electricity supplied to residential colony out of bulk supply. Domestic rates were charged as residents were not using electricity for commercial purpose and recovery at this belated stage was not possible. However, corrective measures were taken by installing separate meters in the year 2000 and now the residents were paying electricity bills themselves.

It was further explained that Adhoc PAC in its meeting held on 20-2-2002 had settled para of similar nature, in respect of Ayub Research Institute, Faisalabad and Lahore High Court in writ petition No.1654/03 had also decided the case in favour of the plaintiff in a case of identical nature.

The Committee kept the para pending till 30-1-2004, with the direction to the Department to produce complete record with a view to satisfying the Committee regarding the issue under consideration. However, on 30-1-04, on the request of the Department the para was kept pending.

**30.08.2004** The Department reiterating its previous position as explained in PAC meeting dated 29.1.2004 stated that about 2000 separate meters had since been installed. The Department further stated that the Hospital made payment to WAPDA at bulk supply rate. Although no

decision regarding charging domestic tariff rates from the residents was available yet no malafide was involved.

The Committee was not satisfied with departmental reply and directed that the Department should fix responsibility and effect recovery from the concerned decision makers/ policy makers who were actually responsible for causing loss to Government.

**The para was kept pending.**

**72. Para No.103.2 Page 88 of Audit Report for the year 1999-2000; Non recovery of outstanding dues of sui-gas Rs.2,741,260/-.**

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D.H.Q, Hospital, Faisalabad-Rs.81,500/-.

**29.01.2004** The department explained that the actual recoverable amount was Rs.74,900/- instead of Rs.81,500/-. The full amount stood recovered and verified by Audit.

Audit verified the contention of the Department and the Committee **settled the para.**

**73. Para No.103.4 Page 88 of Audit Report for the year 1999-2000; Non recovery of outstanding dues of sui-gas Rs.2,741,260/-.**

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Rawalpindi General Hospital, Rawalpindi-Rs.331,200/-.

**28.01.2004** The department explained that out of total amount of Rs.3,31,200/-, a sum of Rs.2,33,100/- (108300/- +124800/-) had been recovered and deposited into Govt. treasury while Rs.72,000/- had been excess calculated due to wrong application of rate of recovery as Rs.700/- instead of Rs.300/- + 400/- from officers of grade 16 and 17.

The audit stated in the meeting that although challans etc. had been produced but the position of recovery was not clear.

The Committee conditionally settled the para subject to verification of record by audit within 15 days.

**30.08.2004** The Department stated in the meeting that the remaining amount of Rs.26,100/- had also been recovered and deposited.

The Committee kept **the para pending** for verification of recovery effected/ relevant record by audit.

**74. Para No.105 Page 90 of Audit Report for the year 1999-2000; Loss of Rs.210,416/- due to less realization of room rent.**

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**28.01.2004** Audit had pointed out that after audit objection raised on 2-6-2000, the rooms in the hospital were declared as family rooms on 2-8-2000 without furnishing/providing enhanced facilities just to escape audit objection. They were in fact family rooms but were wrongly charged as ordinary rooms. Moreover, ambulance charges of Rs.8,316/- were not realized from patients. Due to this Govt. sustained a loss of Rs.210,416/-

The department explained that as per the inquiry conducted the rooms were declared as family rooms and single rooms w.e.f. 2-8-2000 vide Medical Superintendent's orders, therefore, no loss had occurred to Govt.

The Committee was not satisfied with the explanation of the Department and observed that only after two months the rooms were declared as family rooms without furnishing and providing any facility.

The Committee kept the para pending and directed the department to hold an inquiry and fix responsibility into the matter whether these rooms were uplifted before declaring them as family rooms after audit objection. The inquiry was to be completed under intimation to PAC after showing the record to the audit.

**30.08.2004** The Department explained that as per the findings of an inquiry held into the matter, the rooms in question did not qualify to be declared as "family rooms" and as such no recovery was due. Moreover, ambulance charges of Rs.8,316/- had since been recovered and deposited into Government treasury.

As intimated by Director General Audit, Punjab Lahore vide No. DGA/PAC/ health/1999-2000/CD/5532 dated 23-9-2004, the relevant record had been seen and para was recommended for settlement.

In view of recommendation of Audit, the para was settled.

**75. Para No.111 Pages 93 & 94 of Audit Report for the year 1999-2000; Unjustified expenditure on account of telephone charges amounting to Rs.177,303/-.**

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**29.01.2004** The department explained that two bills amounting to Rs.363,592/- were drawn from

the State Bank by Mr. Zafar Iqbal, Cashier, who actually deposited Rs.201,391/- instead of the total drawn amount and thus embezzled Rs.162,201/-. The Department contended that actual amount of misappropriation of telephone charges was Rs.162,201/- instead of Rs.177,303/-as pointed out by audit.

The Department further stated that Zafar Iqbal was the same official who was involved in embezzlement case as mentioned in para No.12. The case had been referred to Anticorruption Establishment, Faisalabad in June 2001, where it was still pending. As already pointed out, Zafar Iqbal was still absconding and no progress had so far taken place in the case pending with ACE.

The Committee kept the para pending and directed the department to club this para with other paras pertaining to embezzlement by Mr. Zafar Iqbal and refer the case to NAB as per directions given in para 12.

**30.08.2004** The Department stated that in compliance with PAC directions, a consolidated case including all the cases against Mr. Zafar Iqbal, ex-cashier, O/O the MS, DHQ Hospital, Faisalabad had been forwarded to NAB.

The Committee **kept the para pending** till the decision by NAB authorities.

## **Special Audit Report for the Year 1999-2000 on Accounts of Chief Executive Mayo Hospital, Lahore**

### **1. Para No.1 Pages 6 & 7 of Special Audit Report for the year 1999-2000; Excess Drawal From PLA on Account of Working Balance Rs.60,000,000/-.**

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**25.02.2005** The Department explained that the PLA of autonomous medical institutions was non-lapsable and the saving of PLA allocations made by Finance Department were not to be surrendered but were carried forward to the next year.

The Department also stated that an amount of Rs.18.45 million (Rs.60-41.55 million) was excess drawn during first quarter to liquidate pre-autonomy liabilities which were refused by AG Punjab. However, during the second quarter Rs.1.55 million were less drawn and the amount of working capital was retained in Commercial Bank upon which the institution earned comparatively more interest income which was permissible under the instructions of the Finance Department. The Department further explained that the amount of para related to the period of three months in which the Finance Department had not formulated any rules/regulations for the Autonomous Medical Institutions.

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

**2. Para No.2 Pages 7, 8 & 9 of Special Audit Report for the year 1999-2000; Non Credit of Receipts in PLA Account Rs.13,726,682/-.**

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**25.02.2005** The Department explained that in the light of Audit observation, now the cash book had been maintained at the level of Chief Executive of the Institution and the same could be verified by Audit.

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

**3. Para No.3 Pages 9 & 10 of Special Audit Report for the year 1999-2000; Expenditure Beyond Competency Rs.3,059,833/-.**

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**25.02.2005** The Department explained that after the autonomy, the Chief Executive was declared as Head of the Department and was fully competent to accord sanction to the expenditure under observation as per the Punjab Delegation of Financial Power Rules.

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

**4. Para No.4 Pages 10 & 11 of Special Audit Report for the year 1999-2000; Expenditure Beyond Competency Rs.1,619,967/-.**

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**25.02.2005** The Department explained that the record had been produced to Audit who had seen and verified the same.

On the recommendation of Audit, **the para was settled.**

**5. Para No.5 Pages 11 & 12 of Special Audit Report for the year 1999-2000; Irregular Expenditure From Receipt Amounting to Rs.1,172,928/-.**

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**25.02.2005** The Department explained that the departmental action was fully covered under clause 10 of the Punjab Medical & Health Institution Ordinance 1998. According to which all kind of receipts had been made part of the Budget of autonomous Medical & Health Institutions and the same were required to be credited to the account of the institution from where expenditure was incurred.

Audit was of the view that the contention of the Department was not tenable as the difference of the budget and grant in aid was to be met out of receipts and not all receipts and the department was required to get the irregularity condoned from Finance Department.

The Committee **kept the para pending** till condonation of the irregularity by the Finance Department.

**6. Para No.6 Pages 12 & 13 of Special Audit Report for the year 1999-2000; Irregular Constructional Work Costing Rs.686,176/-**

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**25.02.2005** The Department explained that the expenditure was incurred with the utmost care and the rates received were very economical/competitive and on the lesser side as compare to the rates on which the C&W Department had awarded works previously. The record could be verified by Audit.

The Committee kept the para pending for verification of record by Audit on 26-2-2005.

The para was considered on 26-2-2005 and audit stated that the record had been verified.

On the recommendation of Audit, **the para was settled.**

**7. Para No.7 Pages 13 & 14 of Special Audit Report for the year 1999-2000; Re-Appropriation of Funds of Rs.54,900/- K.E.M.C., Lahore During 1999-2000.**

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**25.02.2005** The Department explained that the then Chief Executive, Mayo Hospital, Lahore was vested with the powers of the Administrative Department and he was fully competent to re-appropriate the funds within one object head.

Audit was of the view that the re-appropriation of funds was restricting with certain limitations and was made conditional with the approval of Finance Department. The Department had not sought approval of the Finance Department.

The Committee **settled the para** subject to condonation of the irregularity by the Finance Department.

**8. Para No.8 Pages 14 & 15 of Special Audit Report for the year 1999-2000; Irregular Payment of Law Charges Rs.34,000/-.**

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**25.02.2005** The Department explained that the Principal, KEMC was fully empowered to grant sanction to incur expenditure on account of legal charges as he was vested with the powers of Administrative Department.

Audit verified the contention of the Department and recommended the para for settlement.



**The para was accordingly settled.**

**9. Para No.9 Page 15 of Special Audit Report for the year 1999-2000; Irregular Purchase of Fax Machine for Rs.16,000/- and Without Budget.**

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**25.02.2005** The Department explained that the Principal KEMC, in his capacity as the Administrative Department was fully empowered to purchase the fax machine.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**10. Para No.10 Page 16 of Special Audit Report for the year 1999-2000; Appointments without Sanction of Posts.**

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**26.02.2005** The Department explained that all the contract appointments before the autonomy were further extended and Director Finance and Chief Executive were appointed to implement the autonomy. The pay of Chief Executive was drawn against the post of Neuro Surgon. The Department further stated that the Chief Executive was competent after the autonomy to grant sanction of the lower posts and thus the appointments made after the autonomy were according to the rules.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**11. Para No.11 Pages 16 & 17 of Special Audit Report for the year 1999-2000; Irregular Appointment of Staff.**

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**26.02.2005** The Department explained that the contract appointment of Medical officer were made in accordance with the permission granted by the Finance Department. The approval of the Finance Department had been seen by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**12. Para No.12 Pages 17 & 18 of Special Audit Report for the year 1999-2000; Non-Deposit of Rs.3,051,144/- on Account of Earnest Money into Revenue Deposit Mayo Hospital, Lahore.**

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**26.02.2005** The Department explained that as per the directions of SDAC meeting held on 12-13-01-2001, all the call deposit receipts were deposited into the bank. The relevant record had been got verified by Audit.

The Committee discussed the para and on recommendation of Audit **settled the para.**

**13. Para No.13 Page 19 of Special Audit Report for the year 1999-2000; Non-Recovery of Contract Money of Rs.1,215,000/- From Mr Abdul Qadeer, Contractor, Cycle Stand Mayo Hospital.**

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**26.02.2005** The Department explained that the contractor of Cycle Stand had filed a civil suite against the recovery in the court and requested that till the decision of the court, the para may be pending.

The matter being sub-judice in the court of law, **the para was kept pending.**

**14. Para No.14 Pages 19 & 20 of Special Audit Report for the year 1999-2000; Loss of Rs.130,000/- Due to Less Auction Rate of Telephone Booth in Mayo Hospital**

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**26.02.2005** The Department explained that the rent for telephone booths was fixed as per assessment made by the PWD in the year 1998-99 @Rs.10,000/- per booth, which was further enhanced to Rs.15,000/- in the year 1999-2000. The Department also stated that ten telephone sets were installed at one place and therefore it was not justified to collect the amount of ten booths and the contractor also left the contract after six months.

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

## **Special Audit Report on Accounts of Medical Superintendent Lady Willington Hospital, Lahore.**

**1. Para No.1 Pages 7 & 8 of Special Audit Report for the year 1999-2000; Fictitious Repair of Machinery Equipment Amounting to Rs.707,706/-.**

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**26.02.2005** The Department explained that the Engineer of the Medical Equipment Workshop carried out the repair after observing all the codal formalities and the dead parts were entered in the relevant stock register.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**2. Para No.2 Page 8 of Special Audit Report for the year 1999-2000; Suspected Misappropriation of Rs.593,505/-.**

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**26.02.2005** The Department explained that the payment against these bills were released by office of the Director Finance KEMC/Allied Hospitals through cheques directly to the parties. Entries in token of receipts/payments therefore were not recorded in cash book. The detail of the receipts/payments was available for verification.

The committee **pended the para** for verification of the relevant record by Audit.

**3. Para No.3 Pages 8 & 9 of Special Audit Report for the year 1999-2000; Doubtful Disbursement of Rs.1,130,831/-**

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**26.02.2005** The Department explained that the amount was paid for payment of utility bills and all the relevant record of the bills had been seen/verified by Audit.

On the recommendation of Audit, **the para was settled.**

**4. Para No.4 Pages 9 & 10 of Special Audit Report for the year 1999-2000; Misappropriation of Parts From Laundry of the Hospital Amounting to Rs.519,027/-.**

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**26.02.2005** The Department explained that the Chief Executive had initiated a fact finding inquiry dated 24-2-2005 and requested that the para may be pended till finalization of the inquiry.

The Committee **kept the para pending** and desired that the inquiry be completed within 30 days under intimation to PAC.

**5. Para No.5 Page 10 of Special Audit Report for the year 1999-2000; Doubtful Issuance of Stock Worth Rs.807,029/-**

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**26.02.2005** The Department explained that an inquiry committee was constituted to probe into the matter and as per the inquiry report, the record of issue/expense of stock was checked and it was found that the stock articles were issued to different departments/wards. The record was available for verification.

The Committee **kept the para pending** for verification of record by Audit.

**6. Para No.6 Page 11 of Special Audit Report for the year 1999-2000; Embezzlement of Rs.147,700/- on Account of Fictitious Purchase of Electric Motor.**

**26.02.2005** The Department explained that electric motor was not a simple motor but it was consisted of all other accessories and cost of complete seven KG washing machine after assembly was economical as compared to the rates prevailing in the market.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**7. Para No.7 Page 12 of Special Audit Report for the year 1999-2000;  
Misappropriation of B.P. Apparatus with Monitor Costing Rs.148,000/-.**

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**26.02.2005** The Department explained that an Inquiry Committee was constituted to probe into the matter and the report of the inquiry had been produced to Audit.

Audit was not satisfied with the inquiry report as the date of issue of the equipment in the stock register was 9/10/1996 and the Inquiry Committee had stated that the equipment was issued to MOT on 03-1-2001.

The Committee was also not satisfied with the report of the inquiry committee and directed the Chief Executive that a fresh inquiry be conducted into the matter by the officer other than the Lady Wallington Hospital, Lahore.

**The para was kept pended.**

**8. Para No.8 Page 13 of Special Audit Report for the year 1999-2000;  
Misappropriation of Store Articles Worth Rs.1,150,648/-.**

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**26.02.2005** The Department explained that shortage/misappropriation of stock items pointed out by Audit had been got verified from the relevant record/registers. It was also stated that all items issued from main store were correctly accounted for by the concerned wards/sections, in their expense books.

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

**9. Para No.9 Pages 13 & 14 of Special Audit Report for the year 1999-2000;  
Shortage of Cash Amounting to Rs.426,255/-.**

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**26.02.2005** The Department explained that the cash balance in hand was continuously physically verified by Audit at the close of subsequent financial year.

A certificate authenticating the correctness of cash in hand was accorded in cash book.

Audit stated that the authentication certificate was not produced to Audit.

The Committee kept the para pending for 28-3-2005.

On 28.03.2005 the Committee **settled the para** with direction that department should ensure daily receipts should be deposited by the next day and warning be issued to the responsible for this lapse.

**10. Para No.10 Pages 14 & 15 of Special Audit Report for the year 1999-2000; Overpayment of Rs.54,872/- Due to Wrong Totaling.**

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**26.02.2005** The Department explained that the record/bills of the firms had been produced to Audit which had verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**11. Para No.11 Pages 15 & 16 of Special Audit Report for the year 1999-2000; Recurring Loss of Rs.93,200/- Per Annum Due to Non-Auction of General/Medical Store.**

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**26.02.2005** The Department explained that the Manager of the store had filed a civil suite against the vacation order of the Department and the next date of hearing was fixed for 6-3-05.

The Committee **kept the para pended being sub-judice** and desired that the case be pursued vigorously.

**12. Para No.12 Pages 16 & 17 of Special Audit Report for the year 1999-2000; Irregular Expenditure of Rs.3,411,405/- on Account of Purchase of Durable Goods.**

---

**26.02.2005** The Department explained that out of total amount, an expenditure of Rs.3,023,950/- was incurred on purchase out of A.D.P. Budget under Grant 36 (Development) and no ban was imposed on development projects. It was also stated that the remaining amount of Rs.387,455/- was expended on purchase of petty items which were not durable goods and expenditure was met out of General heads/codes VIZ 599-others.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**13. Para No.13 Pages 17 & 18 of Special Audit Report for the year 1999-2000; Irregular Infructuous and Fictitious Expenditure of Rs.4,331,196/- on Hospital Laundry.**

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**26.02.2005** The Department explained that the case for constitution of inquiry committee consisting of laundry experts was taken up with the government on 18-9-2001 and the Health Department had now initiated inquiry on 24-2-2005.

The Committee kept the para pending for 28-3-2005 for explanation of the delay in constituting the inquiry committee by the Health Department.

On 28.03.2005 the Committee directed that Department should probe into the matter under an inquiry committee headed by General Manager MSD and submit report within 30 days.

**The para was kept pending.**

**14. Para No.14 Pages 18 & 19 of Special Audit Report for the year 1999-2000; Un-Necessary and Irrelevant Purchase of Different Articles Amounting to Rs.3,066,660/-..**

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**26.02.2005** The Department explained that the purchase of item No. 1 to 4 for Rs.30,850/- was necessary for providing diet to the patients admitted in the hospital from hospital mess or for clinical tests of the patients. The remaining items costing to Rs.30,35,800/- were purchased through Purchase Cell of Health Department against PC-I approved by the government out of grant No. 36 Development.

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

**15. Para No.15 Page 19 of Special Audit Report for the year 1999-2000; Irregular Expenditure Amounting to Rs.4,480,701/-..**

---

**26.02.2005** The Department explained that no excess expenditure was incurred during the Financial Year as pointed out the by Audit but actually expenditure was incurred as per the Punjab Financial Rules.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**16. Para No.16 Page 32 of Special Audit Report for the year 1999-2000; Irregular**



## **Mode of Payment Worth Rs.1,808,327/-.**

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**26.02.2005** The Department explained that presently payments were made through cross cheques.

**The para was conditionally settled** with the direction that the matter should be inquired under RSO 2000 to fix responsibility within 90 days under intimation to PAC.

### **17. Para No.17 Pages 20 & 21 of Special Audit Report for the year 1999-2000; Irregular Expenditure of Rs.459,740/- Incurred Beyond Financial Competency.**

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**26.02.2005** The Department explained that under rule 15.2(b-II) the DDO being category-I officer was competent to make local purchase of store items up to Rs. 150000/- at a time. Items like vim powder, Ambu Bag, liquid Soap and iron beds were of annual rate contract item and the purchase was within the competency of DDO.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

### **18. Para No.18 Pages 21 & 22 of Special Audit Report for the year 1999-2000; Irregular Expenditure of Rs.301,090/- to Misclassification and Beyond Competency.**

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**26.02.2005** The Department explained that the expenditure was not splitted up to avoid sanction but each item was different in nature and had to purchase as and when demanded by different departments of the hospital.

Audit stated that the para was discussed by the SDAC in its meeting dated 7-6-2001 and was kept pending for regularization and subsequently a case for regularization was sent to the government on 14-12-2001.

The Committee discussed the para. Finance and Audit gave their explanation. After detail discussion committee **settled the para.**

### **19. Para No.19 Page 22 of Special Audit Report for the year 1999-2000; Unnecessary Purchase of Medicines Worth Rs.104,051/- not Used for Hospital.**

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**26.02.2005** The Department explained that all the purchase of medicines was made according to the requirements for use in the hospital. However, these medicines were given to the other government institutions when these were near to expiry date to save the amount.

Audit stated that the department had not produced the relevant record in favour of her contention.

The committee **settled the para** subject to verification of record by audit.

**20. Para No.20 Page 23 of Special Audit Report for the year 1999-2000;  
Expenditure Beyond Competency on Printing of Rs.100,170/-.**

---

**26.02.2005** The Department explained that budget for printing material was specifically provided under “Code 550-Printing” and the DDO was fully competent to incur expenditure under serial No. 3 (a) of Delegation of Financial Power Rules.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**21. Para No.21 Pages 23 & 24 of Special Audit Report for the year 1999-2000;  
Unjustified Expenditure of Rs.49,347/- on the Purchase of Utensils.**

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**26.02.2005** The Department explained that Utensils were purchased for nursing hostel and were provided for cooking of food and its supply to the resident students.

On the recommendation of Audit, **the para was settled.**

**22. Para No.22 Pages 24 & 25 of Special Audit Report for the year 1999-2000;  
Recovery of Rs.1,840,211/- on Account of Irregular Payment of Advance Increment to the Charge Nurses.**

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**26.02.2005** The Department explained that two advance increments were awarded to Nursing staff appointed after 21-1-1986 which had been discontinued and their pay was got verified from AG Punjab. The department further stated that increments already drawn with pay prior to 5-10-2002 was not to be recovered as per the decision of Hon’ble Lahore High Court.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**23. Para No.23 Pages 25 & 26 of Special Audit Report for the year 1999-2000;  
Doubtful Deposit of Sales Tax Amounting to Rs.1,845,338/-.**

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**26.02.2005** The Department explained that the instructions regarding the purchase of items from

Sales Tax registered firms were received late and the Accounts Officer of the AG Office while admitting the bills for payments did not objected. After the receipts of the Finance Department letter dated 19-9-1998 regarding sales tax, all the purchases were being made from the firms registered for the purpose of sales tax.

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

**24. Para No.24 Pages 26 & 27 of Special Audit Report for the year 1999-2000; Non-Deposit of Contract Money Fee Cycle Stand Amounting to Rs.861,550/-**

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**26.02.2005** The Department explained that the case for recovery had been taken up as arrears of land revenue under Land Revenue Act and the same was being pursued regularly and the last reminder in this regard was issued on 6-1-2005.

The Committee **kept the para pending** and desired that the case for recovery as arrears of land revenue be pursued vigorously.

**25. Para No.25 Pages 27 & 28 of Special Audit Report for the year 1999-2000; Loss of Rs.310,812/- Sustained by Government Due to Purchase on Excessive Rates of Oxygen Fittings.**

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**26.02.2005** The Department explained that difference of rates was due to nature of purchase in quality and quantity. The rates of Rs.1,550/- and Rs.1,650/- was for oxygen fitting only (Pak made) whereas rates of Rs.3,800/- was for oxygen fitting with flow meter (China) and Rs.18,500/- etc. for oxygen fitting with complete set. Excess rate was not paid in any case.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**26. Para No.26 Pages 28 & 29 of Special Audit Report for the year 1999-2000; Undue Payment of Rs.247,739/- on Account of Pay and Allowances to Absentees Etc.**

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**26.02.2005** The Department explained that personal files and service books of all the concerned employees were checked and the recovery of Rs.160,264/- had been made on the basis of actual absence of employees.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**27. Para No.27 Pages 29 & 30 of Special Audit Report for the year 1999-2000; Non**

### **Deposit of Sui Gas Bills to the Extent of Rs.240,118/-.**

**26.02.2005** The Department explained that the record of deposited amount duly verified by National Bank/Revenue Officer Sui Gas had been produced to audit which had been verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

### **28. Para No.28 Page 30 of Special Audit Report for the year 1999-2000; Non/Less Deduction of Income Tax Amounting to Rs.215,836/-.**

**26.02.2005** The Department explained that the record of recovery of income tax and exemption certificate had been produced to audit which had verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

### **29. Para No.29 Page 31 of Special Audit Report for the year 1999-2000; Loss of Rs.131,544/- Due to Ignoring the Tender Rates of Rexin Cloth.**

**26.02.2005** The Department explained that the quotations called for first time were perused by the Purchase Committee and were not considered reasonable. Tenders were again called for and item was purchased after satisfaction of its rate and quality by the Purchase Committee. The Department also stated that no excess rates were involved and all the purchase was made after fulfilling the codal formalities.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

### **30. Para No.30 Page 32 of Special Audit Report for the year 1999-2000; Recovery of Rs.113,280/- on Account of Utility Charges From Staff.**

**26.02.2005** The Department explained that the recovery of Rs. 35,393/- had been effected and the balance recovery was under process which was being deducted from the pay of the employees.

The Committee **kept the para pending** with the direction that the recovered amount be got verified by Audit and efforts be made for early recovery of the balance amount.

**31. Para No.32 Page 34 of Special Audit Report for the year 1999-2000; Non-Recovery of Rs.106,857/- on Account of Room Rent Assessed by the PWD of the Doctor Hostel.**

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**26.02.2005** The Department explained that the Doctor Hostel was meant for House Officers/PG students, no room was allotted to any doctor. Only two/three rooms were used as duty rooms. Therefore, no recovery was involved in the case.

After detailed discussion Committee **settled the para** as recommended/verified by Audit.

**32. Para No.33 Pages 34 & 35 of Special Audit Report for the year 1999-2000; Recovery of Rs.103,763/- Due to Irregular Drawal of Conveyance Allowance.**

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**26.02.2005** The Department explained that no room was allotted to any doctor and hence they were entitled for the conveyance allowance. The concerned MS had verified the allotment statement.

The Committee after discussion decided to keep up the decision of PAC-I on the same subject and **para was settled.**

**33. Para No.34 Pages 35 & 36 of Special Audit Report for the year 1999-2000; Doubtful Drawal of Rs.94,223/-.**

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**26.02.2005** The Department explained that no double payment was made in the case. The payments against the bill entered in contingent register amounting to Rs.498,867/- for 1998-99 was inclusive of Rs.94,223/-. The record was available for verification.

Audit verified the record and recommended the para for settlement.

**The para was accordingly settled.**

**34. Para No.35 Pages 36 & 37 of Special Audit Report for the year 1999-2000; Non-Deposit of Contract Money Worth Rs.92,400/- by M/S Adnet Advertiser.**

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**26.02.2005** The Department explained that recovery of Rs.92,400/- had been effected and got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**35. Para No.36 Page 36 of Special Audit Report for the year 1999-2000; Irregular Payment of Dress and Mess Allowance During Leave Recovery of Rs.82,465/-.**

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**26.02.2005** The Department explained that all kinds of allowances like mess allowance, uniform allowance and medical allowance except conveyance allowance were permissible during leave as per the Finance Department instructions.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**36. Para No.37 Pages 37 & 38 of Special Audit Report for the year 1999-2000; Loss of Rs.51,887/- on Account of Purchase of Medicines Without Discount.**

---

**26.02.2005** The Department explained that purchase of medicines was made in bulk after fulfilling all the codal formalities. However, the discount was available in case of day to day supply made on contract rates.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**37. Para No.38 Pages 38 & 39 of Special Audit Report for the year 1999-2000; Non-Payments of Electricity and Water Charges by the Canteen Contractor Rs.54,000/-**

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**26.02.2005** The Department explained that in the light of the audit observation, the contractor had already installed his own electric meter separately hence no electric charges were recoverable from him.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**38. Para No.39 Pages 39 & 40 of Special Audit Report for the year 1999-2000; Non-Recovery of House Building Advance Rs.55,452/-.**

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**26.02.2005** The Department explained that the recovery of house building advance in respect of the officials of the hospital was as under:-

- i) An amount of Rs.10,653/- had been recovered from the gratuity of Mr. Muhammad Irshad, Chowkidar who was retired on 31-10-2000.
- ii) Recovery of Rs.4,200/- had been finally effected in monthly installments with last recovery from pay of Mr. Muhammad Afzal, Head Dispenser for the month of September 2001.
- iii) Recovery was being effected regularly from the monthly pay of Mr. Mahmood Afzal Taj, Dietician with a balance of Rs.29,769/-

The Committee settled the para as recommended by Audit subject to balance recovery.

## **Special Audit Report on Accounts of the Medical Superintendent, Mayo Hospital, Lahore**

### **1. Para No.1 Pages 7, 8, 9, 10, 11 & 12 of Special Audit Report for the year 1999-2000; Loss of Rs.23,195,978/- Sustained by Government on Account of Purchase of Biplane Neuro Angiography Set up.**

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**26.02.2005** The Department explained that the machine was in operational condition but certificate of satisfactory working was not yet issued.

The para was kept pending.

### **2. Para No.2 Pages 12, 13, 14 & 15 of Audit Report for the year 1999-2000; Doubtful Expenditure of Rs.827,700/- on Account of Maintenance Charges of Gamma Camera.**

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**28.02.2005** The Department explained that agreement of the Gamma Camera included the replacement of spare parts if so required during the period under contract and the firm was responsible for smooth functioning of the equipment throughout the said period. As such, no account of the replaced parts was required. Moreover, the contract was approved by the finance department.

The Committee accepted the explanation of the department and **the para was settled.**

### **3. Para No.3 Pages 15 & 16 of Audit Report for the year 1999-2000; Doubtful Drawal of Rs.720,588/- on Account of Telephone Bills.**

---

**28.02.2005** Audit had pointed out that the department had drawn funds three times against the single bill.

The Department explained that audit observation was not justified as the payment for telephone bill was made only ones and the remaining two cheques had been returned to the AG Punjab and non-payment certificate for the purpose was obtained. As such, no over payment was involved.

Audit verified the contention of the departments.

**The para was accordingly settled.**

### **4. Para No.4 Pages 17 & 18 of Audit Report for the year 1999-2000; Likely Misappropriation of Machinery Worth Rs.665,000/- (Approximately)**

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**28.02.2005** The Department explained that the machine MK-2 had been condemned which stood verified by audit and the matter pertaining to stock entry of sucker machine was proved which concluded that there was a clerical mistake. However, currently, both the machines were working properly and the findings of inquiry had been submitted to the competent authority for approval.

**The para was pended** for necessary verification by Audit.

### **5. Para No.5 Pages 18 & 19 of Audit Report for the year 1999-2000; Misappropriation of Defibrillator With Cardiac Monitor Worth Rs.140,000/-**

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**28.02.2005** Audit had pointed out that certain equipment was out of order, which was sent to the Hospital Workshop, but was not received back till 30.3.2000.

The Department explained that the machine in question had been received back from hospital workshop after repair and was functioning properly. As such no loss to government had taken place.

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

### **6. Para No.6 Pages 19, 20 & 21 of Audit Report for the year 1999-2000; Misappropriation of Gas Cylinder Worth Rs.120,000/-.**

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**28.02.2005** Audit has pointed out that certain cylinders were declared unserviceable/condemned by the department, but were not fully handed over to the condemned store.

The Department explained that a probe was conducted into the matter, which revealed that there was no shortage of gas cylinders.

Audit verified the departmental contention in the meeting.

**The para was accordingly settled.**

**7. Para No.7 Pages 21 & 22 of Audit Report for the year 1999-2000; Misappropriation of Medicine Etc Worth Rs.93,088/- in Various Wards.**

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**28.02.2005** The Department explained that audit observation was based on mere assumptions. Actually all the medicines issued to the patients were entered in the expense book and no shortage was noticed from the supply record.

Audit verified the departmental contention in the meeting.

**The para was accordingly settled.**

**8. Para No.8 Pages 22 & 23 of Audit Report for the year 1999-2000; Pilferage of Medicines in Old East Operation Theater Worth Rs.81,075/-.**

---

**28.02.2005** The Department explained that Mr. Muhammad Hayyat, Trolley Man was dismissed from service and recovery was imposed on him. However, he was later re-instated in service by the court and recovery was being effected from him as per decision of the court. It was added that recovery was a continuous process which would be finalized in due course. Audit stated that facts had been verified.

On recommendation of audit, **para was settled.**

**9. Para No.9 Pages 22, 24, 25 & 26 of Audit Report for the year 1999-2000; Misappropriation Misuse of Developer and Fixer (X-Ray Department) Worth Rs.77,792/-.**

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**28.02.2005** The Department explained that many factors effected the average consumption of developer and fixer and the said equipment lost its life with the passage of time. As such, audit observation was not justified.

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

**10. Para No.10 Pages 26 & 27 of Audit Report for the year 1999-2000; Misappropriation of Medicines in T.B. Dispensary Rs.64,273/-.**

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**28.02.2005** The Department explained that the matter pertaining to subject para had been investigated, which revealed that actual recoverable amount was Rs.29,017/- which had already been recovered and deposited into government treasury.

The **para was conditionally settled and reduced up to the amount recovered** of Rs.29,017/- duly verified by Audit and Department was directed to take actions under E & D Rules against the concerned.

**11. Para No.11 Pages 27 & 28 of Audit Report for the year 1999-2000; Likely Misappropriation of Membrane Oxygenator and Canulas Worth Rs.61,690/-.**

---

**28.02.2005** The Department explained that the shortage of stock had been made good, which stood verified by audit. However, disciplinary action against the responsible person was not possible as he had deceased.

Audit stated that facts had been verified.

**The para was accordingly settled.**

**12. Para No.12 Pages 29 & 30 of Audit Report for the year 1999-2000; Non Return of Replaced Parts by the Technicians of Govt. Medical Equipment Repair Workshop Worth Rs.2,942,640/-.**

---

**28.02.2005** The Department explained that equipment in question was purchased in 1996. However, it was installed during the period 2001-2002 and an inspection committee after checking the equipment had raised certain observations on the part of supplier. However, recently the machine had started functioning, but regular handing over process was not carried out.

The Committee observed that the matter pertaining to such a huge delay in making the equipment functional should be probed into and facts be thrashed out.

The Committee directed necessary probe be made into the matter by Inquiry Committee

including a member of Audit within 90 days. The Inquiry Report should also be submitted to PAC-II.

The para was kept pending.

**13. Para No.13 Pages 31-43 of Audit Report for the year 1999-2000; Doubtful Repair of Medical Equipment Worth Rs.1,094,012/-.**

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**14. Para No.14 Pages 43-45 of Audit Report for the year 1999-2000; Purchase of Rejected Halothene Vaporizers Worth Rs.589,630/- and on Higher Rates Resulting Over Payment of Rs.274,630/-.**

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**15. Para No.15 Pages 45-51 of Audit Report for the year 1999-2000; Doubtful Expenditure of Rs.571,155/- on Account of Repair of Medical Equipment.**

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**16. Para No.16 Pages 51-53 of Audit Report for the year 1999-2000; Doubtful Repair of Image Intensifier of Paid. Surgery to the extent of Rs.549,117/-.**

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**17. Para No.17 Pages 53-55 of Audit Report for the year 1999-2000; Expenditure of Rs.404,345/- on Account of Repair of Image Intensifier.**

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**18. Para No.18 Pages 55-57 of Audit Report for the year 1999-2000; Doubtful Repair of X-Ray Machine "Picker" Worth Rs.313,120/-.**

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**19. Para No.19 Pages 57-59 of Audit Report for the year 1999-2000; Recovery of Rs.289,513/- Because of Doubtful Repair Image Intensifier of A.V.H. Operation Theater.**

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**20. Para No.20 Pages 59-62 of Audit Report for the year 1999-2000; Doubtful Fictitious Repair to the Tune of Rs.269,699/-.**

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**21. Para No.21 Pages 62-65 of Audit Report for the year 1999-2000; Fictitious Documentation of Repair and Loss of More Than Rs.217,280/-**

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**22. Para No.22 Pages 65-67 of Audit Report for the year 1999-2000; Recovery of Rs.215,728/- Due to Doubtful Repair of Ventilators of Paed. Surgery Department.**

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- 23. Para No.23 Pages 67-71 of Audit Report for the year 1999-2000; Likely Bogus Repair of Machinery & Equipment to the Extent of Rs.173,615/-.**
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- 24. Para No.24 Pages 71-73 of Audit Report for the year 1999-2000; Bogus Repair of Anaesthesia Machinery Worth Rs.124,487/- of Eye Operation Theater.**
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- 25. Para No.25 Pages 73-76 of Audit Report for the year 1999-2000; Doubtful Expenditure of Rs.109,250/- on Ventilator and Anesthesia Machine.**
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- 26. Para No.26 Pages 76-79 of Audit Report for the year 1999-2000; Bogus Repair of Autoclaves Amounting to Rs.84,996/-.**
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- 27. Para No.27 Pages 79 & 80 of Audit Report for the year 1999-2000; Recovery of Rs.64,155/- Due to doubtful Repair of Operation tables of E.O.T Worth Rs.64,155/-.**
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**28.02.2005** The Department explained that above paras related to doubtful repair/purchase of medical equipment in the hospital and a detailed inquiry had been conducted into the matter. Earlier, the matter had been thrice investigated at various levels. But, none of the allegations was proved. The Principal assured the committee that no irregularity had been committed in the subject paras and all equipment was physically available at site.

The Committee accepted the explanation of the department and **settled the above paras.**



The paras were discussed in the meetings of PAC-II held on 22.07.2002, 31.08.2004, 22.11.2004, 30.05.2005 30.07.2005&27-1-2007.

### **Audit Paras (Civil) for the year 1999-2000**

**31.08.2004** At the start of the meeting, Mr. Muhammad Shafiq Ansari, Additional Registrar (Finance), Lahore High Court, Lahore informed the Committee that the Registrar, Lahore High Court, Lahore would not be able to attend the meeting due to some official pre-occupation.

The Committee took serious notice of the absence of the Principal Accounting Officer/Registrar, Lahore High Court, Lahore without prior intimation. The Committee observed that no progress could take place viz-a-viz the consideration of the draft paras in the absence of Principal Accounting Officer/Head of the department concerned, who was required to personally attend the meetings of the Public Accounts Committee as per the provisions of para 16.23(b) of the Punjab Budget Manual and the instructions issued from time to time on the subject.

The Committee directed that its displeasure be conveyed to the Principal Accounting Officer/Registrar, Lahore High Court, Lahore in this regard with a copy to the Hon'able Chief Justice.

**22.11.2004** The Committee was informed that Registrar Lahore High Court, Lahore had sent a D. O. letter (No.1045/RHC dated 27 October 2004) to Assembly Secretariat stating that consideration of accounts of Lahore High Court Lahore was beyond the scope of Public Accounts Committee.

The Assistant Secretary PAC-II read the said letter before the Committee and stated that Assembly Secretariat had referred said DO letter to Finance Department and Advocate General Punjab for their opinion vide DO No. PAP/PAC-II/2003/05/8344 dated 06 November 2004 and reply thereon was still awaited.

The Committee deferred the consideration of matter till receipt of advice from Finance Department and Advocate General Punjab.

**30.05.2005** During the previous meeting of PAC-II held on 22 November 2004 which was fixed for consideration of the audit paras contained in Civil Audit Report for the year 1999-2000 relating to the Lahore High Court, Lahore, the Committee was informed that the Registrar, Lahore High Court, Lahore vide his DO letter No.1045/RHC dated 27 October 2004 has contended that consideration of the accounts of Lahore High Court, Lahore was beyond the scope of Public Accounts Committee and the matter had been referred by the Chairman, PAC-II to the Advocate General, Punjab and Finance Department, Government of the Punjab for advice.

Therefore, the Committee had decided to keep the paras pending till receipt of the advice from the Finance Department and Advocate General, Punjab.

2. In the instant meeting, the Committee was informed that the Finance Department, Government of the Punjab had forwarded the advice of Ministry of Law, Justice and Human Rights, Government of Pakistan and the advice of the Law & Parliamentary Affairs Department, Government of Punjab to the Assembly Secretariat for perusal of the Committee and has advised that the Assembly Secretariat may take action accordingly.

3. The text of the views/comments of the Ministry of Law, Justice and Human Rights forwarded with their letter No. Dy.1794/2004-Law.I dated 6<sup>th</sup> April 2005 read as under:-

“The instant reference has been made by the Secretary, Finance Department, Government of the Punjab that first meeting of the Adhoc Public Accounts Committee was held on 22<sup>nd</sup> July, 2002 to consider the Appropriation Accounts of the province of Punjab for the year 1999-2000 and the Report of the Auditor General of Pakistan and the then Registrar attended the meeting. Another meeting of the Committee was held on 31-8-2004 and the Registrar of the Lahore High Court maintained that Lahore High Court is an independent body constituted under Article 175 read with Article 192 of the Constitution of the Islamic Republic of Pakistan, 1973, therefore, it is not a part of the executive. Further the Lahore High Court being not established by the Federal Government or Provincial Government by means of any statutory or non-statutory instrument, it is not a department of the Provincial Government. It was also maintained that Rule 177(1) of the Rules of Procedure of the Provincial Assembly of the Punjab, 1997 authorizes the PAC only to deal with the Appropriation Accounts of the Government, thus, the LHC is clearly beyond the scope of PAC it was also contended by the Registrar that Articles 68 and 114 of the Constitution prohibit any discussion in the legislature in respect of conduct of any judge of the Supreme Court or of a High Court in the discharge of his duties and that no administrative control including financial one, can be imposed upon the superior as well as the subordinate Judiciary by virtue of Articles 175 and 203 read with PLD 1994 Supreme Court 105. Consequently, the Chairman, Public Accounts Committee-II referred the matter to the Secretary, Finance Department, Government of the Punjab for opinion.

Finance Department examined the reference and observed that the Registrar, LHC being the head of the Department/Principal Accounting Officer is responsible before the PAC. The provisions of Articles 68 and 144 of the Constitution apply to the Judges of the Hon’ble High Court but not in the case of the Registrar, LHC. The Appropriation Accounts and Audit Reports 1999-2000 of the Lahore High Court are part of the accounts of the Province of the Punjab. The PAC-II is performing its constitutional and legal functions under Article 171 of the Constitution read with Rules 177 and 178 of the Rules of

Procedure of the Provincial Assembly of the Punjab, 1997. The Accounts and Audit Reports of the constitutional entities including the Supreme Court of Pakistan are being discussed in the Federal PAC regularly and the financial supremacy of the Lahore High Court is not compromised under the existing Rules and Procedure. Further the PAC is the Committee of the Provincial Assembly and not part of the executive and the Appropriation Accounts and Audit Reports of all constitutional entities including those of the Lahore High Court, Lahore are the part of Accounts and Audit Reports of the Government.

Besides the instant reference to this Division, the Finance Department, Government of the Punjab referred the matter to the Auditor General of Pakistan. The Office of the Auditor General of Pakistan examined the whole issue and forwarded its reply to this Division. The concluding para is reproduced as follows:-

“4. From the above discussion it is further re-iterated that:

(i) It is with in the Constitutional and statutory functions of the Auditor General of Pakistan to Audit the Accounts of all organs of the Federation and the Provinces.

(ii) On the basis of above said audit, Auditor General has to present his report to the President and the Governors of the Provinces.

(iii) The President and the Governors of the Provinces have to cause the reports of the Auditor General to be laid before the National and Provincial Assemblies respectively.

(iv) Public Accounts Committee(s) are required to examine the reports so laid before the respective Assemblies to ensure compliance to the instructions as stated 3(iv) above.”

Such examination is not tantamount to discussing in any way the conduct of Honourable Chief Justice or the Honourable Judges of the High Court in the discharge of their duties, which is prohibited under Articles 68 and 114 of the Constitution. This examination relates to the functions of the Registrar as Principal Accounting Officer.

The Registrar High Court may therefore, attend the meeting of the Public Accounts Committee whenever so asked.”

A perusal of the above shows that the views of the Auditor General of Pakistan are worth endorsing and no exception thereto may be taken.”

4. The advice of the Department of Law & Parliamentary Affairs, Government of the Punjab dated 25 April 2005 read as under:-

“We fully endorse the views subscribed at paragraph 7/N of the Reference. However, we may like to add the following in respect of queries at paragraph 5/N *ad seriatim*:

(i) There seem to be no controversy as to the Constitutional provisions regarding autonomous character or independence of the judiciary in particular relating to any High Court or the Lahore High Court.

(ii) The Public Accounts Committee or Committees by virtue of its constitution under rule 176 of the Rules of Procedure of the Provincial Assembly of the Punjab, 1997, is exclusively under the jurisdiction of the legislature, that is, within the Punjab Provincial Assembly and for no reason could ever be deemed to fall within the executive sphere of the Government.

(iii) The Provincial Consolidated Fund or the Public Account of the Province in terms of Article 118 and 119 of the Constitution of Pakistan read with Articles 121, 169, 170 and 171 thereof is deemed to be the Accounts of the Government as transcribed in the Rule 177 of the Rules of Procedure *ibid*. As such, all accounts so charged under Article 121 of the Constitution *ibid*, thus, audited by the Auditor General is required to be laid before the Provincial Assembly in terms of Article 171. Accordingly, the budget so allocated to the Lahore High Court falls within the purview of its examination by the Provincial Assembly or for that matter Public Accounts Committee. Since same is the practice with the Federal Government that, in relation to their allocation of funds from the Federal Consolidated Fund, any charge or appropriation of the funds by the Supreme Court is examined by the Public Accounts Committee of the National Assembly where Supreme Court is represented through its officer which, obviously, in case of Lahore High Court would never infringe upon its status. Perhaps, some wrong impression has been created as to the account of the Government with that of an account of the Government Department which too is nothing but charge upon the Public Account within the frame work of Provincial Consolidated Fund.

In view of the elaboration, the budget of the High Court irrespective of being utilized or appropriated by it as a judicial institution having separate entity or autonomous character does not preclude its accounts for examination either by the Public Accounts Committee or ultimately debated by the Provincial Assembly.”

5. The Committee discussed the matter in the light of the above mentioned views/comments of the Auditor General of Pakistan, the Ministry of Law, Justice and Human Rights, Government of Pakistan and Department of Law & Parliamentary Affairs, Government of the Punjab. The Committee observed that all the said departments had a consensus on the view that Public Accounts Committee was required to examine the Audit Reports laid in the Assembly under the Constitution and said examination did not tantamount to discussion in any way the conduct of Hon’ble Chief Justice or the Hon’ble Judges of the High Court. This examination related merely to the functions of the Registrar, Lahore High Court, Lahore as Principal Accounting Officer who had been declared as Category-I officer in the Punjab Delegation of Financial Powers, Rules 1990 and Head of the Department for the Budget head relating to Lahore High Court, Lahore. He was therefore, responsible to the Public Accounts Committee of the Provincial Assembly of the Punjab in respect of the accounts of the budget head controlled by him. Therefore, in examining the Appropriation Accounts and Audit Reports for the Province of Punjab, the PAC was performing its constitutional and legal functions under Article 171 of the Constitution read with rules 177 and 178 of the Rules of Procedure of the Provincial Assembly of the Punjab 1997 made by the Assembly under Article 67 read with Article 127 of the Constitution. The Committee directed the Assembly Secretariat to request the Registrar, Lahore High Court, Lahore to cooperate with the PAC in the performance of its constitutional duties by submitting the working papers duly commented upon by Audit for consideration of the PAC and personally attend the meetings of the PAC to be fixed for consideration thereof as Principal Accounting Officer of the Budget Head Administration of Justice.

**30.07.2005** In its previous meeting held on 30<sup>th</sup> May, 2005, the Committee considered the views/comments of the Auditor General of Pakistan, the Ministry of Law, Justice and Human Rights, Government of Pakistan and Department of Law and Parliamentary Affairs, Government of the Punjab received through the Finance Department, Government of the Punjab on the contention of the Registrar, Lahore High Court, Lahore that he was not responsible to the PAC of the PAP in respect of the accounts of the Lahore High Court, Lahore in view of the administrative and financial autonomy of the Judiciary. All the above mentioned authorities had consensus on the view that the contention of the Registrar, High Court was not correct in the light of clear provisions of article 118 and 119 of the Constitution read with Article 121, 169, 170 and 171 of the Constitution and specially when the Appropriation Accounts of the Supreme Court of Pakistan were being examined by the PAC of the National Assembly where the Supreme Court



was represented through its officers.

The Committee, therefore, directed the Assembly Secretariat to request the Registrar, Lahore High Court, Lahore to cooperate with the PAC in the performance of its constitutional duties by submitting the working papers in respect of audit paras relating to Lahore High Court, Lahore included in the Audit Report for the year 1999-2000 and to personally attend the meeting of the PAC, as and when fixed, for this purpose.

In compliance with the direction of the PAC, the Assembly Secretariat had written a DO letter to the Registrar, Lahore High Court, Lahore vide No. PAP/PAC-II/202/05/Vol/3956 dated 7<sup>th</sup> June, 2005. Moreover, the Registrar High Court was also informed by the Assembly Secretariat vide letter No. PAP/PAC-II/2003/03/4103 dated 11<sup>th</sup> June, 2005 that PAC would consider the appropriation accounts and draft paras (civil) for the year 1999-2000 in respect of Lahore High Court, Lahore in its meeting to be held on 30<sup>th</sup> July, 2005 at 10.30 am and he was requested to provide the working papers alongwith the comments of the Audit Department to the PAC Secretariat within 15 days and to attend the meeting personally.

The Registrar Lahore High Court Lahore neither attended the meeting of the PAC held on 30<sup>th</sup> July, 2005 nor sent any intimation.

The Committee discussed the matter at length and decided that before taking any decision about the course of action to be adopted by the PAC in this matter under the Rules of Procedure, Provincial Assembly of the Punjab, 1997, the views/comments of the Advocate General Punjab may be obtained and he may also be requested to brief the Committee on the matter during its meetings to be held on 29,30 and 31 August, 2005.

**27-01-2007** In its last meeting held on 27-4-2006, the Public Accounts Committee-II had deferred the consideration of the matter till the receipt of comments/advice in the matter from the Advocate General Punjab.

The Committee was informed that the advice of the Advocate General Punjab, had since been received vide D.O. No.469/AG, dated 25-01-2007, which inter alia reads as under:-

***“that while formulating opinion on the question of the examination of the appropriation of accounts of the Hon’ble Lahore High Court and appearance of the learned Registrar of the Lahore High Court before the Public Accounts Committee-II as its Principal Accounting Officer, the office of the Registrar of the Hon’ble Supreme Court of Pakistan, Islamabad was contacted to ascertain the Hon’ble Supreme Court’s policy & approach in this behalf, lest the opinion of this office should not be in conflict with the views of the Hon’ble Supreme Court of Pakistan. Mr. Muhammad***



***Afzaal, Deputy Registrar (Administration) of the Hon'ble Supreme Court has informed that a committee comprising their Lordships Mr. Justice Syed Saeed Ashhad and Mr. Justice Syed Jamshed Ali, has been constituted to examine the matter and the Committee's report shall be placed before the Full Court for approval. Therefore, it may not be worth its while presently for this office to render any opinion in the matter and would rather be advisable to get the item adjourned from the PAC-II sine die to await the decision of the Hon'ble Supreme Court.***

***It is, therefore, requested that the matter may kindly be got adjourned from the PAC-II till the decision of the Hon'ble Supreme Court of Pakistan on the point''.***

The Committee after thorough consideration of the matter unanimously decided to pend the consideration of the Appropriation Accounts and Audit Report for the year 1999-2000 in respect of Lahore High Court Lahore till the decision of the matter by Hon'ble Supreme Court, in order to avoid any controversy between two pillars of the state.

The paras were discussed in the meetings of PAC-II held on 22.07.2002, 31.08.2004, 22.11.2004, 30.05.2005 30.07.2005&27-1-2007.

### **Audit Paras (Civil) for the year 1999-2000**

**31.08.2004** At the start of the meeting, Mr. Muhammad Shafiq Ansari, Additional Registrar (Finance), Lahore High Court, Lahore informed the Committee that the Registrar, Lahore High Court, Lahore would not be able to attend the meeting due to some official pre-occupation.

The Committee took serious notice of the absence of the Principal Accounting Officer/Registrar, Lahore High Court, Lahore without prior intimation. The Committee observed that no progress could take place viz-a-viz the consideration of the draft paras in the absence of Principal Accounting Officer/Head of the department concerned, who was required to personally attend the meetings of the Public Accounts Committee as per the provisions of para 16.23(b) of the Punjab Budget Manual and the instructions issued from time to time on the subject.

The Committee directed that its displeasure be conveyed to the Principal Accounting Officer/Registrar, Lahore High Court, Lahore in this regard with a copy to the Hon'able Chief Justice.

**22.11.2004** The Committee was informed that Registrar Lahore High Court, Lahore had sent a D. O. letter (No.1045/RHC dated 27 October 2004) to Assembly Secretariat stating that consideration of accounts of Lahore High Court Lahore was beyond the scope of Public Accounts Committee.

The Assistant Secretary PAC-II read the said letter before the Committee and stated that Assembly Secretariat had referred said DO letter to Finance Department and Advocate General Punjab for their opinion vide DO No. PAP/PAC-II/2003/05/8344 dated 06 November 2004 and reply thereon was still awaited.

The Committee deferred the consideration of matter till receipt of advice from Finance Department and Advocate General Punjab.

**30.05.2005** During the previous meeting of PAC-II held on 22 November 2004 which was fixed for consideration of the audit paras contained in Civil Audit Report for the year 1999-2000 relating to the Lahore High Court, Lahore, the Committee was informed that the Registrar, Lahore High Court, Lahore vide his DO letter No.1045/RHC dated 27 October 2004 has contended that consideration of the accounts of Lahore High Court, Lahore was beyond the scope of Public Accounts Committee and the matter had been referred by the Chairman, PAC-II to the Advocate General, Punjab and Finance Department, Government of the Punjab for advice.

Therefore, the Committee had decided to keep the paras pending till receipt of the advice from the Finance Department and Advocate General, Punjab.

2. In the instant meeting, the Committee was informed that the Finance Department, Government of the Punjab had forwarded the advice of Ministry of Law, Justice and Human Rights, Government of Pakistan and the advice of the Law & Parliamentary Affairs Department, Government of Punjab to the Assembly Secretariat for perusal of the Committee and has advised that the Assembly Secretariat may take action accordingly.

3. The text of the views/comments of the Ministry of Law, Justice and Human Rights forwarded with their letter No. Dy.1794/2004-Law.I dated 6<sup>th</sup> April 2005 read as under:-

“The instant reference has been made by the Secretary, Finance Department, Government of the Punjab that first meeting of the Adhoc Public Accounts Committee was held on 22<sup>nd</sup> July, 2002 to consider the Appropriation Accounts of the province of Punjab for the year 1999-2000 and the Report of the Auditor General of Pakistan and the then Registrar attended the meeting. Another meeting of the Committee was held on 31-8-2004 and the Registrar of the Lahore High Court maintained that Lahore High Court is an independent body constituted under Article 175 read with Article 192 of the Constitution of the Islamic Republic of Pakistan, 1973, therefore, it is not a part of the executive. Further the Lahore High Court being not established by the Federal Government or Provincial Government by means of any statutory or non-statutory instrument, it is not a department of the Provincial Government. It was also maintained that Rule 177(1) of the Rules of Procedure of the Provincial Assembly of the Punjab, 1997 authorizes the PAC only to deal with the Appropriation Accounts of the Government, thus, the LHC is clearly beyond the scope of PAC it was also contended by the Registrar that Articles 68 and 114 of the Constitution prohibit any discussion in the legislature in respect of conduct of any judge of the Supreme Court or of a High Court in the discharge of his duties and that no administrative control including financial one, can be imposed upon the superior as well as the subordinate Judiciary by virtue of Articles 175 and 203 read with PLD 1994 Supreme Court 105. Consequently, the Chairman, Public Accounts Committee-II referred the matter to the Secretary, Finance Department, Government of the Punjab for opinion.

Finance Department examined the reference and observed that the Registrar, LHC being the head of the Department/Principal Accounting Officer is responsible before the PAC. The provisions of Articles 68 and 144 of the Constitution apply to the Judges of the Hon’ble High Court but not in the case of the Registrar, LHC. The Appropriation Accounts and Audit Reports 1999-2000 of the Lahore High Court are part of the accounts of the Province of the Punjab. The PAC-II is performing its constitutional and legal functions under Article 171 of the Constitution read with Rules 177 and 178 of the Rules of

Procedure of the Provincial Assembly of the Punjab, 1997. The Accounts and Audit Reports of the constitutional entities including the Supreme Court of Pakistan are being discussed in the Federal PAC regularly and the financial supremacy of the Lahore High Court is not compromised under the existing Rules and Procedure. Further the PAC is the Committee of the Provincial Assembly and not part of the executive and the Appropriation Accounts and Audit Reports of all constitutional entities including those of the Lahore High Court, Lahore are the part of Accounts and Audit Reports of the Government.

Besides the instant reference to this Division, the Finance Department, Government of the Punjab referred the matter to the Auditor General of Pakistan. The Office of the Auditor General of Pakistan examined the whole issue and forwarded its reply to this Division. The concluding para is reproduced as follows:-

“4. From the above discussion it is further re-iterated that:

(i) It is with in the Constitutional and statutory functions of the Auditor General of Pakistan to Audit the Accounts of all organs of the Federation and the Provinces.

(ii) On the basis of above said audit, Auditor General has to present his report to the President and the Governors of the Provinces.

(iii) The President and the Governors of the Provinces have to cause the reports of the Auditor General to be laid before the National and Provincial Assemblies respectively.

(iv) Public Accounts Committee(s) are required to examine the reports so laid before the respective Assemblies to ensure compliance to the instructions as stated 3(iv) above.”

Such examination is not tantamount to discussing in any way the conduct of Honourable Chief Justice or the Honourable Judges of the High Court in the discharge of their duties, which is prohibited under Articles 68 and 114 of the Constitution. This examination relates to the functions of the Registrar as Principal Accounting Officer.

The Registrar High Court may therefore, attend the meeting of the Public Accounts Committee whenever so asked.”

A perusal of the above shows that the views of the Auditor General of Pakistan are worth endorsing and no exception thereto may be taken.”

4. The advice of the Department of Law & Parliamentary Affairs, Government of the Punjab dated 25 April 2005 read as under:-

“We fully endorse the views subscribed at paragraph 7/N of the Reference. However, we may like to add the following in respect of queries at paragraph 5/N *ad seriatim*:

(i) There seem to be no controversy as to the Constitutional provisions regarding autonomous character or independence of the judiciary in particular relating to any High Court or the Lahore High Court.

(ii) The Public Accounts Committee or Committees by virtue of its constitution under rule 176 of the Rules of Procedure of the Provincial Assembly of the Punjab, 1997, is exclusively under the jurisdiction of the legislature, that is, within the Punjab Provincial Assembly and for no reason could ever be deemed to fall within the executive sphere of the Government.

(iii) The Provincial Consolidated Fund or the Public Account of the Province in terms of Article 118 and 119 of the Constitution of Pakistan read with Articles 121, 169, 170 and 171 thereof is deemed to be the Accounts of the Government as transcribed in the Rule 177 of the Rules of Procedure *ibid*. As such, all accounts so charged under Article 121 of the Constitution *ibid*, thus, audited by the Auditor General is required to be laid before the Provincial Assembly in terms of Article 171. Accordingly, the budget so allocated to the Lahore High Court falls within the purview of its examination by the Provincial Assembly or for that matter Public Accounts Committee. Since same is the practice with the Federal Government that, in relation to their allocation of funds from the Federal Consolidated Fund, any charge or appropriation of the funds by the Supreme Court is examined by the Public Accounts Committee of the National Assembly where Supreme Court is represented through its officer which, obviously, in case of Lahore High Court would never infringe upon its status. Perhaps, some wrong impression has been created as to the account of the Government with that of an account of the Government Department which too is nothing but charge upon the Public Account within the frame work of Provincial Consolidated Fund.



In view of the elaboration, the budget of the High Court irrespective of being utilized or appropriated by it as a judicial institution having separate entity or autonomous character does not preclude its accounts for examination either by the Public Accounts Committee or ultimately debated by the Provincial Assembly.”

5. The Committee discussed the matter in the light of the above mentioned views/comments of the Auditor General of Pakistan, the Ministry of Law, Justice and Human Rights, Government of Pakistan and Department of Law & Parliamentary Affairs, Government of the Punjab. The Committee observed that all the said departments had a consensus on the view that Public Accounts Committee was required to examine the Audit Reports laid in the Assembly under the Constitution and said examination did not tantamount to discussion in any way the conduct of Hon’ble Chief Justice or the Hon’ble Judges of the High Court. This examination related merely to the functions of the Registrar, Lahore High Court, Lahore as Principal Accounting Officer who had been declared as Category-I officer in the Punjab Delegation of Financial Powers, Rules 1990 and Head of the Department for the Budget head relating to Lahore High Court, Lahore. He was therefore, responsible to the Public Accounts Committee of the Provincial Assembly of the Punjab in respect of the accounts of the budget head controlled by him. Therefore, in examining the Appropriation Accounts and Audit Reports for the Province of Punjab, the PAC was performing its constitutional and legal functions under Article 171 of the Constitution read with rules 177 and 178 of the Rules of Procedure of the Provincial Assembly of the Punjab 1997 made by the Assembly under Article 67 read with Article 127 of the Constitution. The Committee directed the Assembly Secretariat to request the Registrar, Lahore High Court, Lahore to cooperate with the PAC in the performance of its constitutional duties by submitting the working papers duly commented upon by Audit for consideration of the PAC and personally attend the meetings of the PAC to be fixed for consideration thereof as Principal Accounting Officer of the Budget Head Administration of Justice.

**30.07.2005** In its previous meeting held on 30<sup>th</sup> May, 2005, the Committee considered the views/comments of the Auditor General of Pakistan, the Ministry of Law, Justice and Human Rights, Government of Pakistan and Department of Law and Parliamentary Affairs, Government of the Punjab received through the Finance Department, Government of the Punjab on the contention of the Registrar, Lahore High Court, Lahore that he was not responsible to the PAC of the PAP in respect of the accounts of the Lahore High Court, Lahore in view of the administrative and financial autonomy of the Judiciary. All the above mentioned authorities had consensus on the view that the contention of the Registrar, High Court was not correct in the light of clear provisions of article 118 and 119 of the Constitution read with Article 121, 169, 170 and 171 of the Constitution and specially when the Appropriation Accounts of the Supreme Court of Pakistan were being examined by the PAC of the National Assembly where the Supreme Court



was represented through its officers.

The Committee, therefore, directed the Assembly Secretariat to request the Registrar, Lahore High Court, Lahore to cooperate with the PAC in the performance of its constitutional duties by submitting the working papers in respect of audit paras relating to Lahore High Court, Lahore included in the Audit Report for the year 1999-2000 and to personally attend the meeting of the PAC, as and when fixed, for this purpose.

In compliance with the direction of the PAC, the Assembly Secretariat had written a DO letter to the Registrar, Lahore High Court, Lahore vide No. PAP/PAC-II/202/05/Vol/3956 dated 7<sup>th</sup> June, 2005. Moreover, the Registrar High Court was also informed by the Assembly Secretariat vide letter No. PAP/PAC-II/2003/03/4103 dated 11<sup>th</sup> June, 2005 that PAC would consider the appropriation accounts and draft paras (civil) for the year 1999-2000 in respect of Lahore High Court, Lahore in its meeting to be held on 30<sup>th</sup> July, 2005 at 10.30 am and he was requested to provide the working papers alongwith the comments of the Audit Department to the PAC Secretariat within 15 days and to attend the meeting personally.

The Registrar Lahore High Court Lahore neither attended the meeting of the PAC held on 30<sup>th</sup> July, 2005 nor sent any intimation.

The Committee discussed the matter at length and decided that before taking any decision about the course of action to be adopted by the PAC in this matter under the Rules of Procedure, Provincial Assembly of the Punjab, 1997, the views/comments of the Advocate General Punjab may be obtained and he may also be requested to brief the Committee on the matter during its meetings to be held on 29,30 and 31 August, 2005.

**27-01-2007** In its last meeting held on 27-4-2006, the Public Accounts Committee-II had deferred the consideration of the matter till the receipt of comments/advice in the matter from the Advocate General Punjab.

The Committee was informed that the advice of the Advocate General Punjab, had since been received vide D.O. No.469/AG, dated 25-01-2007, which inter alia reads as under:-

***“that while formulating opinion on the question of the examination of the appropriation of accounts of the Hon’ble Lahore High Court and appearance of the learned Registrar of the Lahore High Court before the Public Accounts Committee-II as its Principal Accounting Officer, the office of the Registrar of the Hon’ble Supreme Court of Pakistan, Islamabad was contacted to ascertain the Hon’ble Supreme Court’s policy & approach in this behalf, lest the opinion of this office should not be in conflict with the views of the Hon’ble Supreme Court of Pakistan. Mr. Muhammad***

***Afzaal, Deputy Registrar (Administration) of the Hon'ble Supreme Court has informed that a committee comprising their Lordships Mr. Justice Syed Saeed Ashhad and Mr. Justice Syed Jamshed Ali, has been constituted to examine the matter and the Committee's report shall be placed before the Full Court for approval. Therefore, it may not be worth its while presently for this office to render any opinion in the matter and would rather be advisable to get the item adjourned from the PAC-II sine die to await the decision of the Hon'ble Supreme Court.***

***It is, therefore, requested that the matter may kindly be got adjourned from the PAC-II till the decision of the Hon'ble Supreme Court of Pakistan on the point''.***

The Committee after thorough consideration of the matter unanimously decided to pend the consideration of the Appropriation Accounts and Audit Report for the year 1999-2000 in respect of Lahore High Court Lahore till the decision of the matter by Hon'ble Supreme Court, in order to avoid any controversy between two pillars of the state.

The paras were discussed in the meetings of PAC-II held on 16.12.2003, 17.12.2003, 18.12.2003, 28.08.2004, 25.01.2005, 26.01.2005, 27.01.2005 & 29.08.2005.

## **Audit Paras (Civil) for the year 1999-2000**

### **1. Para No.1.1 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of Rs.24,051,680 on Account of Mis-Appropriation of Govt. Money.**

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S.P Hafizabad – Rs.840,079/-

**16.12.2003** The Department explained that the para was discussed in the SDAC meeting held on 19.8.03 and the same was settled.

Audit contented that the draft para could not be discussed in SDAC meeting, therefore, it had been printed in the Audit Report. The department should produce requisite record and effect recovery of Rs.3,537,922/- from the defaulters.

The para was kept pending, with the direction that department should submit proper reply in the next meeting.

**28.08.2004** The Department explained that the items pointed out by audit had already been entered in the relevant stock register.

On the verification and recommendation of Audit, **the para was settled.**

### **2. Para No.1.4 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of Rs.24,051,680/- on Account of Mis-Appropriation of Government Money.**

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Secretary Home Department, Lahore Rs.53,977/-

### **3. Para No.22 Pages 21 & 22 of Audit Report for the year 1999-2000; Expenditure on Investigation of Mr. Javed Ashraf's Death to the Tune of Rs.200,000/-.**

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### **4. Para No.35.4 Page 33 of Audit Report for the year 1999-2000; Recovery of Rs.326,760/- on Account of Irregular Drawal of Conveyance Allowance.**

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Secretary Home Department Punjab, Lahore Rs.48,401/-

### **5. Para No.35.5 Page 33 of Audit Report for the year 1999-2000; Recovery of Rs.326,760/- on Account of Irregular Drawal of Conveyance Allowance.**

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Secretary Home Department Punjab, Lahore Rs.47,232/-

### **6. Para No.114.1 Pages 98 & 99 of Audit Report for the year 1999-2000; Recovery of Rs.156,000/- Due to Irregular Use of Air Conditioner by Un-Authorized Officer.**

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Secretary Home Department Punjab, Lahore. Rs.70,000/-.

**25.01.2005** The Department explained that the paras were discussed in Special DAC meeting dated 20-10-1998 and were recommended for settlement.

Audit verified the contention of the Department and **the paras were accordingly settled.**

**7. Para No.1.5 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of Rs.24,051,680/- on Account of Appropriation of Government Money.**

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S.P. Traffic Gujranwala - Rs.82,225/-

**8. Para No.1.6 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of Rs.24,051,680/- on Account of Mis-Appropriation of Government Money.**

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Superintendent of Police, Rahim Yar Khan-Rs.196,448/-.

**9. Para No.1.12 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of Rs.24,051,680/- on Account of Mis-Appropriation of Government Money.**

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SSP Multan Rs.16,154/-.

**10. Para No.1.16 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of Rs.24,051,680/- on Account of Mis-Appropriation of Government Money.**

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Senior Superintendent of Police, Sargodha-Rs.42,118/-.

**11. Para No.1.21 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of Rs.24,051,680/- on Account of Appropriation of Government Money.**

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Superintendent of Police Sheikhupura-Rs.26,090/-.

**12. Para No.2.4 Pages 8 & 9 of Audit Report for the year 1999-2000; Misappropriation of Stores Valuing of Rs.1,324,830/-.**

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S.P T.T. Singh Rs.16,050/-.

**13. Para No.2.5 Pages 8 & 9 of Audit Report for the year 1999-2000; Misappropriation of Stores Valuing of Rs.1,324,830/-.**

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Superintendent of Police Faislabad-Rs.16,800/-.

**14. Para No.6 Page 11 of Audit Report for the year 1999-2000; Fraudulent Drawal of Rs.332,280/-.**

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Superintendent of Police Okara - Rs.332,280/-.

**15. Para No.18 Page 18 of Audit Report for the year 1999-2000; Misappropriation of Government Money for Rs.83,972/-.**

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SP/PC BTN-3 Multan – Rs.83,972

**16. Para No.24.3 Pages 24 & 25 Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Calls Register Payment of Rs.3,877,039/-.**

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Superintendent of Police, Muzaffargarh Rs.20,470/-

**17. Para No.24.4 Pages 24 & 25 Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Calls Register Payment of Rs.3,877,039/-.**

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Superintendent of Police, Khushab Rs.43,353/-

**18. Para No.24.6 Pages 24 & 25 Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Calls Register Payment of Rs.3,877,039/-.**

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Superintendent of Police, Jhelum Rs.21,490/-

**19. Para No.24.9 Pages 24 & 25 Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Calls Register Payment of Rs.3,877,039/-.**

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Superintendent of Police, Muzaffargarh Rs.16,959/-

**20. Para No.34.1 Page 32 of Audit Report for the year 1999-2000; Recovery of Rs.212,683/- on Account of Overpayment of Pay.**

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Senior Superintendent of Police, Bahawalpur-Rs.34,134/-.

**21. Para No.34.2 Page 32 of Audit Report for the year 1999-2000; Recovery of Rs.212,683/- on Account of Overpayment of Pay.**

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Superintendent of Police, Bahawalnagar-Rs.46,731/-.

**22. Para No.38.2 Pages 35 & 36 of Audit Report for the year 1999-2000; Unjustified Payment of Ration Allowance for Rs.510,546/-.**

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Superintendent of Police, Rajanpur - Rs.10,140/-.

**23. Para No.40.2 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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S.P. P.C. BTN-4, Faisalabad-Rs.2,700,689/-.

**24. Para No.40.3 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Superintendent of Police Sahiwal Rs.134,568/-.

**25. Para No.40.5 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Superintendent of Police Traffic, Rawalpindi - Rs.11,937/-.

**26. Para No.40.8 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Senior Superintendent of Police Rawalpindi Rs.4,135,141/-.

**27. Para No.40.10 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Superintendent of Police Mianwali Rs.215,391/-.

**28. Para No.40.12 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Superintendent of Police Jhelum Rs.121,214/-.

**29. Para No.40.13 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Superintendent of Police, Okara-Rs.348,860/-.

**30. Para No.40.14 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Superintendent of Police Khushab Rs.224,916/-.

**31. Para No.40.15 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Superintendent of Police Special Branch Faisalabad-Rs.80,573/-.

**32. Para No.40.16 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Superintendent of Police Mandi Bhauddin Rs.541,552/-.

**33. Para No.40.17 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Superintendent of Police Security P.M. House, Rawalpindi - Rs.99,894/-.



**34. Para No.40.18 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Superintendent of Police Traffic, Multan - Rs.42,966/-.

**35. Para No.40.19 Pages 37 & 38 of Audit Report for the year 1999-2000; Over Payment of Technical Allowance for Rs.11,057,430/-.**

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Superintendent of Police Toba Tek Singh Rs.173,750/-.

**36. Para No.44.7 Pages 41, 42, 43 & 44 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.10,640,882/-on Account of Repair to Office Building.**

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Superintendent of Police, Rajanpur - Rs.250,000/-.

**37. Para No.44.11 Pages 41, 42, 43 & 44 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.10,640,882/-on Account of Repair to Office Building.**

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Senior Superintendent of Police Multan Rs.222,135/-.

**38. Para No.44.15 Pages 41, 42, 43 & 44 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.10,640,882/- on Account of Repair to Office Buildings.**

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Punjab Constabulary Farooqabad, Sheikhpura-Rs.1,414,624/-.

**39. Para No.45.12 Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure Rs.32,176,760/-.**

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Superintendent of Police Office Kasur-Rs.65,579/-.

**40. Para No.45.24 Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Un-authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Superintendent of Police, Bahawalnagar-Rs.242,981/-.

**41. Para No.45.25 Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Un-authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Superintendent of Police, Bahawalnagar-Rs.153,826/-.

**42. Para No.47 Page 48 of Audit Report for the year 1999-2000; Irregular Purchase of Store Articles Worth-Rs.327,760/-.**

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Superintendent of Police Bahawalnagar Rs.327,760/-.

**43. Para No.52.5 Pages 52 & 53 of Audit Report for the year 1999-2000; Irregular Payment of**

**Pending Liabilities for Rs.3,204,925/-.**

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Senior Superintendent of Police, Lahore-Rs.266,467/-.

**44. Para No.55 Page 55 of Audit Report for the year 1999-2000; Irregular Expenditure on Purchase of Uniform Articles Rs.347,988/-**

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Superintendent of Police Mianwali Rs.347,988/-.

**45. Para No.63.8 Pages 60, 61 & 62 of Audit Report for the year 1999-2000; Unauthorized and Irregular Expenditure of Rs.6,460,107/- on Purchase of Stationery.**

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SP/PC BTN, Multan-Rs.92,126/-.

**46. Para No.96 Page 84 of Audit Report for the year 1999-2000; Doubtful and Irregular Expenditure of Rs.102,299/- on Purchase of P.O.L.**

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**47. Para No.100 Pages 86 & 87 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.299,998/- and Recovery of Rs.10,734/- on Account of Income Tax.**

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Superintendent of Police, Rahim Yar Khan – Rs.10,734/-.

**48. Para No.103.19 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- on Account of Excess Calls on Residential Telephones.**

---

Superintendent of Police Mandi Bhauddin Rs.47,908/-.

**49. Para No.104 Pages 91 & 92 of Audit Report for the year 1999-2000; Recovery of Rs.33,440/- on Account of Bogus/Fictitious Expenditure on Repair of Vehicle.**

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Superintendent of Police Hafizabad – Rs.33,440/-

**50. Para No.109.4 Pages 94 & 95 of Audit Report for the year 1999-2000; Recovery of Rs.311,610/- on Account of Non Deduction of 5% House Rent.**

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Superintendent of Police Sahiwal Rs.52,133/-.

**51. Para No.109.6 Pages 94 & 95 of Audit Report for the year 1999-2000; Recovery of Rs.311,610/- on Account of Non Deduction of 5% House Rent.**

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Superintendent of Police Khanewal Rs.31,350/-.

**52. Para No.120 Pages 102 & 103 of Audit Report for the year 1999-2000; Recovery of Rs.129,155/- on Account of Excess Drawal of Daily Allowance.**

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Superintendent of Police Layyah – Rs.129,155/-

**53. Para No.129.2 Pages 107 & 108 of Audit Report for the year 1999-2000; Irregular Payment of Rs.1,109,474/- for Sewing Charges.**

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Superintendent of Police Sahiwal Rs.210,370/-.

**54. Para No.129.3 Pages 107 & 108 of Audit Report for the year 1999-2000; Irregular Payment of Rs.1,109,474/- for Sewing Charges.**

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Superintendent of Police, Rajanpur - Rs.90,001/-.

**55. Para No.129.7 Pages 107 & 108 of Audit Report for the year 1999-2000; Irregular Payment of Rs.1,109,474/- for Sewing Charges.**

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Superintendent of Police Khushab Rs.67,303/-.

**56. Para No.130.1 Pages 108 & 109 of Audit Report for the year 1999-2000; Recovery of Rs.186,930/- on Account of Excess Use of Oil Filters and Mobile Oil.**

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Superintendent of Police, Vehari - Rs.21,895/-.

**57. Para No.130.2 Pages 108 & 109 of Audit Report for the year 1999-2000; Recovery of Rs.186,930/- on Account of Excess Use of Oil Filters and Mobile Oil.**

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Superintendent of Police, Bahawalpur-Rs.34,560/-.

**58. Para No.130.3 Pages 108 & 109 of Audit Report for the year 1999-2000; Recovery of Rs.186,930/- on Account of Excess Use of Oil Filters and Mobile Oil.**

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Senior Superintendent of Police, Sargodha-Rs.130,475/-.

**59. Para No.134.3 Pages 111 & 112 of Audit Report for the year 1999-2000; Recovery of Rs.362,550/- on Account of Irregular Grant of Cash Reward.**

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S.P/P.C. BTB-3, Multan-Rs.68,000/-.

**60. Para No.134.5 Pages 111 & 112 of Audit Report for the year 1999-2000; Recovery of Rs.362,550/- on Account of Irregular Grant of Cash Reward.**

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S.P/P.C. BTB-4, Faisalabad-Rs.12,700/-.

**61. Para No.135.3 Page 112 of Audit Report for the year 1999-2000; Loss of Rs.1,891,791/- Due to Non Return of Government Weapons and Other Articles.**

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Punjab Constabulary Farooqabad, District Sheikhpura-Rs.75,000/-.

**62. Para No.141 Pages 115 & 116 of Audit Report for the year 1999-2000; Recovery of Rs.53,000/- Due to Non-Return of Ammunition.**

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Superintendent of Police Narowal – Rs.53,000/-

**63. Para No.145.4 Page 118 of Audit Report for the year 1999-2000; Recovery of Rs.357,315/-on Account of House Rent Allowance.**

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P.T.S. Sargodha - Rs.145,244/-.

**64. Para No.155 Page 124 Audit Report for the year 1999-2000; Shortage of Arms and Ammunition and Over Payment of Pay & Allowances for Rs.106,271/-.**

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**65. Para No.159.1 Pages 126 & 127 of Audit Report for the year 1999-2000; Irregular payment of Rs.203,450/- on Account of Cash Reward to Public Informers.**

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Superintendent of Police Khanewal Rs.172,200/-.

**66. Para No.163.3 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Superintendent of Police Mandi Bhauddin Rs.13,800/-.

**67. Para No.163.6 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Deputy Inspector General, Police Sheikhpura Range, Lahore-Rs.50,000/-.

**68. Para No.163.10 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Senior Superintendent of Police, Pakpattan - Rs.31,982/-.

**69. Para No.163.12 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Superintendent of Police, Bahawalpur - Rs.37,559/-.

**70. Para No.163.13 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Superintendent of Police, Kasur-Rs.30,164/-.

**71. Para No.163.29 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Superintendent of Police Toba Tek Singh Rs.16,844/-.

**72. Para No.166 Pages 135 & 136 of Audit Report for the year 1999-2000; Recovery of Rs.178,000/- on Account of Special Allowance to Elite Force.**

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Superintendent of Police Rajanpur - Rs.178,000/-.

**73. Para No.167.9 Pages 136, 137 & 138 of Audit Report for the year 1999-2000; Non Deposit of Sales Tax for Rs.5,360,642/-.**

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Punjab Constabulary Farooqabad, Sheikhupura-Rs.387,208/-.

**74. Para No.167.11 Pages 136 & 137 of Audit Report for the year 1999-2000; Non Deposit of Sales Tax for Rs.5,360,642/-.**

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Superintendent of Police, Bahawalnagar-Rs.74,403/-.

**75. Para No.172 Page 141 of Audit Report for the year 1999-2000; Non Adjustment of T.A. Advance Amounting to Rs.136,500/-**

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Superintendent of Police Rajanpur Rs.13,6500/-.

**25.01.2005** The Department explained that in the light of the Audit observations the department had produced all the relevant record/explanation which had been verified/accepted by Audit and requested for settlement of all the above mentioned paras.

Audit stated that the contention of the Department in the above mentioned paras had been seen/verified and recommended the paras for settlement.

**The above paras were accordingly settled.**

**76. Para No.1.8 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of Rs.24,051,680/- on Account of Mis-Appropriation of Government Money.**

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SS.P Bahawalpur – Rs.12,902/-.

**29.08.2005** The Department explained that a sum of Rs.582/- had been deposited into the government treasury and got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**77. Para No.1.10 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of**

**Rs.24,051,680/- on Account of Misappropriation of Government Money.**

District Jail Shahpur, Sargodha - Rs.598,545/-.

**27.01.2005** The Department explained that as per departmental inquiry out of total stock entries valuing Rs.598,544/-, stock entries worth Rs.485,346/- and Rs. 113,198/- had been got verified by Audit, leaving a balance of Rs.19,482/- which had been deposited into the government treasury.

Audit verified the contention of the Department and **the para was settled.**

**78. Para No.1.11 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of Rs.24,051,680/- on Account of Mis-Appropriation of Government Money.**

Sr. Superintendent of Police, Multan – Rs.43,307/-

**16.12.2003** The Department explained that the para was discussed in the SDAC meeting held on 26 & 27.12.01 and the same was settled.

**The para was settled** on recommendation of Audit.

**79. Para No.1.14 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of Rs.24,051,680/- On Account of Mis-Appropriation of Government Money.**

Superintendent Central Jail, Multan – Rs.38,610/-

**17.12.2003** Audit had pointed out that Kenola Seed/Crop 1287 kg., valuing Rs.38,610/- had been misappropriated by the Department.

The Department explained that total recovery of Rs.38,610/- had been affected and deposited into the Govt. Treasury.

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

**28.08.2004** The Department explained that recovery of Rs.25,740/- was made as per market rate on the date of sale of kenola seed viz Rs.20/- per kg.

Audit verified the departmental contention in the meeting.

**The para was settled.**

**80. Para No.1.15 Pages 7 & 8 of Audit Report for the year 1999-2000; Recovery of Rs.24,051,680/- On Account of Misappropriation of Government Money.**

District Jail, Jhelum – Rs.176,500/-

**17.12.2003** Audit had pointed out that irregular expenditure was incurred and excess payments were made by the Department in the above cases.



The Committee after detailed discussion recommended as under:-

- a) the case in which the recovery was justified the same should be affected and
- b) where the recovery was not justified the loss should be got regularized from the Competent Authority.

The para was kept pending.

**28.08.2004** The Department explained that as per report of the Committee constituted to make a probe into the matter, the clothing articles were actually received and entered in the record. However, proper entries of disposal in respect of perishable items like prisoners clothing were not made and the official concerned responsible for the lapse was being proceeded against under the rules.

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

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**81. Para No.2.1 Pages 8 & 9 of Audit Report for the year 1999-2000; Misappropriation of Stores Valuing of Rs.1,324,830/-.**

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SP Rahim Yar Khan – Rs.88,920/-.

**29.08.2005** The Department explained that Rs.89,920/- had been deposited into the government treasury and got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

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**82. Para No.2.2 Pages 8 & 9 of Audit Report for the year 1999-2000; Misappropriation of Stores Valuing of Rs.1,324,830/-**

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S.P Bahawalpur - Rs.609,095/-

**26.01.2005** The Department explained that the articles were 25 to 30 years old and the same were declared condemn, auctioned and the auction amount had been deposited into government treasury.

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

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**83. Para No.3 Pages 9 & 10 of Audit Report for the year 1999-2000; Embezzlement of Rs.298,234/- Due to Wrong calculations.**

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**84. Para No.5 Pages 10 & 11 of Audit Report for the year 1999-2000; Embezzlement of Rs.57,977,984/- due to Non-Production of Acquaintance Rolls.**

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**85. Para No.11 Pages 14 of Audit Report for the year 1999-2000; Misappropriation of**

**Rs.218,459/-**

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**86. Para No.133 Pages 110 & 111 of Audit Report for the year 1999-2000; Recovery of Rs.902,420/- Due to Irregular drawl of daily Allowance.**

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**16.12.2003** The Department explained that the paras were under consideration with the National Accountability Bureau.

The Committee directed that names of all the officers/officials involved in the paras should be provided to the PAC and department should pursue the cases for early decision The paras were kept pending till decision by the NAB.

**28.08.2004** The Department explained that the cases were still pending with NAB.

The above paras were kept pending till decision by NAB.

**25.01.2005** The Department explained that the matter relating to the paras was pending with the NAB.

The Committee **kept the paras pending** and desired that a memorandum be written to the Chairman, NAB for early finalization of the case.

**87. Para No.4.1 Page 10 Audit Report for the year 1999-2000; Embezzlement of Rs.6,098,709/-.**

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S.S.P. Bahawalpur - Rs.5,041,925/-

**26.01.2005** Audit had pointed out that a sum of Rs.5,041,925/- was drawn from Government treasury but was not paid to the concerned claimants resulting embezzlement.

The Department explained that the concerned accountant had committed suicide and after wards detailed probe was made into the matter and partial recovery was effected and paid to the claimants.

The Committee was not satisfied with departmental explanation and decided to appoint an Inquiry Committee consisting of the following to probe in to the matter.

- |    |                                                     |                 |
|----|-----------------------------------------------------|-----------------|
| 1. | Syed Muhammad Saqlain Naqvi<br>DIG (Training) CPO   | <b>Chairman</b> |
| 2. | Deputy Secretary (Monitoring)<br>Finance Department | Member          |
| 3. | Deputy Secretary (Army)<br>Home Department          | Member          |
| 4. | Mr Abdul Majeed Dar,<br>Deputy Director (Audit)     | Member          |

The Inquiry Committee shall submit its report with in 90 days for further consideration of PAC.

**The para was kept pending.**

**88. Para No.4.2 Page 10 of Audit Report for the year 1999-2000; Embezzlement of Rs.6,098,709/-.**

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Sr Superintendent of Police, Gujranwala – Rs.1,056,784/-

**89. Para No.17 Pages 17 & 18 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.1,211,177/-**

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**16.12.2003** The Department explained that criminal case was registered against Mr. Ghulam Sarwar the then Accountant. The case had been filed due to the death of the accused as per direction of Special Judge, ACE Gujranwala Region.

The Committee was not satisfied with the explanation of the Department and directed that a fact finding inquiry should be conducted through the following Inquiry Committee for taking further action in the matter by the Competent Authority within 30 days:-

- |    |                                        |          |
|----|----------------------------------------|----------|
| 1. | Mr Saqlain Naqvi, DIG<br>Gujranwala    | Chairman |
| 2. | Representative from the FD             | Member   |
| 3. | Deputy Secretary<br>Home Department    | Member   |
| 4. | Rana Shehzad Iqbal,<br>Dy. Dir (Audit) | Member   |

The paras were kept pending.

**28.08.2004** The Department informed the Committee that the inquiry had not so far been finalized. The Committee directed that Syed Muhammad Saqlain Naqvi, DIG of Police/Chairman of the Committee should appear before it on 30.8.2004 and explain the delay in finalizing the inquiry. The DIG attended the meeting on 30.8.2004 and stated that due to non-attendance of a couple of meetings of the Committee by one member or the other, the proceedings could not be finalized. He assured the Committee that the proceedings would be finalized by 5.10.2004.

The Committee directed that Mr. Rab Nawaz, Deputy Secretary Finance Department and Mr. Abdul Majeed Dar, Deputy Director (Civil Audit) would represent their respective Departments on the Committee. The Committee further directed that a letter be sent to Provincial Police Officer, Punjab to ensure finalization of inquiry proceedings by 5.10.2004.

With the above directions, the paras were kept pending.

**25.01.2005** The Department stated that in the light of PAC directions the inquiry had been completed which would be submitted to the PAC on 26-1-2005.

The paras were kept pending.

**26.01.2005** The Enquiry Report was provided to Department for comments/clarification; and, the Department made the comments/clarification as under that:-

- i- the Provincial Benevolent Fund amounting to Rs.108,430/- had been confirmed by the DIG (Welfare) deposited in the relevant record.
- ii- a sum of Rs.1,71,970/- on account of Annual Shaheed Fund had already been confirmed by the DIG (Welfare) to have been receipt but was unfortunately entered in the wrong column.
- iii- record regarding District Welfare Fund was unfortunately not available in a proper and orderly manner, however, the said amounts were used on the various internal projects made in the district which existed on ground.
- iv- payment of welfare allowances to police (personnel) amounting to Rs.1,937,070/- which was dumped in sacks in the store rooms, vouchers amounting to Rs.1,011,565/- have now been found. Regarding the remaining amount the DIG (welfare) had issued a certificate that there was no complaint of non-payment of dowry charges, maintenance allowance, scholarships etc. for the year 1996-97 and 1998.
- v- the non-availability of POL acknowledgement receipts, the suppliers had verified that no amount was outstanding against the district.
- vi- the issue of payment of TA/DA, the concerned amount was found duly entered in the disbursement register of Naqdi Moharrir.

However, the Department explained that various amounts which were to be deposited in the government treasury were not deposited and a fact finding inquiry was conducted in the matter by the DSP Legal, Gujranwala, who held responsible the then Accountant. Accordingly, a case was registered against him in ACE, Gujranwala. Since he was unable to defend his position, he committed suicide.

In view of the above clarification, the Department requested for the settlement of the para.

The Committee after considering various aspects of the case and detailed examination of the Enquiry Report observed that the report of the fact finding committee was not acceptable in toto as most of the record stated to be missing had now been found and verified. It was also observed that observations made by the Enquiry Committee regarding the role of the District Superintendent of police & SP/HQrs/DDOs was not acceptable. The officers were not directly responsible for lapses. However, comments made by the Committee regarding the system of internal control, Accountant, Range Auditors and External Auditors need to be looked into.

The Committee **decided to settle the para** with the following observations:-

- 1- the receipt and disbursement system may be channelized through banks instead of cash.
- 2- banking channels should be used for disbursement of salaries and other large transactions.
- 3- welfare allowance to police personnel may be disbursed through crossed cheque in the names of the claimants.
- 4- the process of handing over and taking over by the outgoing and incoming accountants should be institutionalized.
- 5- all the registers in account section should be indexed and vouchers should be numbered in order to avoid the possibility of any irregularity.

6- cheques drawn from the treasury signed by DDOs be countersigned by another Gazetted Officer.

7- range auditor should inspect the record of the account section on quarterly basis and submit its report on the same pattern as being done in the case of Police Station.

A report on the above observations be submitted to the PAC before the next meeting.

**90. Para No. 8 Page 12 of Audit Report for the year 1999-2000; Misappropriation of Rs.73,746/- Due to Non-Deposit of Government Receipts into Treasury.**

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**17.12.2003** Audit had pointed out that irregular expenditure was incurred and excess payments were made by the Department in the above cases.

The Committee after detailed discussion recommended as under:-

- a) the case in which the recovery was justified the same should be affected and
- b) where the recovery was not justified the loss should be got regularized from the Competent Authority.

The para was kept pending.

**28.08.2004** The Department explained that the amounts had been deposited into the Government Treasury and got verified from the concerned DAO.

On the verification and recommendation of audit, **the para was settled.**

**91. Para No.10 Pages 13 & 14 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.960,000/- On Account of Rent of Building.**

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**92. Para No.14 Pages 15 & 16 of Audit Report for the year 1999-2000; Mis-Appropriation of Ration worth Rs.201,750/-.**

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**93. Para No.43 Page 40 of Audit Report for the year 1999-2000; Irregular Purchase of Furniture Worth Rs.50,000/-.**

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**94. Para No.45.17 Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Elite Police Force Training School, Lahore – Rs.200,000/-

**95. Para No.51.2 Pages 50, 51 & 52 Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure of Rs.460,518/- on Repair of Machinery.**

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Elite Police Force Training School, Lahore – Rs.50,000/-

**96. Para No.53.1 Pages 53 & 54 of Audit Report for the year 1999-2000; Irregular and Doubtful Expenditure of Rs.543,596/- On Printing.**

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Elite Police Force Training School, Lahore – Rs.199,200/-

**97. Para No.56 Page 56 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.297,600/- On Account of Local Purchase of Machinery.**

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**98. Para No.58 Page 57 of Audit Report for the year 1999-2000; Irregular Purchase of Uniform Cloth Worth Rs.715,400/-**

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**99. Para No.60 Pages 58 of Audit Report for the year 1999-2000; Doubtful Purchase of Ration Worth Rs.1,140,860/-.**

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**100. Para No.61 Page 51 of Audit Report for the year 1999-2000; Irregular Expenditure On Account of Purchase of Furniture and Fixture Amounting To Rs.904,700/-.**

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**101. Para No.63.4 Pages 60, 61 & 62 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure of Rs.6,460,107/- On Purchase of Stationery.**

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Elite Force Training School, Lahore – Rs.379,660/-

**102. Para No.102 Page 88 of Audit Report for the year 1999-2000; Irregular and Un-Authorized Payment of Ration Allowance Amounting To Rs.997,500/-.**

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**103. Para No.105 Page 92 of Audit Report for the year 1999-2000; Doubtful Purchase of Bullet Proof Jackets Worth Rs.2,963,671/-.**

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**104. Para No.110.4 Pages 95 & 96 of Audit Report for the year 1999-2000; Recovery of Rs.621,270/- On Account of Misuse of Government Vehicles.**

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Elite Police Force Training Centre, Lahore – Rs.433,432/-

**18.12.2003** The above paras were jointly considered by the Committee.

The Department explained that the cases were investigated by National Accountability Bureau. In certain cases, the accused had appealed in the High Court against the decision of Accountability Court.

Audit contented that the Administrative Department should have made efforts at its level for recovery rather than waiting for the decision of the Court.

However, the Finance Department was of the view that both processes i.e. departmental action and court proceedings could not continue simultaneously.

The Committee directed that advice of Law Department should be sought in respect of the recovery process in



the above cases.

The paras were kept pending.

**28.08.2004** The Department stated that a reference had already been made to Law Department on recovery process issue which was awaited.

Finance Department observed that the Department should evolve some mechanism for the recovery of pecuniary loss caused to the Government.

The Committee directed the Department to pursue the matter with Law Department for early advice with a view to evolving necessary recovery mechanism.

The paras were kept pending.

**25.01.2005** The Department explained that as per directions of PAC, the matter had been referred to Law Department for advice but so far no reply had been received. A reminder had been issued on 10-01-2005.

The Committee **kept all the paras pending till the advice** was received from the Law Department.

**105. Para No.13 Page 15 of Audit Report for the year 1999-2000; Recovery of Rs.118,422/- On Account of Misappropriation of 1462 Blankets.**

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**106. Para No.62.5 Pages 59 & 60 of Audit Report for the year 1999-2000; Expenditure in Excess of Budget Provision for Rs.32,593,596/-.**

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District Jail, Jhang – Rs.486,593/-

**107. Para No.63.2 Pages 60, 61 & 62 of Audit Report for the year 1999-2000; Unauthorized and Irregular Expenditure of Rs.6,460,107/- on Purchase of Stationery.**

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New Central Jail, Multan – Rs.60,350/-

**108. Para No.79 Pages 72 & 73 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1,188,007/- on Local Purchase of Medicines.**

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**109. Para No.103.25 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- On Account of Excess Calls on Residential Telephones.**

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Superintendent Central jail, Faisalabad (Maintenance A/c) – Rs.29,255/-

**110. Para No.103.30 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of**

**Rs.5,998,259/- On Account of Excess Calls on Residential Telephones.**

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Central Jail, Bahwalpur – Rs.102,039/-

**111. Para No.109.5 Pages 94 & 95 of Audit Report for the year 1999-2000; Recovery of Rs.311,610/- On Account of Non Deduction of 5% House Rent.**

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Central Jail, Multan – Rs.74,283/-

**112. Para No.113.3 Pages 97 & 98 of Audit Report for the year 1999-2000; Recovery of Rs.850,281/- On Account of Risk Purchase.**

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District Jail, Mianwali – Rs.52,941/-

**113. Para No.123 Page 104 of Audit Report for the year 1999-2000; Recovery On Account of Misappropriation of Vegetable Worth Rs.139,200/-.**

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**114. Para No.139.3 Pages 114 & 115 of Audit Report for the year 1999-2000; Recovery of Rs.406,471/- On Account of Purchase of dietary Articles on Excess Rates.**

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District Jail, Bahawalnagar – Rs.22,534/-

**115. Para No.162.23 Pages 129, 130 & 131 of Audit Report for the year 1999-2000; Irregular Deposit of Rs.8,767,238/- on Account of Rent of Jail Canteen Into Welfare Fund.**

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Superintendent Central Jail, Faisalabad – Rs.76,623/-

**116. Para No.169 Page 139 of Audit Report for the year 1999-2000; Recovery of Rs.4,40,100/- Due to Direct Supply of Electricity to Residences.**

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**117. Para No.175 Pages 145 of Audit Report for the year 1999-2000; Non Auction of Empty Ghee Tins and Gunny Bags, Valuing Rs.49,736/-.**

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**17.12.2003** The above paras were jointly considered by the Committee.

The Department explained that some of the above noted paras had already been settled in the SDAC meetings. In the remaining cases, recoveries had been effected and deposited into Government Treasury and relevant record was available for verification.

The Audit supported the contention of the Department and recommended that the paras may be settled.

**The paras were accordingly settled.**

**118. Para No. 15 Pages 16 & 17 of Audit Report for the year 1999-2000; Misappropriation of**

**Rs.486,000/- on account of Dry Bread Pieces.**

**17.12.2003** Audit had pointed out that irregular expenditure was incurred and excess payments were made by the Department in the above cases.

The Committee after detailed discussion recommended as under:-

- a) the case in which the recovery was justified the same should be affected and
- b) where the recovery was not justified the loss should be got regularized from the Competent Authority.

The para was kept pending.

**28.08.2004** The Department explained that the then Superintendent Jail, Multan had created a “Tukra Fund” through auction of unused bread pieces and realization thereof was used for the welfare of the prisoners.

Finance Department observed that such amount should be deposited in “Miscellaneous Deposit Head” and expenditure head could also be indicated with a view to ensuring financial propriety.

The Committee observed that this was a good practice which should be continued but the auction proceeds should be deposited into proper head of account and expenditure head be also indicated in the light of Finance Department’s suggestion.

With this observation, **the para was settled.**

**119. Para No.16 Page 17 of Audit Report for the year 1999-2000; Likely Misappropriation of Rs.2,000,000/- on Purchase of Communication Equipment.**

**25.01.2005** The Department stated that an amount of Rs. 2 million was released to the 4 Corps H.Q, Lahore Cantt, for the purchase of communication equipments for internal security duties. The 4 Corps Headquarter, Lahore Cantt had issued a certificate for receiving the amount and stating that the said communication equipments had been purchased by the organization and were under use.

The FD observed that military authority had its own internal audit system and the said certificate was sufficient for satisfaction of the audit.

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

**120. Para No.21 Page 21 of Audit Report for the year 1999-2000; Loss of Rs.54,000/- on Account of Theft of Photostat Machine.**

**25.01.2005** The Department explained that the case of theft of the photo-state machine was registered with the Police. The Court has acquitted the nominated accused and as a result of departmental inquiry the accused had been exonerated. Consequently the case of write off had been sent on 19.01.2005.

**The para was kept pending** for write off sanction by the Competent Authority.

**121. Para No.23 Page 23 of Audit Report for the year 1999-2000; Loss of Worth Rs.7,00,000/- on Account of Negligence (Burning of Zero Meter Toyota Pick up Vehicle)**

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**16.12.2003** The Department explained that a vehicle Toyota Pick up Registered No.STH 6791 was burnt in procession and a case to this effect was registered on 11.7.97 at PS Phlora. A Departmental inquiry was conducted and Inquiry Officer had not observed any negligence and recommended that the loss should be written off in the public interest. Accordingly a case of write off was under process.

The Committee directed that the report be presented before the PAC during the next day on 17.12.2003.

On 17-12-2003, Audit contented that the Department should re-enquire the matter.

The Committee directed that the advice of the Finance Department on the case of write off may be obtained within 30 days.

The para was kept pending.

**28.08.2004** The Department explained that the case for regularization of the expenditure had already been sent to FD.

The Committee directed that the latest position of the case be presented to the PAC on 30-8-2004. On 30-8-2004, Finance Department stated that the case was under consideration/examination.

The para was kept pending.

**25.01.2005** The para was discussed in the PAC on 28.08.2004 and was kept pending for regularization by Finance Department.

The Department explained that the case had already been sent to the Finance Department and was being pursued.

The Committee **kept the para pending** with the direction that the case for regularization be pursued.

**122. Para No.24.1 Pages 24 & 25 of Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Calls Register Payment of Rs.3,877,039/-.**

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Superintendent of Police Bahawalpur – Rs.2,589,682/-.

**29.08.2005** The Department explained that the requisite record had been got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**123. Para No.24.2 Pages 24 & 25 of Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Calls Register Payment of Rs.3,877,039/-.**

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Superintendent of Police Kasur – Rs.799,898/-.

**29.08.2005** The Department certified that all the calls from the official telephone during the Financial Year 1998-99 were made for official purposes, in the public interest in order to maintain law & order in the districts.

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

**124. Para No.24.7 Pages 24 & 25 of Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Calls Register Payment of Rs.3,877,039/-.**

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Superintendent of Police Sargodha – Rs.97,072/-.

**29.08.2005** The Department explained that most of calls were made by the officers for official purpose i.e collecting information about the accused and wanted persons. Some of the calls could not be entered to avoid disclosing the officials Secret. However, each officer had produced a certificate that all the calls were made for official purpose.

The Committee observed that a procedural irregularity was committed and the person responsible for the lapse should be issued a warning to be careful in future.

With the above directions, **the para was settled.**

**125. Para No.24.8 Pages 24 & 25 of Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Calls Register Payment of Rs.3,877,039/-**

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Superintendent of Police, Gujrat – Rs.177,073/-

**16.12.2003** The Department explained that record revealed that no private trunk calls were made and no recovery was due in the pointed out bills. The Department further explained that the trunk calls registers were maintained and record could be verified by Audit.

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

**28.08.2004** The Department explained that complete record had been got verified by Audit.

On the verification and recommendation of Audit, **the para was settled.**

**126. Para No.24.10 Pages 24 & 25 Audit Report for the year 1999-2000; Non-Maintenance of Telephone Trunk Calls Register Payment of Rs.3,877,039/-.**

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District Jail, Lahore - Rs.37,547/-

**127. Para No.139.4 Pages 114 & 115 Audit Report for the year 1999-2000; Recovery of Rs.406,471/- on Account of Purchase of Dietary Articles on Excess Rates.**

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Central Jail, Faisalabad - Rs.25,394/-

**128. Para No.163.16 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Central Jail Kot Lakhpat, Lahore - Rs.30,750/-.

**129. Para No.163.27 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Superintendent of Central Jail, Faisalabad (Maintenance Accounts) - Rs.25,062/-

**27.01.2005** The Department explained that total recovery had been effected and deposited into government treasury.

Audit verified the contention of the Department and recommended the paras for settlement.

**The above paras were accordingly settled.**

**130. Para No.25.1 Page 25 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.2,044,559/- on Horses**

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PC Farooqabad, Sheikhpura - Rs.1,180,135/-

**26.01.2005** The Department explained that PC was an important wing of police department and performs the duties for the enforcement of Law & Order in the Punjab Province. It was also stated that PC has also Anti-Terrorist squad consisting of more than 400 officers/officials who take part in various important and dangerous raids conducted in different areas of the province. Travel with horse was also made in rural/barren areas where no proper/suitable paths/passages were available. Also in line areas officials of the force take practice of riding that was very necessary for their physical training and performance of filed duties. The Department stated that in the light of these facts, the horses were kept for the improvement and best performance of duties of the Police Force.

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

**131. Para No.25.2 Page 25 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.2,044,559/- on Horses**

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Superintendent of Police, Leiah - Rs.864,424/-

**26.01.2005** Audit pointed out that a huge expenditure was incurred by the office of DPO, Liyyah on maintaining the horses whereas the horses were not being used for official duty.

The Department stated that the horses were still being used for ceremonial purposes, parades, patrolling, and especially during Moharam-ul Haram duty. Therefore, necessary feed was being provided to them according to the fixed scale approved by the government.



The Committee accepted the explanation of the department and **settled the para** with the direction that the proper use of horses be insured and if they were not required in the District they could be shifted to any other district where they could be used for proper official duty.

**132. Para No.26 Page 26 Audit Report for the year 1999-2000; Excessive Payments on Account of Electricity Bills of Police Stations amounting to Rs.248,180/-**

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**26.01.2005** Audit had pointed out that examination of contingent register and electricity bills had revealed that monthly bills of various police stations were over and beyond the normal consumption of electricity in these police stations. It was apprehended that electricity was misused at the residence of said Station House Officer which was the main cause of huge electricity bills.

The Department explained that electricity charges were based on the police stations covered area as well as construction areas. For example police station Kotwali consisted of 25 rooms and 2 barracks while PS City Haslpur consisted of only 3 rooms.

The Committee was not satisfied with the explanation of the department and directed the Department to appoint SP H/Q Bhawalpur to probe into the matter and report be submitted within 90 days.

**The para was kept pending.**

**133. Para No.27 Pages 26 & 27 of Audit Report for the year 1999-2000; Infructuous Expenditure of Rs.133,150,355/- on Establishment of Office Superintendent of Police Security**

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**26.01.2005** The Department explained that still the President House was in Rawalpindi and all V.V.I.P movement was towards Rawalpindi and the establishment of office of the Superintendent Police Security was necessary in view of the security arrangements for the V.V.I.Ps.

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

**134. Para No.33 Page 31 of Audit Report for the year 1999-2000; Recovery of Rs.139,840/- on Account of Purchase of Tea Leaf at Excess Rates.**

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**27.01.2005** The Department stated that all the purchase were made on competitive rates after observing all the codal formalities and the previous contractor was not bound to supplied the Tea leaves on previous year contract rate as there was no such provision in the contract.

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

**135. Para No.34.3 Page 32 of Audit Report for the year 1999-2000; Recovery of Rs.212,683/- on Account of Over-Payment of Pay.**

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Secretary Home Department Punjab, Lahore. Rs.35,970/-.

**25.01.2005** The Department explained that as per the directions in the SDAC meeting held on 31-12-2002, the relevant record had been produced to Audit and the same had been verified.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**136. Para No.34.4 Page 32 of Audit Report for the year 1999-2000; Recovery of Rs.212,683/- on Account of Over-Payment of Pay.**

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Deputy Superintendent of Police, Finger Print Bureau – Rs.18,746/-.

**29.08.2005** The Department explained that Rs.14,460/- had been recovered and the balance recovery had to be made from ASI, Muhammad Iqbal, who had been dismissed from service since 6-6-2002. The AG Punjab had been requested to adjust Rs.4,286/- from his GP Fund account.

The Committee **settled the para subject to** balance recovery and its verification by Audit.

**137. Para No.37.3 Pages 34 & 35 of Audit Report for the year 1999-2000; Recovery of Rs.873,070/- on Account of Over-Payment of 20% Special Pay.**

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SP/PC BTN-4 Faisalabad – Rs.55,370/-.

**29.08.2005** The Department explained that the total recovery had been made and got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**138. Para No.39.3 Pages 36 & 37 of Audit Report for the year 1999-2000; Recovery of Rs.1,921,998/- On Account of Excess Drawal of House Rent and Conveyance Allowance.**

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Sr. Superintendent of Police, Lahore - Rs.384,117/-

**18.12.2003** The Department explained that recovery of over-payment on account of House Rent and Conveyance Allowance was being affected from the pay of concerned officials. The Department further explained that recovery process would be completed as soon as possible.

The Committee directed that Inspector General of Police, Punjab should effect complete recovery from the concerned officials/officers till the next meeting.

The para was kept pending.

**28.08.2004** The Department explained that the complete recovery had been effected and deposited into the government treasury.

Audit verified departmental contention in the meeting.

**The para was settled.**

**139. Para No.40.11 Pages 37 & 38 of Audit Report for the year 1999-2000; Overpayment of Technical Allowance for Rs.11,057,430/-/-**

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Senior Superintendent of Police, Sargodha - Rs.471,360/-

**16.12.2003** Audit had pointed out that Technical Allowance @20% was paid to the drivers of different formations in contravention to the policy decision contained in Finance Department letter dated 25-5-1990 read with FD letter dated 6-6-1996.

The Department explained that matter regarding technical allowance was discussed in the Secretaries meeting held on 2-10-2001 and it was decided that there was no specific mention of Provincial Head Quarter in the instructions of FD's letter No. PC-3/87 dated 2-5-1990. Therefore, staff of MT section in the field was also entitled to draw the allowance.

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

**140. Para No.42 Pages 39 & 40 of Audit Report for the year 1999-2000; Uneconomical Expenditure of Rs.636,719/- on Purchase of Dietary Items.**

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**29.08.2005** The committee was informed that it had appointed an inquiry Committee headed by Minister for Finance, Government of the Punjab in its meeting held on 17.12.2003, during consideration of DP.45 for the year 1999-2000 pertaining to Home Department, to examine the matter relating to procurement of dietary articles for different Jails. The Inquiry Committee conducted a detailed study about the Special Powers of Prisons Department for local purchase of dietary articles and medicines and forwarded its recommendations to the PAC through the Deputy Secretary (M) Finance Department letter No. PA/DS(M)8-12/2003 dated 29-8-05 which were placed before the PAC for further consideration.

The Committee considered the report/recommendations of the Inquiry Committee and adopted them with the following amendments as detailed below:-

Name of powers	To Whom Delegated	Proposed Extent of Special Powers to the Officers of Prisons Department.	As Recommended by Public Accounts Committee-II
1	2	3	4

Powers to invite and accept tenders and sanction expenditure of dietary articles	i. Inspector General of Prisons.	Full Powers	<b><i>Full Powers</i></b>
	ii. DIG Prisons	Rs.300,000/- at a time for an article or each class of similar articles.	<b><i>Rs.250,000/- at a time for an article or each class of similar articles.</i></b>
	iii. Superintendent Jail Class-I	Upto Rs.200,000/- at a time for an article or each class of similar articles	<b><i>Upto Rs.150,000/- at a time for an article or each class of similar articles</i></b>
	iv. Superintendent Jail Class-II	Upto Rs.100,000/- at a time for an article or each class of similar articles.	<b><i>Upto Rs.80,000/- at a time for an article or each class of similar articles.</i></b>

The Committee decided to forward its recommendations to the Finance Department for necessary action under Rule 16.25 of the Punjab Budget Manual.

**The para was kept pending.**

**141. Para No.44.4 Pages 41, 42, 43 & 44 of Audit Report for the year 1999-2000; Irregular expenditure of Rs.10,640,882/-on account of repair to office building**

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Senior Superintendent of Police, Vehari - Rs.222,472/-

**26.01.2005** Audit had pointed out that the expenditure on repair of building was incurred in violation of the financial rules.

The Department certified that the amount was correctly utilized for the purpose of repair of building and office building not elsewhere.

**The para was settled subject to** disciplinary action against the responsible person and regularization by the Competent Authority.

**142. Para No.44.6 Pages 41-44 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.10,640,882/- on Account of Repair to Office Building.**

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Superintendent of Police, Muzaffargarh – Rs.119,772/-.

**29.08.2005** The Department explained that the estimates were signed by the concerned Sub-Engineer and SDO Buildings Department. Work was done with the approval of the competent authority and executed according to the estimate and prescribed specifications.

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

**143. Para No.44.9 Pages 41, 42, 43 & 44 of Audit Report for the year 1999-2000; Irregular**

**expenditure of Rs.10,640,882/-on account of repair to office building**

Senior Superintendent of Police Pakpattan - Rs.499,700/-

**26.01.2005** Audit had pointed out that the expenditure on repair of building was incurred in violation of the financial rules.

The Department certified that the amount was correctly utilized for the purpose of repair of building and office building not elsewhere.

The para was settled subject to disciplinary action against the responsible person and regularization by the Competent Authority.

**\*31.03.2006** The Police Department vide letter No.3257/RA dated 14-3-2006, informed that the expenditure had since been got regularized from the Finance Department. Moreover, the expenditure had been incurred after fulfilling all codal formalities and no irregularity/loss was involved and therefore there was no justification for initiating disciplinary action against any officer.

Since the department has complied with the directions of PAC, the Chairman Public Accounts Committee-II has decided that Para No.44.9 of the Audit Report 1999-2000 pertaining to Home Department shall be **treated as finally settled**.

**144. Para No.44.13 Pages 41-44 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.10,640,882/- on Account of Repair to Office Buildings.**

Superintendent of Police Telecommunication, Lahore – Rs.1,750,000/-.

**29.08.2005** The Department requested that an opportunity of personal hearing on 31.08.05 be provided to the concerned officers.

On 31.08.05 the concerned officers attended the meeting and explained that it was not a new construction but was merely repair of computer centre. As such the work involve was a petty repair, therefore no publicity was required and the expenditure was incurred in accordance with schedule of rates and strictly in-accordance with prescribed procedures.

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

*\*(vide letter No.PAP/PAC-II/2003/05/Vol-III/6195 dated 31-3-2006*

**145. Para No.44.17 Pages 41, 42, 43 & 44 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.10,640,882/-on Account of Repair to Office Building.**

District Jail, Mandi Bahauddin/Home Department Lahore - Rs.150,011/-.

**27.01.2005** The Department explained that audit objection was not valid as the work was done in different blocks and different areas of the jail, observing all the codal formalities.

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

**146. Para No.44.18 Pages 41, 42, 43 & 44 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.10,640,882/ On Account of repair to Office Buildings.**

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Superintendent Central Jail, Bahawalpur – Rs.94,412/-

**17.12.2003** Audit had pointed out that irregular expenditure was incurred and excess payments were made by the Department in the above cases.

The Committee after detailed discussion recommended as under:-

- a) the case in which the recovery was justified the same should be affected and
- b) where the recovery was not justified the loss should be got regularized from the Competent Authority.

The para was kept pending.

**28.08.2004** The Department explained that in compliance with the PAC directions, a case for regularization of the expenditure had been moved to the competent authority on 3.7.2004 and decision thereof was still awaited.

**The para was kept pending** till regularization by the competent authority.

**147. Para No.44.21 Pages 41, 42, 43 & 44 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.10,640,882/- on Account of Repair of Office Buildings.**

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Deputy Inspector General/CID Police Lahore - Rs.370,375/-

**18.12.2003** Audit had pointed out that an amount of Rs.370,375/- was incurred on repair of office building without technical sanction of the competent authority and without observing codal formalities. The payment was made at higher rates of premium on the composite Schedule of Rates 1979. Moreover, the expenditure was split up to avoid sanction of the competent authority in violation of rules.

The Department explained that the matter was investigated by the Inquiry Committee, appointed by the Home Department. The Inquiry Committee had recommended that ex-post facto sanction should be obtained from the Finance Department as the work was executed without obtaining NOC from the Buildings Department. The Department further explained that a case for regularization had been sent to Finance Department which was still under consideration.

The Committee kept the para pending till the decision of the Finance Department.

**28.08.2004** The Department explained that the case for regularization of procedural irregularity had been moved to the FD and the matter was being pursued regularly.

The Committee conditionally settled the para subject to regularization by Finance Department.

**25.01.2005** The Department explained that the case of regularization was under consideration with Home Department/Finance Department and the last reminder had been issued on 07-12-2004 to Home Department.



The representative of FD intimated the Committee that the case had been returned back to Home Department with the observation that disciplinary action against the responsible who had committed the irregularity be first taken and then the case for regularization be sent to Finance Department.

The Committee **kept the para pending** with the direction that action against the defaulters be taken in the light of observation of Finance Department.

#### **148. Para No.45 Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Unauthorized and Irregular expenditure of Rs.32,176,760/-.**

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**17.12.2003** Audit had pointed out that the expenditure to the extent of above mentioned amount had been incurred by different formations but the expenditure was un-authorized and irregular because it was split up to avoid sanction of next higher authority. It had been made without the sanction of the Competent Authority and open tenders had not been invited.

The Department explained that purchases of dietary articles were made on different dates within the financial competency of concerned officers as provided under Sr.3(a) of Delegation of Finance Powers Rules 1990.

The Committee was not satisfied with the explanation of the Department and decided to appoint an inquiry Committee consisting of the following:-

- |                                                                          |          |
|--------------------------------------------------------------------------|----------|
| 1. Finance Minister, Government of the Punjab                            | Chairman |
| 2. Inspector General Prisons                                             | Member   |
| 3. Mr Rab Nawaz,<br>Deputy Secretary (Monitoring),<br>Finance Department | Member   |
| 4. Director General Audit                                                | Member   |

The Inquiry Committee would examine all such paras pertaining to procurement of dietary articles for different jails in connection with audit observations and submit report to Public Accounts Committee-II within 30 days.

**The para was kept pending.**

#### **149. Para No. 45 (1, 3, 6, 22, 23, 30, 31, 34 & 42) Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Un-authorized and Irregular Expenditure of Rs.32,176,760/-.**

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- i) (45.1) New Central Jail (Factory Section) Bahawalpur-Rs.155,628/-.
- ii) (45.3) District Jail, Jhang-Rs.5,804,545/-.
- iii) (45.6) Superintendent Central Jail, Sahiwal-Rs.540,675/-.
- iv) (45.22) Central Jail, Gujranwala-Rs.118,987/-.
- v) (45.23) District Jail Mandi Bahauddin Home Department-Rs.350,734/-.
- vi) (45.30) Superintendent New Central Jail (Factory Section) Multan-Rs.2,873,948/-.
- vii) (45.31) Superintendent Central Jail, Dera Ghazi Khan-Rs.273,051/-.
- viii) (45.34) Superintendent New Central Jail, Multan-Rs.1,899,428/-.
- ix) (45.42) Superintendent Central Jail, Sahiwal-Rs.200,550/-.

**28.08.2004** The representative of Finance Department informed the Committee that the Inquiry Committee headed by Finance Minister needed some more time to finalize its report because it had to thrash out various issues thoroughly before firming up its recommendations.

The Committee desired that the Chairman of the Inquiry Committee be requested to finalize the report within 90 days.

**The aforesaid paras were kept pending.**

**150. Para No.45.2 Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure Rs.32,176,760/-.**

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Superintendent of Police, Okara - Rs.423,205/-

**26.01.2005** The Department explained that as per Audit observation necessary record i.e. vouchers, bills and NOC were available for verification and all the repairs were made after fulfilling all the codal formalities and observing the financial rules.

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

**151. Para No.45.5 Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Senior Superintendent of Police Telecommunication (Punjab), Lahore - Rs.1,047,350/-

**26.01.2005** The Department explained that an amount of Rs.103,4020/- of 21 different bills with the exception of bill amounting to Rs.13,330/- was sanctioned in exercise of powers of Delegation of Financial Power Rules, 1990.

**The para was pended** for verification of the relevant record by Audit.

**152. Para No.45.7 Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure Rs.32,176,760/-.**

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Deputy Director Reclamation & Probation, Lahore. Rs.69,270/-.

**25.01.2005** The Department explained that the Director R & T being category-I officer was competent to sanction the amount.

The explanation of the department was accepted by the Audit and **the para was accordingly settled.**

**153. Para No.45.8 Pages 44-47 of Audit Report for the year 1999-2000; Un- Authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Superintendent of Police, Toba Tek Singh – Rs.464,749/-.

**29.08.2005** The Department explained that the expenditure of Rs.464,750/- had been got regularized from the Finance Department.

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

**154. Para No.45.16 Pages 44, 45 46 & 47 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure of Rs.32,176,760/-**

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Superintendent of Police, Narowal – Rs.95,035/-

**16.12.2003** Audit had pointed out that an unauthorized amount of Rs.95,035/- was drawn and utilized by various formations, in violation of rules.

The Department explained that on 18.10.2003, a case for regularization had been referred to the Finance Department and disciplinary action would also be taken against responsible.

The para was kept pending for regularization by the Finance Department and for completion of the disciplinary action.

**28.08.2004** The Department explained that complete record had been got verified by Audit.

On the verification and recommendation of Audit, **the para was settled.**

**155. Para No.45.18 Pages 44 & 45 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Elite Police Force Training School, Bedian, Lahore-Rs.2,055,500/-.

**156. Para No.45.19 Pages 44 & 45 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Elite Police Force Training School, Bedian, Lahore-Rs.198,400/-.

**157. Para No.45.20 Pages 44 & 45 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Elite Police Force Training School, Badian Lahore-Rs.272,800/-.

**158. Para No.111 Page 96 of Audit Report for the year 1999-2000; Non-Accountal/Disposal of Empty Bags/Tins Amounting to Rs.76,330/-.**

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**159. Para No.119 Page 102 of Audit Report for the year 1999-2000; Recovery on Account of Wasteful Consumption of Ammunition to Rs.1,010,829/-.**

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**160. Para No.163.24 Pages 131 & 132 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding)**

**Tax.**

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Elite Police Force Training School, Lahore – Rs.597,072/-

**28.08.2004** The Department stated that a reference had already been made to Law Department on recovery process issue which was awaited.

Finance Department observed that the Department should evolve some mechanism for the recovery of pecuniary loss caused to the Government.

The Committee directed the Department to pursue the matter with Law Department for early advice with a view to evolving necessary recovery mechanism.

The paras were kept pending.

**25.01.2005** The Department explained that as per directions of PAC, the matter had been referred to Law Department for advice but so far no reply had been received. A reminder had been issued on 10-01-2005.

The Committee **kept all the paras pending** till the advice was received from the Law Department.

**161. Para No.45.33 Pages 44, 45, 46 & 47 & 8 of Audit Report for the year 1999-2000; Un-Authorized And Irregular Expenditure of Rs.32,176,760/-.**

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Superintendent New Central Jail, Multan – Rs.242,640/-.

**17.12.2003** Audit had pointed out that irregular expenditure was incurred and excess payments were made by the Department in the above cases.

The Committee after detailed discussion recommended as under:-

- a) the case in which the recovery was justified the same should be affected and
- b) where the recovery was not justified the loss should be got regularized from the Competent Authority.

The para was kept pending.

**28.08.2004** The Department stated that a case for regularization of expenditure had been moved to Finance Department vide letter dated 10.7.2004.

The Committee **kept the para pending** for regularization of the expenditure by Finance Department.

**162. Para No.45.35 Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Deputy Inspector General/CID Police Lahore - Rs.3,800,000/-

**18.12.2003** Audit had pointed out that an amount of Rs.3,800,000/- was incurred by different formations

irregularly as the expenditure was split up to avoid sanction of the next Higher Authority in violation of rules. Moreover, sanction of the Competent Authority was not obtained to incur the expenditure.

The Department explained that Government of the Punjab, Home Department had sanctioned the amount on account of arrest of sectarian terrorists/POs vide orders No.HP-II/2-14/96. The amounts were drawn on the receipt of funds/sanctions from the Government. The Department further explained that A.G Punjab had passed the bills after scrutiny and cheques were issued accordingly without any objection. Therefore, no irregularity was committed.

Audit explained in the meeting that the requisite record had been verified and recommended the para for settlement.

**The para was accordingly settled.**

**163. Para No.45.36 Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Deputy Inspector General/CID Police Lahore - Rs.72,490/-

**18.12.2003** Audit had pointed out that an expenditure of Rs.72,490/- was incurred by different formations but the expenditure was split up to avoid sanction of Higher Authority. Moreover, neither the sanction of Competent Authority was obtained nor tender system was adopted.

The Department explained that purchases were made on different dates for different stationery articles in accordance with rules. The DIG/CID being officer of the Category-I was fully competent to accord sanction upto Rs.20,000/- in each case.

Audit reported that requisite record had been verified and recommended the para for settlement.

On recommendation of Audit, **the para was settled.**

**164. Para No.45.38 Pages 44, 45, 46 & 47 of Audit Report for the year 1999-2000; Un-Authorized and Irregular Expenditure Rs.32,176,760/-**

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Superintendent of Police, Hafizabad - Rs.43,150/-

**26.01.2005** The Department explained that as per the directions of SDAC, the case for regularization had already been sent to Finance Department and the last reminder had been issued on 11-1-2005.

The Committee **kept the para pending** for regularization by Finance Department.

**165. Para No.45.41 Pages 44-47 of Audit Report for the year 1999-2000; Un- Authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Superintendent of Police, Layyah – Rs.265,889/-.

**29.08.2005** The Department explained that all the purchases were different in kind/nature and the amounts expended were within the competency of the sanction authority.

The Committee was not satisfied with the explanation of the Department and desired that a fact finding inquiry be conducted within 90 days.

**The para was kept pending.**

**166. Para No.45.43 Pages 44-47 of Audit Report for the year 1999-2000; Un- Authorized and Irregular Expenditure of Rs.32,176,760/-.**

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Superintendent of Police, Muzaffargarh – Rs.21,657/-.

**29.08.2005** The Department explained that the payments were made on account of medical reimbursement bills and the concerned DDO had expired in an in-counter with the dacoits.

The Committee taking a lenient view due to the death of concerned DDO and **settled the para.**

**167. Para No.48 Pages 48 & 49 of Audit Report for the year 1999-2000; Irregular Payment of Rs.537,400/- without obtaining sanction of Finance Department for acceptance of Tenders in Excess of 20% than last year rate**

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**26.01.2005** The Department explained that the department was authorized to make purchases of uniform articles (locally) under special powers delegated to the police department in relaxation of the normal purchase procedures. Therefore, the purchase of boots was made under the special powers in relaxation of the normal purchase procedure and Delegation of Financial Power Rules 1990.

The Department also stated that regarding increase in price as compared to last purchased rates, the specification of Boots being purchased before the 1997-98 were Injact Molded Sole which was revised by the purchase committee of the Police Department. The specification adopted in 1997-98 was much superior in quality, comfort and durability as compared to previous one. The Department further explained that all the purchases were made after fulfilling all the codal/procedure formalities

The Committee accepted the explanation of the department and **settled the para.**

**168. Para No.50.2 Page 50 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.716,429/- on Feeding Charges.**

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Superintendent of Police, Dera Ghazi Khan – Rs.402,914/-.

**29.08.2005** The Department explained that the expenditure under observation was incurred with the sanction of CA after observing all the codal formalities. So far as payment in cash mode was concerned, it was stated that the office had to draw the amount in cash due to non-availability of any other account, where in drawn amounts could be deposited and repaid through cheques.

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

**169. Para No.51.1 Pages 50, 51 & 52 of Audit Report for the year 1999-2000; Unauthorized and**



## **Irregular Expenditure of Rs.460,518/- on Repair of Machinery.**

Superintendent of Police, Kasur – Rs.78,700/-.

**29.08.2005** The Department explained that the expenditure of Rs.78,700/- was incurred on the repair of different government machinery i.e. computer, fax machine, photo-state machine on different occasions, after observing all the codal formalities. The sanction was also accorded by the competent authority in accordance with the delegation of Financial Power Rules.

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

## **170. Para No.52.1 Pages 52 & 53 of Audit Report for the year 1999-2000; Irregular Payment of Pending Liabilities for Rs.3,204,925/-.**

District Jail Jhelum - Rs.230,032/-.

**27.01.2005** The Department explained that in the light of audit observation revised sanction for the purchase of Mash whole, Masoor whole, white sugar and red chilies were issued by the competent authority.

The Committee accepted the explanation of the Department and **the para was settled** subject to verification of record by Audit.

## **171. Para No.52.4 Pages 52 & 53 of Audit Report for the year 1999-2000; Irregular Payment of Pending Liabilities for Rs.3,204,925/-.**

New Central Jail (Maintained) Bahawalpur - Rs.412,130/-.

**27.01.2005** The Department explained that the dietary articles were purchased at the lowest rates after observing the codal formalities and within the competence of the sanctioning authority from the local contractor.

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

## **172. Para No.52.6 Pages 52 & 53 of Audit Report for the year 1999-2000; Irregular Payment of Pending Liabilities For Rs.3,204,925/-**

New Central Jail, Multan – Rs.1,959,864

**17.12.2003** Audit had pointed out that an expenditure of Rs.1,959,864/- was incurred on purchase of raw material for factory in 1997-98 but the payment of the stated expenditure was made out of Budget Allocation for the year 1998-99 which was irregular.

The Department explained that the articles were purchased to meet the requirements of the jail factory and on the receipt of Budget, payments were made to the contractors. The department further explained that if the production of the Jail Factory were stopped, it would have resulted in loss.

The Committee accepted the explanation of the department. However, the department was directed that this practice should not be repeated in future.

**The para was accordingly settled.**

## **173. Para No.52.7 Pages 52 & 53 of Audit Report for the year 1999-2000; Irregular Payment of**

**Pending Liabilities for Rs.3,204,925/-/-.**

Deputy Inspector General/CID Police Lahore - Rs.77,211/-

**18.12.2003** Audit had pointed out that the liabilities relating to previous years were paid out of the Budget for the year 1998-99.

The Department explained that purchase of stationery articles was inevitable as the office work could not be postponed. The stationery items were purchased after observing all codal formalities on urgent basis. The Department further explained that sanction for the payment of pending liabilities was obtained from the Competent Authority and Budget was provided by the CPO for the purpose.

The Finance Department and Audit also verified the departmental contention in the meeting.

On the recommendation of Audit, **the para was settled.**

**174. Para No.53.4 Pages 53 & 54 of Audit Report for the year 1999-2000; Irregular and Doubtful Expenditure of Rs.543,596/- on Printing.**

Senior Superintendent of Police, Sargodha – Rs.40,940/-.

**29.08.2005** The Department explained that expenditure on printing of material was incurred in view of the requirements which was less than Rs.5,000/- in each case, and DIG was fully competent for the purpose.

Audit contented that splitting up of expenditure was quite evident in the case to avoid the sanction of next higher authority.

The Committee directed the department to get the expenditure regularized by the competent authority.

**The para was kept pending.**

**175. Para No.53.6 Pages 53 & 54 of Audit Report for the year 1999-2000; Irregular and Doubtful Expenditure of Rs.543,596/- on Printing**

Superintendent of Police, Hafizabad - Rs.100,486/-

**26.01.2005** The Department stated that in the light of the direction of SDAC meeting DSP H/quarter, Hafizabad was deputed as Inquiry Officer who had submitted the inquiry report which had been approved by the DPO, Hafizabad. As per inquiry report no misappropriation or irregularity was found. The Department requested that in the light of the findings of inquiry report the para may be settled.

Audit stated that inquiry report had not been seen by it.

The Committee kept **the para pending** for verification of inquiry report by Audit.

**176. Para No.54.2 Pages 54 & 55 of Audit Report for the year 1999-2000; Irregular Payment of Rs.1,492,049/- to Contingent Paid Staff.**

Superintendent of Police, Dera Ghazi Khan – Rs.268,700/-.

**29.08.2005** The Department explained that no new appointment was made during this period and the continuity service certificate duly verified by District Accounts Officer, D.G.Khan regarding working of contingent paid staff had been shown to Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**177. Para No.54.6 Pages 54 & 55 of Audit Report for the year 1999-2000; Irregular Payment of Rs.1,492,049/- to Contingent Paid Staff.**

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Superintendent of Police Telecommunication Punjab, Lahore – Rs.124,500/-.

**29.08.2005** The Department requested that an opportunity of personal hearing be provided to the concerned officer.

On 31.08.05 the concerned officer attended the meeting and explained that regular vacancies were not created but the services of tele-communications staff were required under the unavoidable circumstances. Therefore, the services of contingent staff were utilized.

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

**178. Para No.62.1 Pages 59 & 60 of Audit Report for the year 1999-2000; Expenditure in Excess of Budget Provisions for Rs.32,593,596/-.**

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Secretary Government of the Punjab Home Department, Rs.106,179/-

**25.01.2005** The Department explained that the para had been discussed in SDAC meeting held on 30 & 31-12-2002 and was recommended for settlement.

Audit verified the contention of the department and recommended the para for settlement.

**The para was accordingly settled.**

**179. Para No.62.3 Pages 59 & 60 of Audit Report for the year 1999-2000; Expenditure in Excess of Budget Provision for Rs.32,593,596/-.**

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Superintendent of Police, Toba Tek Singh – Rs.431,139/-.

**29.08.2005** The Department explained that the actual excess expenditure on pay and allowance was Rs.415,224.84 which had already been settled in PAC meeting held on 28-8-2004.

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

**180. Para No.62.4 Pages 59 & 60 of Audit Report for the year 1999-2000; Expenditure in Excess of Budget Provision for Rs.32,593,596/-.**

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District Jail Shahpur - Rs.238,807/-.

**181. Para No.62.8 Pages 59 & 60 of Audit Report for the year 1999-2000; Expenditure in Excess of Budget Provision for Rs.32,593,596/-.**

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District Jail Gujrat - Rs.801,090/-.

**27.01.2005** The Department explained that the expenditure incurred was inevitable to purchase dietary articles for prisoners and the funds were requested in the second statement of excess & surrender.

The Finance Department stated that the department had gone in excess of budgetary allocation which needed regularization from the Finance Department.

The committee **settled the paras subject to** regularization of the excess amount by FD.

**182. Para No.62.6 Pages 59 & 60 of Audit Report for the year 1999-2000; Expenditure in Excess of Budget Provisions for Rs.32,593,596/-.**

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SP/PC BTN-4 Faisalabad - Rs.27,719,268/-

**26.01.2005** Audit had pointed out that the department incurred expenditure in the excess of budget allocation.

The Department explained that the expenditure incurred was less than 5% which was permissible limit.

The Committee **settled the para** on the explanation of the department if the over-all budget was within the permissible limit.

**183. Para No.62.7 Pages 59 & 60 of Audit Report for the year 1999-2000; Expenditure in Excess of Budget Provision for Rs.32,593,596/-.**

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Superintendent of Police, Jhang – Rs.810,520/-.

**29.08.2005** The Department explained that the appropriation account for the year 1999-2000 had already been settled by the PAC meeting held on 28-8-2004. Therefore, there was no need to obtained further sanction of the Finance Department.

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

**184. Para No.63.1 Pages 60, 61 & 62 of Audit Report for the year 1999-2000; Unauthorised and Irregular Expenditure of Rs.6,460,107/- on Purchase of Stationery.**

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Deputy Inspector General of Police Gujranwala – Rs.412,387/-

**16.12.2003** Audit had pointed out that the expenditure was split up to avoid sanction from the higher authorities.

Moreover, the open tender was not called for and the purchases were made from unregistered firms.

The Department explained that DIG being officer of category-I was competent to accord sanction for the purchase of stationery articles amounting to Rs.15,000/- for one article at one time. The quotations were obtained from three different firms and purchases were not split up with intention to avoid the sanction of higher authority. However, the case had been referred to the competent authority for regularization.

The Committee was not satisfied with the explanation of the Department and directed that the DIG concerned should attend the meeting on the next day to explain the factual position viz-a-viz the audit objection.

On 17-12-2003, the Committee, again considered the para and settled the same subject to regularization by the Competent Authority.

**28.08.2004** The Department explained that the case for regularization of the expenditure had already been referred to Home Department/Finance Department which was being pursued regularly.

The para was kept pending till regularization by Finance Department.

**25.01.2005** The Department explained that the case of regularization was sent to Finance Department through Home Department on 12.01.2004 and the same was being pursued.

The Committee **kept the para pending** with the direction that the case of regularization may be pursued in the Finance Department.

### **185. Para No.63.3 Pages 60, 61 & 62 of Audit Report for the year 1999-2000; Un-Authorised and Irregular Expenditure of Rs.6,460,107/- On Purchase of Stationery.**

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Sr. Superintendent of Police, Lahore - Rs.3,297,085/-

**18.12.2003** Audit had pointed out that an amount of Rs.3,297,085/- was incurred by different formations on purchase of stationery articles. The expenditure was split up to avoid sanction of the Higher Authority and Tender System was not adopted. Moreover, purchases were made from un-registered firms with the Sales Tax Department. Therefore, the expenditure was un-authorized/irregular.

The Department explained that stationery articles were purchased after observing all codal formalities within the financial competency of the concerned officer. The Department further explained that instructions regarding GST were received in the Department in 1998 while the purchases were made in 1997.

The Committee directed that Inspector General of Police, Punjab should enquire into the matter and take action against those responsible for splitting up the expenditure. So far as the matter relating to GST was concerned, the Committee appointed the following to examine all the cases relating to GST:-

1. Mr Abdul Majid Dar,  
Deputy Director Audit
2. Deputy Inspector General (Logistic)  
Police Department
3. Section Officer (Taxes)

## Finance Department

The para was kept pending.

**28.08.2004** The Department stated that the inquiry Committee had not still finalized its proceedings.

The para was kept pending with direction that the inquiry be finalized at the earliest.

**25.01.2005** The Department explained that the fact finding Committee was of the opinion that the total expenditure was Rs.4,522,872/- instead of Rs.3,297,085/- and splitting up of the expenditure was made and the same was to be regularized by the Finance Department

**The para was kept pending** for regularization by the Finance Department.

**186. Para No.63.5 Pages 60 & 61 of Audit Report for the year 1999-2000; Unauthorized and Irregular Expenditure of Rs.6,460,107/- on Purchase of Stationary.**

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Secretary Home Department Rs.923,925/-.

**25.01.2005** Audit had pointed out that the stationary amounting to Rs.923,925/- were purchased from the local market and the unregistered firms for sale tax in contravention of stationary purchase manual.

The Department explained that the para was discussed in SDAC meeting held on 31-12-2002 and was kept pending with the directions that amount of income tax be deposited in the government treasury. Accordingly, the full recovery amounting to Rs.16,823/- on account of income tax had been effected from the firms and the same had been verified by Audit. The Department admitted that due to time constraints and non availability of firms registered for the purpose of sales tax, the goods were therefore purchased from the firms which were not registered with the Sales Tax Department.

The Committee **kept the para pending** with the direction that department may enquire the issue and if any irregularity was committed the responsible be brought to book under the law/rule and; if necessary so, irregularity be got regularized by the Competent Authority.

**187. Para No.63.6 Pages 60 & 61 of Audit Report for the year 1999-2000; Unauthorized and irregular Expenditure of Rs.6,460,107/- on Purchase of Stationary.**

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Superintendent of Police, Muzaffargarh – Rs.44,885/-.

**29.08.2005** The Department explained that the amounts of bill were drawn in cash as no other bank account for the temporary retention and repayment through cheques was maintained.

The Committee **settled the para** with the directions that in future the payments be made either through cheques or bank drafts.

**188. Para No.63.9 Pages 60 & 61 of Audit Report for the year 1999-2000; Unauthorized and irregular Expenditure of Rs.6,460,107/- on Purchase of Stationary.**

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Superintendent Police Rajanpur – Rs.83,992/-.

**29.08.2005** The Department explained that the requisite stock register of stationery had been produced to audit, who had verified the same.



Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**189. Para No.65 Pages 62 & 63 of Audit Report for the year 1999-2000; Irregular and Doubtful Expenditure Worth Rs.6,823,670/-.**

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**27.01.2005** The Department explained that an inquiry was conducted into the matter and in the light of the inquiry the case for regularization had been forwarded to FD which was still pending. The last reminder had been issued on 5-11-2004.

**The para was settled subject to regularization by the Finance Department.**

**190. Para No.71 Pages 67 & 68 of Audit Report for the year 1999-2000; Irregular Purchase of Sofa Sets and Other Furniture Items Costing of Rs.252,100/-.**

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**25.01.2005** Audit pointed out that similar paras were included in the Audit Report for the year 1997-98 vide Para No.2.26 and same had been settled by the Adhoc PAC on 04.06.2002.

On the explanation/recommendation of audit **the para was settled.**

**191. Para No.73 Pages 68 & 69 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.50,830/-.**

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**29.08.2005** The Department explained that the expenditure was incurred on the repair of vehicles after obtaining the necessary NOC and was within the competency.

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

**192. Para No.84 Page 75 of Audit Report for the year 1999-2000; Advance Payment of Electricity Charges Without Sanction of Finance Department Amounting Rs.475,000/-.**

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**27.01.2005** The Department explained that the electricity bills were received from WAPDA without details of units from 2/96 to 8/98. The claim of WAPDA i.e. Rs.4,293,572/- at the average of 33,263 units per month was cleared including Rs.475,000/-. The balance amount was cleared by the Federal Government vide RO WAPDA letter No. 4306 dated 27-10-2003.

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

**193. Para No.87 Pages 77 & 78 of Audit Report for the year 1999-2000; Non-Deposit of Rs.297,250/- On Account of Canteen And Utility Charges.**

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**17.12.2003** The Department explained that the canteens were being run through Punjab Prison Foundation and the Department had submitted a summary to the Chief Minister for approval of its by-law in respect of utilization of the Welfare Fund.

The Committee directed the Department to get its by-laws approved by Chief Minister, Punjab within 90

days otherwise recovery should be effected.

The para above was kept pending.

**28.08.2004** The Department explained that in the light of PAC directions, revised bye-laws of Punjab Prisons Staff Welfare Cooperative Society were framed and sent to Registrar, Punjab Cooperative Societies which were under consideration/examination. The matter was being pursued at personal level.

The Committee **kept the para pending** till approval of bye-laws by the Competent Authority.

**194. Para No.93 Page 82 of Audit Report for the year 1999-2000; Un-Authentic Payment of Cash Reward of Rs.10.00 Lac.**

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**26.01.2005** The Department explained that the said amount had been paid to the source/informer as head money after obtaining the approval of the competent authority. On a query from the Committee that why the name of the recipient of that amount was not mentioned on the cheque, the Department stated that this was the policy of the Police Department not to disclose the name of the informer due to security risk to his life. However, a certificate of disbursement had been issued by the then DIG Lahore Range, Lahore which was sufficient as per the police rules.

The Committee was satisfied with the explanation of the Department and **settled the para** with the observation that check & balance mechanism be adopted in such cases for transparent accounts.

**195. Para No.94 Page 83 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.607,428/- on Purchase of Dietary Articles.**

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**27.01.2005** The Department explained that the purchases were made after entering into contract which was finalized by the competent authority after observing all the codal formalities. The Department also stated that the dietary articles could not be store for indefinite period and requested for the settlement of the para.

The Committee accepted the explanation of the Department and **settled the para subject to** verification of record by Audit.

**196. Para No.97.1 Pages 84 & 85 of Audit Report for the year 1999-2000; Irregular Payment of Salaries for Rs.213,428/- on Account of Unauthorized Shifting of Headquarter.**

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Central Jail Dera Ghazi Khan – Rs.40,260/-

**27.01.2005** The Department explained that Mr. Mohsin Raza, Dark-Room attendant posted at Central Jail, DG Khan was temporarily attached at District Jail, Lahore in the exigency of service from 17-3-1998 to 7-9-2000. The Department also stated that in the light of audit observation, the case for regularization had been referred to Home Department on 6-1-2005.

The Committee **settled the para subject to** regularization by Finance Department.

**197. Para No.97.3 Pages 84 & 85 of Audit Report for the year 1999-2000; Irregular Payment of Salaries for Rs.213,428/- On Account of Unauthorized Shifting of**

**Headquarter.**

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Superintendent District Jail, Lahore – Rs.96,330/-

**17.12.2003** Audit had pointed out that irregular expenditure was incurred and excess payments were made by the Department in the above cases.

The Committee after detailed discussion recommended as under:-

- a) the case in which the recovery was justified the same should be affected and
- b) where the recovery was not justified the loss should be got regularized from the Competent Authority.

The para was kept pending.

**28.08.2004** The Department explained that the attachment of the official had already been terminated and thereafter he was formally transferred to IG Prisons office. The case for regularization had since been moved.

Finance Department observed that in this case a summary for Chief Minister was required to be moved by the Department.

**The para was kept pending** till regularization by competent authority.

**198. Para No.103.2 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- on Account of Excess Calls on Residential Telephones.**

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Superintendent of Police, Sialkot – Rs.38,678/-

**16.12.2003** The Department explained that an amount of Rs.896/- had been recovered and the concerned officers had been directed to deposit the remaining amount of Rs.37,782/-.

The para was kept pending with the direction that recovery be effected within one month.

**28.08.2004** The Department stated that the telephones installed at the residences of Police Officers had to be used in connection with emergent calls outside office hours in the interest of maintenance of law & order.

The Committee accepted the reply of the Department and **settled the para.**

**199. Para No.103.3 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- on account of excess calls on residential telephones**

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Superintendent of Police, Punjab Constabulary Multan - Rs.101,000/-

**26.01.2005** The Department explained that the efforts were being made to recover the amount from the concerned officer.

The Committee directed that the write-off sanction of the expenditure may be obtained or effect the recovery from the concerned.

**The para was kept pending.**

**200. Para No.103.5 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- on Account of Excess Calls on Residential Telephones.**

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Superintendent of Police, Layyah – Rs.217,436/-.

**29.08.2005** The Department explained that Rs.1,900/- had been recovered from M/s. Ameer Buksh & Naseemul Hassan. Regarding the balance recovery the Department requested that the concerned officers may be called to explain personally about the excess calls made from his residential telephone.

The Committee acceded to the request of the Department and kept the para pending for personal hearing of the concerned officer on 31-8-2005.

On 31-8-2005, the Department stated that Mr. Pervaiz Akhtar Awan now DIG was on ex-Pakistan leave and Mr. Ahmad Mubarak presently SSP CID was present in the meeting and he stated that all the telephone calls were made on official business to maintain law and order in the district.

The Committee **settled the para** to the extent of Mr. Ahmad Mubarak, Ameer Buksh and Mr. Naseemul Hassan and kept the para pending relating to Mr. Pervaiz Akhtar Awan, DIG.

**201. Para No.103.8 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- on account of Excess Calls on Residential Telephones.**

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Deputy Inspector General of Police – Rs.206,623/-.

**29.08.2005** The Department explained that the para to the extent of Rs.36,402/- and Rs.2,639/- relating to Syed Azhar Hassan Nadeem and Mr. Irfan Mehmood respectively had already been settled vide Audit comments dated 13-2-2004. However, the efforts were being made to recover the balance amount of Rs.167,582/- from Mirza Muhammad Yasin DIG.

Audit verified the contention of the Department.

The Committee **kept the para pending** with the directions that the recovery of Rs.167,582/- be made from the salary of Mirza Muhammad Yasin, DIG as per rules.

**202. Para No.103.10 Pages 89 & 90 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- On Account of Excess Calls on Residential Telephones**

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Deputy Inspector General of Police Multan Range – Rs.26,116/-

**18.12.2003** The Department explained that the expenditure on Telephone Calls was inevitable in view of the Law and Order situation and the calls were made in the Public Interest for the officials purpose.

The Committee accepted the departmental contention and **the para was settled.**

**203. Para No.103.12 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- on Account of Excess Calls on Residential Telephones.**

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Secretary Home Department Rs.22,135/-.

**25.01.2005** The Department explained that the total amount of Rs.22,135/- had been recovered from the concerned and deposited into the government treasury.

Audit stated that the department had produced CV of Rs.17,738/- but did not produced the CV of Rs.4,397/- for verification.

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

**204. Para No.103.16 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- on Account of Excess Calls on Residential Telephones.**

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Superintendent of Police, Sahiwal - Rs.44,113/-.

**25.01.2005** The Department explained that the efforts were being made to recover the amount from the concerned officer.

The Committee directed that the write off sanction of the expenditure may be obtained or the recovery be effected from the concerned.

**The para was kept pending.**

**205. Para No.103.20 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- on Account of Excess Calls on Residential Telephones.**

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Senior Superintendent of Police, Multan - Rs.389,057/-.

**25.01.2005** Audit pointed out that as per Department the case for regularization of expenditure of Rs.389,057/- had been referred to Finance Department on 17.07.2002 and the same was pending with DIG/MR.

The Committee directed that the write off sanction of the expenditure may be obtained or recovery be effected from the concerned.

**The para was kept pending.**

**206. Para No.103.21 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- on account of excess calls on residential telephones**

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Deputy Inspector General Police, Sargodha - Rs.22,957/-

**26.01.2005** The Department explained that the para consists of two periods, one from May 1997 to January 1998 and the other February and March 1998 relating to Mr Yaqoob and Mr Muhammad Ali respectively. The Department stated that the calls made in the periods of February and March 1998 was due to the Law & Order Situation of the Sargodha Range which was justified. So far as the other period was concerned that will be realized/written off in the light of case already submitted to the Chief Executive of the Province.

The Committee accepted the explanation of the Department and **settled the period from February and March 1998** relating to Mr Muhammad Ali and **kept pending the period from May 1997 to January 1998** till the decision of the Chief Executive of the Province.

**207. Para No.103.23 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- on Account of Excess Calls on Residential Telephones.**

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Superintendent of Police traffic Rawalpindi – Rs.13,434/-.

**29.08.2005** The Department explained that a sum of Rs.13,434/- had been recovered and deposited into the government treasury vide Challan dated 5-5-2004.

The Committee **settled the para subject to** credit verification by Audit

**208. Para No.103.27 Pages 89 ,90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- On Account of Excess Calls on Residential Telephones.**

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Sr. Superintendent of Police, Lahore - Rs.135,941/-

**18.12.2003** The Department explained that efforts were being made to recover the amount from concerned officers and several letters had been written to them directing them to deposit the outstanding amount into Government Treasury.

The Committee directed the Department to expedite the recovery process and complete recovery should be effected within 30 days.

The para was kept pending.

**28.08.2004** The Department explained that efforts were being made to recover the amount form the concerned officers.

The para was kept pending with the direction that the amount be recovered at the earliest.

**25.01.2005** The Department explained that the efforts were being made to recover the amount from the concerned officers.

The Committee directed that the write off sanction of the expenditure may be obtained or recovery be effected from the concerned. **The para was kept pending.**

**209. Para No.103.29 Pages 89, 90 & 91 of Audit Report for the year 1999-2000; Recovery of Rs.5,998,259/- on Account of Excess Calls on Residential Telephones.**

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District Jail Sialkot - Rs.155,270/-.

**27.01.2005** The Department stated that Senior Revenue Officer, PTCL, Sialkot had provided amount of bills for the period 7/95 to 6/97 which clearly indicates. The total expenditure on residential telephone was within the permissible limits.

**The para was settled subject to** verification of bills/relevant record by Audit.

**210. Para No.106 Page 93 of Audit Report for the year 1999-2000; Recovery on Account of Non-**



## **Refund of Government Money Worth Rs.631,533/-**

**26.01.2005** The Department explained that the para consisted of two sub-paras. So for as part-A was concerned that has already been settled by the PAC meeting held on 3 & 4-6-2002.

Audit verified the contention of the Department and recommended the part for settlement.

**The part was settled.**

So for as the part-B was concerned the Department stated that Rs.12,450/- out of Rs.124,258/- had been recovered upto 10-2003 from Mr. Shoib Raza, which had been verified by Audit. As regards, balance recovery, the official was dismissed from service in an other case and his appeal against the dismissal orders was pending in Range Office DG Khan and recovery would be effected after the decision.

In the case of Mr. Munir Ahmad, the Department stated that an amount of Rs.43,950/- has been deducted from his pay and deposited into the government treasury. The remaining amount of Rs.142,346/- would be recovered @Rs.1,500/- per month i.e. 1/3<sup>rd</sup> of his pay.

**The para was kept pending** for recovery and its verification by Audit.

### **211. Para No.107 Pages 93 & 94 of Audit Report for the year 1999-2000; Loss to Government Property Amounting to Rs.2,035,577/-.**

**27.01.2005** The Department explained that a riot had taken place in District Jail, Attock and prisoners damaged government property and stores. An inquiry was conducted into the matter which assessed loss of Rs.1,78,524/-. Apart from Departmental action, case for write off sanction has been forwarded to Finance Department on 13-3-2004 and last reminder was issued on 13-11-2004 to FD with the request for early decision of the case.

**The para was kept pending** for write off sanction by the Competent Authority.

### **212. Para No.109.3 Pages 94 & 95 of Audit Report for the year 1999-2000; Recovery of Rs.311,610/- on Account of Non Deduction of 5% House Rent.**

Inspector General Prisons Punjab, Lahore - Rs.77,826/-.

**27.01.2005** The Department explained that as per the Government of Punjab, Finance Department letter No. SR-IV-9-7/76 dated 29-2-1980 members of Jail Service including Inspector General, Deputy Inspector General and Assistant Inspector General of Prisons were entitled for rent free accommodation as provided in the Punjab Jail Service Rules 1951.

Audit verified the contention of the department and recommended the para for settlement.

**The para was settled.**

### **213. Para No.110.1 Pages 95 & 96 of Audit Report for the year 1999-2000; Recovery of Rs.621,270/- on Account of Misuse of Government Vehicles.**

P.R.T.C Rawalpindi – Rs.37,448/-.

**29.08.2005** The Department explained that an amount of Rs.37,448/- had been recovered and deposited into government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**214. Para No.110.3 Pages 95 & 96 of Audit Report for the year 1999-2000; Recovery of Rs.621,270/- on Account of Misuse of Government Vehicles.**

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Inspector General Prisons Punjab, Lahore – Rs.31,680/-

**27.01.2005** The Department explained that the official vehicles were used by PS to Minister for Jail to accompany the Minister on various meetings, official tours and seminars etc. for performance of his official duties.

The Committee was satisfied with the explanation of the Department and **the para was settled.**

**215. Para No.113.1 Pages 97 & 98 of Audit Report for the year 1999-2000; Recovery of Rs.850,281/- On Account of Risk Purchase.**

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Superintendent Central Jail, Sahiwal – Rs.43,434/-

**17.12.2003** Audit had pointed out that irregular expenditure was incurred and excess payments were made by the Department in the above cases.

The Committee after detailed discussion recommended as under:-

- a) the case in which the recovery was justified the same should be affected and
- b) where the recovery was not justified the loss should be got regularized from the Competent Authority.

The para was kept pending.

**28.08.2004** The Department explained that in this case two inquiries were conducted. However, in the second inquiry, the recovery against the officer was established which would be effected. The Committee directed that the Department should effect recovery in 90 days.

**The para was kept pending.**

**216. Para No.113.2 Pages 97 & 98 of Audit Report for the year 1999-2000; Recovery of Rs.850,281/- on Account of Risk Purchase.**

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District Jail Jhelum - Rs.292,378/-.

**27.01.2005** The Department explained that out of total recovery of Rs.2,92,478/- a sum of Rs.25,000/- and Rs.56,079/- had been recovered from M/s. Akbar & Co. and M/s. Hayat respectively. However, the remaining recovery action had been initiated against M/s. Akbar & Co., M/s. Inamul Haq and Pari Enterprises as arrears of land revenue to the DCOs concerned.

The Committee **decided that the para be reduced** to the balance amount and the process of the recovery as arrears of land revenue be expedited vigorously.

**217. Para No.113.4 Pages 97 & 98 of Audit Report for the year 1999-2000; Recovery of Rs.850,281/- on Account of Risk Purchase.**

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District Jail Attock - Rs.159,264/-.

**27.01.2005** The Department explained that case for recovery of Rs.73,284/- had been initiated as arrears of land revenue and a case for write off the amount of Rs.55,931/- from M/s Hayat & Co. had been referred to Finance Department. The Department also stated that Rs.30,038/- had been recovered which was available for verification by Audit.

The Committee **kept the para pending** for recovery, write off and verification of record by Audit.

**218. Para No.113.5 Pages 97 & 98 of Audit Report for the year 1999-2000; Recovery of Rs.850,281/- on Account of Risk Purchase.**

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Central Jail Bahawalpur - Rs.302,264/-.

**27.01.2005** The Department explained that the case for write off sanction had been referred to the Finance Department.

The Committee **kept the para pending** till receipt of write off sanction from the Finance Department.

**219. Para No.116.1 Page 100 of Audit Report for the year 1999-2000; Less/Non-Payment of Rs.2,929,100/-of Electricity Charges by Residents of Colonies.**

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Central Jail Faisalabad - Rs.2,564,000/-.

**27.01.2005** The Department stated that FESCO had refused to install separate meters at the residences. However, the Department had recovered electricity charges from the government servants according to the rates of bulk supply and there was no loss to the government.

The Committee accepted the explanation of the Department and **settled the para subject to** verification of electricity bills by Audit.

**220. Para No.116.2 Page 100 of Audit Report for the year 1999-2000; Less/Non-Payment of Rs.2,929,100/-of Electricity Charges by Residence of Colonies.**

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District Jail Mandi Baha-ud-Din - Rs.23,300/-.

**27.01.2005** The Department explained that total recovery had been effected and deposited into government treasury.

Audit verified the contention of the department and **para was settled.**

**221. Para No.116.4 Page 100 of Audit Report for the year 1999-2000; Less/Non-Payment of Rs.2,929,100/-of Electricity Charges by Residents of Colonies.**

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District Jail Gujrat - Rs.122,200/-.

**27.01.2005** The Department explained that an inquiry had been entrusted to DIG (NR) Rawalpindi and inquiry report was still awaited. However Rs.19,600/- had been recovered from the concerned officer and remaining recovery was being effected.

The Committee directed that on receipt of the Inquiry Report further action may be taken accordingly and the balance recovery may be effected.

**The para was kept pending.**

**222. Para No.118 Pages 101 & 102 of Audit Report for the year 1999-2000; Recovery on account of un-authorized use of Government Vehicles Rs.1,650,006/- along with Rs.61,872/- as Conveyance Allowance without entitlement**

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**26.01.2005** The Department stated that vehicles on charge of Special Branch, H/Qs, Lahore were provided to the officers duly allowed by the worthy Addl. IGP/SB for the performance of duties for 24 hours which was not usually disclosed in public interest. However, later on in 1998, in compliance of the rules (Govt. Staff Vehicles use and maintenance) necessary quota had been fixed. It was also stated that the practice of giving conveyance allowance in addition to the use of Govt. vehicles had been stopped.

The Committee accepted the departmental explanation regarding consumption of POL in excess of ceiling being the formation a special agency and **settled the item.**

As regards, Rs.61,872/- was concerned, the Committee directed the audit to provide the names of officers who were provided whole time vehicles but they also drawn conveyance allowance to SP (Admn), Special Branch for recovery of the same and **the item was kept pending.**

**223. Para No.121.1 Pages 103 & 104 of Audit Report for the year 1999-2000; Non Recovery of Government Land/Building Rent to the Tune of Rs.1,651,703/-.**

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Central Jail Kot Lakhpat - Rs.926,335/-.

**27.01.2005** The Department stated that recovery warrant had been issued against M/s. RG by DCO, Lahore.

The Committee **kept the para pending** with the observation that the Department also makes some personal efforts for effecting recovery at the earliest.

**224. Para No.121.2 Pages 103 & 104 of Audit Report for the year 1999-2000; Non-Recovery of Government Land/Building Rent to the Tune of Rs.1,651,703/-**

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Sr. Superintendent of Police, Faisalabad - Rs.13,500/-

**18.12.2003** Audit had pointed out that Government buildings/plots of commercial land were leased out to various parties but the lease money was not/less realized resulting in loss to the Government.

The Department explained that M/s Shell Pakistan Ltd. had been contacted for recovery of outstanding lease money of Rs.13500/- and the matter was in progress.

The para was kept pending.

**28.08.2004** The Department explained that M/s. Shell Pakistan Ltd. had been contacted for recovery of outstanding lease money of Rs.13,500/-.

The Committee settled the para subject to verification of recovery position by Audit.

**25.01.2005** The Department stated that M/s Shell Pakistan Ltd. had assured that the amount would be deposited within a few days.

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

**225. Para No.121.3 Pages 103 & 104 of Audit Report for the year 1999-2000; Non Recovery of Government Land/Building Rent to the Tune of Rs.1,651,703/-.**

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Superintendent of Central Jail Kot Lakhpat, Lahore - Rs.259,827/-.

**27.01.2005** The Department stated that EDO (R) Lahore had been requested to recover the amount as arrears of land revenue and recovery warrant had been issued against M/s Umer-e-Khayam Carpets by DCO, Lahore.

The Committee **kept the para pending** with the observation that the Department also makes some personal efforts for effecting recovery at the earliest.

**226. Para No.121.5 Pages 103 & 104 of Audit Report for the year 1999-2000; Non Recovery of Government Land/Building Rent to the Tune of Rs.1,651,703/-.**

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Central Jail Kot Lakhpat, Lahore – Rs.152,042/-.

**29.08.2005** The Department explained that a hall of jail building was rented out to M/s Umar-e-Khiyam Carpets Lahore and the contract was for 5 years. The firm left the business without payment of the rent. The action for recovery as arrears of land revenue had been initiated since 17-8-2004 and the arbitration report had been received in the Department. The recovery would be effected within 30 days.

The Committee **kept the para pending** with the direction that the recovery be made at the earliest under

intimation to the PAC.

**227. Para No.122 Page 104 of Audit Report for the year 1999-2000; Recovery of Rs.104,500/- on Account of Sale of Green Fodder.**

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**27.01.2005** The Department explained that total recovery had been effected and deposited into government treasury.

**The para was settled subject to** verification of record by Audit

**228. Para No.129.1 Pages 107 & 108 of Audit Report for the year 1999-2000; Irregular Payment of Rs.1,109,474/- for Sewing Charges.**

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Superintendent of Police, Vehari - Rs.126,206/-.

**26.01.2005** The Department stated that Mr. Muhammad Hussain, Tailor Master, police Line, Vehari was given contract of sewing police uniform in accordance with police rules after obtaining the necessary approval of agreement by the IG Police. The Department further explained that such arrangement was made to keep the sewing charges low of police uniform in public interest.

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

**229. Para No.129.4 Pages 107 & 108 of Audit Report for the year 1999-2000; Irregular Payment of Rs.1,109,474/- for Sewing Charges.**

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Sr. Superintendent of Police, Sargodha – Rs.97,970/-

**18.12.2003** Audit had pointed out that different formations of Police Department had paid an amount of Rs.97,970/- to the Tailor Master who was a Government servant and therefore, the amount was overpaid.

The Department explained that the charges of sewing/stitching had been fixed by the Inspector General of Police, Punjab and sanction of the competent authority was obtained in each case.

Audit verified the departmental contention and recommended the para for settlement.

**The para was accordingly settled.**

**230. Para No.135.2 Page 112 of Audit Report for the year 1999-2000; Loss of Rs.1,891,791/- Due to Non-Return of Government Weapons and Other Articles.**

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Superintendent of Police, Gujrat – Rs.1,720,000/-

**16.12.2003** The Department explained that the matter had been investigated through DSP/HQ and the arms & ammunition had been recovered from the concerned officers/officials and deposited into store and record could be verified by Audit.

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



**231. Para No.135.5 Page 112 of Audit Report for the year 1999-2000; Loss of Rs.1,891,791/- due to non-return of government weapons and other articles**

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SP/PC BTN-3 Multan - Rs.22,907/-

**26.01.2005** The Department explained that clothing articles as well as cost of anti-riots items costing Rs.10,523/- had been recovered and deposited into the government treasury. Moreover, the balance Rs.12,384/- on account of remaining article of clothing and anti-riots has been recovered and deposited. The record was available for verification.

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

**232. Para No.136 Page 113 of Audit Report for the year 1999-2000; Loss of Rs.112,398/- on Account of Sale of Woolen Carpets at Less Rates.**

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**27.01.2005** The Department explained that the para was discussed in the SDAC meeting held on 9-10-1998 and was recommended for settlement after the scrutiny of record under rule 846 of jail manual.

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

**233. Para No.137 Page 113 of Audit Report for the year 1999-2000; Non-Recovery of Rs.346,081/- on Account of Cost of Manufactured Articles.**

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**27.01.2005** The Department explained that Rs.339,522/- had been recovered and deposited into government treasury which had been seen and verified by Audit.

**The para was settled.**

**234. Para No.138 Page 114 of Audit Report for the year 1999-2000; Loss of Rs.3,208,687/- Due to Recovery of Convict Labour Charges at Less Rates.**

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**27.01.2005** The Department stated that working environment of the jails were quite different which could not be matched with independent labour. The prisoners were to be deployed under compulsion and being un-willing and unskilled workers, their output was meager. The investors were reluctant to work with criminals. The rate contract was awarded after wider publicity in the press.

The FD pointed out that at-least notification of the labour rate should have been issued by the competent authority.

The Committee desired that explanation of the concerned superintendents jail should be called who offered convict labour to the contractor at lesser rate than the rates fixed by the Commissioner Minimum Wages Board.

**The para was kept pending.**

**235. Para No.139.1 Pages 114 & 115 of Audit Report for the year 1999-2000; Recovery of Rs.406,471/- on Account of Purchase of Dietary Articles on Excess Rates.**

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District Jail Attock - Rs.264,579/-.

**27.01.2005** The Department explained that in the light of the audit observation recovery had been made and verified/seen by Audit.

Audit verified the contention of the department and recommended the para for settlement.

**The para was accordingly settled.**

**236. Para No.139.2 Pages 114 & 115 of Audit Report for the year 1999-2000; Recovery of Rs.406,471/- On Account of Purchase of Dietary Articles On Excess Rates.**

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New Central Jail, Multan – Rs.93,964/-

**17.12.2003** Audit had pointed out that irregular expenditure was incurred and excess payments were made by the Department in the above cases.

The Committee after detailed discussion recommended as under:-

- a) the case in which the recovery was justified the same should be affected and
- b) where the recovery was not justified the loss should be got regularized from the Competent Authority.

The para was kept pending.

**28.08.2004** The Department explained that the contractual period was for the financial year and on the expiry of the same on 30-6-1998, the firm was not legally bound to supply Tea leaves @Rs.17 per kg. As regard the difference of rate of onion etc. the total amount of Rs.26,552/- had been recovered from the concerned officers/officials and contractors.

The Committee **conditionally settled the para subject to** verification of relevant record by Audit.

**237. Para No.140 Page 115 of Audit Report for the year 1999-2000; Loss of Rs.126,000/- On Account of Misuse of State Land.**

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**18.12.2003** The Audit had pointed out that scrutiny of record of DIG of Police, Faisalabad had revealed that rent of state land realized from 13 private persons was not deposited into Government Treasury causing loss of Rs.126,000/-.

The Department explained that the para had been dropped in the SDAC meeting held on 7.10.1998.

The Finance Department informed the Committee that similar matter was under consideration of the Sub-Committee appointed by Public Accounts Committee-I.

The Committee kept the para pending till the submission of report by the Sub-Committee of PAC-I.

**28.08.2004** The Department stated that the report of Sub-Committee of PAC-I had not so far been received. However, no Government residence was being used for rent purposes.

On the assurance of the Department, the Committee **settled the para.**

**238. Para No.143 Pages 116 & 117 of Audit Report for the year 1999-2000; Payment At Higher Rates Recovery of Rs.159,177/-**

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**16.12.2003** Audit had pointed out that in 1995-96, higher sewing rates were charged, in violation of Inspector General of Police Punjab, Lahore letter No.250-340/CI, dated 26.1.1988.

The Department explained that IGP Punjab Lahore had revised the rates of sewing charges w.e.f. 21.1.88 vide his office memo No. 5309-46/C-I, dated 1-10-1997 and there was no recovery involved in this case.

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

**28.08.2004** The Department explained that the rates of sewing charges had been revised by the IGP, Punjab vide letter dated 01-10-1997 and got verified by the Audit.

On the verification and recommendation of Audit, **the para was settled.**

**239. Para No.144.1 Page 117 of Audit Report for the year 1999-2000; Recovery of Rs.673,536/- on Account of Un-Authorized Payment of Daily Allowance**

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Superintendent of Police, Vehari - Rs.373,170/-

**26.01.2005** The Department explained that recovery of Rs.1,19,130/- had been effected and remaining amount was being recovered on monthly basis.

The Committee **settled the para subject to** verification of recovered amount and balance recovery.

**240. Para No.144.3 Page 117 of Audit Report for the year 1999-2000; Recovery of Rs.673,536/- on Account of Un-Authorized Payment of Daily Allowance.**

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Superintendent of Police, Sahiwal - Rs.125,730/-.

**25.01.2005** The Department explained that out of total recoverable amount Rs.56,628/- had been recovered which had been seen and verified by Audit as regard the balance recovery of Rs.69,102/- it was stated that police officers were authorized to draw traveling allowance for journeys in connection with a course of training. The TA bills for the journeys performed were available for verification of Audit.

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

**241. Para No.145.1 Page 118 of Audit Report for the year 1999-2000; Recovery of Rs.357,315/- on Account of House Rent Allowance.**

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Deputy Inspector General of Police, Faisalabad - Rs.18,454/-

**18.12.2003** The Department explained that total recovery had been effected and deposited into Government

Treasury.

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

**28.08.2004** The Department explained that the amount had been recovered and deposited into the government treasury.

Audit verified the departmental contention.

**The para was settled.**

**242. Para No.145.2 Page 118 of Audit Report for the year 1999-2000; Recovery of Rs.357,315/- on Account of House Rent Allowance.**

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Central Jail Kot Lakhpat, Lahore - Rs.143,451/-.

**27.01.2005** The Department explained that recovery was not justified from the staff of the jail residing inside jail as it was declared rent free accommodation for jail staff by the competent authority i.e. Inspector General Prisons.

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

**243. Para No.145.3 Page 118 of Audit Report for the year 1999-2000; Recovery of Rs.357,315/- on Account of House Rent Allowance.**

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Inspector General Prisons Punjab - Rs.45,166/-.

**27.01.2005** The Department explained that out of total recovery of Rs.45,166/- a sum of Rs.36,402/- had been recovered and the balance amount was not due as the staff of the jail residing inside the jail was provided rent free accommodation.

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

**244. Para No.151.2 Pages 121 & 122 of Audit Report for the year 1999-2000; Non-Realization of Police Guard Charges Rs.25,775,640/-**

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Senior Superintendent of Police, Multan - Rs.228,600/-.

**25.01.2005** Audit had pointed out that Government had to sustain loss due to Non-realization of charges of Police Guard supplied to NBP, High Power transmitter faqirabad and Radio Pakistan Multan, etc.

The Department explained that personal efforts were being made at DPO levels to effect the recovery. The DPO, Multan had been reminded on 12-01-2005 for early recovery.

The Committee **kept the para pending** with the direction that the matter be taken up with the Federal Government.

**245. Para No.152 Page 122 of Audit Report for the year 1999-2000; Recovery of Rs.206,160/- on Account of Illegal Use of Electricity and Unauthorized Retention of Government Accommodation.**

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**246. Para No.161.3 Pages 128 & 129 of Audit Report for the year 1999-2000; Recovery of Rs.279,534/- on Account of Penal Rent.**

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Central Jail Rawalpindi – Rs.72,328/-

**27.01.2005** The Department explained that amount involved in aforesaid two paras was recoverable from Dr. Sultan Mahmood Ex-Medical Officer (Jail), presently working as MS DHQ Hospital Attock, on account of penal rent/illegal use of electricity and un-authorized retention of Government accommodation. The recovery proceeding as arrear of land revenue was challenged in the civil court and the case has been dismissed. The District Accounts Officer Attock had been requested to stop the pay of the accused officer for realization of the recovery.

The committee after hearing the department and Audit decided to recommend that Accountant General Punjab may deduct the recoverable amount at source from pay of the accused officer under the rules/Law.

**The paras were kept pending.**

**247. Para No.153 Page 123 of Audit Report for the year 1999-2000; Recovery of Rs.226,059/- on Account of Irregular Payment of Electricity Bills.**

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**29.08.2005** The Department explained that the canteen and mess were functioning in the public interest on no profit no loss basis, however, the electricity bills amounting to Rs.36,800/- relating to the tailoring shop had been recovered and got verified by Audit.

The Committee **settled the para subject to** approval by the Finance Department.

**248. Para No.154 Page 123 of Audit Report for the year 1999-2000; Loss of Rs.2,060,816/- Due to Non-Realization/Deposit of Compensation of Police Guards.**

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**16.12.2003** The Department stated that out of total amount i.e. Rs.2,060,816/-, an amount of Rs.253,039/- had been recovered from the Municipal Corporation, Sialkot and deposited in to the Govt. Treasury. However, so far as the balance recoverable amount was concerned, the Department concerned had promised for early payment.

The Committee directed that recovery of the balance amount may be effected and deposited into Government treasury within 6 weeks and be got verified by Audit.

The para was kept pending.

**28.08.2004** The Department explained that as per year-wise cost statement, complete recovery of Rs.979,328/- had been effected from Tehsil Municipal Administration, Sialkot.

Audit was of the view that the contention of the Department that complete recovery had been effected was not

tenable as there was contradiction in the present and previous statements of the Department. The Committee directed that the balance recovery be effected and the recovered amount be got verified by Audit.

The para was kept pending.

**25.01.2005** The department explained that an amount of Rs.9,79,328/- had been recovered and verified by the Audit. The necessary record (Roznamcha) justifying the reduction and the amount of recovery was available for verification.

The Committee **settled the para subject to** verification of Roznamcha and other relevant documents by Audit.

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**249. Para No.156.1 Pages 124 & 125 of Audit Report for the year 1999-2000; Recovery of House Rent Allowance for Rs.281,714/-.**

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Deputy Inspector General/CID Police Lahore - Rs.27,918/-

**18.12.2003** Audit had pointed out that certain officials had drawn house rent inspite of the fact that they were provided Government accommodations which resulted in loss of Rs.27,918/- to the Government.

The Department explained that complete recovery had been effected from the concerned officials and deposited into Government treasury.

Audit explained that the record had been verified and recommended the para for settlement.

**The para was accordingly settled.**

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**250. Para No.156.2 Pages 124 & 125 of Audit Report for the year 1999-2000; Recovery of House Rent Allowance for Rs.281,714/-.**

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Senior Superintendent of Police Sargodha – Rs.97,422/-.

**29.08.2005** The Department explained that all the officials involved in audit observation were Sub-Inspectors or below Sub-Inspector who were entitled to free accommodation, and 5% deduction was not admissible. It was added that para had already been settled in the SDAC meeting held on 07.10.1998.

The Committee was not satisfied with the departmental explanation and observed that DDO was responsible for irregular payment of house rent to the officials. The Committee directed that an inquiry be conducted in to the matter by some senior officer to fix responsibility and report be submitted to the PAC within 90 days.

**The para was kept pending.**

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**251. Para No.156.3 Pages 124 & 125 of Audit Report for the year 1999-2000; Recovery of House Rent Allowance Rs.281,714/-**

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Senior Superintendent of Police, Gujranwala - Rs.156,374/-



**26.01.2005** The Department explained that Rs.11,374/- had been recovered and deposited into government treasury. The remaining amounts were being recovered through the DPO, Gujrat.  
The Committee **settled the para subject to** balance recovery and its verification by Audit.

**252. Para No.157.2 Page 125 of Audit Report for the year 1999-2000; Recovery of Rs.23,447,924/- on Account of Irregular Award of Advance Increment**

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Superintendent of Police, Okara – Rs.433,329/-

**26.01.2005** The Department explained that 50% recovery had been effected from the concerned 46 officials from their pay on monthly basis.

The Committee was not satisfied with the pace of recovery and desired that the balance amount be recovered @ 1/3<sup>rd</sup> of the pay-scale from the concerned officials.

**The para was kept pended.**

**253. Para No.160.3 Pages 127 & 128 of Audit Report for the year 1999-2000; Recovery of Rs.5,810,870/-on Account of Excess Use of POL.**

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Senior Superintendent of Police Lahore – Rs.4,774,341/-.

**26.01.2005** The Department explained that all the log books and history sheet were available. It was also stated that the prescribed limit for the patrolling vehicles of Police Department was 250 liters pm within Metropolitan Corporation, Lahore, 200 liters within Municipal corporation and 90 liters within Municipal Committee limit which was in accordance with the Government of the Punjab S&GAD notification dated 3-7-1997, the journey performed outside the municipal area should be in addition to the above mentioned fixed limits.

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

**254. Para No.160.4 Pages 127 & 128 of Audit Report for the year 1999-2000; Recovery of Rs.5,810,870/-on Account of Excess Use of POL.**

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Senior Superintendent of Police Vehari – Rs.143,827/-

**26.01.2005** Audit stated that it had verified the log books but yet the POL bills were not produced for verification.

The Department explained that the POL bills would be produced to audit for verification.

The Committee **settled the para subject to** verification of POL bills by Audit.

**255. Para No.160.6 Pages 127 & 128 of Audit Report for the year 1999-2000; Recovery of Rs.5,810,870/- on Account of Excess Use of P.O.L.**

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Inspector General Prison Punjab, Lahore - Rs.39,690/-.

**27.01.2005** The Department explained that as per log books, distance covered from Lahore to Jail Farm Manawan was included in the local duty within the entitlement of 150 liters. Whereas the same was beyond corporation limits. Similarly, vehicles with the PS to Minister for Jail was not subject to restriction of 125 liters per month as Minister had to perform frequent visits alongwith the PS in various field formations throughout the province.

The Committee **settled the para subject to** verification of log books by Audit.

**256. Para No.160.7 Pages 127 & 128 of Audit Report for the year 1999-2000; Recovery of Rs.5,810,870/- on Account of Excess Use of P.O.L.**

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Inspector General Prison Punjab, Lahore - Rs.37,498/-.

**27.01.2005** The Department stated that the actual recovery had been effected and deposited into the government treasury and log books of the vehicles were available for verification.

The Committee **settled the para subject to** verification of recovered amount and log books by Audit.

**257. Para No.161.1 Pages 128 & 129 of Audit Report for the year 1999-2000; Recovery of Rs.279,534/- on Account of Penal Rent.**

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Central Jail Gujranwala – Rs.61,565/-

**258. Para No.161.4 Pages 128 & 129 of Audit Report for the year 1999-2000; Recovery of Rs.279,534/- on Account of Penal Rent.**

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Inspector General Prison, Punjab, Lahore-Rs.71,485/-

**27.01.2005** The Department stated that audit objection was not correct as jail staff was entitled to free accommodation inside the jail premises. The Department also certified that no other accommodation was allotted to the officials at any other place of posting.

The Committee **settled the paras** with the observation that in future penal rent should be deducted from the officers/officials concerned who were transferred/posted in some other jail but occupy the accommodation of the previous jail.

**259. Para No.161.2 Pages 128 & 129 of Audit Report for the year 1999-2000; Recovery of Rs.279,534/- on Account of Penal Rent.**

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Inspector General Prisons Punjab, Lahore - Rs.74,156/-.

**27.01.2005** The Department explained that the Chief Executive of the province had relaxed the penal rent in the instant case.

The Committee **settled the para subject to** verification of Chief Executive's Order.

**260. Para No.162(14,13,9,24,25,26,18,1,15,21,5,11,19,7,10,27,3,6,8,20,2,12,22) Pages 129, 130 & 131 of Audit Report for the year 1999-2000; Irregular Deposit of Rs.8,767,238/- On Account of Rent of Jail Canteen Into welfare Fund.**

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- (162.14) Superintendent Central Jail, Dera Ghazi Khan – Rs.46,500/-
- (162.13) District Jail, Gujrat – Rs.391,500/-
- (162.9) District Jail, Gujrat – Rs.292,526/-
- (162.25) New Central Jail, Bahawalpur – Rs.403,001/-
- (162.26) Superintendent Central Jail, Bahawalpur – Rs.399,000/-
- (162.18) District Jail, Mandi Bahauddin – Rs.75,000/-
- (162.1) District Jail, Attock – Rs.100,812/-
- (162.15) Superintendent Central Jail, Multan – Rs.451,600/-
- (162.21) Superintendent Central Jail, Sahiwal – Rs.458,545/-
- (162.5) Superintendent Central Jail, Sahiwal – Rs.165,000/-
- (162.11) Central Jail, Kot Lakhpat, Lahore – Rs.615,000/-
- (162.19) Central Jail, Gujranwala – Rs.715,000/-
- (162.7) District Jail, Attock – Rs.118,000/-
- (162.10) District jail, Jhelum – Rs.384,173/-
- (162.27) Superintendent District Jail, Attock – Rs.85,000/-
- (162.3) Central Jail, Rawalpindi – Rs.250,526/-
- (162.20) Central Jail Adyala, Rawalpindi – Rs.1,136,500/-
- (162.2) Superintendent Central Jail, Lahore – Rs.1,141,086/-
- (162.12) District Jail, Faisalabad – Rs.170,000/-
- (162.22) Superintendent Central Jail, Faisalabad – Rs.325,000/-

**17.12.2003** The above paras were jointly considered by the Committee.

The Department explained that the canteens were being run through Punjab Prison Foundation and the Department had submitted a summary to the Chief Minister for approval of its by-law in respect of utilization of the Welfare Fund.

The Committee directed the Department to get its by-laws approved by Chief Minister, Punjab within 90 days otherwise recovery should be effected.

The paras above were kept pending.

- (162.24) District Jail, Sialkot – Rs.242,647/-**
- (162.6) Superintendent Central Jail Kot Lakhpat Lahore – Rs.325,000/-**
- (162.8) Superintendent Central Jail Kot Lakhpat, Lahore – Rs.192,214/-**

**28.08.2004** The Department explained that in the light of PAC directions, revised bye-laws of Punjab Prisons Staff Welfare Cooperative Society were framed and sent to Registrar, Punjab Cooperative Societies which were under consideration/examination. The matter was being pursued at personal level.

The Committee **kept all the paras pending** till approval of bye-laws by the Competent Authority.

**261. Para No.162.16 Pages 129, 130 & 131 of Audit Report for the year 1999-2000; Irregular Deposit of Rs.8,767,238/- on Account of Rent Jail Canteen into Welfare Fund.**

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Superintendent of Police Bahawalnagar – Rs.44,992/-.

**29.08.2005** The Department explained that the entire recovery had been effected and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**262. Para No.162.17 Pages 129, 130 & 131 of Audit Report for the year 1999-2000; Irregular Deposit of Rs.8,767,238/- on Account of Rent of Jail Canteen into Welfare Fund.**

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Sr. Superintendent of Police, Gujranwala – Rs.72,000/-

**16.12.2003** The Department explained that a canteen was constructed at the Police Department owned land out of the police regimental funds and sale proceed was being deposited into the regimental fund in A/c No.5739-2. However, the Buildings Department had been requested for assessment of rent and after assessment the amount of rent would be deposited into government treasury. The Committee kept the para pending for further consideration on 18.12.2003.

On 18-12-2003, the Committee was informed that the Buildings Department had made assessment of rent of the land.

The Committee settled the para with the direction that the realized amount of rent should be deposited into Government treasury before 29th December 2003 and got verified by the Audit.

**28.08.2004** The Department explained that the requisite amount viz Rs.21,600/- had already been deposited into Government treasury which stood verified by audit on 29.12.2003.

On the verification and recommendation of Audit, **the para was settled.**

**263. Para No.163.2 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Superintendent of District Jail, Lahore - Rs.53,797/-.

**27.01.2005** The Department explained that as per clarification of income tax department, rate of deduction of supplies was 3.5% and accordingly income tax had been recovered from the suppliers concerned and deposited into government treasury.

Audit verified the contention of the department and recommended the para for settlement.

**The para was settled.**

**264. Para No.163.4 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Superintendent of District Jail, Lahore - Rs.57,054/-.

**27.01.2005** The Department stated that EDO (R) of Lahore and Sargodha Districts were requested to recover the amount as arrears of land revenue and as soon as the recovery was realized the same would be deposited into government treasury.

The Committee **kept the para pending** with the observation that the department should pursue the process of recovery vigorously.

**265. Para No.163.8 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Senior Superintendent of Police Lahore – Rs.60,300/-.

**29.08.2005** The Department explained that the total recovery had been effected and got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**266. Para No.163.11 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax**

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Superintendent of Police, Hafizabad - Rs.30,217/-

**26.01.2005** The Department assured that balance recovery of Rs.26,562/- would be recovered within a month.

The Committee **settled the para subject to** balance recovery and its verification by Audit.

**267. Para No.163.14 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Secretary Home Department Rs.43,633/-.

**25.01.2005** The Department explained that the total amount had been recovered and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**268. Para No.163.15 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Superintendent of Police Special Branch Rawalpindi – Rs.12,185/-.

**29.08.2005** The Department explained that the total amount had been recovered and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**269. Para No.163.17 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Superintendent of New Central Jail, Multan - Rs.53,650/-.

**27.01.2005** The Department explained that income tax deduction was not applicable on agriculture produce and fertilizer; however, the balance recovery had been effected and deposited into government treasury.

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

**270. Para No.163.18 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Punjab Constabulary Farooqabad, Sheikhupura – Rs.178,072/-.

**29.08.2005** The Department explained that the actual recoverable amount was Rs.137,424/- which had been recovered and deposited into the government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**271. Para No.163.19 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Punjab Constabulary Farooqabad, Sheikhupura – Rs.328,554/-.

**29.08.2005** The Department explained that the requisite exemption certificate for the years 1997-98 and 1998-99 in respect of M/s. Lyra Shoe Company (Pvt) Limited issued by Income Tax Department had been produced to Audit, who had verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**272. Para No.163.21 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Deputy Inspector General of Police, Faisalabad - Rs.25,878/-



**18.12.2003** The Department explained that complete recovery of tax had been effected and requisite record was available for verification.

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

**28.08.2004** The Department explained that the relevant record stood verified by audit.

On the verification and recommendation of Audit, **the para was settled.**

**273. Para No.163.22 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- On Account of Less Deduction of Income (With Holding) Tax.**

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Senior Superintendent of Police, Faisalabad - Rs.12,550/-

**18.12.2003** The Department explained that recovery on account of less deduction of Income Tax amounting to Rs.12,550/- had been effected. The challans/record was available for verification.

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

**28.08.2004** The Department explained that the amount had been deposited into Income Tax head of accounts and the same had been verified by Audit.

On the verification and recommendation of Audit, **the para was settled.**

**274. Para No.163.23 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Senior Superintendent of Police, Faisalabad - Rs.28,749/-

**18.12.2003** The Department explained that the Building of Police Line No.2, Faisalabad was the property of Police Welfare Organization and the rent of building was being paid to the Police Organization. Audit contented that the Department should produce the record in respect of exemption from Income Tax in favour of the said organization.

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

**28.08.2004** The Department explained that the exemption certificate had been produced to Audit which had verified the same.

On the verification and recommendation of Audit, **the para was settled.**

**275. Para No.163.28 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Superintendent of Police Dera Ghazi Khan – Rs.17,517/-.

**29.08.2005** The Department explained that the total amount had been recovered and deposited into the

government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**276. Para No.163.36 Pages 131, 132, 133 & 134 of Audit Report for the year 1999-2000; Recovery of Rs.2,949,081/- on Account of Less Deduction of Income (With Holding) Tax.**

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Superintendent of Central Jail, Sahiwal - Rs.42,387/-.

**27.01.2005** The Department stated that total recovery had been effected and deposited into government treasury.

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

**277. Para No.165 Page 135 of Audit Report for the year 1999-2000; Irregular and Beyond Competency Expenditure of Rs.1,051,860/- on Purchase of Vegetable Ghee. Recovery of Rs.115,560/- Due to Purchase at Higher Rates.**

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**27.01.2005** The Department explained that an inquiry was initiated in the case and according to the report of the inquiry all the purchases were made on competitive rates and was within the competency of the concerned officers. The IG Prisons had vetted the inquiry report.

The Committee **settled the para subject to** verification of inquiry report by Audit.

**278. Para No.167.3 Pages 136, 137 & 138 of Audit Report for the year 1999-2000; Non Deposit of Sales Tax for Rs.5,360,642/-.**

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Senior Superintendent of Police, Lahore – Rs.60,763/-.

**279. Para No.167.4 Pages 136, 137 & 138 of Audit Report for the year 1999-2000; Non Deposit of Sales Tax for Rs.5,360,642/-.**

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Superintendent of Police, Rajanpur – Rs.48,933/-.

**280. Para No.167.16 Pages 136, 137 & 138 of Audit Report for the year 1999-2000; Non Deposit of Sales Tax for Rs.5,360,642/-.**

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Superintendent of Police, Mianwali – Rs.114,786/-.

**281. Para No.167.20 Pages 136, 137 & 138 of Audit Report for the year 1999-2000; Non Deposit of Sales Tax for Rs.5,360,642/-.**

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Superintendent of Police, Muzaffargarh – Rs.977,761/-.

**29.08.2005** The Department explained that the purchases were made without including sales tax before the receipt of instructions from the Government of Punjab. On receipt of instructions purchases were started from the sales tax registered firms.

The Committee **settled the paras** with the directions that the Collector Sales Tax be informed about the addresses of the firms from whom the purchases were made.

**282. Para No.167.7 Pages 136 & 137 of Audit Report for the year 1999-2000; Non Deposit of Sales Tax for Rs.5,360,642/-.**

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Superintendent of Central Jail Dera Ghazi Khan - Rs.43,373/-.

**27.01.2005** The Department explained that sales tax had been deducted from the suppliers of uniform articles and sales tax on supply of Moong was not applicable. The Department also stated that as regard supply of Rs.1,77,208/- regarding prisoners clothing manufactured in the jail and supplied to the prisoners was not subject to sales tax.

The Committee accepted the explanation of the Department and **settled the para subject to** verification of record by Audit.

**283. Para No.167.12 Pages 136 & 137 of Audit Report for the year 1999-2000; Non Deposit of Sales Tax for Rs.5,360,642/-**

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Senior Superintendent of Police, Gujrat - Rs.107,753/-

**26.01.2005** Audit stated that the amount of non-deposit of sales tax was Rs.56,919/- instead of Rs.107,753/- the recovery of which had been effected and verified by Audit.

On the statement of Audit, the committee **settled the para.**

**284. Para No.167.18 Pages 136 & 137 of Audit Report for the year 1999-2000; Non Deposit of Sales Tax for Rs.5,360,642/-**

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Superintendent of Police, Lahore - Rs.1,361,756/-

**26.01.2005** Audit had pointed out that 15% Sales Tax should have been deducted from different formations but it was not deducted which resulted loss to the government.

The Department explained that spare-parts were purchased before the receipt of the instructions regarding General Sales Tax, payments were made to the firms without including the amount of GST.

The Committee **settled the para** with the direction to Department to provide list of these formations to Sales Tax Department for deduction of Sales Tax at their end.

**285. Para No.170 Page 140 of Audit Report for the year 1999-2000; Recovery of Rs.430,465/- Due to Excess Expenditure on Residential Telephone.**

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**29.08.2005** The Department explained that actual amount of bills pertaining to DSP Rojhan was Rs.18,700/- instead of Rs.42,692/- and only Rs.3,702/- were drawn and paid to telephone department. In case of remaining amount, it was explained that calls were made in the public interest in view of law and order situation.

Moreover, a certificate had been obtained from each officer that all the calls were made for official business.

On the above assurance of Additional IG, the Committee **settled the para.**

**286. Para No.171 Page 140 of Audit Report for the year 1999-2000; Recovery Outstanding on**

## **Account of Sale of Store Articles, Valuing Rs.4,447,668/-**

**17.12.2003** Audit had pointed out that manufactured articles were supplied to various Jails in Punjab but cost of these articles was not recovered/adjusted.

The Department explained that cost of most of the manufactured articles had been recovered through book transfer, except the following:-

i)	Central Jail, Lahore	Rs.64,458/-
ii)	District Jail, Faisalabad	Rs.2,422/-
iii)	Central Jail, Mianwali	Rs.296,265/-

The Department further explained that efforts were being made to recover the balance amount.

The Committee directed the department to expedite the recovery process. The para was kept pending.

**28.08.2004** The Department explained that book adjustment in respect of Central Jails, Lahore and Mianwali was yet to be made and the process would be completed soon.

The Committee **conditionally settled the para subject to** verification of relevant record by Audit.

### **287. Para No.173.1 Pages 141 & 142 of Audit Report for the year 1999-2000; Recovery of Rs.10,423,624/- on Account of Police Guard Charges.**

Sr. Superintendent of Police, Faisalabad – Rs.3,551,418/-

**16.12.2003** Audit had pointed out that the services of Police guards were provided to various formations for security purpose but the charges were yet to be recovered.

The Department explained that despite the best efforts, it was unable to recover the amount.

The Committee directed that :-

- a) the Administrative Department should send demands on monthly basis to the Finance Department.
- b) the Finance Department should deduct the recoverable amount at source in case of Municipal Corporations.
- c) the Finance Department should send a request to the Federal Government to deduct the recoverable amount at source in case of PTV Faisalabad and PBC Faisalabad.

The para was kept pending.

**28.08.2004** The Department explained that a consolidated case comprising the total draft paras on account of recovery of Police Guard charges amounting to Rs.1,441,4239/- pertaining to the offices of DPOs, Faisalabad, Multan, Gujranwala and Attock had already been moved to FD for recovery at source.

Finance Department observed that in case of the Department/organizations functioning under the ambit of the Federal Government, no deduction at source was possible; however, the matter was to be taken up with the Federal Government in this regard.

The Committee directed that the Department should pursue the recovery matters effectively with the

departments concerned.

The para was kept pending.

**25.01.2005** The Department explained that an amount of Rs.756,660/- had been recovered from PBC, Faisalabad and verified by the Audit. Efforts were being made to effect the balance recovery from PTV and MC, Faisalabad.

**The para was kept pending** with the direction that the issue of recovery may be taken up with the Federal Government.

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**288. Para No.174.2 Pages 143 & 144 of Audit Report for the year 1999-2000; Non Production of Record for Rs.7,644,111/-.**

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Superintendent New Central Jail, Bahawalpur - Not given.

**27.01.2005** The Department stated that as per the observation of audit the relevant registers had been made and all the required entries were made in the relevant register.

The Committee **settled the para** with the observation that in future all such registers should be maintain according to the requirement of Audit.

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**289. Para No.174.4 Pages 143 & 144 of Audit Report for the year 1999-2000; Non Production of Record for Rs.7,644,111/-.**

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Deputy Director Reclamation & Probation, Lahore. Rs.22,655/-.

**25.01.2005** The Audit explained that the relevant record viz firms bills, stock entries, quotations had been seen and verified.

On recommendation of Audit, **the para was settled.**

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**290. Para No.174.5 Pages 143 & 144 of Audit Report for the year 1999-2000; Non Production of Record for Rs.7,644,111/-.**

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Deputy Director Reclamation & Probation, Lahore. Rs.45,245/-.

**25.01.2005** Audit pointed out that electricity bills except Rs.13,841/- had been seen and verified by Audit.

The Department explained that now the entire record had been supplied by Mr. Riffat Zaheer, Ex-Assistant which had been produced to Audit for verification.

**The para was kept pending** with the direction to effect balance recovery Rs.13,841/-.

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**291. Para No.174.6 Pages 143 & 144 of Audit Report for the year 1999-2000; Non Production of Record for Rs.7,644,111/-.**

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Deputy Director Reclamation & Probation, Lahore. Rs.79,556/-.

**25.01.2005** Audit explained that the department had now produced form bills along with full copens but no log

book was produced.

**The para was kept pending** for verification of log books within 30 days by Audit.

**292. Para No.174.7 Pages 143 & 144 of Audit Report for the year 1999-2000; Non Production of Record for Rs.7,644,111/-.**

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Deputy Director Reclamation & Probation, Lahore. Rs.76,628/-.

**25.01.2005** Audit pointed out that the department had produced the bills, sanctions etc but did not produce the stock registers/log books to verify the accountal of store/POL.

**The para was kept pending** for verification of stock register/log books within 30 days by Audit.

**293. Para No.174.10 Pages 143 & 144 of Audit Report for the year 1999-2000; Non Production of Record for Rs.7,644,111/-.**

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Secretary to Government of Punjab Home Department Rs.857,494/-.

**25.01.2005** The Department explained that out of 15 log books and history sheet of vehicles 7 had been traced out and 8 were missing. The Department requested that two months time be given for tracing out the remaining log books.

The Committee acceded to the request of the department and **kept the para pending** with the direction that the remaining log books be produced to audit for verification within 60 days failing which necessary action be taken against the responsables.

## GENERAL OBSERVATION/DIRECTIONS

**18.12.2003** The Committee expressed its displeasure on the absence of Provincial Police Officer and Principal Accounting Officer of the Home Department and directed that Secretary Home Department and Provincial Police Officer Punjab should appear before the Committee in the next meeting to explain the measures taken by them to ensure Financial Discipline in their Departments.



The paras were discussed in the meetings of PAC-II held on 29.03.2004, 30.03.2004, 31.03.2004 & 31.08.2005.

## **Audit Paras (Works) for the year 1999-2000**

### **1. Para No.1.1 Page 9 of Audit Report for the year 1999-2000; Misappropriation of Rs.2.467 Million.**

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**31.08.2005** The Department explained that for purchase of PVC insulated cables and steel wire rope competitive rates/bids were obtained from different firms and works were assigned to the lowest bidder. The expenditure was charged to O&M budget, not to any single work, therefore no loss to government had occurred.

The Committee **kept the para pending** for verification of record by Audit within 90 days.

### **2. Para No.1.2 Page 10 of Audit Report for the year 1999-2000; Misappropriation of Rs.0.107 Million.**

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### **3. Para No.1.8 Page 14 of Audit Report for the year 1999-2000; Misappropriation of Rs.0.220 Million.**

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### **4. Para No.2.7 Pages 22 & 23 of Audit Report for the year 1999-2000; Overpayment of Rs.0.362 Million Due to Excessive Measurements.**

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### **5. Para No.2.8 Page 23 of Audit Report for the year 1999-2000; Overpayment of Rs.0.159 Million Due to Excessive Measurements.**

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### **6. Para No.2.9 Pages 23 & 24 of Audit Report for the year 1999-2000; Overpayment of Rs.0.166 Million Due to Excessive Measurements.**

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### **7. Para No.2.10 Page 24 of Audit Report for the year 1999-2000; Overpayment of Rs.0.452 Million Due to Excessive Measurements.**

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### **8. Para No.2.11 Page 25 of Audit Report for the year 1999-2000; Overpayment of Rs.0.140 Million Due to Violation of Agreement.**

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### **9. Para No.2.13 Page 26 of Audit Report for the year 1999-2000; Overpayment of Rs.0.081 Million Due to Excessive Measurements.**

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**10. Para No.2.19 Page 30 of Audit Report for the year 1999-2000; Overpayment of Rs.0.189 Million Due to Excessive Measurements.**

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**11. Para No.2.22 Page 32 of Audit Report for the year 1999-2000; Overpayment of Rs.0.087 Million Due to Execution of Work Without Provision.**

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**12. Para No.2.24 Page 33 of Audit Report for the year 1999-2000; Overpayment of Rs.0.222 Million Due to Execution of Work in absence of Exact Locations.**

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**13. Para No.2.25 Pages 33 & 34 of Audit Report for the year 1999-2000; Overpayment of Rs.0.302 Million Due to Execution of Work Without Provision in Estimate.**

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**14. Para No.2.26 Page 34 of Audit Report for the year 1999-2000; Overpayment of Rs.0.072 Million Due to Excessive Measurements.**

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**15. Para No.2.30 Pages 36 & 37 of Audit Report for the year 1999-2000; Overpayment of Rs.0.107 Million Due to Excessive Measurements.**

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**16. Para No.2.32 Page 38 of Audit Report for the year 1999-2000; Overpayment of Rs.0.051 Million Due to Payment of Excessive Quantities.**

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**17. Para No.2.37 Page 41 of Audit Report for the year 1999-2000; Overpayment of Rs.0.136 Million Due to Excessive Measurements of Quantities.**

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**18. Para No.2.38 Page 42 of Audit Report for the year 1999-2000; Overpayment of Rs.0.229 Million Due to Payment of Excessive Quantities.**

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**19. Para No.2.39 Pages 42 & 43 of Audit Report for the year 1999-2000; Overpayment of Rs.0.351 Million Due to Payment of Excessive Quantities.**

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**20. Para No.2.41 Page 44 of Audit Report for the year 1999-2000; Overpayment of Rs.0.113 Million Due to Payment of Excessive Quantities.**

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**21. Para No.2.46 Page 47 of Audit Report for the year 1999-2000; Overpayment of Rs.0.452 Million Due to Payment of Higher Rate.**

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**22. Para No.2.49 Page 49 of Audit Report for the year 1999-2000; Overpayment of Rs.0.352 Million Due to Payment Without Provision.**

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**23. Para No.2.50 Page 50 of Audit Report for the year 1999-2000; Overpayment of Rs.0.059 Million Due to Payment of Higher Rate.**

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**24. Para No.2.51 Pages 50 & 51 of Audit Report for the year 1999-2000; Overpayment of Rs.0.106 Million Due to Payment of Higher Rate.**

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**25. Para No.2.54 Page 52 of Audit Report for the year 1999-2000; Overpayment of Rs.0.106 Million Due to Fictitious Measurements.**

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**26. Para No.2.56 Pages 53 & 54 of Audit Report for the year 1999-2000; Overpayment of Rs.2.221 Million Due to Excessive/Fictitious Measurements.**

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**27. Para No.2.57 Pages 54 & 55 of Audit Report for the year 1999-2000; Overpayment of Rs.0.056 Million Due to Excessive/Fictitious Measurements.**

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**28. Para No.2.58 Page 55 of Audit Report for the year 1999-2000; Overpayment of Rs.0.196 Million Due to Excessive/Fictitious Measurements.**

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**29. Para No.2.65 Pages 59 & 60 of Audit Report for the year 1999-2000; Overpayment of Rs.0.079 Million Due to Excessive Measurements.**

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**30. Para No.2.67 Page 61 of Audit Report for the year 1999-2000; Overpayment of Rs.0.109 Million Due to Manipulation in the Record Measurements.**

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**31. Para No.2.68 Pages 61 & 62 of Audit Report for the year 1999-2000; Overpayment of Rs.0.054 Million Due to Change of Specifications/Quantities.**

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**32. Para No.2.69 Pages 62 & 63 of Audit Report for the year 1999-2000; Overpayment of Rs.0.063 Million Due to Less Deduction and Payment of Secured Advance on Excessive Quantities.**

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**33. Para No.2.71 Page 64 of Audit Report for the year 1999-2000; Overpayment of Rs.0.354 Million Due to Payment Without Provision.**

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**34. Para No.3.3 Page 67 of Audit Report for the year 1999-2000; Unjustified Payment of Rs.0.187 Million for Damaged Bore.**

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**35. Para No.4.1 Page 75 of Audit Report for the year 1999-2000; Expenditure**

**Rs.3.441 Million Due to Non-Observance of Instructions of the Finance Department.**

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**36. Para No.4.5 Page 71 of Audit Report for the year 1999-2000; Loss of Rs.0.915 Million Due to Change in Specification and Award of Work at Higher Rates.**

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**37. Para No.4.11 Page 75 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.1.387 Million Due to Making Payment Beyond Agreed Cost.**

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**38. Para No.4.15 Page 78 of Audit Report for the year 1999-2000; Unjustified Payment of Rs.0.066 Million Without Provision in Revised Technically Sanctioned Estimate.**

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**39. Para No.4.16 Page 79 of Audit Report for the year 1999-2000; Unauthorized Execution/Payment of Rs.0.132 Million Without Provision in the Estimate.**

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**40. Para No.4.18 Page 80 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.0.132 Million In violation of Sanctioned Scope of Work.**

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**41. Para No.4.19 Page 81 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.0.385 Million Without Provision in Estimate.**

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**42. Para No.4.20 Pages 81 & 82 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.0.703 Million Due to Execution of Work Without Provision.**

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**43. Para No.4.21 Page 82 of Audit Report for the year 1999-2000; Fictitious Payment of Rs.0.115 Million Due to Execution of Work Without Provision.**

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**44. Para No.4.22 Pages 82 & 83 of Audit Report for the year 1999-2000; Misappropriation of Rs.3.032 Million Due to Fictitious Measurements.**

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**45. Para No.4.24 Page 84 of Audit Report for the year 1999-2000; Unjustified Payment of Rs.0.287 Million Due to Fictitious Measurements.**

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**46. Para No.4.25 Page 85 of Audit Report for the year 1999-2000; Doubtful Payment of Rs.9.229 Million Due to Violation of Financial Rules.**

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**47. Para No.4.31 Pages 89 & 90 of Audit Report for the year 1999-2000; Unjustified Payment of Rs.0.278 Million Due to Unauthorized Change of Item and Specification.**

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**48. Para No.4.35 Page 92 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.1.823 Million Due to Violation of Finance Department's Instructions.**

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**49. Para No.6.8 Pages 103 & 104 of Audit Report for the year 1999-2000; Non-Recovery of Water Charges of Rs.0.235 Million.**

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**50. Para No.6.17 Pages 108 & 109 of Audit Report for the year 1999-2000; Non-Recovery of Secured Advances of Rs.0.412 Million.**

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**51. Para No.6.18 Page 109 of Audit Report for the year 1999-2000; Non-Recovery of Advances of Rs.0.094 Million.**

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**52. Para No.6.25 Page 113 of Audit Report for the year 1999-2000; Non-Recovery of Professional Tax/Stamp Duty of Rs.0.289 Million.**

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**53. Para No.6.48 Pages 126 & 127 of Audit Report for the year 1999-2000; Non-Recovery of Outstanding Dues of Rs.0.155 Million.**

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**31.08.2005** The Department explained that the observations raised by Audit on the above mentioned paras had been fulfilled and audit had recommended these paras for settlement.

Audit verified the explanation of the Department and recommended these paras for settlement.

**The paras were accordingly settled.**

**54. Para No.1.5 Page 12 of Audit Report for the year 1999-2000; Misappropriation of Rs.2.187 million.**

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**30.03.2004** Audit had pointed out that recoveries of auction money, lease rent etc. were not available on the record of Multan Development Authority.

The Department explained that the amount had been wrongly worked out by Audit and actual outstanding amount had been recovered and verified by Audit.

On the recommendations of Audit, **the para was settled.**

**55. Para No.1.10 Page 15 of Audit Report for the year 1999-2000; Misappropriation of Material of Rs.0.226 Million.**

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**31.03.2004** Audit had pointed out that Drainage Division (North) WASA LDA purchased various

items but accountal and consumption of the items was not available on proper accounts record.

The Department explained that material was duly accounted for and consumption was also recorded properly. The Department further explained that requisite record had been verified by Audit.

On recommendation of Audit, **the para was settled.**

**56. Para No.1.11 Pages 15 & 16 of Audit Report for the year 1999-2000; Misappropriation of Material of Rs.0.126 Million.**

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**31.03.2004** Audit had pointed out that Housing & Physical Planning Division Jhelum issued 8.30 metric ton bitumen to the contractor but failed to recover its cost.

The Department explained that the cost of 7.30 Ton bitumen was adjusted/recovered from the Contractor M/S Latif and Co. and credited to the work. The balance cost of 1.0 ton was also recovered later. During the meeting, the Department stated that transfer entry had now been corrected and recovered was available for verification.

The Committee **settled the para** subject to verification of record by audit.

**57. Para No.1.14 Page 17 of Audit Report for the year 1999-2000; Misuse of Government Receipts of Rs.0.325 Million.**

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**31.03.2004** Audit had pointed out that Housing & Physical Planning Division, Gujranwala made payment to WAPDA out of Government Receipts of water charges in violation of Financial Rules.

The Department explained that the maintenance funds for the scheme were not released by the Finance Department as per requirement. Meanwhile, WAPDA threatened to disconnect the electricity connection which could have interrupted Water Supply System of the scheme. Besides inconvenience to the allottees, a sizeable amount would have to be paid to WAPDA for reconnection of electricity. During the meeting the Department further stated that the amount had since been recouped from Finance Department.

Finance Department observed that the amount paid to WAPDA could not be charged to receipts which needed to be regularized.

The Committee **conditionally settled the para** subject to regularization by the Finance Department within 60 days.



**58. Para No.1.15 Page 18 of Audit Report for the year 1999-2000; Theft of Bitumen of Rs.0.119 Million.**

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**31.03.2004** Audit had pointed out the theft of bitumen in which neither inquiry was held nor the theft was reported to audit as required under the Punjab Financial Rules.

The Department explained that theft of bitumen was reported to the Police who reported the case as untraced. The Department had submitted a case for write off to the Competent Authority.

Finance Department observed that regular employees instead of work charge ones were required to be posted for the security/safety of the stores. Moreover, cash security should be taken from them. Audit was of the view that further probe was needed

The Committee was not satisfied with the explanation of the Department and directed the Department to hold an inquiry and fix responsibility for the lapse within 90 days under intimation to the Public Accounts Committee.

**The para was kept pending.**

**59. Para No.2.2 Page 19 of Audit Report for the year 1999-2000; Overpayment of Rs.0.065 million due to excessive measurements.**

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**29.03.2004** Audit had pointed out that a formation of Multan Development Authority had made payment for 0.40<sup>//</sup> thickness of leveling course instead of 0.30<sup>//</sup> thickness resulting in loss of Rs.0.065 million.

The Department explained that the revised estimate of the work had been technically sanctioned by Director Engineering MDA and revised approval of the scheme was accorded by Development Committee of MDA. It was further stated that revision was done before final payment.

The Committee was not satisfied with the explanation of the Department and **kept the para pending** for verification of record by Audit.

**60. Para No.2.3 Page 20 of Audit Report for the year 1999-2000; Overpayment of Rs.0.085 Million Due to Excessive Measurements.**

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**31.08.2005** Audit stated that the department had failed to get the record verified after despite of considerable period.

The Committee **kept the para pending** with the directions that the record be produced to audit for verification within 90 days.

**61. Para No.2.5 Page 21 of Audit Report for the year 1999-2000; Overpayment of Rs.2.020 Million Due to violation of Agreement.**

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**31.03.2004** Audit had pointed out WASA/LDA had made payment for certain durable items whereas as per agreement no payment was required to be made to the contractor on this account.

The Department explained that it was a PUDP project funded by World Bank and the alleged payment of Rs.2.020 Million was made to the Contractor under the provision of the Contract Agreement and no violation of agreement was committed.

Finance Department observed that in this case verification of relevant record by audit was needed.

The Committee was not satisfied with the explanation of the Department and directed that the Department should produce the relevant record for verification to audit within 15 days under intimation to PAC.

**The para was kept pending.**

**62. Para No.2.8 Page 23 of Audit Report for the year 1999-2000; Overpayment of Rs.0.159 Million Due to Excessive Measurements.**

---

**31.03.2004** Audit had pointed out that Housing & Physical Planning Division, Jhang measured and paid for certain items either without provision or in excess of the provisions of the technically sanctioned estimate.

The Department explained that expenditure incurred on the scheme was Rs.127.00 Million against the revised Admn Approval of Rs.185.53 Million.

The Department further explained that the quantity of excavation exceeded due to increase in depth of the sewer lines. The site/scheme being rectangular/longitudinal necessitated provision of three ventilating shafts.

Audit pointed out that revision in TSE could be done before completion of work but in this case physical work was completed before issue of AA/TSE.

Finance Department observed that the Department did not issue T.S before completion of work which was a lapse.

The Committee was not satisfied with the explanation of the Department and directed it that a detailed report covering all respects of the case including date of release of security should be submitted to the PAC within one week. The Committee also directed the Finance Department to submit a report to PAC clarifying the position in the light of the points discussed in the meeting.

**The para was kept pending.**

**63. Para No.2.14 Pages 26 & 27 of Audit Report for the year 1999-2000;  
Overpayment of Rs.0.074 Million Due to Excessive Measurements.**

---

**31.03.2004** Audit had pointed out that Housing & Physical Planning Division, Faisalabad made payments for the items of jungle clearance without provision in the technically sanctioned estimate and without requirement at site.

The Department explained that the land/site was barren with wild bushes/shrubs including Sarkanda Thari Kikkar on it. It was essential to remove the same before launching the scheme physically and revised technical sanction was not required.

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

**64. Para No.2.15 Pages 27 & 28 of Audit Report for the year 1999-2000;  
Overpayment of Rs.0.138 Million Due to Execution of Work Other Than Provision.**

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**31.08.2005** The Department explained that the drain & soling in the line A23-A24 had been provided in the line statement attached to the estimate, technically sanctioned by the Superintending Engineer. It was also stated that width of soling laid beyond 10 feet was on persistent demand of public.

The Committee **kept the para pending** with the directions that the revised TS be got verified by Audit and if no revised TS was made then fact finding inquiry be initiated and recovery be made from the responsible.

**65. Para No.2.17 Pages 28 & 29 of Audit Report for the year 1999-2000;  
Overpayment of Rs.0.051 Million Due to Execution of Work Without Provision.**

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**31.08.2005** The Department explained that the correct provision in TS estimates was as under:

- (i) Earth work 58450 cft
- (ii) Brick pavements 26910cft

The provision for the items of earth work and brick soling in two streets were included in the TS estimate.

The Committee **kept the para pending** for verification of record by audit.

#### **66. Para No.2.27 Page 35 of Audit Report for the year 1999-2000; Overpayment of Rs.2.064 Million Due to Excessive Measurements.**

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**30.03.2004** Audit had pointed out that excessive measurements had resulted in overpayment to the Contractor.

The Department explained that during the execution of work the quantity of material as per site requirement was increased which was within the original administratively approved estimate. The revised TS were approved by the Competent Authority and the payment was made after the quantities were checked and verified by M/S NESPAK Consultant.

The Audit observed that wide variation in estimation and PC-I was noticeable.

The Committee **kept the para pending** with the direction that the Department should produce record to audit for verification of variation in estimation and PC-I etc.

#### **67. Para No.2.28 Pages 35 & 36 of Audit Report for the year 1999-2000; Overpayment of Rs.0.200 Million Due to Payment of Work without Provision.**

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**31.03.2004** Audit had pointed out that WASA LDA, Lahore made payment for an item of work De-watering/bailing out water from existing sewer which was not provided in Technically Sanctioned Estimate.

The Department explained that dewatering was necessary to provide relief to the public. The provision of dewatering was made in the contract agreement through a variation order approved by the Competent Authority.

Audit verified the departmental contention and **the para was accordingly settled.**

#### **68. Para No.2.29 Page 36 of Audit Report for the year 1999-2000; Overpayment of Rs.0.086 Million Due to Excessive Measurements.**

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**31.03.2004** Audit had pointed out that WASA/LDA made payment for an item of work not provided in the bid schedule/technically sanctioned estimate and that the excessive measurements resulted in overpayment.

The Department explained that the provisions for the variation in quantities were made in the contract through variation order approved by the competent authority and issued vide letter dated 16.8.99, before the payment of 7<sup>th</sup> R/Bill which was verified on 14.12.1999. As such no over payment was involved.

During the meeting Audit was satisfied with the Departmental explanation.

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

**69. Para No.2.35 Page 40 of Audit Report for the year 1999-2000; Overpayment of Rs.0.101 Million Due to Excessive Measurements of Quantities.**

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**31.08.2005** The Department explained that as per MB No. 4755 page 35 to 41, the item No. I & II tally with each other. Hence no excess quantity had been paid.

The Committee **kept the para pending** with the directions that the original MB, TS estimate and agreement be produced to audit for verification within 90 days.

**70. Para No.2.42 Pages 44 & 45 of Audit Report for the year 1999-2000; Overpayment of Rs.8.821 Million Due to Payment of Excessive Quantities.**

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**30.03.2004** The Department explained that the item steel reinforcement G-60 was paid as per design/drawing prepared by the Consultant M/S NESPAK and was not paid on the basis of concrete in CM3 per ton of steel reinforcement as pointed out by audit. Therefore, no overpayment was made to contractor.

The Committee observed that there should be some proper mechanism within the Department for the accountability of Consultants like NESPAK and the Department should ensure that design/ drawings were prepared correctly during first survey by M/S NESPAK/other consultants. With this observation, **the para was settled.**

**71. Para No.2.43 Page 45 of Audit Report for the year 1999-2000; Overpayment of Rs.0.066 Million Due to Payment of Excessive Quantities.**

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**30.03.2004** Audit had pointed out that an item of compaction of earth from borrow excavation for 9725 M3 was measured instead of admissible quantity of 8703 M3 which had resulted in overpayment.

The Department explained that during the execution of work the quantity of items was increased due to additional work carried out at site and accordingly revised administrative approval and technical sanction was accorded by the Competent Authority. No excess payment had been made to the Contractor.

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

**72. Para No.2.44 Pages 45 & 46 of Audit Report for the year 1999-2000; Overpayment of Rs.0.066 Million due to payment of Excessive Quantities.**

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**30.03.2004** There was a dispute between the Audit and Department over the issue of horizontal shuttering. According to the Audit there was no need of horizontal shuttering which had resulted in overpayment to the contractor.

The Department, however, contended that mode of the construction required such shuttering.

After thorough discussion, the Committee directed that the Administrative Secretary should get the matter inquired by a technical expert within one week and submit report to PAC.

**The para was kept pending.**

**73. Para No.2.45 Page 46 of Audit Report for the year 1999-2000; Overpayment of Rs.0.993 million due to Payment of Higher Rate.**

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**29.03.2004** Audit had pointed out that Multan Development Authority made payment for laying 2 coats resurfacing @ Rs.350/- per sft. and Plant Premix Carpet 1-1/2" thick @ 247/42% sft. instead of single item permit bituminous carpet 2" thick @ Rs.329/90% sft.

The Department explained that work of improvement of road from MDA Chowk to Nawabpur Road was awarded for Rs.2,636,709/- against the detailed estimate technically sanctioned for Rs.2,703,600/- by DE, MDA. Later, on the directions of the then Minister for Food to the effect that the said reach which had been completed by resurfacing should be improved by carpeting to ensure uniformity of the entire road, necessary carpeting work was got executed.

Finance Department observed that the funds were utilized on the behest of the Minister/ Member to whom the grant related, as such no loss or irregularity had apparently taken place. Audit, however, insisted that it was necessary to see whether the funds were properly utilized.

The Committee directed that all the facts and record should be got verified by Audit.



**The para was kept pending.**

**74. Para No.2.53 Pages 51 & 52 of Audit Report for the year 1999-2000; Overpayment of Rs.1.850 Million Due to Payment of Higher Rates.**

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**30.03.2004** Audit had pointed out that payment for reinforced cement concrete @ Rs.29,500/- per metric ton instead of Rs.27,850/- per metric ton as per composite schedule of rates 1979 had resulted in overpayment to contractor.

The Department explained that as per practice/procedure open tenders were called. There were competitive rates and the lowest offer was accepted.

The Department further explained that three level scrutiny was done to ensure transparency and these rates were got approved by a high forum i.e. PDWP comprising Chairman P&D and Secretary Finance. It was stated that now market rates were being followed.

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

**75. Para No.2.61 Page 57 of Audit Report for the year 1999-2000; Overpayment of Rs.0.125 Million Due to Non-Deduction of Available Earth.**

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**31.08.2005** The Department explained that the excavated earth had been consumed/reused at site. The earth from outside source was brought after use of excavated earth.

The Committee **kept the para pending** for verification of record by Audit within 90 days.

**76. Para No.2.62 Page 58 of Audit Report for the year 1999-2000; Overpayment of Rs.0.113 million due to payment of higher premium.**

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**29.03.2004** The Department explained that the contractor had to execute some items of work which were not provided in the letter of acceptance of tender. The Department further explained that provision of 400% & 401.40% premium existed in the revised administrative approval and revised T.S estimate of work and therefore no overpayment was involved.

Audit stated in the meeting that they were satisfied with the explanation of the Department and that the fact had been verified.

**The para was accordingly settled.**

**77. Para No.2.63 Page 58 of Audit Report for the year 1999-2000; Overpayment of Rs.1.979 Million Due to Payment of Excessive Premium.**

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**31.03.2004** Audit had pointed out that WASA/LDA Lahore paid 400% premium on schedule items to the contractor instead of the admissible premium of 268% as per directions of Finance Department.

The Department explained that work was urgent in nature and approval of Special Premium of 378% on Civil Works items and 368% on sewer works items was sought from the Chief Minister Punjab through a summary.

The Department further explained that the bid of the contractor was accepted within the permissible limit of the technical sanction.

The Committee **conditionally settled the para** subject to verification of record by Audit.

**78. Para No.2.66 Pages 60 & 61 of Audit Report for the year 1999-2000; Overpayment of Rs.0.070 million due to irregular grant of advance Increments.**

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**29.03.2004** Audit had pointed out that irregular grant of two advance increments to an employee after appointment had resulted in overpayment of Rs.70,000/-.

The Department explained that the Director General, MDA was empowered to grant advance increments under the rules, approved by Governing Body of MDA.

Finance Department observed that advance increments at the time of initial recruitment could be granted. However, with reference to the provisions of CSR, Finance Department had issued clarification that such increments should not be granted during the course of service. And therefore, clause 24 of Delegation of Powers of MDA, be suitably amended.

The Committee observed that grant of advance increments/higher start was admissible only at the time of recruitment and directed that para 24 ibid should be modified/clarified in line with the policy issued by the Finance Department that advance increments should not be granted after recruitment.

With the above directions, **the para was settled.**

**79. Para No.2.72 Pages 64 & 65 of Audit Report for the year 1999-2000; Overpayment of Rs.0.356 Million due to non-deduction of Discount.**

---

**30.03.2004** Audit had pointed out the failure of the Department in deducting 3% discount on items which were not included in the bill of quantities.

The Department explained that as per agreement/acceptance letter issued to the contractor, payment was made after deducting 3% discount on all the items of BOQ. During execution of the work, certain items of work had to be carried out which were not included in the original BOQ. For these items negotiated rates were approved on which discount was not deducted.

Finance Department observed that on non-scheduled items 3% discount was not applicable, however, it would require verification by audit.

Audit stated that abstract of items be shown to them.

The Committee **conditionally settled the para** subject to verification of non-BOQ items by the audit.

#### **80. Para No.2.73 Page 65 of Audit Report for the year 1999-2000; Overpayment of Rs.0.127 Million due to payment against Sanctioned Posts.**

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**30.03.2004** Audit had pointed out that Directorate of Administration and Finance WASA Faialabad Development Authority, Faisalabad drew pay of 9 officers (BPS-19) against 8 posts provided in Authority's Budget.

The Department explained that the matter had been regularized by the Finance Department, Government of the Punjab vide letter No. SO(AB-III)3-5/2001 dated 6.10.2001.

Audit verified the departmental contention and recommended the para for settlement.

**The para was accordingly settled.**

#### **81. Para No.4.3 Page 70 of Audit Report for the year 1999-2000; Loss of Rs.0.083 Million due to acceptance of Tenders at Higher Rates.**

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**30.03.2004** The Department explained that the exact amount of technically sanctioned estimate was Rs.5.27 million against the erroneous amount of Rs.4.489 million and the work was completed within the permissible limits of 4.5%. The Department further explained that disciplinary action was being taken against the person responsible for lapse. Audit verified the departmental contention.

On the verification of audit, the Committee **settled the para** with the direction that the

Department should issue warning to the officials concerned to remain careful in future.

**82. Para No.4.7 Pages 72 & 73 of Audit Report for the year 1999-2000; Loss of Rs.9.308 Million due to acceptance of Tenders at Higher Rates.**

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**30.03.2004** Audit had pointed out that WASA/MDA Multan awarded the works to the contractors at higher rates than the permissible limits fixed by the Government.

The Department explained that 12% cushion had been allowed to FWO with the prior approval of the competent authority.

Audit verified the departmental contention and **the para was accordingly settled.**

**83. Para No.4.8 Page 73 of Audit Report for the year 1999-2000; Irregular Enhancement of Contract of Rs.4.225 Million due to violation of Financial Rules.**

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**30.03.2004** Audit had pointed out that FDA enhanced the agreement amount of a deposit work from Rs.158,391/- to Rs.4,224,951/- without obtaining the approval of PC-I/AA by the competent form.

The Department explained that PC-1 had been submitted for approval of the Competent Authority and the payment had been regularized by the Governor of the Punjab while giving directions for preparation of PC-1.

The Committee was not satisfied with the explanation of the Department and directed that the Department should produce the record along with PC-1 to Audit for verification.

**The para was kept pending.**

**84. Para No.4.29 Page 88 of Audit Report for the year 1999-2000; Unjustified Enhancement of Rs.2.400 Million Due to Violation of Financial Rules.**

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**31.08.2005** The Department explained that the Superintending Engineer could approve tenders/ enhance the agreement upto 50 lakhs under delegation of Financial Power Rules. The version of audit that the acceptance of tender and enhancement of agreement were two different powers, was not correct.

The Committee **kept the para pending** for verification of record by Audit within 90 days.

**85. Para No.4.33 Pages 90 & 91 of Audit Report for the year 1999-2000; Loss of**

### **Rs.0.102 million due to Irregular Payment for General Sales Tax.**

**30.03.2004** Audit had pointed out that 15% GST was included while making payment for providing and laying RCC manhole covers, which was not admissible.

The Department explained that the contractor had purchased the frame of RCC Manhole covers from market and had paid 15% GST to the Government, hence no recovery was involved.

Finance Department making a general observation, suggested that appropriate engraving on both sides of manholes be done to forestall theft thereof.

Audit verified the Departmental contention and recommended the para for settlement.

**The para was accordingly settled.**

### **86. Para No.4.34 Page 91 of Audit Report for the year 1999-2000; Loss of Rs.0.280 Million due to Non-Forfeiture of cost of Plots.**

**30.03.2004** The Department explained that an amount of Rs.0.0280 million had been forfeited in favour of WASA and adjusted through Transfer Entry dated 22.9.2003.

Audit verified the requisite record and recommended the para for settlement.

The Committee observed that all recoveries due should be made on time regularly. With this observation **the para was settled.**

### **87. Para No.4.36 Pages 92 & 93 of Audit Report for the year 1999-2000; Irregular Award of Work of Rs.21.200 Million Due to Violation of Financial Rules.**

**31.08.2005** The Department explained that the tenders were issued by the Head Clerk after fulfilling all the codal formalities. Tenders were received/opened in the presence of Head Clerk and concerned contractors, whereas DAO was not present due to his continuous absence from the office. It was also stated that the tenders were within the limit.

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

### **88. Para No.4.37 Page 93 of Audit Report for the year 1999-2000; Loss of Rs.18.840 Million Due to Incurrence of Expenditure more than Funds.**

**31.03.2004** The Department explained that approval of Rs.60 Million was accorded by the

National Economic Council Secretariat, Cabinet Division, Islamabad (ECNEC). The total cost of the scheme was, however, Rs.136.787 million for which formal administrative approval was issued vide letter dated 22.7.1998. The work amounting to Rs.78.839 million was allotted after observing all the codal formalities and issue of Technical Sanction.

Audit verified the contention of the Department.

On recommendations of Audit, **the para was settled.**

**89. Para No.4.38 Page 94 of Audit Report for the year 1999-2000; Loss of Rs.5.568 Million due to non-recovery of outstanding dues.**

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**29.03.2004** Audit had pointed out that 33 plots were cancelled due to non-depositing of dues by allottees which were neither auctioned nor any recovery was effected. Resultantly, a loss of Rs.5.568 million was caused to the Development Authority.

The Department explained that actual recoverable amount was Rs.169,884/- and that an amount of Rs.72,072/- had been recovered in respect of 14 plots. The cost of remaining plots was Rs.97,812/- which had been cancelled but could be restored subject to payment of 15% penalty.

The Committee **kept the para pending** with the direction that the Department should effect balance recovery at the earliest.

**90. Para No.4.39 Pages 94 & 95 of Audit Report for the year 1999-2000; Loss of Rs.0.354 Million due to Allowing Higher Rates.**

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**30.03.2004** Audit had pointed out that WASA Faisalabad Development Authority, Faisalabad had executed work for Rs.3.294 Million against estimated cost of Rs.2.813 Million.

The Department explained that work was awarded at 4.41% above T.S estimate which was within permissible limit under the rules.

The Committee **kept the para pending** for verification of record by audit.

**91. Para No.5.1 Pages 96 & 97 of Audit Report for the year 1999-2000; Loss of Rs.0.067 Million due to Non-Observance of Financial Rules.**

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**30.03.2004** Audit had pointed out payment for POL/residential telephone beyond entitlement.



The Department explained that two officers had deposited /adjusted the government dues, one officer had died, two were on deputation and S&GAD had been moved for recovery from them.

Finance Department observed that insofar as recovery against the deceased officer was concerned, the authority which fixed entitlement, could enhance the same.

The Committee **kept the para pending** with the direction that the Department should effect the balance recovery within 90 days.

**92. Para No.5.2 Page 97 of Audit Report for the year 1999-2000; Loss of Rs.0.86 Million due to unauthorized payment of POL.**

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**30.03.2004** Audit had pointed out the unauthorized payment of POL charges in respect of a vehicle handed over to PS to the then Minister.

The Department explained that the matter had been taken up with the S&GAD.

Finance Department observed that the issue in hand was a policy matter which would be taken up/discussed with S&GAD.

In view of Finance Department's observation, **the para was kept pending.**

**93. Para No.5.3 Pages 97 & 98 of Audit Report for the year 1999-2000; Loss of Rs.1.080 Million Due to Non-Consumption of Pipe.**

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**31.08.2005** The Department explained that an inquiry had been initiated in the case and the report had been received to Chief Engineer on 30-8-2005.

The Committee **kept the para pending** with the directions that the inquiry be finalized within 30 days.

**94. Para No.5.4 Page 98 of Audit Report for the year 1999-2000; Loss of Rs.0.234 Million due to non-recovery of Rent.**

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**29.03.2004** Audit had pointed out that highest bid of Rs.0.270 million for auction of Canteen at Race Course Park, Lahore was cancelled by the Parks & Horticulture Authority, PHA, LDA. The contractor went to court and deposited old rent of Rs.0.173 million, which resulted in loss of Rs.0.234 million.

The Department explained that recovery notice dated 3.10.2003 was served upon the

contractor and an amount of Rs.50,000/- had been recovered. The Department further explained that efforts would be made for recovery of the balance amount within 6 months.

The **para was kept pending** with the direction that recovery should be effected within 6 months as assured by the Department.

**95. Para No.6.2 Page 100 of Audit Report for the year 1999-2000; Non-recovery of Water and Sewerage Charges of Rs.12.146 Million.**

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**30.03.2004** The Audit had pointed out that the Department failed to recover the stated amount on account of water and sewerage charges from the consumers/users despite lapse of a considerable period.

The Department explained that partial recovery had been effected and efforts were being made for recovery of balance amount. Moreover, frequent transfers of Tehsildars before completion of the tenure had adversely affected the recovery process.

Finance Department observed that WASA had their own recovery staff which should be reactivated.

The Committee directed the Department to pursue the recovery process on regular basis and effect recovery at the earliest.

**The para was kept pending.**

**96. Para No.6.3 Pages 100 & 101 of Audit Report for the year 1999-2000; Non-Recovery of Water and Sewerage charges of Rs.6.565 Million.**

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**30.03.2004** The Audit had pointed out that the Department failed to recover the amount on account of water and sewerage charges from the Industrial consumers despite lapse of a considerable period.

The Department explained that partial recovery had been effected and the balance recoverable amount came to Rs.3.668 million.

The Committee directed the Department to pursue the recovery process and effect complete recovery within six months.

**The para was kept pending.**

**97. Para No.6.4 Page 101 of Audit Report for the year 1999-2000; Non-Recovery of Water Charges of Rs.0.349 Million.**

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**31.08.2005** The Department explained that the basis of calculations of water charges were based on the number of houses taken in the estimate, but all the houses might not have the connections, therefore the calculations made by audit were not correct. However, the recovery of water charges amounting to Rs.345,201/- had been made from the consumers.

The Committee **settled the para subject to** verification of record by audit.

**98. Para No.6.9 Page 104 of Audit Report for the year 1999-2000; Non-Recovery of Water Charges of Rs.2.939 Million.**

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**31.08.2005** The Department explained that a sum of Rs.4,416,000/- had been recovered and the same had been got verified by audit.

The Committee reduced the para to the extent of recovery and directed that the balance recovery be made at the earliest.

**The para was kept pending.**

**99. Para No.6.10 Pages 104 & 105 of Audit Report for the year 1999-2000; Non-Recovery of Water Charges of Rs.102.555 Million.**

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**31.03.2004** The Department explained that an amount of Rs.76.270 million already included in Draft Para 8.1 (199)/1997-98 was again taken in this para and actual amount of this para was Rs.26.285 which was outstanding against MCL, LDA and PHA and efforts were being made to effect recovery as it was inter departmental recovery.

Finance Department observed that amount was also outstanding against the Department's own organizations which ought to have been recovered.

The Committee directed the Administrative Secretary to devise appropriate strategy to effect complete recovery at the earliest.

**The para was kept pending.**

**100. Para No.6.11 Page 105 of Audit Report for the year 1999-2000; Non-recovery of Acquirer and Sewerage Charges of Rs.31.815 Million.**

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**31.03.2004** Audit had pointed out that WASA had failed to recover outstanding dues of acquirer

and sewerage charges from consumers since long.

The Department explained that an amount of Rs.5.345 Million had been recovered and an amount of Rs.21.450 million against acquifer charges was not recoverable in the light of the decision of the court which was upheld by the Supreme Court. The Department further explained that efforts were being made to recover the balance amount which came to Rs.4.908 million.

**The para was kept pending.**

**101. Para No.6.12 Pages 105 & 106 of Audit Report for the year 1999-2000; Non-Recovery of Water and Sewerage of Rs.4.360 Million.**

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**31.03.2004** The Department explained that an amount of Rs.2.406 Million had been recovered. There was duplication of Rs.0.094 Million and a total mistake of Rs.0.005 million. After adjustment of these two amounts, balance remained Rs.1.855 million.

The Committee directed the Department to produce relevant record to Audit for verification and effect recovery of the balance amount.

**The para was kept pending.**

**102. Para No.6.13 Page 106 of Audit Report for the year 1999-2000; Non-recovery of hire charges of Rs.0.337 million.**

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**30.03.2004** The Department explained that total amount of Rs.336,889/- had been recovered and verified by Audit.

On the recommendation of Audit, the Committee **settled the para.**

**103. Para No.6.14 Pages 106 & 107 of Audit Report for the year 1999-2000; Non-recovery of electricity charges of Rs.13.800 million.**

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**30.03.2004** Audit had pointed out non-realization of electricity charges from contractor of canteen situated in LDA Complex.

The Department explained that the canteen at 5-Court Street office was under the control of Punjab Cooperative Union, whereas the canteen at 7-Court Street office was also out of LDA building area. No electricity facility was provided to canteen owners by LDA. However, the LDA authorities were making payment of electricity charges to WAPDA in respect of their offices at 5

& 7 Court Street. The Department further explained that Audit observation was not based on facts.

The Committee **kept the para pending** with the direction that the Department should work out/calculate the amount recoverable from canteen owners at its level, effect recovery and submit a report to PAC.

**104. Para No.6.22 Pages 111 & 112 of Audit Report for the year 1999-2000; Less Recovery of Income Tax of Rs.0.229 Million.**

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**30.03.2004** The Department explained that the recoverable amount had been wrongly worked out by Audit. Actual amount recoverable was 0.097 Million. Audit agreed to the amount worked out by Department.

The Department further explained that contractor had filed a case in Civil Court which had granted stay order.

The case being sub-judice, **the para was kept pending.**

**105. Para No.6.26 Page 114 of Audit Report for the year 1999-2000; Non-recovery of Water Connection Fee of Rs.2.238 Million.**

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**31.03.2004** The Department explained that partial recovery had been effected and efforts were being made to recover the balance amount.

Finance Department observed that the amount should not have been outstanding and WASA authorities should submit a report to the Administrative Secretary in this regard.

The Committee was not satisfied with the explanation of the Department and directed the Department to inquire into the matter within 30 days under intimation to PAC.

**The para was kept pending.**

**106. Para No.6.27 Pages 114 & 115 of Audit Report for the year 1999-2000; Non-recovery of Sewerage Connection charges of Rs.6.459 million.**

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**30.03.2004** Audit had pointed out that the Department failed to recover the amount on account of water and sewerage charges from the commercial consumers/users.

The Department explained that partial recovery had been effected and efforts were being made to

recover the balance amount.

The Committee directed the Department to effect complete recovery within six months

**The para was kept pending.**

**107. Para No.6.30 Page 116 of Audit Report for the year 1999-2000; Non-recovery of Cost/Interest of Flats of Rs.2.781 Million.**

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**29.03.2004** Audit stated that the recovery of Rs.410,750/- had been verified.

The Committee directed that the Department should effect balance recovery and get the record verified by Audit till 31-12-2004.

**The para was kept pending.**

**108. Para No.6.31 Page 117 of Audit Report for the year 1999-2000; Non-recovery of installments of Rs.0.452 million.**

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**29.03.2004** Audit had pointed out that FDA had failed to recover the installments regularly.

The Department explained that an amount of Rs.170,400/- had been recovered and after adjustment with Audit balance recoverable amount came to Rs.222,699/-.

The audit stated that after verification of record balance was to the tune of Rs.223,094/-

The Committee directed that the Department should effect the balance recovery and get the record verified by Audit within 6 months.

**The para was kept pending.**

**109. Para No.6.32 Pages 117 & 118 of Audit Report for the year 1999-2000; Non-recovery of Cost of Land/Plots of Rs.0.255 Million.**

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**29.03.2004** The Department explained that these plots were allotted to residents of Katchi Abadi of Factory Area and an amount of Rs.59,271/- had been recovered and relevant record was available for verification.

The Committee directed the Department to effect the recovery of balance amount in easy installments upto 31-12-2004.



**The para was kept pending.**

**110. Para No.6.33 Page 118 of Audit Report for the year 1999-2000; Non-recovery of Cost of Excessive Area of Plots/Shops of Rs.2.057 Million.**

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**29.03.2004** Audit had pointed out that FDA had failed to recover the cost of excess area of plots/shops from allottees since long.

The Department explained that an amount of Rs.882,597/- was not recoverable in view of rationalization of policy by FDA, whereas a sum of Rs.210,469/- was also not recoverable due to miscalculation of excess area etc. An amount of Rs.865,305/- had been recovered and the balance recovery was Rs.98,629/-

The audit vide its comments verified recovery of Rs.40,116/- and desired that a copy of the policy be provided to them.

**The para was kept pending** with the direction that the Department should provide a copy of FDA policy to audit and also effect balance recovery at the earliest.

**111. Para No.6.34 Pages 118 & 119 of Audit Report for the year 1999-2000; Non-recovery of cost of excessive area of plots/shops of Rs.0.355 million.**

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**29.03.2004** The Department explained that recovery due viz Rs.353,189/- had been effected, however, remaining amount of Rs.2,180/- was not actually recoverable due to reduction in excess area of plot.

Audit verified the contention of the Department that the recovery had been effected.

On the recommendations of Audit, **the para was settled.**

**112. Para No.6.37 Pages 120 & 121 of Audit Report for the year 1999-2000; Non-recovery of penalty of Rs.0.407 million.**

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**29.03.2004** Audit had pointed out that Directorate of Town Planning MDA imposed penalty on the owners of plots for illegal construction of houses beyond the approved plan but failed to recover the fine.

The Department explained that all the due amount pertaining to violation fines had been recovered and no further recovery was involved.

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

**113. Para No.6.38 Page 121 of Audit Report for the year 1999-2000; Non-recovery of penalty of Rs.0.463 million.**

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**29.03.2004** Audit had pointed out that Directorate of Estate & Land Management MDA imposed penalty on the owners of plots on account of non-completion of buildings within stipulated time but failed to recover the fine.

The Department explained that recovery of Rs.171,770/- had been made and verified by audit. The position of balance recovery of Rs.290,789/- was as under:-

1. **Shop No.DC-223 to 226:**

The amount of Rs.156,518/- was not recoverable due to revision in the building period allowed by D.G MDA.

2. **Plot No.30:**

The amount of Rs.50,887/- could not be recovered due to litigation.

3. **Plot No.3:**

The amount of Rs.21,500/- was not due as building was completed within the stipulated period. The record could be verified by the Audit.

4. **Plot No.28:**

The amount of Rs.61,984/- was not recoverable as the owner was exempted from the penalty due to extension in completion of building period upto 31.12.2003 vide Chief Minister Secretariat letter dated 14/16.5.2003. Further action in the light of the directive was under process.

The Committee **settled the para** to the extent of recoveries effected and already verified by the audit and kept the remaining items pending for verification of record and recovery.

**114. Para No.6.39 Pages 121 & 122 of Audit Report for the year 1999-2000; Non-Recovery of Penalty of Rs.1.618 Million.**

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**29.03.2004** Audit had pointed out that Directorate of Town Planning, Faisalabad Development Authority imposed penalty on the owners of plots for illegal construction of houses beyond

approved plan. Audit further stated that recovery of Rs.874,667/- had been verified.

The Department explained that besides recovery of Rs.874,667/- already verified by audit, an amount of Rs.455,741/- had also been recovered and an amount of Rs.89,331/- was not recoverable due to miscalculation of price of excess area etc. Thus, the balance recovery was Rs.198,261/-.

The Committee **kept the para pending** with the direction that the Department should effect the recovery of balance amount within 90 days and get the record verified by Audit.

**115. Para No.6.40 Page 122 of Audit Report for the year 1999-2000; Non-recovery of penalty of Rs.1.575 million.**

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**29.03.2004** Audit had pointed out that Directorate of Town Planning, FDA imposed penalty on certain allottees for conversion of the residential plots into commercial plots but failed to recover the fine.

The Department explained that besides an amount of Rs.268,609/- already verified by audit, Rs.40,547/- had also been recovered, whereas, Rs.247,864/- was not recoverable due to miscalculation of excess area etc. and the balance recovery came to Rs.1,017,980/-. The matter regarding this balance recovery was sub-judice an stay order had been granted by the court.

The Committee **kept the para pending** as the matter was sub-judice with the direction that the Department should get the record verified by audit pertaining to amount not recoverable.

**116. Para No.6.41 Pages 122 & 123 of Audit Report for the year 1999-2000; Non-recovery of Commercialization Fee of Rs.3.118 million.**

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**29.03.2004** The Department explained the position as below:-

i) **Plot No.244-245 Grain Market.**

As per decision of the court, the Commercialization Committee withdrew approval of change of use, hence no recovery was involved. Later, on the request of the owner commercialization was allowed and he deposited an amount of Rs.468,160/-. Therefore, no further amount was recoverable from the owner.

ii) **Plot No.238 Grain Market.**

On the request of the owner approval was withdrawn. Later on the request of the

present owner, commercialization fee of Rs.276,705/- was calculated which was deposited by him. No further recovery was due in this case.

**iii) Plot No.255 Grain Market.**

As per decision of the court, the commercialization fee was recalculated which came to Rs.843,437/- which had been recovered and no further recovery was due.

The Committee **conditionally settled the para** subject to verification of record by Audit.

**117. Para No.6.45 Page 125 of Audit Report for the year 1999-2000; Non-Recovery of Advance Payments of Rs.10.202 Million.**

**31.03.2004** Audit had pointed out that WASA/LDA Lahore allowed advance payments to various officers since long which had not been adjusted.

The Department explained that an amount of Rs.6,467,503/- had been adjusted with Audit. The balance amount of Rs.3,734,905/- was not an advance. It was deposited in Treasury account of LAC WASA on the orders of High Court as compensation of fruit trees etc. on the land acquired by WASA for a scheme.

Finance Department observed that the matter was to be finally decided by the court.

The matter being sub-judice, the Committee **kept the para pending** with the direction that the Department should pursue the case vigorously.

**118. Para No.6.46 Pages 125 & 126 of Audit Report for the year 1999-2000; Non-recovery of advance payments of Rs.0.638 million.**

**29.03.2004** Audit stated that the amount of para had been reduced to a Rs.446,000/- after verification of record.

The Department explained that total recovery/adjustment had been made and requested for settlement of the para. Audit verified the contention of the Department.

**The para was settled.**

**119. Para No.6.50 Page 128 of Audit Report for the year 1999-2000; Non-Recovery of Price Variation of Rs.0.270 Million.**

**31.08.2005 Part A (Chakwal)** The Department admitted that the recovery pointed out by Audit was based on facts as per record produced by TMA, Chakwal.

The Committee **kept the para pending** with the directions that the recovery be made within 90 days.

**Part B (Sargodha)** The Department explained that the para was combined with PHE division Chakwal and Sargodha. It was stated that government had stressed the factory owners to reduce the rate of cement but the reduced rates proposed by government were not accepted by the factory owners. The Department assured that the price variation would be paid/recovered from the contractors after issuance of government notification.

The Committee **kept the para pending** with the directions that the recovery be made within 90 days.

#### **120. Para No.6.51 Pages 128 & 129 of Audit Report for the year 1999-2000; Non-recovery of outstanding dues of Rs.89.866 million.**

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**29.03.2004** Audit had pointed out that Directorate of Finance & Administration Multan Development Authority spent funds from its own resources on behalf of other Departments for executing works but failed to realize its claims.

The Department explained the position with regard to recoveries due and effected from various Departments/organizations namely Municipal Corporation Multan, Highways, Zakat, S&GAD, Labour and Education Departments and Printing Corporation of Pakistan. It was stated that recoveries from Labour and Education Department and Printing Corporation of Pakistan had since been effected/adjusted. Recoveries from other Departments were due for the reasons explained in the working paper.

The Committee **settled the items** in which recoveries had been effected and verified by audit. The other items were kept pending with the direction that the Department should take up the matter with Tehsil Municipal Administration Multan for depositing the amount due from Municipal Corporation Multan at the earliest and expedite action in respect of other cases.

#### **121. Para No.6.52 Page 129 of Audit Report for the year 1999-2000; Non-recovery of Auction Money of Rs.0.300 million.**

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**30.03.2004** The Department explained that an amount of Rs.300,000/- had been recovered and verified by Audit.

On the recommendation of audit the Committee **settled the para.**

**122. Para No.6.53 Pages 129 & 130 of Audit Report for the year 1999-2000; Non-recovery of house rent of Rs.0.050 million.**

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**29.03.2004** The Department explained that the services of the person concerned namely Azeemullah, ex-Assistant Director were terminated from service without any pensionary benefits who later died on 4.6.2000. There was no CP/GP fund contribution on his credit with FDA, as such nothing could be recovered at source from him. In fact, it was a case of write off for the loss and the Governing Body of FDA had decided to refer the case to Government for approval. The Department however, stated in the meeting that FDA had full financial powers regarding write off matters.

Finance Department and Audit were of the view that negligence was there and action should be taken against those who failed to get the house vacated/make recovery.

The Committee did not accept the explanation of the Department and directed that the Department should hold an inquiry, fix responsibility and take action against the officers/officials responsible for the lapse within 90 days under intimation to the PAC.

**The para was kept pending.**

**123. Para No.6.55 Page 131 of Audit Report for the year 1999-2000; Non-Recovery of Balance Share From Municipal Committee of Rs.2.374 Million.**

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**31.08.2005** The Department explained that the due share was deposited by the Municipal Committee, Chawkal but later on scheme was amended for Rs.30.525 million. The balance share of Rs.2,374,000/- could not be deposited by the said Municipal Committee, Chakwal.

The Committee **kept the para pending** with the directions that fact finding inquiry be conducted by the Administrative Secretary to thrash out the circumstances under which the work was not stopped. The inquiry be completed within 90 days.

**124. Para No.6.56 Page 131 of Audit Report for the year 1999-2000; Non-recovery of Lease Money of Rs.146 million.**

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**29.03.2004** The Department explained that total recovery was effected and deposited into PHA account. Audit verified the contention of the Department.



On the recommendation of Audit, the Committee **settled the para.**

**125. Para No.6.57 Page 132 of Audit Report for the year 1999-2000; Non-recovery of penalty of Rs.3.304 million.**

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**29.03.2004** Audit explained that recovery of Rs.1.536 million had been verified.

The Committee directed the Department to effect the recovery of balance amount upto 31.12.2004 and get the record verified by Audit.

**The para was kept pending.**

**126. Para No.6.58 Pages 132 & 133 of Audit Report for the year 1999-2000; Non-recovery of rent of Rs.0.174 million.**

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**29.03.2004** The Department explained that the matter pertained to illegal occupation of quarter No. 469/G, Allama Iqbal Colony, by one Manzoor Hussain. There were two claimants namely Manzoor Hussain and Shabbir Hussain who had filed declaratory suits in the civil court and presently appeals were pending in the higher court.

The matter being sub-judice, **the para was kept pending.**

**127. Para No.7.1 Page 133 of Audit Report for the year 1999-2000; Unauthenticated Expenditure of Rs.0.703 Million.**

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**30.03.2004** Audit had pointed out that Deputy Director ADS-II, LDA U.D wing incurred expenditure for the works but no record was produced to Audit.

The Committee directed the Department to produce the relevant record to Audit for verification within one week.

**The para was kept pending.**

**128. Para No.8.1 Page 134 of Audit Report for the year 1999-2000; Loss of Rs.0.210 Million to Government Due to Non-Auction of Un-Serviceable Vehicles.**

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**31.08.2005** The Department explained that the case for auction of un-serviceable vehicles was under process and the auction would be made after approval of the competent authority.

The Committee **kept the para pending** with the direction that the auction be completed

within 90 days.

The paras were discussed in the meetings of PAC-II held on 16.03.2004, 17.03.2004, 18.04.2005 19.04.2005.

## **Audit Paras (Commercial) for the year 1999-2000**

### **1. Para No.91 Page 59 of Audit Report for the year 1999-2000; Working Results.**

**17.03.2004** Audit had pointed out late submission of accounts of the department for the year 1998-99.

The Chairman TEVTA informed the Committee that all the vocational training institutes of the Punjab Government had been placed under TEVTA. It was stated that the accounts were prepared in time but delay had occurred in getting them verified. However, there would be no delay in future in submission of accounts.

On the assurance given by the department, the Committee **settled the para.**

### **2. Para No.92 Page 59 of Audit Report for the year 1999-2000; Working Results.**

**17.03.2004** Audit had pointed out that the center was continuously sustaining losses w.e.f.1995-96 to 1999-2000.

The department explained that machinery installed in the center had become obsolete and out dated. The heavy floods in 1988 had adversely affected the entire machinery and despite strenuous efforts it could not earn profit. Manufacturing Unit had been closed and the Centre was being converted into a training school with focus on imparting training relevant to textile sector.

The Committee accepted the departmental reply and **settled the para.**

### **3. Para No.93 Page 59 of Audit Report for the year 1999-2000; Working Results.**

**17.03.2004** Audit had pointed out that the sale of center had decreased by 1.39% over the previous year, but the cost of sales increased by 2.15%. Resultantly gross profit decreased and net loss increased in the year 1999-2000 over the previous year.

Chairman TEVTA stated that the manufacturing unit had since been closed and explained the position as already reflected in para 92 above. He further stated that the Industry was also collaborating in the efforts of TEVTA in its training/educational plan through such training schools.

The Committee accepted the explanation of department and **settled the para.**

### **4. Para No.94 Page 60 of Audit Report for the year 1999-2000; Working Results.**

**17.03.2004** Audit had pointed out that funds amounting to Rs.7.600 million were allocated to the center for the purchase of yarn during 1999-2000 out of which only Rs.1.912 million were utilized for the purpose whereas remaining amount of Rs.5.668 million was allowed to lapse.

The department explained that the funds were not released in favour of TEVTA but in favour of Government. Moreover, rules of TEVTA were under process and in the absence of delegation of powers, TEVTA could not constitute purchase Committee due to which the full amount allocated under head purchase of yarn could not be utilized.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

#### **5. Para No.95 Page 60 of Audit Report for the year 1999-2000; Working Results.**

**17.03.2004** Audit had pointed out that damaged stock of cloth worth Rs.369,331/- had not been disposed off.

The department explained that out of cloth worth Rs.369,331/- cloth of Rs.47944/- had been disposed off leaving balance of cloth valuing Rs.321387/- for which efforts were being made to dispose it off. During the course of meeting the department stated that value of the stock was not very high, therefore, it would be utilized on training purposes rather to auction it.

The Committee accepted the explanation of the department and **settled the para** with the direction that the optimum use of the cloth be made.

#### **6. Para No.96 Page 61 of Audit Report for the year 1999-2000; Mis-appropriation of Tuition Fee, Union Funds and Other Charges Rs.11.706 million.**

**17.03.2004** Audit had pointed out that a sum of Rs.11.706 million collected from students on account of tuition fee, union funds etc. for the years 1994-97 had not been deposited into Government treasury. Moreover, the relevant record relating to tuition fee/union funds was set on fire.

The department explained that two officials were proceeded against departmentally and were dismissed from service being involved in the embezzlement incident. Meanwhile, the third officer namely Mr. Riaz-ul-Hassan, Principal Government Weaving and Finishing Institute, Shahdra had been reinstated by PST. Efforts were being made to effect recovery as arrears of land revenue from the concerned officials. The Chairman promised to look into all aspects of the case with a

view to taking appropriate action.

The para was kept pending.

**18.04.2005** The Sub-Committee-VI of Public Accounts Committee-II, in its meeting held on 22-3-05, during consideration of subject para, had directed that the EDO(R) and DO(R), Lahore be requested to attend the meeting of PAC-II on 18-4-2005 to apprise the committee regarding latest position of recovery.

The Committee was informed that EDO(R) & DO(R), Lahore were not present in the meeting despite prior intimation for the purpose. The Committee took serious notice of the absence of aforesaid officers and directed that they should be directed to ensure their presence in the meeting of PAC-II on 19.04.2005.

The para was kept pending.

**19.04.2005** As per directions of the Sub-Committee-VI, the Executive District Officer (Revenue) Lahore appeared before the Committee and explained that whereabouts of the accused person involved in subject para were not traceable and therefore the matter could not be expedited.

Finance Department observed that Administrative Department should provide the address and details of property owned by the accused officer and declaration forms of assets could also be traced out for the purpose.

The Committee directed the department to coordinate with the revenue authorities as per observations of Finance Department and EDO (Rev) Lahore should create the demand under the rules with in 90 days for recovery as arrears of land revenue.

The para was kept pending.

## **7. Para No.97 Page 62 of Audit Report for the year 1999-2000; Working Results.**

**17.03.2004** Audit had pointed that the accounts of the department for the year 1995-96 to 1999-2000 were required to be printed in ARPSE 1995-96 and in subsequent audit reports but were received late and printed in ARPSE 2000-2001.

The department explained that the submission of accounts for the year 1995-2000 was delayed due to verification of accounts. Audit verified that the accounts had since been received.

On the recommendation of audit, the Committee **settled the para.**

**8. Para No.98 Page 63 of Audit Report for the year 1999-2000; Working Results.**

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**9. Para No.99 Page 64 of Audit Report for the year 1999-2000; Working Results.**

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**10. Para No.100 Page 65 of Audit Report for the year 1999-2000; Working Results.**

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**16.03.2004** Director General (Commercial) Audit pointed out that the accounts for the year 1997-98 & 1999-2000 were received late and printed in ARPSE 2000-2001.

The Committee with the direction that the Department should ensure timely submission of the annual accounts to the concerned quarters for further process, **settled the above mentioned paras.**

**11. Para No.101 Page 65 of Audit Report for the year 1999-2000; Working Results.**

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**16.03.2004** The Department explained that actual balance of paper and other material was to the tune of Rs.22.129 million and not Rs.46.976 million as pointed out by audit. Most wanted size of papers were consumed by end of 2<sup>nd</sup> quarter of the financial year. Only paper worth Rs.6.459 million was purchased out of Rs.31.50 million grant. Due to these reasons income from printing and sales decreased during that financial year.

Finance Department observed that there was difference of opinion about availability of paper between the audit and the Department.

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

**12. Para No.102 Page 65 of Audit Report for the year 1999-2000; Working Results.**

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**16.03.2004** Audit had pointed out that the machinery worth Rs.1.491 million was lying un-installed. Management stated that material in question consisted of Lead Rods which was mistakenly written as plant and machinery. Department further stated that process for disposing of these lead roads through public auction was underway.

The Committee was satisfied with the explanation of the Department and **settled the para.**

**13. Para No.103 Page 65 of Audit Report for the year 1999-2000; Working Results.**

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Audit had suggested to clear work in process.



**16.03.2004** The Department explained that work in process meant the work under the course of printing in pipeline. During subsequent years it was reduced to Rs.20.998 million and 18.562 million.

The Committee accepted the explanation of the Department and **settled the Para.**

#### **14. Para No.104 Page 66 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** Audit had pointed out the purchase of spare parts worth Rs.7.356 million in addition to the already available spare parts with the suggestion to devise and maintain proper inventory controls.

The Department explained that the requisite spare parts were bought for smooth running of the press in which foreign exchange component was also involved. The Department assured that proper inventory control would be enhanced.

Finance Department observed that inventory needed to be checked properly.

The Committee was not satisfied with the explanation of the Department and directed that the Department should provide details of the inventories along with the record of spare parts purchased during the financial year in the next meeting.

**The Para was kept pending.**

#### **15. Para No.105 Page 67 of Audit Report for the year 1999-2000; Working Results.**

#### **16. Para No.106 Page 68 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** The Department explained that PIDB was abolished in December 1997 and all the employees were retired under Golden-Hand Shake Scheme. The dissolution of the board was the major factor of for late submission of accounts.

The Committee accepted the explanation of the Department and **settled the paras.**

#### **17. Para No.107 Page 68 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** Audit had pointed out that PIDB was dissolved in December 1997 but target date for winding up of PIDB had not so far been fixed.

The Department explained in the meeting that the cases were pending in different courts

including High Court involving substantial amount of money.

In view of the fact that the matters were subjudice, the Committee **settled the para** with the direction that the Department should vigorously follow these cases in the courts.

#### **18. Para No.108 Page 68 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** Audit had pointed out that Admin & General Expenses increased as compared to previous year. Audit also wanted to see the details of bad debts which were written off.

The Department explained that increase in expenditure was mainly due to payment of Golden Hand Shake benefits to employees and written off bad debts.

Finance Department observed that the Department should show the relevant record to audit regarding writing off of bad debts at proper forum.

The Committee **conditionally settled the Para subject to** verification of the record by the Audit.

#### **19. Para No.109 Page 69 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** Audit had pointed out that an amount of Rs.19.951 million was charged to accounts in respect of mark up and penal mark up without provision available.

The Department explained that the payment was made in 1999 after settlement with Habib Bank. Necessary approval of competent authority by moving a summary through the Finance Department was obtained.

The Committee accepted the explanation of the Department and **settled the Para** with the observation that accounting procedure was violated but was approved by the Competent Authority.

#### **20. Para No.110 Page 70 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** Audit had pointed out that annual accounts of Kamalia Sugar Mill for the year 1997 were received late.

The Department explained that the PIDB was dissolved in December 1997. As the same was in privatization process, the submission of accounts was delayed which were later submitted.

The Committee accepted the explanation of the Department and **settled the Para.**

**21. Para No.111 Page 70 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** The Audit pointed out that it was about the privatization of unit and para needed no further comments.

The Committee **settled the Para accordingly.**

**22. Para No.112 Page 70 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** Audit had pointed out that cost of sales to sales increased by 104.89% in 1997-98 resulting in decrease in operating profit. The Department explained that cost of sales increased due to enhancement of sugarcane prices. The Department further explained the matter in detail and stated that decline in profits during 1996-97 was due to natural causes which were beyond human control and hence unavoidable.

On the recommendation of Audit the Committee **settled the Para.**

**23. Para No.113 Page 72 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** Audit had pointed out that annual accounts in respect of Pattoki Sugar Mills for the year 1997-98 were received late.

The Department explained that PIDB was dissolved in December 1997. As the Mills was in privatization process, the submission of accounts was delayed which were later submitted.

The Committee accepted the explanation of the department and **settled the Para.**

**24. Para No.114 Page 72 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** The Audit pointed out that it was about the privatization of unit and para needed no further comments.

The Committee **settled the Para accordingly.**

**25. Para No.115 Page 72 of Audit Report for the year 1999-2000; Working Results.**

Audit had pointed out the increase in cost of sales as compared to last year.

**16.03.2004** The Department explained the relevant factors viz declining trend in country's sugarcane production, non-disposal of last year's stock due to market conditions etc. which were responsible for increase of cost of sales.

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

**26. Para No.116 Page 74 of Audit Report for the year 1999-2000; Working Results.**

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**17.03.2004** Audit had pointed out that the accounts of the Corporation for the year 1997-98, 1998-99 and 1999-2000 were due on January 15, 1999, 2000 and 2001 but could not be provided upto 15-2-2001. However, accounts for 1997-98 were received on 22.2.2001.

The department explained that the accounts for the years 1998-99 to 2000-2001 were still under process and assured that in future there would be no delay in this regard.

The Committee **kept the para pending** till submission of accounts to audit.

**27. Para No.117 Page 75 of Audit Report for the year 1999-2000; Working Results.**

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**17.03.2004** Audit had pointed out that the accounts of the Corporation for the year 1994-95 to 1996-97 were received and printed late. The accounts for the years 1997-98 to 1999-2000 were in arrears.

The department explained that the accounts for the year 1997-98 had already been furnished to audit while accounts for the years 1998-99 to 2000-2001 were still under process.

The Committee **kept the para pending** till submission of accounts to audit.

**28. Para No.118 Page 75 of Audit Report for the year 1999-2000; Working Results.**

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**17.03.2004** Audit had pointed out that cost of sales increased to 71.7% as compared to cost of sales to 65.65% in previous year and the corporation sustained a loss of Rs.3.154 Million.

The department explained that the increase in cost of sales and conversion of profit into losses was due to increase in rate of excavation and increase in prices of other direct and indirect material & expenses. Moreover, corporation was not in a position to increase the prices

unilaterally in the presence of private sector.

The Committee accepted the explanation of the department and **settled the para.**

**29. Para No.119 Pages 75 & 76 of Audit Report for the year 1999-2000; Working Results.**

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**17.03.2004** Audit had pointed out that a review of the cost of sales account revealed that there was a shortage of finished goods of Rs.71,280/-

The department explained that no discrepancy was found in closing /opening stock on the amendment of accounts. The audit verified departmental contention.

On the recommendation of audit, the Committee **settled the para.**

**30. Para No.120 Page 76 of Audit Report for the year 1999-2000; Working Results.**

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**17.03.2004** Audit had pointed out that deferred cost should be amortized on yearly basis irrespective of operational results of the projects.

The department explained that after 7&8 years department came to know that the project was not profit earning and financially not viable, therefore, the projects were abandoned with the approval of the competent authority. Since the subjected schemes were abandoned and had not been converted into operational projects and never earned any profit as such there was no reason to amortize the deferred cost of abandoned schemes. The department further stated that Finance Department was also requested for conversion of loan into grant or equity.

Finance department observed that the accounts of the department should be reconciled with the audit.

The Committee **conditionally settled the para subject to** reconciliation of accounts with and verification of relevant record by audit.

**31. Para No.121 Page 76 of Audit Report for the year 1999-2000; Working Results.**

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**17.03.2004** Audit had pointed out non reconciliation of figures of inter project receivables with those booked by Head Office.

The department explained that the figures had been reconciled.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

### **32. Para No.122 Page 76 of Audit Report for the year 1999-2000; Working Results.**

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**17.03.2004** Audit had pointed out that provision for doubtful debts had not been made in the accounts to increase the profit of the Corporation and aging of these debts was also not prepared.

The department explained the position of trade debtors at the end of 1996-97 and stated that the amount recoverable by Mianwali Project included Rs.21.642 million from Pakistan Steel Mills on 30.6.1997 and that previous balance upto February 1998 had been fully recovered from Pakistan Steel Mills and about 90% of next supplies had also been recovered upto 31.12.2003. The other receivables were of very nominal nature considering the volume of PUNJMIN sales. It was reiterated that there were no bad debts.

Finance Department observed that the debts be timely adjusted so that they were not converted into bad debts.

The Committee directed that the department should recover the existing debts within four months.

**The para was kept pending.**

### **33. Para No.123 Page 76 of Audit Report for the year 1999-2000; Working Results.**

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**17.03.2004** Audit had pointed out that the corporation did not repay its loans to Punjab Government on the plea that the Government had been requested to convert the loans into grant-in-aid.

The department explained that the case regarding conversion of loan into grant-in-aid/ equity was pending with the Finance Department which was being pursued.

The Committee observed that the Finance Department should finalize this matter early and that a letter be written to Finance Secretary conveying the directions of PAC.

**The para was kept pending.**



### **34. Para No.124 Page 76 of Audit Report for the year 1999-2000; Working Results.**

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**17.03.2004** Audit had pointed out that certain typographical errors were found in the audited accounts.

The department explained that typographical errors/mistakes had been rectified in the revised accounts and sent to audit.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

### **35. Para No.125 Page 78 of Audit Report for the year 1999-2000; Loss of Rs.403,322/- On Account of Land Rent/Watch and Ward Expenses of Pulverizing Plant.**

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**17.03.2004** Audit had pointed out that the department incurred expenses worth Rs.403322/- on account of land rent/watch & ward of plant after its sale.

The department explained that so far land rent was concerned, its recovery was being pursued through court of law whereas expenses in respect of watch and ward amounting to Rs.90,000/- were incurred in order to save the land from illegal occupation.

Finance department observed that the matters regarding inordinate delay in removal of the plant by the purchaser and whether it kept operating or otherwise during the intervening period needed a probe.

The Committee directed that the department should investigate the matter and fix responsibility within 90 days and also move the court for amendment in the civil suit for incorporating a demand of Rs.90,000/- paid to the Chowkidar for the safety of the plant.

**The para was kept pending.**

### **36. Para No.126 Page 79 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.297,164/- due to non-disconnection of electric supply.**

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**17.03.2004** Audit had pointed out that electricity supply was not got disconnected after final closure of the project in May, 1996 which resulted in wasteful expenditure.

The department explained that the electricity supply was not got disconnected in order to

retrieve the assets worth Rs.2.900 million from the mines in the wake of in reach of uncontrollable quantity of water in the mines. After receipt of decision of the Government about closing of the project, the work to remove all installations from underground as well as from surface was started. Had the electricity connection been disconnected, the recovery of assets valuing Rs.2.900 million would not have been possible.

Finance department observed that in the given circumstances the use of electricity was unavoidable and the para could be settled subject to verification by audit.

The Committee **settled the para subject to** verification of record by audit.

### **37. Para No.127 Page 80 of Audit Report for the year 1999-2000; Working Results.**

### **38. Para No.128 Page 81 of Audit Report for the year 1999-2000; Working Results.**

Audit had pointed out the late receipt of accounts.

**16.03.2004** The Department explained that AGM could not be held due to preoccupation of Chief Minister/Chairman of PSIC and resultantly submission of accounts was delayed. It was further stated that now the meetings were being held regularly and it had been decided that in the absence of Chief Minister, the Minister concerned would attend the meeting. The Administrative Secretary assured the committee about submission of accounts well in time.

The Committee accepted the explanation of the Department and **settled the paras.**

### **39. Para No.129 Pages 81 & 82 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** Audit had pointed out decrease in gross profit and that cost of sales to sales rose from 69.61% in 1996-97 to 70.09% in 1997-98.

The Department explained that the PSIC was a promotional organization with pre-defined functions and its commercial activities were very limited except those of Wood Working Service Centres. The Service Charges collected in the Service Centres were included in the "Sales". The decrease in sales was due to overall economic condition of the country, which badly affected the industrial sector. Resultantly decrease in the industrial activities caused the decrease in sales of the Service Centres which accumulatively affected PSIC earnings.

Presently all the Service/Common Facility Centres stood transferred to newly created organization namely TEVTA. However, efforts were being made to minimize cost of sales and to

control the other expenditure.

The Committee accepted the explanation of the Department and **settled the Para.**

**40. Para No.130 Page 82 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** The Department explained that expenditure of Rs.521,915/- under head “general charges” was wrongly taken under head “Fair and Exhibitions”. This increase in expenditure was only 30% instead of 1094%.

On the verification of audit **the para was settled.**

**41. Para No.131 Page 82 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** Audit had suggested the recovery of overdue loans.

The Department explained that on the introduction of various incentive schemes, defaulters showed positive response and recovery was 81.81%.

The Committee **settled the Para subject to** verification of record by Audit.

**42. Para No.132 Page 82 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** Audit had pointed out that shortage of store/stock valuing Rs.0.517 million recoverable from employees of the Corporation had increased to 0.917 million.

The Department explained that recovery to the tune of Rs.399,304/- had been effected whereas efforts were being made to effect balance amount.

The Committee was not satisfied with the explanation of the Department and directed it to effect balance recovery at the earliest and furnish details of recoveries made in the next meeting of PAC.

**The para was kept pending.**

**43. Para No.133 Page 82 of Audit Report for the year 1999-2000; Working Results.**

**16.03.2004** Audit had pointed out that debtors and other recoverables including loans disbursed

under Rollover Scheme were still lying unrecoverable.

The Department explained that creation of debtors and other recoverable was a normal feature of activities of PSIC. The major amount of recoverables related to SIEs and loan schemes and recovery rate of loan scheme i.e. 82% was higher than any other DFI in Pakistan. It was further stated that amount of Rs.39.896 million had been received from allottees of SIE-III Gujranwala schemes by February 2004. As already decided SIE-II Faisalabad would be handed over to Export Processing Zone Trust Faisalabad at a total cost of Rs.57.410 million; an amount of 43.448 million would be paid by EPZT Faisalabad and Rs.13.962 million would be provided by Government as subsidy. It was further stated that plots of Gujranwala estate would be sold after development which would fetch more money.

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

#### **44. Para No.134 Page 82 of Audit Report for the year 1999-2000; Working Results.**

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**17.03.2004** Audit had suggested to investigate into the reasons of various incomplete/ abandoned schemes.

The department explained that works to the tune of Rs.54.3 million had been capitalized and work on other scheme was in progress. The scheme relating to Kasur had been transferred to TEVTA and closed by them.

Finance Department observed that details from TEVTA be obtained about the scheme transferred to them.

The Committee **kept the para pending** with the direction that position in respect of the scheme transferred to TEVTA be explained in next PAC meeting.

#### **45. Para No.135 Page 84 of Audit Report for the year 1999-2000; Working Results.**

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**17.03.2004** Audit had pointed out non reconciliation of debit/credit balances between Head Office/Regions.

The department explained that current account of PSIC projects had been reconciled while the current accounts of the projects transferred to TEVTA would be reconciled when assets and liabilities of these projects would be formally transferred.

The Committee **conditionally settled the para subject to** reconciliation/verification of

relevant record by audit.

**46. Para No.136 Page 84 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.70,000/- on the Preparation of Documentary Film.**

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**17.03.2004** The department explained that the then Minister for Industries approved preparation of a documentary film at the cost of Rs.6 lac for publicity of the performance of the Department. An amount of Rs.70,000/- was paid as first installment to the film maker by PIDB, PUNJMIN and PSIC. Rush prints were ready but the project ended in the wake of change of Government. The Department added that all facts were available on record and the work was got done in good faith and no element of embezzlement or misappropriation was involved. However, it was a case of write off /regularization by competent authority.

Finance Department observed that apparently the work was not approved by the competent forum nor any proper scheme was prepared by the Department. Therefore, a probe into the matter was needed.

The Committee **kept the para pending** and directed that the competent authority should look into the matter and take appropriate action under intimation to PAC.

**47. Para No.137 Pages 84 & 85 of Audit Report for the year 1999-2000; Non Recovery of Loan Amounting to Rs.198,000/- Plus Interest and Penal Interest of Rs.190,088/- (approximately).**

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**17.03.2004** The department explained that entire recoverable amount had been recovered from the borrower.

The audit verified departmental contention.

On the recommendation of audit, the Committee **settled the para.**

**48. Para No.138 Page 85 of Audit Report for the year 1999-2000; Expected Loss of Rs.189,972/- by extending Undue relief to the Loanees.**

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**17.03.2004** The department explained that the entire recoverable amount had been recovered from the borrower. The audit verified departmental contention.

On the recommendation of audit, the Committee **settled the para.**

**49. Para No.139 Page 86 of Audit Report for the year 1999-2000; Mis-Utilization of Loan of Rs.1.113 Million by an Industrialist.**

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**17.03.2004** The department explained that the loanee was declared defaulter under Land Revenue Act and amount of Rs.350,000/- was recovered leaving the balance of Rs.313,137/-. On the failure of the loanee to deposit the same, auction process of mortgaged property was initiated. Meanwhile, on receipt of a direction from Chief Minister's Secretariat, the auction proceedings were held in abeyance.

In view of the position explained by the Department, **the para was kept pending.**

**50. Para No.140 Pages 86 & 87 of Audit Report for the year 1999-2000; Loss of Rs.138,455/- Due to Non-Recovery of Advances and Other Claims.**

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**17.03.2004** Audit had pointed out shortages/advances against ex-Accounts Assistant who was terminated on 25.8.1996.

The department explained that the Ex-Accounts Assistant had been terminated due to misappropriation/embezzlement. The service dues of the official were not sufficient to recover the advances/ shortages etc. The center had now been transferred to TEVTA authorities who had been requested to initiate legal proceeding against Mr. Adnan Malik (Ex-Accounts Assistant). As per findings of the inquiry held, the employee had not property. The Department stated that various options i.e. initiation of criminal proceedings, moving the revenue authorities for recovery and write off were available in this case.

The Committee kept the para pending and directed the department to make serious efforts for effecting recovery and submit a report in next PAC meeting.

**18.04.2005** The Administrative Department explained that all the relevant record pertaining to subject para was lying with TEVTA Punjab as the Institute of Pottery Development Shahadra had already been transferred to the Administrative control of TEVTA, Punjab.

The Committee **kept the para pending** with the direction that para be transferred to TEVTA, Punjab.

**51. Para No.141 Page 87 of Audit Report for the year 1999-2000; Un-Authorized Expenditure of Rs.935,026/- on Vehicle Used for VIP.**

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**17.03.2004** The department explained that the expenditure related to 3 years i.e. 1996-97 to 1998-99 and was incurred on POL/repair and maintenance/driver salary in respect of vehicles in the



pool of the Department which were used for official touring of VIPS and protocol duties. The total expenditure incurred came to Rs.4.92 lac and not Rs.935026/-.

The Committee accepted the explanation of the department and **settled the para.**

The paras were discussed in the meetings of PAC-II held on 18.12.2004 & 20.12.2004.

## **Audit Paras (Civil) for the year 1999-2000**

### **1. Para No.1.1 Page 7 of Audit Report for the year 1999-2000; Misappropriation of Store/POL Valuing Rs.91,810/-.**

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Resident Director Murree Arts Council, Murree - Rs.41,600/-

**20.12.2004** Audit had pointed out that certain articles purchased by the Department were not properly entered in the stock register.

The Department explained that all the articles purchased were properly entered in the stock register and their entries were verified by Resident Director and Local Fund Audit.

Audit stated that now the facts had been verified.

**The para was accordingly settled.**

### **2. Para No.1.2 Page 7 of Audit Report for the year 1999-2000; Misappropriation of Store/POL Valuing Rs.91,810/-.**

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Director General Public Relations Punjab, Lahore - Rs.50,210/-

**18.12.2004** Audit had pointed out that various store articles were purchased by the department but not entered in relevant registers/record.

The Department explained that para was discussed in the SDAC meeting held on 12-9-2000 and after verification of log books, it was recommended for settlement.

On recommendation of Audit, **the para was settled.**

### **3. Para No.2 Pages 7 & 8 of Audit Report for the year 1999-2000; Misappropriation of Rare Coins Valuing Rs.11,374,000/-.**

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**20.12.2004** Audit had pointed out that certain coins had been found missing, sick, rubbed, forged or replaced in Lahore Museum.

The Department explained that an enquiry had been conducted in to the matter by Dr Asma Ibrahim, Deputy Director Archaeology but the assessment of cost of the coins being rare

was quite impossible. The matter was also discussed in the meeting of BOG under Chairmanship of Chief Secretary. The Administrative Secretary stated that matter was very serious and action was required to be taken against the responsible persons.

The Committee directed that a broad based inquiry should be conducted in to the matter by Director General Archaeology with in 3 months and if misappropriation was observed, criminal cases should be got registered.

**The para was kept pending.**

**4. Para No.3 Page 9 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.175,600/- on Purchase of Transformers.**

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**20.12.2004** Audit had pointed out that electric transformers installed in museum were burned and cost for installation of new transformers was paid to WAPDA.

The department explained that transformers were purchased in emergency as the museum could not be closed and the expenditures were incurred after approval from the competent authority.

Finance Department supported the departmental contention.

The Committee accepted the Departmental explanation and **settled the para.**

**5. Para No.4 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.91,700/- on Printing of Lahore Museum Bulletin.**

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**20.12.2004** The Department explained that machinery of the Government Printing Press had damaged due to short circuit and therefore tenders were invited but no advertisement was published in press. It was admitted that a procedural irregularity was committed which needed regularization.

The Committee directed that action should be taken against the DDO responsible for not observing codal formalities and expenditure be got regularized by the competent authority.

**The para was kept pending.**

**6. Para No.5 Page 10 of Audit Report for the year 1999-2000; Irregular Payment of Rs.391,300/- on Account of Advertisement Charges.**

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**18.12.2004** Audit had pointed out that funds amounting to Rs.391,300/- were transferred to Federal Government for advertisement charges of Anti-Terrorist Courts but the same were not re-imbursed.

The Department explained that sanction for transfer of funds was granted by Finance Department with the request that the Home Department should approach the Federal Government for re-imburement.

Finance Department suggested that in case of failure to get re-imburement, the department could move the case for write off.

**The para was kept pending** for necessary action by the department.

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**7. Para No.6 Pages 10 & 11 of Audit Report for the year 1999-2000; Irregular Release of Rs.20,000,000/-**

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**8. Para No.13.4 Pages 15 & 16 of Audit Report for the year 1999-2000; Non Production of Record for Rs.24,378,349/-.**

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Secretary Information, Culture & Youth Affairs - Rs.2,200,000/-

**18.12.2004** The Department explained that funds were provided by Finance Department for establishment of Tehrik-e-Pakistan Museum as seed money but the Museum could not be established and the amount was deposited into government treasury after approval of the Chief Minister Punjab.

**The paras were kept pending** for verification of relevant record by Audit.

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**9. Para No.7 Page 11 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.4,500,000/- on Account of Grant-in-Aid.**

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**18.12.2004** Audit had pointed out that the Department provided funds to various organizations and without obtaining certificate of utilization.

The Department explained that Rs.30 lac was provided to Pakistan Movement Workers Trust by orders of Chief Minister Punjab and Rs.5 lac each were provided to Federal Government for development scheme of Multan Art Gallery and for establishment of Tehrik-e-Pakistan Museum, whereas Rs.5 lac were provided for Pakistan Institute of National Affairs by the Chief Minister Punjab. As per policy all these grants were given as grant-in-aid and seeking of utilization certificate was not possible. As such no violation of rules had been taken place.

**The para was kept pending** for verification of relevant record by Audit.

**10. Para No.8.1 Page 12 of Audit Report for the year 1999-2000; Recovery of Rs.1,338,016/- Due to Non Deduction of Income Tax.**

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Lahore Museum, Lahore Rs.53,491/-.

**20.12.2004** The Department explained that Audit had miscalculated the recoverable amount which actually came to Rs.49,201/- out of which a sum of Rs.14,837/- had been recovered and efforts were being made for balance recovery but the whereabouts of the contractors/firm were not traceable.

**The para was kept pending** for balance recovery and verification of record by Audit.

**11. Para No.8.2 Page 12 of Audit Report for the year 1999-2000; Recovery of Rs.1,338,016/-Due to Non Deduction of Income Tax.**

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Director Public Relations, Lahore - Rs.1,180,988/-

**12. Para No.8.3 Page 12 of Audit Report for the year 1999-2000; Recovery of Rs.1,338,016/-Due to Non Deduction of Income Tax.**

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Director Public Relations, Lahore - Rs.103,537/-

**18.12.2004** The Department explained that Rs.103,537/- pertained to contingency bills and Income Tax was recoverable at 3.5% instead of 5% and TC of Rs.86,217/- had been produced for verification leaving of balance of Rs.17,320/- still recoverable. Whereas in case of advertisement bills a sum of Rs.997,755/- had been deducted at source and exemption certificate for a sum of Rs.153,427/- were available for verification.

**The para was conditionally settled subject to** balance recovery and its verification by Audit.

**13. Para No.9 Page 13 of Audit Report for the year 1999-2000; Recovery of Rs.175,933/- Due to Excess Calls on Residential Telephone.**

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**18.12.2004** The Department explained that partial recovery had been effected from concerned

officers and efforts were being made for balance recovery.

The Committee directed the department to recover outstanding dues from the concerned officer within 90 days.

**The para was kept pending.**

**14. Para No.10 Pages 13 & 14 of Audit Report for the year 1999-2000; Irregular Payment of Rs.61,428/- As House Rent Allowance and Non Deduction of 5% House Rent.**

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**20.12.2004** Audit had pointed out that certain employees residing in Government accommodation were also drawing House Rent Allowance but later on it was informed that the deduction of House Rent was being deposited in to private account of DDO.

The Department explained the account of House Rent was opened separately by orders of the Head Office and the amount of Rs.61,428/- was kept in the said account which was not at all a private account.

Audit verified the contention of the Department and **para was accordingly settled.**

**15. Para No.11 Page 14 of Audit Report for the year 1999-2000; Recovery of Rs.218,400/ on Account of Library Books.**

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**20.12.2004** Audit had pointed out that the Government sustained loss due to non-return of library books.

The Department explained that most of the books had been returned by borrowers. Currently 37 books were outstanding and efforts were being made for recovery on account of the said books. Necessary notices were issued to the concerned officials directing them to deposit the outstanding dues failing which criminal case would be got registered against them.

The Committee directed the Department to proceed further as per notices issued to the defaulters and in case of non-recovery, Accountant General Punjab be requested to deduct the outstanding amount at source from the dues of defaulter officials/officers.

**The para was kept pending.**

**16. Para No.12 Page 14 of Audit Report for the year 1999-2000; Recovery of**



**Rs.51,992/ on Account of Utility Charges.**

**20.12.2004** The Department explained that total amount of Rs.32,292/- on account of gas bills and an amount of Rs.21,204/- was paid as consumption charges of gas in museum laboratory and remaining amount of Rs.10,971/- were paid by the contractor. However in case of water charges the whereabouts of the contractor were not traceable as the matter was quite old.

The Committee directed the Department to get the outstanding amount written off by the competent authority.

**The para was kept pending.**

**17. Para No.13.1 Pages 15 & 16 of Audit Report for the year 1999-2000; Non Production of Record for Rs.24,378,349/-.**

Lahore Museum, Lahore Rs.1,100,000/-

**20.12.2004** The Department explained that vouched accounts had been produced to Audit for verification. However Audit stated that Department produced accounts of Rs.985,892/- out of total release of Rs.1,100,000/-.

**The para was kept pending** for verification of relevant record by Audit.

**18. Para No.13.2 Pages 15 & 16 of Audit Report for the year 1999-2000; Non Production of Record for Rs.24,378,349/-.**

Resident Director Murree Arts Council, Murree Rs.37,216/-

**20.12.2004** The Audit had pointed out that Logbooks showing consumption of POL were not produced for verification.

The Department explained that an amount of Rs.37,216/- was spent on POL of official vehicle from time to time and entries were made in the Logbooks, the same were also verified by Local Fund Audit.

However Audit contented that Logbooks had not been maintained as per instructions of the Government.

The Committee directed the Department to issue instructions to all concerned quarters to maintain Logbooks in accordance with Government instructions.

With the above directions, **the para was settled.**

**19. Para No.13.3 Pages 15 & 16 of Audit Report for the year 1999-2000; Non Production of Record for Rs.24,378,349/-.**

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Secretary Information, Culture & Youth Affairs - Rs.21,041,133/-

**18.12.2004** The Department explained that the amount was received as transfer payments and was disbursed to Deputy Commissioners for Golden Jubilee Celebrations and after devolution of District Offices, they were not willing to provide the record despite several reminders.

The Committee directed that the department should request the District Coordination Officers with reference to directions of PAC to provide the requisite record.

**The para was kept pending.**

**20. Para No.13.5 Pages 15 & 16 of Audit Report for the year 1999-2000; Non Production of Record for Rs.24,378,349/-.**

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Punjab Arts Council Faisalabad Rs. Not Assessed

**20.12.2004** Audit had pointed out that the Department did not produce cash books and other relevant record during Audit scrutiny.

The Department explained that all the relevant record had been produced and verified by Audit. The Administrative Secretary assured that action regarding non production of record would be taken against the concerned DDO and necessary instructions would also be issued.

On recommendation of Audit **the para was settled.**

**21. Para No.13.6 Pages 15 & 16 of Audit Report for the year 1999-2000; Non Production of Record for Rs.24,378,349/-.**

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Punjab Arts Council Lahore Rs. Not Assessed

**20.12.2004** The Department explained that all the relevant record had been produced to the Audit officer for physical verification. However some additional documents were demanded by Audit which took some time. Afterwards all the record was produced for verification.

The Committee accepted the Departmental reply and **settled the para.**

The paras were discussed in the meetings of PAC-II held on 16.02.2004, 17.02.2004, 18.02.2004, 28.04.2005, 29.04.2005 & 30.04.2005.

## **Audit Paras (Works) for the year 1999-2000**

### **1. Para No.1 Page 9 of Audit Report for the year 1999-2000; Misappropriation of Stone of Rs.0.097 Million.**

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**30.04.2005** The Department explained that a fact finding enquiry had been initiated in the case and after the completion of the inquiry the report would be submitted to audit for verification.

The Committee **pended the para** for finalization and submission of Inquiry Report and verification of record by Audit.

### **2. Para No.2 Pages 9 & 10 of Audit Report for the year 1999-2000; Misappropriation of Stone of Rs.5.530 Million.**

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**30.04.2005** The Department explained that the record had been produced to Audit who had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

### **3. Para No.3 Page 10 of Audit Report for the year 1999-2000; Misappropriation of Stone of Rs.1.251 Million.**

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**28.04.2005** The Department explained that the record relating to the draft para was produced to Audit who had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

### **4. Para No.4 Page 11 of Audit Report for the year 1999-2000; Misappropriation of material of Rs.1.015 Million.**

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**17.02.2004** Audit had pointed out non accountal of material purchased during 1996-97.

The department explained that relevant record/accountal was available for verification.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

**5. Para No.5 Pages 11 & 12 of Audit Report for the year 1999-2000; Misappropriation of Material of Rs.0.188 Million.**

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**28.04.2005** The Department explained that all the relevant record i.e. stock register, MB and vouchers etc. were verified by the DAC during its meeting on 28-30.9.2001 which had settled the para.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**6. Para No.6 Page 12 of Audit Report for the year 1999-2000; Misappropriation of material of Rs.0.107 million.**

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**17.02.2004** Audit had pointed out that 46310 Cft. Stone was consumed against the carriage of 52134 Cft. stone. The balance quantity of 5824 Cft. was not accounted for.

The department explained that after applying 10% and 25% multiplication factor on dumping and pitching of stone respectively, no balance quantity was left unaccounted for. The contention of the Department was verified by audit.

On the recommendation of audit, the Committee **settled the para.**

**7. Para No.8 Pages 13 of Audit Report for the year 1999-2000; Misappropriation of Trees of Rs.3.420 Million.**

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**17.02.2004** The audit had pointed out non production of record showing the auction/accountal of 342 trees.

The department explained that the accountal of 342 trees had been handed over to Forest Department at the time of handing over charge of plantation to them. The receipt acknowledgement was available for verification.

On the recommendation of audit, the Committee **settled the para.**

**8. Para No.9 Pages 13 & 14 of Audit Report for the year 1999-2000; Unjustified Consumption of Lubricants of Rs.0.352 Million.**

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**30.04.2005** The Department explained that the lubricants were purchased on annual requirement basis and taken on material at site register. Accountal/consumption of material had been got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**9. Para No.10 Page 14 of Audit Report for the year 1999-2000; Misappropriation of Rs.0.080 Million.**

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**17.02.2004** Audit had pointed out non-realization of monthly installment of toll tax from the contractor.

The department explained that the amount of this para was included in draft para No.172 of present audit report and requested for the deletion of instant para from the audit report.

On the recommendation of audit the Committee allowed to **delete this para** and directed that it should be clubbed with para 172.

**10. Para No.12 Page 15 of Audit Report for the year 1999-2000; Shortage of Material of Rs.0.068 Million.**

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**28.04.2005** The Department explained that a sum of Rs.25,970/- had been recovered and efforts were being made for recovery of the balance amount.

The Committee **settled the para subject to** balance recovery and its verification by Audit.

**11. Para No.14 Page 16 of Audit Report for the year 1999-2000; Shortage of Material of Rs.0.488 Million.**

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**18.02.2004** The department explained that the matter related to shortage of material pointed out in two advance paras. In this regard fact finding inquiry had been held to fix responsibility against the Sub-Engineers concerned. The Department requested for 3 months time for the completion of inquiry.

The Committee directed that the Department should finalize inquiry proceedings, fix responsibility and make good the loss within 90 days under intimation to PAC.

**The para was kept pending.**



## **12. Para No.15 Pages 16 & 17 of Audit Report for the year 1999-2000; Fictitious Payment of Rs.0.240 Million.**

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**28.04.2005** The Department explained that the estimates of the works were sanctioned during the year 1994-95 and the works were got completed during the same year. Due to paucity of funds, payments could not be made in 1994-95 but were cleared in the next financial year. The case regarding condonation of irregularity was being moved to Finance Department.

The Committee **conditionally settled the para subject to** condonation by the Finance Department.

## **13. Para No.16 Pages 17 & 18 of Audit Report for the year 1999-2000; Unjustified payment of Rs.0.099 Million.**

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**17.02.2004** Audit had pointed out that execution of earth work in huge quantity in one day had resulted in unjustified payment.

The department explained that the quantity of 354477 cft. Earth was measurable in single day. The relevant record viz copy of acceptance letter and notification of canal closure were available for verification. During the course of meeting, the department stated that due to time constraint, measurement had to be completed in a single day. However, on the observation made by the Committee, to hold an inquiry regarding this irregularity, the administrative secretary assured that action would be taken against the official found responsible.

In view of the assurance given by the Administrative Secretary, the Committee **settled the para.**

## **14. Para No.17 Page 18 of Audit Report for the year 1999-2000; Loss of Rs.1.105 Million.**

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**17.02.2004** Audit had pointed out that Govt. land was fraudulently sold out to Mill owner in collaboration with the Revenue Staff/officer by showing incorrect possession.

The Department explained that M/S Gulshan Spinning Mills illegally occupied the land of Irrigation Department after purchasing a piece of land adjacent to it. The matter was being adjudicated upon by BOR on an application filed by the said Mill owner. Meanwhile, efforts for recovery as arrears of land revenue were also continuing.

Finance Department observed that there should be open auction of land and assessment of land should be on competitive market rate as it did not fall within category of Kachi Abbadi.

Therefore, Board of Revenue should not entrust the matter to District Assessment Committee which assessed lands of “Katchi Abbadis”.

The Committee **kept the para pending** and directed the department that recovery should be made according to commercial market rates under intimation to SMBR and PAC.

#### **15. Para No.18 Pages 18 & 19 of Audit Report for the year 1999-2000; Theft of Trees of Rs.0.364 Million.**

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**28.04.2005** The Department explained that an inquiry was conducted to enquire into theft of trees & fix responsibility. The Enquiry Officer has concluded as under:-

(1) That 3 nos. sheesham trees were cut as per orders of Malik Munir Ahmad the then XEN which were interfering with electric supply line and 73.25 cft. Wood had been taken on material at site register on this account. The officers/officials were therefore not at fault.

Audit had verified the adjustment of Rs.15,000/- on account of cutting of 3 nos. Sheesham trees.

(2) As regard the theft of remaining 75 trees an inquiry was held and the SDO and Sub-engineer incharge were held responsible for the loss to the government. The value of stolen trees had been calculated on the basis of formula of forest department which had come to Rs.75,040/- proceeding under E&D Rules had been initiated against the concerned officers/officials.

The Committee reduced the volume of Para up to the amount recovered and verified by Audit and **conditionally settled the para subject to** balance recovery and disciplinary action against the responsible under E&D Rules.

#### **16. Para No.21 Page 20 of Audit Report for the year 1999-2000; Loss of Rs.0.841 Million.**

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**30.04.2005** The Department explained that the cases for theft of trees had been got registered with the concerned police station and an inquiry was held in these cases and it had been reported by the Inquiry Officer that 13 trees were cut by the Pakistan Rangers authorities and 12 were available at the site. It was also stated that the cost of stolen trees determined by audit party was much excessive as compared to schedule of compensation by Punjab Forest formulate 1997 which come out Rs.0.280 Million. The Department also ensured that if the recovery was not

effected from the thieves then the amount would be recovered from the Sub-engineer concerned.

The Committee accepted the explanation of the Department and **settled the para subject to recovery.**

**17. Para No.22 Page 21 of Audit Report for the year 1999-2000; Overpayment of Rs.0.520 million.**

---

**18.02.2004** Audit had pointed out that the execution of item having higher rates had resulted in overpayment.

The department explained that PC-I was prepared in December 1997, according to the prevailing condition of River Chenab but when the work was taken in hand, the condition of river flow was such that the dumping of stone was not possible without boat and accordingly provision for the same was made in T.S estimate after verification by the consultants which was sanctioned by the competent authority.

The Committee accepted the explanation of the department and **settled the para.**

**18. Para No.23 Pages 21 & 22 of Audit Report for the year 1999-2000; Overpayment of Rs.0.372 million.**

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**18.02.2004** Audit pointed out that department had paid Rs.454.27 per Cft. for the carriage of pitching stone instead of admissible rate of Rs.417.76 per Cft.

The department explained that rate calculated by audit was incorrect because for hilly areas 25% above the rate in the plain area was admissible which was not incorporated by audit. Hence, rate applied by the department for carriage was correct. The audit verified the contention of the Department.

On the recommendation of audit, the Committee **settled the para.**

**19. Para No.25 Page 23 of Audit Report for the year 1999-2000; Overpayment of Rs.0.085 Million.**

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**30.04.2005** The Department explained that total recovery had been effected and got verified by Audit.

Audit verified the contention of the Department.

The Committee **settled the para** as recommended by Audit.

**20. Para No.26 Pages 23 & 24 of Audit Report for the year 1999-2000; Overpayment of Rs.0.113 Million.**

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**28.04.2005** The Department explained that the increase in amount was due to increase in quantity on account of change in design of work originally approved which was subsequently revised by the competent authority.

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

**21. Para No.27 Page 24 of Audit Report for the year 1999-2000; Overpayment of Rs.0.187 Million.**

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**28.04.2005** The Department explained that the rate 570 which had been paid to excavator division had been approved by the competent authority and the same rate was applicable all over the Punjab. Therefore, no over payment was involved in this case.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**22. Para No.28 Pages 24 & 25 of Audit Report for the year 1999-2000; Overpayment of Rs.0.083 million.**

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**18.02.2004** Audit had pointed out that payment of higher rate had resulted in overpayment.

The department explained that work was executed and payment was made as per technically sanctioned estimate and in accordance with the contact agreement.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

**23. Para No.30 Page 26 of Audit Report for the year 1999-2000; Overpayment of Rs.0.057 Million.**

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**29.04.2005** The Department explained that the excess payment made to the contractor was recovered in final bill vide voucher No.22 dated 16-6-2001.

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

**24. Para No.31 Pages 26 & 27 of Audit Report for the year 1999-2000; Overpayment of Rs.0.672 Million.**

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**29.04.2005** The Department explained that TS estimate constituted of 5 packages where 119 miles lead had been provided in 4<sup>th</sup> package and accordingly paid to the contractor. It was also stated that the site had been verified by the NESPAK consultants.

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

**25. Para No.32 Page 27 of Audit Report for the year 1999-2000; Overpayment of Rs.0.183 Million.**

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**29.04.2005** The Department explained that the payment was made to the contractor as per TS estimate and work executed at site. Moreover, the site and the contractor mentioned in the Para are different.

The Committee **conditionally settled the para subject to** verification of record by Audit.

**26. Para No.33 Pages 27 & 28 of Audit Report for the year 1999-2000; Overpayment of Rs.0.071 Million.**

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**17.02.2004** Audit had pointed out that payment was made at higher rates for earth work borrow pits excavation lead upto one mile.

The department explained that an amount of Rs.48,480/- instead of Rs.70,898/- was paid in excess than the sanctioned provision which was later deducted from the contractor's bill. Hence the excess stood recovered/adjusted. The record could be verified.

The Committee **settled the para subject to** verification of relevant record by audit.

**27. Para No.34 Page 28 of Audit Report for the year 1999-2000; Overpayment of Rs.0.081 Million.**

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**30.04.2005** The Department explained that the work was allotted to the contractor under para 6.1 (7) of I.M.O without calling tenders as approved by SE, LDC, Lahore, who was competent in this regard.

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

**28. Para No.35 Page 29 of Audit Report for the year 1999-2000; Overpayment of Rs.0.493 Million.**

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**30.04.2005** The Department explained that a meeting was held under the chairmanship of Secretary, Irrigation & Power. It was decided to take up 04 numbers emergent river training works immediately through Machinery Circle, Lahore and to complete before 31-5-1998. The work of “temporarily protection measures opposite R.D.121 Syedwala disty” against erosion of river Ravi was one of them. The machinery deployed for the completion of work failed badly to give progress. So the matter was discussed by the Executive Engineer, Rachna Drainage Division, Sheikhpura with the Superintending Engineer, Lahore Drainage Circle, Lahore and it was decided to boost up the progress of work by executing part of the work by the contractor under para No. 6.1(7) of IMO. The case was referred to the Superintending Engineer, Lahore Drainage Circle, Lahore for approval to complete the work by allotting the part thereof to the contractor @Rs. 672% cft. It was further stated that the Superintending Engineer was competent under the above mention rule to accord the sanction.

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

**29. Para No.36 Pages 29 & 30 of Audit Report for the year 1999-2000; Overpayment of Rs.0.080 Million.**

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**28.04.2005** The Department explained that the damaged Dry Brick Pitching on the slopes of channel was prepared under 4 Nos. estimates by using new material. It was also stated that the repair was not possible without using of new material as approved in the estimates. The rate of Rs.2,169.20 % cft was correct and according to TS accorded by the competent authority.

The Committee **conditionally settled the para subject to** verification of record by Audit.

**30. Para No.37 Page 30 of Audit Report for the year 1999-2000; Overpayment of Rs.0.595 million.**

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**18.02.2004** Audit had pointed out that payment of item having higher rate had resulted in overpayment.

The department explained that as per site requirement for the protection of Sahiwal Town and on Public demand, the estimate/proposal was enhanced two times over BOQ with the approval of competent authority. The payments were made on much lower rates as compared to ceiling of premium fixed by Finance Department and as per provision of sanctioned estimate.

Finance Department observed that certain issues such as enhancement of agreement etc. needed justification and clarification by the Department.



**The para was kept pending** with the direction that the Department should fully clarify/justify the position in the light of audit observations.

**31. Para No.38 Page 31 of Audit Report for the year 1999-2000; Overpayment of Rs.0.092 Million.**

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**30.04.2005** The Department explained that in TS estimate the earth work for plug bund had been calculated on the basis of detailed X-sections observed at 20 feet interval having different heights. Heights more than 15 feet were obvious in several cross section of TS estimate. The work at site had been executed as per detailed X-section, accordingly measured and entered in MB. Moreover, the Superintending Engineer, Bahawalnagar had done verification of the work at site.

The Committee accepted the explanation of the department and **the para was settled.**

**32. Para No.39 Page 31 & 32 of Audit Report for the year 1999-2000; Overpayment of Rs.0.065 Million.**

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**30.04.2005** The Department explained that recovery on account of arithmetical error amounting to Rs.8,177/- had been made and accounted for in the monthly account of 10/2003. So far as the balance amount of Rs.56,588/- was concerned entries had been made correctly by the sub-Engineer duly checked by the Sub-divisional Officer.

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

**33. Para No.40 Page 32 of Audit Report for the year 1999-2000; Overpayment of Rs.0.410 Million.**

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**17.02.2004** Audit had pointed out that excessive measurements had resulted in overpayment.

The department explained that uprooting of sarkanda involving petty amount was necessitated to be executed at site which was covered under contingencies. Payment for the earth work had not yet been made to the contractor and as such no loss to Government had occurred and that any variation would be regularized before release of the balance payment.

The Finance Department observed that further payment should not be made to the contractor without revalidation of funds by the Finance Department and that formalities should be fulfilled.

The Committee directed the department not to make further payment to the contractor. With this direction, **the para was settled.**

**34. Para No.44 Page 34 of Audit Report for the year 1999-2000; Overpayment of Rs.0.236 Million.**

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**30.04.2005** The Department explained that as per the directions of Audit, the revised estimate had been sanctioned vide Superintending Engineer, Mailsi Canal Circle, Multan dated 15-11-2000.

The Committee **conditionally settled the para subject to** verification of revised TS by Audit.

**35. Para No.45 Pages 34 & 35 of Audit Report for the year 1999-2000; Overpayment of Rs.0.117 million.**

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**17.02.2004** Audit had pointed out that excessive measurements had resulted in over-payment.

The department explained that the provision of earth regarding strengthening of bank was 338563 cft. in the estimate whereas the payment of the said item measuring 335825 cft was made according to the entries in the Measurement Book which was within the provision of T.S estimate, Therefore, no excess payment was involved.

Audit in their comments stated that tenders were invited/opened without prior technically sanctioned estimate of work.

Finance Department observed that verification of the record in this regard was needed.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

**36. Para No.46 Page 35 of Audit Report for the year 1999-2000; Overpayment of Rs.0.110 Million.**

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**30.04.2005** The Department explained that the quantities were recorded in the measurement books as per work executed at site and no extra payment had been made. The record was produced to audit who had verified the contention of the department.

On the recommendation of Audit, the Committee **settled the para.**

**37. Para No.47 Page 36 of Audit Report for the year 1999-2000; Overpayment of Rs.0.280 Million.**

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**29.04.2005** The Department explained that the quantum of earth work for one mile lead in original technically sanctioned estimate was 847320 cft. The said estimate was revised but quantum of earth work for one mile lead remained unchanged. Quantum of earth work for one mile lead paid to the contractor was 846442 cft. i.e. within TS. Moreover, NESPAK consultants verified the work done at site.

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

**38. Para No.48 Pages 36 & 37 of Audit Report for the year 1999-2000; Overpayment of Rs.0.103 Million.**

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**17.02.2004** Audit had pointed out that excessive measurements had resulted in overpayment.

The Department explained in detail, inter alia, the entry made erroneously by the Sub-Engineer, approval of the variation statement by the competent authority and concluded that overall there was no excess over estimate.

The Committee was not satisfied with explanation of the Department and directed it to investigate the matter within 3 months under intimation to PAC.

**The para was kept pending.**

**39. Para No.49 Page 37 of Audit Report for the year 1999-2000; Overpayment of Rs.0.096 Million.**

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**17.02.2004** Audit had pointed out that excessive measurements had resulted in over-payment.

The department explained that the execution of work was made at site according to the site requirements and sanctioned estimate. Payment was made after clearance of the work by the consultant. Therefore, no over-payment was involved.

The audit verified the contention of the Department.

On the recommendation of audit, the Committee **settled the para.**

**40. Para No.50 Pages 37 & 38 of Audit Report for the year 1999-2000; Overpayment of Rs.0.168 Million.**

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**30.04.2005** The Department explained that the estimate was sanctioned from RD 0 to 33800 for Rs.488,354/- bridge existed at RD 24200 of IL/6R minor i.e. in reach RD 0-33800. The entry pacca brick work was made by the Sub-engineer from RD 33800 to bridge RD 24200. Remaining work was also measured in the same sequence; the provision of brick work was exhibited in TS estimate from RD 13500-33800 and RD 7000-8000 of IL/6R minor.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**41. Para No.51 Page 38 of Audit Report for the year 1999-2000; Overpayment of Rs.0.225 million.**

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**18.02.2004** Audit had pointed out that overpayment was made for excessive quantity of earth work by increasing height and width of cross section area.

The department explained that it was the case of actual situation of heights and 10% deduction factor due to shrinkage which was verified by the consultants during inspection of work done.

The Committee **conditionally settled the para subject to** verification of record by audit.

**42. Para No.52 Pages 38 & 39 of Audit Report for the year 1999-2000; Overpayment of Rs.0.325 Million.**

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**17.02.2004** Audit had pointed out that payment of excessive quantities of certain items of work had resulted in over-payment.

The Department with reference to overpayment involved regarding “repairing eroded slopes of Right Marginal Bund and Dharanga Spur” stated that recovery to the extent of Rs.124,320/- was made out against some officials. However, overpayment of Rs.10,714/- with reference to shrinkage was not warranted as deduction of shrinkage @ 3% was previously agreed with the contractor. Regarding the other part viz “Reconstructing of bridge at RD34100 of Pakpattan Canal”, it was stated that the amounts were verified by M/S NESPAK consultants and the payment was in order.

Finance department observed that deduction for shrinkage @ 3% to 6% could be done, however, the matter could be further discussed by the Standing Rates Committee of the Finance Department.

The Committee **kept first part of the para pending** till balance recovery with the direction to the department to take up the shrinkage matter with the Standing Rates Committee for appropriate decision and **conditionally settled part “B”** of the para relating to Bridge at RD 34100 subject to verification of relevant record by audit.

**42. Para No.53 Page 39 of Audit Report for the year 1999-2000; Overpayment of Rs.0.232 Million.**

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**17.02.2004** Audit had pointed out that payment of excessive quantities had resulted in overpayment.

The department explained that the work was executed under the supervision of M/S NESPAK consultants. The Department giving technical reasons argued that splicing and overlapping of steel was required by the specifications and was regularized as per revised technical estimate and that comparison of steel of similar components in the two bridges was not correct as minor changes had to be made as per site conditions. Therefore, no recovery was involved.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

**43. Para No.54 Pages 39 & 40 of Audit Report for the year 1999-2000; Overpayment of Rs.0.110 Million.**

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**30.04.2005** The Department explained that the record had been produced to audit who had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**44. Para No.55 Pages 40 & 41 of Audit Report for the year 1999-2000; Overpayment of Rs.0.115 Million.**

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**17.02.2004** Audit had pointed out that excessive measurement had resulted in overpayment.

The department explained that the additional quantity of 8916 Cft as pointed out by audit was utilized on work as per actual requirement and was within permissible limit of 4.5% of technically sanctioned estimate. The quantity of stone was issued from stock after final measurement of stone work, carried out at site because final quantity could only be assessed

when the work had been completed at site. The department however admitted that entry was made first and then indent was issued.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

**45. Para No.56 Page 41 of Audit Report for the year 1999-2000; Overpayment of Rs.0.084 million.**

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**17.02.2004** The audit had pointed out that over-payment was made to the contractor for excessive quantity of 339120 Sft. of G.I. wire for filling stone in wire crates than the admissible quantity of 319315 Sft.

The department explained that quantity of wire crates of 471954 Sft. was to be paid whereas the department made the payment of wire crates of 339120 Sft. which was within the estimate ratio. There was some difference in the view point of the Department viz-a-viz the audit on this account.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

**46. Para No.57 Pages 41 & 42 of Audit Report for the year 1999-2000; Overpayment of Rs.0.079 Million.**

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**17.02.2004** The department explained that recovery of Rs.78827/- as pointed out by audit had been effected from the security of contractor which had been verified by audit.

On the recommendation of audit, the Committee **settled the para.**

**47. Para No.59 Pages 42 & 43 of Audit Report for the year 1999-2000; Overpayment of Rs.0.580 Million.**

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**29.04.2005** Audit stated that the context of the para was different then the advance para.

The Committee **pended the para for** verification of record.

**48. Para No.60 Page 43 of Audit Report for the year 1999-2000; Overpayment of Rs.0.850 Million.**

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**29.04.2005** The Department explained that 1515686 cft stone was carried from various locations



to site of work. 468493 cft stone dumped without boat whereas 831778 cft stone was filled in wire crates. 148717 cft stone was dumped through government bulldozer and bill thereof was paid separately to Assistant Agriculture Engineer, Muzaffargarh.

The Committee **conditionally settled the para subject to** verification by Audit about dumping of 148717 cft stone by Agriculture Department.

**49. Para No.61 Page 44 of Audit Report for the year 1999-2000; Overpayment of Rs.0.053 Million.**

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**29.04.2005** The Department explained that quantity of stone carted was 823830 cft and payment was made for 827493 cft stone in 2nd running bill and was accounted for in 5<sup>th</sup> and final bill.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**50. Para No.62 Pages 44 & 45 of Audit Report for the year 1999-2000; Overpayment of Rs.0.163 Million.**

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**30.04.2005** The Department explained that the para consisted of two parts:-

**A-** it was stated that 4,800/- nos. Trangers were received from contractor, during execution of work. Only 2,343 Nos Trangers were used and the balance 2,457 Nos were taken on material at site register and later on these were transferred to D&F, Sub-division, Khanpur.

**B-** During flood fighting in 1995 to protect Minchin Bund between RD 225-228, the stone was procured from quarry and entered in the MB No. 968. After the flood the balance quantity was available and taken on material at site register and the same was used during flood in 1996.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**51. Para No.63 Page 45 of Audit Report for the year 1999-2000; Overpayment of Rs.0.079 Million.**

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**28.04.2005** The Department explained that the provision of earth work in TS estimates was 1119139 cft. which covered to reaches of channel i.e. (1) RD-0 to 15 and (2) 15 to tail. The total

earth work paid for was 1138596 cft. against 1119139 cft. Since the overall variation of earth work was 1.7% i.e. within the permissible limit.

The Committee **kept the para pending** for verification of record by Audit.

**52. Para No.64 Pages 45 & 46 of Audit Report for the year 1999-2000; Overpayment of Rs.0.265 Million.**

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**30.04.2005** The Department explained that the recovery had been made/adjusted and got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**53. Para No.65 Page 46 of Audit Report for the year 1999-2000; Overpayment of Rs.1.265 Million.**

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**30.04.2005** The Department explained that the area of work was in close vicinity of the bed of the river. At the time of estimation of work it was estimated that the earth would be available from the nearby fields. During the execution of the work, when the upper layer of the earth was removed, there appeared sand underneath the earth layer of 1½ ft which was not suitable for using in the work. The matter was brought to the notice of Chief Engineer, who directed the Superintending Engineer to visit the site. SE after personal inspection of site certified about the genuineness of the problem. The estimate was accordingly revised after the site verification by SE, who was competent in this regard.

The Committee accepted the explanation of the Department and **settled the para**

**54. Para No.66 Page 47 of Audit Report for the year 1999-2000; Overpayment of Rs.2.528 Million.**

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**28.04.2005** The Department explained that the scheme was a part of Foreign Aided Project Flood Protection Sector project phase-I. In the original PC-I, it was proposed to lift earth from within 1,000/- ft lead but when the work was actually started on ground, some resistance from the adjoining land owners was experienced in some of reaches. So in order to avoid wastage of time in litigation and elapsing of Foreign Aid the scheme was revised in which it was proposed to lift earth from a lead of 3960 ft in respect of such reaches which was duly checked and cleared by NESPAK consultant, Punjab Government and was ultimately approved by Federal Flood Commission, Islamabad.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**55. Para No.67 Pages 47 & 48 of Audit Report for the year 1999-2000; Overpayment of Rs.0.095 Million.**

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**17.02.2004** Audit had pointed out payment of excessive lead and non-deduction of shrinkage allowance had resulted in over-payment.

The department explained that the para comprised three parts. The work was executed under the supervision of M/S NESPAK. Firstly, payment for excess lead involving Rs.55,066/- was rectified and actually paid in 6<sup>th</sup> running bills as verified/reimbursed by the consultant and regularized in revised TSE. Secondly, recovery involving Rs.11,934/- due to non-deduction of 10% shrinkage allowance was not justified. Thirdly, recovery involving Rs.28,034/- due to non-utilization of earth excavated from foundation was also not justified because excavation of foundation was only possible after completion of plug bund.

Audit verified the contention of the Department regarding second and third item and recommend them for settlement.

The Committee **settled items II and III of the para and conditionally settled item I subject to** verification of relevant record by audit.

**56. Para No.70 Pages 49 & 50 of Audit Report for the year 1999-2000; Overpayment of Rs.0.068 Million.**

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**17.02.2004** Audit had pointed out that payment was made for the item of earth work excavation lead up to 1200 feet to 3000 feet which was neither provided in the agreement nor in the technically sanctioned estimate.

The department explained that quantity of earth work provided in the technical sanction was with a lead of one mile, whereas during the execution of work due to the site conditions, some quantity of earth was available at shorter leads i.e. 1200 ft, 2000 ft and 3000 ft. which was utilized at site. The cost of work executed was within permissible limit of 4.5%.

The Committee accepted the explanation of the department and **settled the para.**

**57. Para No.71 Page 50 of Audit Report for the year 1999-2000; Overpayment of**

**Rs.0.192 Million.**

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**29.04.2005** The Department explained that PC-I/rough cost estimate revealed that provision of lead as 74 miles for carriage of stone was made erroneously. The DNIT and comparative statement was prepared accordingly but later on the Chief Engineer accorded TS on the basis of correct calculation/actual lead involved as per road distance. The work was executed according to the revised TS estimate and paid.

The Committee **conditionally settled the para subject to** verification of site plan by Audit.

**58. Para No.72 Pages 50 & 51 of Audit Report for the year 1999-2000; Overpayment of Rs.1.657 Million.**

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**30.04.2005** The Department explained that the earth was not available within 350 feet lead due to stay order granted by the civil court in favour of adjoining abadies. The earth was taken at the distance of 3050 feet lead. The enhancement of lead was regularized by the Chief Engineer; the scheme regarding remodeling of Minchin Bund was also revised by Project Manager for Rs.33.01 million. The expenditure against the scheme was incurred for Rs.32.84 million. The revised estimate was sanctioned by the Chief Engineer for Rs.6,748,441/-.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**59. Para No.73 Page 51 of Audit Report for the year 1999-2000; Overpayment of Rs.0.465 Million.**

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**30.04.2005** The Department explained that the payment was made according to the TS provisions and strictly within the budget.

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

**60. Para No.74 Page 52 of Audit Report for the year 1999-2000; Overpayment of Rs.0.062 Million.**

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**30.04.2005** The Department explained that the measurement had been made as per actual work done at site. The difference in height had been regularized in revised estimate duly sanctioned by the Chief Engineer. The work was also verified by the consultant.

The Committee **conditionally settled the para subject to** verification of record by Audit.

**61. Para No.75 Pages 52 & 53 of Audit Report for the year 1999-2000; Overpayment of Rs.1.248 million.**

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**18.02.2004** Audit had pointed out that payment was made for work not executed at site.

The department explained that the para was based on two advances paras. Regarding Advance Para 14988 involving Rs.715,793/-, the department explained that the amount had been adjusted against the security deposit of the contractor, thus no amount was outstanding. With reference to Advance Para 14989 involving Rs.531,863/-, the department explained that Rs.370,052/- had been adjusted. As a result of an inquiry held in respect of balance recovery, the competent authority had imposed recovery of Rs.80,906/- each on two officials in equal proportion. The decision of the competent authority was also upheld by the Punjab Services Tribunal.

The Committee **settled first part of the para and conditionally settled the second part subject to** balance recovery.

**62. Para No.76 Page 53 of Audit Report for the year 1999-2000; Overpayment of Rs.0.056 Million.**

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**17.02.2004** Audit had pointed out that fictitious entry of measurements in respect of dressing of earth work had resulted in over-payment.

The department explained that excavated earth was lying uneven on the banks which was dressed in 10/96 within the extended period of completion and payment for dressing was made accordingly. The contention of the audit regarding automatic dressing was not correct because with the passage of time earth work would have further deteriorated. Moreover, the payment was made after verification by M/S NESPAK consultants.

The Committee accepted the explanation of the department and **settled the para.**

**63. Para No.77 Pages 53 & 54 of Audit Report for the year 1999-2000; Overpayment of Rs.0.232 Million.**

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**17.02.2004** Audit had pointed out that fictitious entry of measurements in respect of dressing of earth had resulted in over-payment.

The department explained that the earth was dressed within the extended period of completion and that automatic dressing of earth was not possible because with the passage of

time, the earth work would have further deteriorated.

Finance Department observed that verification of the fact whether the dressing was done during the extended period was required.

The Committee **conditionally settled the para subject to** verification of relevant record by the audit.

**64. Para No.78 Page 54 of Audit Report for the year 1999-2000; Overpayment of Rs.0.303 Million.**

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**17.02.2004** Audit had pointed out that fictitious entry of measurements in respect of dressing of earth had resulted in overpayment.

The department explained that there was no possibility of automatic dressing of earth work, as with the passage of time, the earth work would have further deteriorated.

The Committee **conditionally settled the para subject to** verification of relevant record by the audit.

**65. Para No.79 Page 55 of Audit Report for the year 1999-2000; Fictitious Expenditure of Rs.0.235 Million.**

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**29.04.2005** The Department explained that the work was carried out on emergent basis to control the breach of bund during high flood.

Audit was of the view that the work was executed without provision of funds only to adjust fictitious payment.

The Committee **pended the para** with the direction that a fact finding inquiry be conducted and report be submitted to PAC within 90 days.

**66. Para No.80 Pages 55 & 56 of Audit Report for the year 1999-2000; Overpayment of Rs.0.082 Million.**

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**29.04.2005** The Department explained that earth filling from outside borrow pits and berm cutting (common) was carried out in reach RD 12-15 only of the minor, where quantity of berm cutting was to be deducted from the earth work outside borrow pits excavation. In this way there was a quantity of 7557 cft., for which recovery of Rs.6,000/- had been made. It was also stated that in most of the reaches the earth filling was made on the space of the reach where the berm



cutting was not done, hence the deduction of berm cutting was not required.

The Committee **settled the para subject to** verification of record by Audit

**67. Para No.81 Page 56 of Audit Report for the year 1999-2000; Overpayment of Rs.0.096 Million.**

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**30.04.2005** The Department admitted the irregularity and stated that an inquiry in the case was under process and action would be taken against the responsible as per the inquiry report.

The Committee **pended the para** with the directions that the inquiry be finalized within 60 day under intimation to PAC.

**68. Para No.82 Pages 56 & 57 of Audit Report for the year 1999-2000; Overpayment of Rs.0.213 Million.**

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**30.04.2005** The Department explained that the quantity of 12336 cft stone which found surplus was consumed on the work of repairing J-head Spur RD 30300 Fateh Muhammad Disty after the flood of 1998 and no payment of carriage was made.

The Committee **pended the para** for verification by Audit.

**69. Para No.83 Page 57 of Audit Report for the year 1999-2000; Overpayment of Rs.0.199 Million.**

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**17.02.2004** Audit had pointed out that non-deduction of shrinkage allowance @ 6% resulted in overpayment.

The department explained that deduction for the shrinkage, as per soil condition, had been made @ 3% and 4% which was within prescribed range of 3% to 6% as per CSR 1979 and that the said deductions were agreed to between the Executive Engineer and the contractor.

The Committee **settled the para** with the directions that the department should take up the shrinkage matter with the Standing Rates Committee of Finance Department for appropriate decision.

**70. Para No.84 Page 58 of Audit Report for the year 1999-2000; Overpayment of Rs.0.178 Million.**

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**29.04.2005** The Department explained that after 4% deduction of shrinkage, the outstanding

recovery remained only Rs.71,000/- which had been recovered and deposited into the government treasury.

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

**71. Para No.85 Pages 58 & 59 of Audit Report for the year 1999-2000; Overpayment of Rs.0.079 Million.**

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**30.04.2005** The Department explained that in fact the deduction factor of 6% had been applied on over-all quantities of earth work paid. In the first running bill 4% shrinkage was deducted and in the second running bill 6% was deducted on the over all quantities including the quantities of earth work of 1<sup>st</sup> running bill. And then in third and final bill same 6% shrinkage factor had been applied on the over all quantities of earth work paid.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**72. Para No.86 Page 59 of Audit Report for the year 1999-2000; Overpayment of Rs.0.059 Million.**

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**17.02.2004** Audit had pointed out non deduction of 10% shrinkage which resulted in over payment.

The department explained that deduction @ 6% had been made from 2<sup>nd</sup> running bill, as the work was executed by mechanical means. This was as per provision of item of earth work CSR 1998.

On the recommendation of audit, the Committee **settled the para.**

**73. Para No.88 Page 60 of Audit Report for the year 1999-2000; Overpayment of Rs.1.978 Million.**

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**29.04.2005** The Department explained that quantity of stone carted was stacked for measurement. Dumping of stone was carried out by the contractor. Direct dumping was not allowed and stacks were necessary to ascertain correct quantity of stone.

The Committee **conditionally settled the para subject to** verification of record by Audit.

**74. Para No.89 Pages 60 & 61 of Audit Report for the year 1999-2000; Overpayment of Rs.0.964 Million.**

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**29.04.2005** The Department explained that the item providing and laying Bajri of specified sizes for restoration work did not include carriage of Bajri from quarry to site of work. Carriage had correctly been paid as per TS sanction and no excess payment was made.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**75. Para No.90 Page 61 of Audit Report for the year 1999-2000; Overpayment of Rs.0.080 Million.**

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**28.04.2005** The Department explained that the item was provided in the technically sanctioned estimate and no excess payment was involved.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**76. Para No.91 Page 62 of Audit Report for the year 1999-2000; Overpayment of Rs.0.064 Million.**

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**28.04.2005** The Department explained that the record had been produced to Audit who had verified the same and had recommended the para for settlement.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**77. Para No.92 Page 62 & 63 of Audit Report for the year 1999-2000; Overpayment of Rs.0.276 Million.**

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**29.04.2005** The Department explained that the work was executed under supervision of Pakistan Drainage Consultants and expenditure was met from Foreign Aid Grant. Tenders were called on item rate basis instead of CSR 1998 and no excess payment was made beyond TS estimate.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**78. Para No.93 Page 63 of Audit Report for the year 1999-2000; Overpayment of Rs.0.179 Million.**

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**17.02.2004** Audit had pointed out over payment for excessive quantity of carriage and pitching of stone as compared to the estimated provisions.

The department explained that full recovery had been realized.

Audit vide its comments verified the contention of the Department regarding recovery, but desired that reasons for non-deduction of security deposit from the final bill of the contractor as per contract agreement should be explained.

The Committee **conditionally settled the para subject to** verification of provisions of contract agreement in the light of audit's comments.

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**79. Para No.94 Page 64 of Audit Report for the year 1999-2000; Overpayment of Rs.0.072 Million.**

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**29.04.2005** The Department explained that the record entry of providing and laying stone pitching of MB No.437/2878 and MB No.2879/437 revealed that carriage of stone had been entered first and providing and laying stone pitching on slope recorded subsequently as per geometry of the spur taking into account the voids for the carted quantity.

Audit was of the view that the MB was not provided in package No. 2 and 3.

The Committee **pended the para** for provision of MB by the Department and its verification by Audit.

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**80. Para No.95 Page 64 of Audit Report for the year 1999-2000; Overpayment of Rs.0.146 Million.**

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**30.04.2005** The Department explained that the rate of additional items was allowed as per approval of the competent authority as well as applicable premium as notified by FD vide No. FD/RO(Tech) F-D-23/94 dated 28-10-1996. As the premium @260% above CSR 1979 was paid to the contractor in accordance with the approval of the competent authority and as an additional work under the provision of clause No. 14 of the agreement.

The representative of FD was of the view that it should be verified that the authority was exercised prudently as per the spirit of above mentioned rule.

The Committee **pended the para** for verification of record.

**81. Para No.96 Page 65 of Audit Report for the year 1999-2000; Overpayment of**

**Rs.0.587 Million.**

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**17.02.2004** Audit had pointed out payment of higher premium and non-execution of items having less premium which resulted in overpayment.

The department explained that payment had been made according to the sanctioned estimate and premium approved by the competent authority and, therefore, no over-payment was involved.

The Finance Department observed that the rate of premium was more than the rate prescribed by the Finance Department which needed regularization.

Audit stated that arbitration decision and T.S estimate be shown to them.

The Committee **kept the para pending** and directed that the department should get all the relevant facts verified by the audit.

**82. Para No.97 Pages 65 & 66 of Audit Report for the year 1999-2000; Overpayment of Rs.0.161 Million.**

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**29.04.2005** The Department explained that the excess payment as pointed out was due to fall of rate of cement and steal with reference to the Chief Engineer Building letter No.82-WL/74/658 dated 8-7-1997. However, the works were completed during 6/95 and 6/97 well before the date of issuance of above letter. No intimation of rate fall was received by the Irrigation Department during the year 1997 or prior.

The Committee **pended the para** with the direction that recovery be made from the responsible at the earliest.

**83. Para No.98 Page 66 of Audit Report for the year 1999-2000; Overpayment of Rs.0.062 million.**

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**18.02.2004** Audit had pointed out that overpayment was made due to application of incorrect rate of cement for the purpose of calculation of price variation.

The department explained that correct rate notified by the cement company was applied as per endorsement dated 23.10.1996 received from Chief Engineer (North).

The Committee **conditionally settled the para subject to** verification of record by audit.

**84. Para No.99 Pages 66 & 67 of Audit Report for the year 1999-2000;**

### **Overpayment of Rs.0.150 Million.**

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**85. Para No.122 Page 82 of Audit Report for the year 1999-2000; Unauthorised Payment of Rs.0.711 Million.**

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**86. Para No.132 Pages 87 & 88 of Audit Report for the year 1999-2000; Unauthorised Payment of Rs.0.504 Million.**

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**30.04.2005** The Department explained that inquiries had been initiated in these cases and the reports would be submitted after finalization of the inquiries.

The Committee **pended the paras** with the direction that the inquiries be completed within 60 days under intimation to PAC.

**87. Para No.102 Pages 68 & 69 of Audit Report for the year 1999-2000; Overpayment of Rs.0.659 Million.**

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**30.04.2005** The Department explained that the payments for earth work were made on the basis of bank measurement. As the work progressed over all bank measurements were recorded upto 3<sup>rd</sup> running bill for each event. But payment was made for the net quantity after deduction of previously paid quantity.

The Committee **conditionally settled the para subject to** verification of record by Audit.

**88. Para No.103 Page 69 of Audit Report for the year 1999-2000; Overpayment of Rs.0.240 Million.**

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**17.02.2004** Audit had pointed out that payment of lump sum item without detailed and recorded measurements resulted in over-payment to contractor.

The department explained that detailed measurements of the excavated earth were recorded in the Measurement Book at the relevant pages. It was further stated that M/S NESPAK had also verified the excavation done.

The Committee accepted the explanation of the department and **settled the para.**

**89. Para No.104 Pages 69 & 70 of Audit Report for the year 1999-2000; Overpayment of Rs.0.084 Million.**

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**17.02.2004** Audit had pointed out that non-deduction of available earth had resulted in over-payment.

The department explained that the estimate of the work was sanctioned for Rs.998,397/- and payment of said work was made for Rs.909,065/- Since B/pit measurement was made, therefore, question of deduction of outside earth from available earth did not arise. Hence no over payment was involved.

The audit vide its comments pointed out short executed quantity, acceptance of tender without having AA/TSE, fake entries in the tender and fixing premium beyond the ceiling rate.

The Committee accepted the departmental reply and **the para was settled.**

**90. Para No.105 Pages 70 & 71 of Audit Report for the year 1999-2000; Fictitious Payment of Rs.2.297 Million.**

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**30.04.2005** The Department explained that there was no fictitious payment involved as the works had been carried out during annual closure of the barrage and allied canal system. However, at the time of pre-audit the Divisional Accounts Officer could not sign the bills because he was on leave and next month the Accountant signed all the documents.

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

**91. Para No.106 Page 71 of Audit Report for the year 1999-2000; Doubtful Payment of Rs.0.139 Million.**

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**28.04.2005** The Department explained that the matter relating to the draft para was inquired through an inquiry Committee comprising of Superintending Engineer, Drainage Circle, Faisalabad and Executive Engineer, Faisalabad, Drainage Division. On the basis of the recommendations made by the inquiry committee disciplinary actions had been initiated against the responsables for irregular/unauthorized payments.

The Committee **settled the para** with the direction that inquiry against responsible be finalize and report be shown to Audit under intimation to PAC-II.

**92. Para No.107 Page 72 of Audit Report for the year 1999-2000; Loss of Rs.1.600 million.**

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**18.02.2004** Audit had pointed out that advance payment was made to the contractor but it was not recovered even after the completion of the work.

The department explained that recovery of advance of Rs.16 lac given to the contractor in emergency out of suspense head duly approved by Chief Engineer could not be effected as the final bill of the contractor turned into minus. As per findings of the inquiry held, recovery was to be effected from the contractor as arrears of land revenue and further inquiry proceedings against SDO and Sub-Engineer were under progress.

The Committee taking a serious notice of the matter observed that Chief Engineer made payment of huge amount to the contractor without bank guarantee/security furnished by him, nor deduction was made from the running bill of the contractor. Action was being taken against the lower staff, whereas higher officers i.e. CE, SE, XEN were also responsible for the loss/irregularity.

The Committee **kept the para pending** with the direction that the Administrative Secretary should review the inquiry report within 30 days and submit a detailed report to the Committee in its next meeting for consideration.

### **93. Para No.108 Pages 72 & 73 of Audit Report for the year 1999-2000; Loss of Rs.3.522 million to Government.**

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**18.02.2004** Audit had pointed out that unclaimed amounts lying with the Division for more than 3 years were not credited to revenue which was a violation of provisions of Accounts Code Vol-II and Audit Manual.

The department explained that the contention of audit that the deposit balances pertained to 5 different categories was incorrect. Actually amount of security lying in the schedule of deposit, Part-II (Security of Contractor) more than three years was Rs.152,151/-. However, Rs.153,384/- had been credited to revenue which could be verified

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

### **94. Para No.109 Page 73 of Audit Report for the year 1999-2000; Unjustified Payment of Rs.0.116 million.**

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**17.02.2004** Audit had pointed out that payment of trunk calls charges without details was unjustified.

The department explained that payment of Rs.115,608/- was made to T&T Department on

presentation of Bills and record thereof was maintained. Since payment was made to a Govt. Department, no financial irregularity as involved.

The audit vide its comments pointed a number of irregularities i.e. bills paid were without detail, expenditure beyond monthly ceiling was made, and recovery for private calls was not made etc.

The Committee **kept the para pending** and directed the department to get the relevant record verified by audit.

**95. Para No.110 Pages 73 & 74 of Audit Report for the year 1999-2000; Loss of Rs.0.342 Million.**

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**17.02.2004** Audit had pointed out that non lease of Govt. land to the new tenants since 1997 caused loss to the Govt.

The Department explained that full amount of Rs.342,197/- as pointed out by audit on account of bid price had been recovered from the allottees and credited to Revenue through monthly accounts. Approval for auction of some Govt. lands had been obtained from the competent authority, while some cases were in process. It was added that the auction of such land for further period was not made due to imposition of ban in the wake of plantation of bamboos.

The Committee accepted the explanation of the department and **settled the para.**

**96. Para No.111 Page 74 of Audit Report for the year 1999-2000; Loss of Rs.1.991 Million to Government.**

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**18.02.2004** Audit had pointed out that tenders were accepted beyond permissible limit of 4.5% fixed by the Govt.

The department explained that in the wake of enhancement of premium, revised AA/TS was issued and the acceptance of tenders was within the permissible limit. The relevant record was available for verification.

Finance Department observed that if the entire process was adopted afresh, then it was O. K.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

**97. Para No.112 Page 75 of Audit Report for the year 1999-2000; Loss of Rs.0.211**

## **Million to Government.**

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**17.02.2004** Audit had pointed out the loss caused due to acceptance of tender at higher rates at 25.38% above the estimated amount instead of the permissible limit of 4.5% fixed by Government.

The department explained that the present para was duplication of draft para No. (2.1)(65) contained in audit report for the year 1997-98 and requested for its deletion from the audit report under reference.

On the recommendation of audit, the Committee allowed to **delete this para** from the audit report for the year 1999-2000.

### **98. Para No.113 Pages 75 & 76 of Audit Report for the year 1999-2000; Loss of Rs.0.330 Million to Government.**

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**28.04.2005** The Department explained that the contention of the department had been verified from the relevant record by Audit and acceptance of tender beyond permissible limit stood regularized by the competent authority.

The Committee was of the view that disciplinary action under E&D Rules be taken against the responsables who had committed this irregularity for accepting tender beyond permissible limit. However, **the para was settled.**

### **99. Para No.114 Pages 76 & 77 of Audit Report for the year 1999-2000; Loss of Rs.0.519 Million to Government.**

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**28.04.2005** The Department explained that the estimate for the work was sanctioned by the Superintending Engineer, Drainage Circle, Faisalabad dated 31-12-1995 for Rs.2,358,571/- but the tender was accepted by the Superintending Engineer for Rs.2,899,976/- after enhancement of premium by the Finance Department vide letter No. RO(Technical) FD 2-3/94 dated 3<sup>rd</sup> January 1996.

Audit stated that it has been established after verification of the record that the tender were accepted at 27% above the estimated cost instead of 4.5% as admissible under the rule. The scope of work was also curtailed which need revision of administrative approval and TS estimate.

The Committee **conditionally settled the para subject to** regularization by the Finance Department and directed that disciplinary action be taken against the responsible.

### **100. Para No.115 Page 77 of Audit Report for the year 1999-2000; Loss of Rs.4.756 Million to Government.**

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**28.04.2005** The Department explained that the scheme was a part of Flood Protection Sector Phase-I, a Foreign Aided Project financed by Asian Development Bank. The scheme was originally approved for Rs.7.614 million by the Federal Flood Commission, Islamabad which was not workable at the time of approval of PC-I (October 1994) so the tenders were called in January, 1995 and rates received were obviously higher than those provided in the original sanction. In order to execute these emergent works and to save elapsing of foreign aid, the Department had the only alternative to take the works in hand besides submitting the revised PC-I to higher authorities for its approval. The Department also ensured that the expenditure should be restricted to already sanctioned amount till the time the revised sanction with enhanced amount was approved by the competent forum.

The revised sanction amounting to Rs.12.66 million was granted by the Federal Flood Commission, Islamabad and then the work was accordingly executed at site.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

#### **101. Para No.116 Page 78 of Audit Report for the year 1999-2000; Loss of Rs.1.378 Million to Government.**

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**28.04.2005** The Department explained that the scheme was a part of Flood Protection Sector Phase-I, a Foreign Aided Project financed by Asian Development Bank. The scheme was originally approved for Rs. 4.114 million by the Federal Flood Commission, Islamabad which was not workable at the time of approval of PC-I (October 1994) so the tenders were called in January, 1995 and the rates received were obviously higher than those provided in the original sanction. In order to execute these emergent works and to save elapsing of foreign aid, the Department had the only alternative to take the works in hand besides submitting the revised PC-I to higher authorities for its approval. The Department also ensured that the expenditure should be restricted to already sanctioned amount till the time the revised sanction with enhanced amount was approved by the competent forum.

The revised sanction amounting to Rs.7.757 million was granted by the Federal Flood Commission, Islamabad and then the work was accordingly executed at site.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

#### **102. Para No.117 Pages 78 & 79 of Audit Report for the year 1999-2000; Loss of Rs.3.406 million to Government.**

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**18.02.2004** Audit had pointed out that irregular acceptance of tenders had resulted in loss of Rs.3.406 million to Government.

The department explained that the work comprised three components for which administrative approval/technical sanction was accorded as a whole. The total expenditure was within the permissible limits.

Finance Department observed that position with reference to individual estimation and acceptance was required to be seen.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

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**103. Para No.118 Page 79 of Audit Report for the year 1999-2000; Loss of Rs.0.729 Million to Government.**

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**28.04.2005** The Department explained that the scheme was a part of Flood Protection Sector Phase-I, a Foreign Aided Project financed by Asian Development Bank. The scheme was originally approved for Rs.2.173 million by the Federal Flood Commission, Islamabad which was not workable at the time of approval of PC-I (October 1994) so the tenders were called in January, 1995 and rates received were obviously higher than those provided in the original sanction. In order to execute these emergent works and to save elapsing of foreign aid, the Department had the only alternative to take the works in hand besides submitting the revised PC-I to higher authority for its approval. The Department also ensured that the expenditure should be restricted to already sanctioned amount till the time the revised sanction with enhanced amount was approved by the competent forum.

The revised sanction amounting to Rs.4.023 million was granted by the Federal Flood Commission, Islamabad and then the work was accordingly executed at site.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

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**104. Para No.119 Page 80 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1.371 Million.**

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**29.04.2005** The Department explained that the funds were being demanded through special fund application. As and when the funds were received the adjustment would be made.

The Committee **pended the para** with the direction that disciplinary action against the



responsible be initiated under PRSO 2000 under intimation to the PAC.

**105. Para No.123 Pages 82 & 83 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.0.526 Million.**

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**30.04.2005** The Department explained that the amount placed in PW Misc. advance related to the works which were of emergent nature and unavoidable for safe operation of Marala Barrage and its allied canal system. Due to non availability of funds the payments were made by placing the amount in PW Misc. advance. Efforts were being made to arrange special funds for clearance of PW Misc. advance.

The representative of the FD was of the view that the inquiry should be conducted to judge the bonafide of payments.

The Committee **kept the para pending** with the direction that the matter whether the payments were made bonafidely be inquired by Chief Engineer, Bahawalpur or DG Khan within 90 days.

**106. Para No.125 Page 83 & 84 of Audit Report for the year 1999-2000; Unauthorized expenditure of Rs.0.134 million.**

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**18.02.2004** Audit had pointed out that payment against lapsed funds had resulted in unauthorized expenditure.

The department explained that these were repair works which in view of emergent situation were got executed during the financial year 1997-98 after observing necessary formalities and payments were released during the following financial year i.e. 1998-99 on receipt of funds.

The committee **conditionally settled the para subject to** verification of relevant record by audit.

**107. Para No.127 Pages 84 & 85 of Audit Report for the year 1999-2000; Irregular Release of Security of Rs.0.250 Million.**

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**30.04.2005** The Department explained that the work was withheld by the government and the decision for re-starting the work neither arrived at nor conveyed to the formation by the government. The contractor pressed the department for the finalization of work and to release the security. As the government had not decided the fate of work, hence the department finally measured the work done upto 20-5-1999 and closed the accounts of the work by passing of final bill. The recovery which appeared in the final bill had been adjusted from his balance security.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**108. Para No.128 Page 85 of Audit Report for the year 1999-2000; Loss of Rs.0.093 Million to Government.**

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**30.04.2005** The Department explained that the earnest money/security deposits by various contractors had been credited to the revenue vide TE No. 12, 13 dated 30-09-2001 and accounted for in the monthly account of 09-2001.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**109. Para No.129 Page 86 of Audit Report for the year 1999-2000; Loss of 0.843 million to Government.**

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**18.02.2004** Audit had pointed out that the department had failed to close the manufacturing accounts from 1994-95 to 1998-99 by 30 June of every year as required under the Financial Rules.

The department explained that the process of closing of manufacturing accounts was under process which was previously held up due to paucity of funds.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

**110. Para No.130 Pages 86 & 87 of Audit Report for the year 1999-2000; Irregular Technical Sanction of Rs.1.742 Million.**

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**28.04.2005** The Department explained that in the case of deposit works the executing agency was not supposed to restrict to the provision of A-A accorded by the Clint Department. The scope of works was enhanced and revised TS were accorded for Rs.1,742,021/- which was incorporated in the main scheme of Highway Department for revision of the total estimate. The revised A-A and TS was accordingly accorded/sanctioned by the competent authority of Highway Department by incorporating the revised TS amount of Irrigation Department to an extent of Rs.1,742,021/-.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**111. Para No.131 Page 87 of Audit Report for the year 1999-2000; Irregular**

### **payment of Rs.0.320 Million.**

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**17.02.2004** Audit had pointed out that in contravention of rules payment was made to work charge employees on monthly basis instead of daily basis on muster rolls.

The department explained that the seasonal establishment employed on non-perennial channels during kharif flow season performed duties similar to the regular establishment. They were employed on monthly basis and paid accordingly, while payment on muster roll was made when employed on daily basis. Attendance register duly marked and progress report of such employees showing their output was available for verification.

Finance Department observed that transparency in this regard should be ensured.

The Committee observed that the Department should appoint their own force to forestall water theft and **conditionally settled the para subject to** verification of relevant record by audit.

### **112. Para No.133 Page 88 of Audit Report for the year 1999-2000; Unjustified payment of Rs.1.046 million.**

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**18.02.2004** Audit had pointed out that payment of Rs.1.046 Million was made for a work without recording any detail of measurement in M.B (Measurement Book).

The department explained that the relevant M.B. along with Voucher and other documents were burnt in fire accident for which FIR had been logged and inquiry was also conducted. After burning of original record, the duplicate record was prepared, which was also got verified by the consultants. In addition to it, the estimate was technically sanctioned by the competent authority.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

### **113. Para No.134 Page 89 of Audit Report for the year 1999-2000; Irregular Acceptance Tenders of Rs.15.990 Million.**

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**29.04.2005** The Department explained that the work was started in emergency with the permission of competent authority to save valuable crops, infrastructures, hospital, schools etc. It was also stated that although the tentative cost was mentioned but actual cost exceeded to control catastrophic situation. The work was executed under guidelines/supervisions of consultants and higher authorities under rule 2.89 of PWD Code.

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

**114. Para No.136 Page 90 of Audit Report for the year 1999-2000; Loss of Rs.2.103 Million.**

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**30.04.2005** The Department explained that as per clause No. 14 of the contract, the Engineer incharge was authorized to make additions/alterations if necessary during the execution of work.

The Committee was not satisfied with the explanation of the Department and directed that the disciplinary proceedings be initiated against the responsables under PRSO 2000 and recovery be made.

**The para was kept pending.**

**115. Para No.138 Pages 91 & 92 of Audit Report for the year 1999-2000; Loss of Rs.1.543 million.**

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**18.02.2004** Audit had pointed out that P.V.C Cable was purchased at a very high cost for Rs.2.679 (million) against the cost of Rs.1.136 Million tendered by original manufacturer.

The department explained that on receipt of tender from M/S Newage Cable Company without including rate of installation as provided in the Technically sanctioned estimate, the work was got done through workshop Division Bhalwal (Govt. Workshop) after observing the formalities.

The Committee observed that rate per meter quoted by the Manufacturer was lesser than the rate at which the PVC cable was purchased by the Workshop Division. The Committee directed that the Department should make a probe and submit a report in the next PAC meeting.

**The para was kept pending.**

**116. Para No.142 Pages 93 & 94 of Audit Report for the year 1999-2000; Non-recovery of Rs.1.352 million.**

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**16.02.2004** Audit had pointed out that placing of amount in PW Misc advance and delay in adjustment resulted in non recovery of Rs.1.352 million.

The Department explained that DG Accounts (Works) had reconciled the debit/credit statement showing a balance of Rs.440,877/45 up to 6/2002, which related to operation of vehicles by various offices of Ground Water Division who had been asked either to deposit the amount or justify the expenditure. Department further explained in the meeting that the requisite

works had been got done from suspense accounts due to emergent requirements.

Audit in its comments verified the PW Misc. Advance closing balance of Rs.440,877/45 up to 6/2002.

The Committee directed that necessary recovery/adjustment should be done within 60 days under intimation to PAC. **The para was kept pending.**

**117. Para No.143 Page 94 of Audit Report for the year 1999-2000; Non-Recovery of Rs.5.094 Million.**

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**30.04.2005** The Department explained that the total amount was Rs.4,377,705/- instead of Rs.5,094,904/- due to mistake in totaling out of this an amount of Rs.91,054/- and Rs.7,948/- had been cleared adjusted and Rs.7,369/- had been received from the defaulter. It was also stated that efforts were being made to clear/recover the balance amount.

The Committee **pended the para** with the direction that the break-up of the balance amount be provided to the PAC and record be got verified from Audit within 90 days.

**118. Para No.145 Pages 95 & 96 of Audit Report for the year 1999-2000; Non-Recovery of Rs.2.513 Million.**

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**28.04.2005** The Department explained that recovery of Rs.31,209/- and duplication of Rs.284,072/- had been verified by Audit and amount of Rs.260,000/- had been adjusted vide TE No.3 dated 30-6-2001 and TE No. 4 dated 4-11-2003.

The Committee **pended the para** with the directions that a fact finding enquiry be initiated in the case.

**119. Para No.146 Page 96 of Audit Report for the year 1999-2000; Non-Recovery of Rs.2.000 Million.**

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**28.04.2005** The Department explained that the draft para related to the following two works, the expenditure on which was placed in PWD Misc. advance against three officers.

(i) The work of checking river action of Spur R. D. L.M.B of Qadirabad costing Rs.1,724,284/- was emergent in nature for safety of barrage and as per findings of enquiry conducted into the matter no fault on the part of concerned SDO could be established.

(ii) The works of painting the gates of Qadirabad Barrage costing Rs.276,716/- was

charged to suspense head due to unavailability of funds and action against the concerned officers was being taken.

The Committee **kept the para pending** with the direction that disciplinary action be taken against the responsables who had committed this irregularity under intimation to the PAC.

**120. Para No.148 Page 97 of Audit Report for the year 1999-2000; Non-Recovery/ Adjustment of Rs.0.096 Million.**

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**30.04.2005** The Department explained that the amount was placed in PW Misc. advance against the officers. The said amount was placed due to non-adjustment of manufacture account of the government vehicles which remained in their use. It was also stated that on receipt of the log book an amount of Rs.94,008/- had been adjusted and Rs.2,012/- had been recovered.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**121. Para No.150 Page 98 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.429 million.**

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**17.02.2004** Audit had pointed non-realization of outstanding dues against various officers/ officials placed in Misc. P.W Advance.

The department explained that out of the total amount recovery of Rs.395,612/- had been adjusted in monthly accounts leaving a balance recovery of Rs.33,183/- and efforts for recovery/ adjustment were continuing.

Audit vide its comments gave detailed justification about its observation and desired for production of record to it.

The committee **kept the para pending** and directed the department to get recovery/ adjustment verified by audit within 30 days.

**122. Para No.151 Page 99 of Audit Report for the year 1999-2000; Non-adjustment of advances of Rs.0.300 million.**

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**17.02.2004** Audit had pointed out non-receipt of vouched account which had resulted in non-adjustment of Rs.0.300 million.



The department explained that an advance payment of Rs.150,000/- had been adjusted and the balance of Rs.150,000/- was charged directly to work against work done. Vouched account thereof was available.

The Committee was not satisfied with the explanation of the department and **kept the para pending** for balance recovery.

**123. Para No.152 Pages 99 & 100 of Audit Report for the year 1999-2000; Non-adjustment of Rs.1.385 Million.**

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**17.02.2004** Audit had pointed out that expenditure met out from suspense head of account, due to paucity of funds, had resulted in non adjustment of Rs.1.385 Million.

The department explained that total amount of Rs.1,385,000/- had been adjusted.

Finance Department observed that saving of one head utilized in other head of account was against financial propriety and needed to be revalidated by Finance Department and that such a lapse should be enquired.

The Committee **kept the para pending** and directed the department to hold an inquiry and fix responsibility within 3 months under intimation to PAC.

**124. Para No.153 Page 100 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.064 Million.**

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**17.02.2004** Audit had pointed out non recovery and non adjustment of amount outstanding against some officers/officials.

The department explained that total recovery had been adjusted/recovered.

On the recommendation of audit the Committee **settled the para.**

**125. Para No.154 Pages 100 & 101 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.087 Million.**

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**30.04.2005** The Department explained that the said amount was placed in misc. PW advance against the SDO/SBE concerned due to non-receipt of cheque from Executive Engineer, Chakbandi and remodeling division Rahim Yar Khan. The amount was cleared on receipt of cheque from the concerned quarter.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**126. Para No.157 Page 102 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.578 Million.**

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**17.02.2004** The audit had pointed out non recovery of electricity and telephone charges in respect of private use thereof.

The department explained that the position of recovery/adjustment which did not tally with the amount of Rs.164,449/- verified by the audit.

The Committee **kept the para pending** and directed the department to resolve the issue of recovery with audit and also effect balance recovery at the earliest.

**127. Para No.158 Page 103 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.065 Million.**

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**28.04.2005** The Department explained that a sum of Rs.22,404/- had been recovered and verified by audit. Further an amount of Rs.35,177/- had also been recovered leaving a balance of Rs.7,200/- which was recoverable from Mian Abdul Rauf, Executive Engineer, who had resigned from government service and left Pakistan.

The Committee **pended the para** with the direction that the recovered amount of Rs.35,177/- be got verified by Audit and the remaining amount be recovered from the defaulter.

**128. Para No.160 Page 104 of Audit Report for the year 1999-2000; Non-recovery of rent of Thousand Rupees.**

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**17.02.2004** Audit had pointed out that non-realization of house rent charges had resulted in non-recovery of thousands of rupees.

The department explained that residences of the colony were allotted by Deputy Commissioner Vehari to officials/officers of different department i.e. MES, PAF, Education, Police and Agriculture Departments. Recovery from 10 employees of Education, Police, and Agriculture department was being deducted regularly from their pay through their respective parent departments. The house rent amount recovered was ultimately chargeable to direct receipt, thus there was no loss to Govt. as it was a transaction from one Govt. department to another. As for recovery from MES/PAF employees, the concerned authorities had been asked to intimate the

latest position of deduction.

The Committee directed that the department should get back administrative control of colony from the DCO concerned. Moreover, recovery should be made from the salaries of regular employees and recovery should also be made from employees who though not entitled had been provided accommodation.

**The para was kept pending.**

**129. Para No.161 Pages 104 & 105 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.065 Million.**

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**30.04.2005** The Department explained that the total recovery had been effected and also got verified by audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**130. Para No.162 Page 105 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.135 Million.**

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**28.04.2005** The Department explained that a sum of Rs.112,775/- had been recovered and got verified by Audit. The remaining amount pertained to Shams Textile Mills, Chiniot which had contested the recovery in the court of civil judge Jhang and the next date of hearing was fixed for 4-5-2005.

The Committee **kept the para pending** being subjudice in the court of law.

**131. Para No.166 Page 107 of Audit Report for the year 1999-2000; Non-recovery of Rs.58.027 million.**

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**17.02.2004** Audit had pointed out non realization of water charges on account of arrears of Rabi & Kharif crops.

The department explained that Non-recovery pointed out by audit had already been incorporated in the demand statement of the concerned crops and conveyed to Revenue Department for making recovery. Hence no further action was required on the part of the Department. This para, therefore, be transferred to D.G Revenue Receipts Audit.

The Committee kept the para pending till 18-2-2004 for discussion with with D.G. Revenue Receipts, Audit, who on 18-2-2004 stated that the para related to them.

The Committee **kept the para pending** and directed D.G. Revenue Receipts audit to transfer the instant para to the report for the year 1999-2000 relating to Revenue Receipts under intimation to PAC.

**132. Para No.170 Page 109 of Audit Report for the year 1999-2000; Less recovery of Rs.0.370 million.**

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**16.02.2004** Audit had pointed out that non-deduction of departmental charges @ 12% had resulted in less deduction of Rs.370,275/-.

The Department explained that departmental charges @ 12% up to close/completion of model study had been deducted. Audit verified contention of the department and recommended the para for settlement.

The Committee **accordingly settled the para.**

**133. Para No.171 Pages 109 & 110 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.071 million.**

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**16.02.2004** The department explained that departmental charges @ 12% were deducted upto close/completion of model study.

Audit in its comments verified the contention of the Department.

On the recommendation of Audit, **the para was settled.**

**134. Para No.172 Page 110 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.422 Million.**

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**17.02.2004** Audit had pointed out non realization of toll-tax for the year 1996-1997 and 1999-2000.

The department explained that total recovery for above mentioned years was Rs.0.4222 Million. An amount of Rs.148579/- had since been recovered and for balance recovery of Rs.272,950/- District Officer (Rev) had been requested a number of times to recover the same as

arrears of land revenue from Mr Nausheen Kokhar, Ex-SDO.

The Committee directed that a letter be written to DCO Lahore to intimate the progress of the recovery from the person concerned as arrears of land revenue.

**The para was kept pending.**

### **135. Para No.173 Pages 110 & 111 of Audit Report for the year 1999-2000; Loss of Rs.13.404 Million to Government.**

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**30.04.2005** The Department explained that the para consisted of five components. The toll tax collection of Islam Head Works Bridge was originally auctioned for Rs.3,650,260/- for the 1995-96. The contractor deposited first installment amounting to Rs.405,585/- and filed a civil suit in the court of Civil Judge, Vehari. The case was decided by the court on 23-11-1995 with the following direction that “till the final adjudication of the suit, the contract to collect toll tax from Islam Head Works should not be cancelled however, the plaintiff is directed by the court to deposit the running monthly installment to the tune of Rs.405,585/- on or before the 14<sup>th</sup> of each month. The applicant/plaintiff had been further directed to deposit the running installments on 14-12-1995. In case of default of non-depositing of running monthly installments in time in the court, the application for temporary injunction shall stand cancelled”.

The Contractor filed an appeal in the court of Additional District Session Judge, Vehari against the orders of the lower Court. The learned court granted status quo which remained operative upto 30-6-1996. The competent authority imposed a penalty and declared that Rs.9,635,240/- be recovered from the defaulting contractor.

The Committee after detailed discussion **decided to settle the parts B, C, D and E** of the para and reduced the para to the extent of Rs.9,635,240/- with the direction that with reference to part “A” inquiry be held against the then Executive Engineer, Islam Head Works Division and the responsibility be fixed within the 90 days.

**The part A of the para was kept pending.**

### **136. Para No.174 Pages 111 & 112 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.469 Million.**

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**17.02.2004** Audit had pointed out non recovery of balance amount of toll tax collection from a contractor along with 5% interest accrued thereon, and also fraudulent adjustment of call deposit

of Rs.0.100 Million which was in fact not adjusted.

The department explained that out of total recovery of Rs.469,000/- an amount of Rs.99,975/- as call deposit had been recovered. Regarding balance recovery the case was subjudice in the court of law. The recovery would be effected after the decision of the court.

The matter being subjudice, the Committee **kept the para pending**.

**137. Para No.175 Page 112 of Audit Report for the year 1999-2000; Loss of Rs.0.972 Million.**

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**138. Para No.178 Pages 113 & 114 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.054 Million.**

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**139. Para No.200 Pages 125 & 126 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.445 Million.**

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**17.02.2004** Audit had pointed out non recovery of installments on account of toll tax, income tax and penal charges @ 15% per month on account of late deposit of monthly installments of toll tax.

The department explained that all the above mentioned three paras related to recovery from a contractor i.e. Mr. Amjad Latif. The matter had been taken up with the Revenue Authorities to effect recovery from him as arrears of land revenue. As soon as the recovery was effected it would be got verified by audit.

The Committee **kept all the three paras pending** and directed the department to hold inquiry, fix responsibility and make good the loss within 90 days under intimation to PAC.

**140. Para No.176 Pages 112 & 113 of Audit Report for the year 1999-2000; Less deduction of Income Tax Rs.0.058 Million.**

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**17.02.2004** Audit had pointed out less deduction of income tax @ 3% instead of 5% required under Finance Act 1995.

The department explaining the position of deduction of income tax @ 5% w.e.f. 1.7.1995 stated that some less deduction amounting to Rs.16763/- was made which was recovered from the contractor's security deposit.



During the meeting, the audit verified the contention of the Department.

On the recommendation of audit, the Committee **settled the para.**

**141. Para No.177 Page 113 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.113 million.**

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**16.02.2004** The department explained that the tax exemption certificates provided by M/s National Development Consultants, Lahore, were duly forwarded to Audit.

Audit verified the contention of the department and recommended the para for settlement.

The Committee **accordingly settled the para.**

**142. Para No.179 Page 114 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.050 Million.**

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**17.02.2004** The audit had pointed out non realization of professional tax from various contractors.

The department explained that Rs.33500/- had been recovered from various contractors, and requested for the settlement of remaining amount, in the light of the decision of adhoc PAC dated 29-3-2001, to the effect that the assessee himself was responsible for the payment of professional tax and at source deduction by the department was not required under the law.

The Finance Department observed that either the Department should deduct the professional tax or furnish names/details of concerned persons to the E&T authorities for the needful.

The Committee **conditionally settled the para subject to** furnishing of the details of the contractors by the Department to the E&T Department for deduction of professional tax from them.

**143. Para No.180 Pages 114 & 115 of Audit Report for the year 1999-2000; Non-recovery of 0.053 million.**

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**18.02.2004** Audit had pointed out non recovery of professional tax and stamp duty from the contractors.

The department explained that efforts were underway for effecting recovery of professional tax and stamp duty. It was further stated that the contractor was bound to pay professional tax himself and its at source deduction by the department was not required.

Regarding stamp duty, the department stated that it would be recovered within one month.

Finance Department observed that though at source deduction of professional tax by the department might not be necessary, yet financial propriety demanded that at the time of registration a certificate be obtained from him to the effect that he had deposited such tax. However, in the instant case the department should supply the details/names of defaulters to Excise and Taxation department for deduction of professional tax from them.

The Committee **settled first part of the para** pertaining to professional tax with the directions that the department should supply a list of contractors who had not paid professional tax to the Excise & Taxation Department and **conditionally settled the second part** pertaining to stamp duty subject to recovery within 30 days.

#### **144. Para No.185 Page 117 of Audit Report for the year 1999-2000; Short Recovery of Rs.0.914 Million.**

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**30.04.2005** The Department explained that the para consisted of four parts. Part-A, B and D had been verified by Audit. So far as the Part-C was concerned, the difference calculated by Audit could not be compared with the previous complete year i.e. 1997-98 and not accounted for to loss to government.

Audit verified the recoveries/adjustment of Rs.689,574/- against Part-A, B and D and recommended for settlement.

The Committee on the recommendation of Audit and explanation of the department decided to **settle the para.**

#### **145. Para No.186 Pages 117 & 118 of Audit Report for the year 1999-2000; Non-recovery of Rs.6.865 Million.**

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**17.02.2004** Audit had pointed out non recovery of lease money of land auctioned to the tenants for agriculture purpose as well as penalty for delay in deposit of installments.

The Department explained the position in detail with reference to three advance paras No.15332, 15338 and 15348 and stated that an amount of Rs.6,419,667/- had since been recovered. Out of balance amount of Rs.444,833/- an amount of Rs.195,000/- was already taken in A.P No.15332 and again taken in A.P. No.15338, which being duplicate amount, needed to be deducted from balance amount and para should be reduced to Rs.249,833/-.

The Committee **kept the para pending** and directed the department to realize balance

recovery within 3 months; otherwise the remaining amount would be paid by the officers concerned.

**146. Para No.189 Pages 119 & 120 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.420 Million.**

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**30.04.2005** The Department explained that actually two bridges were to be dismantled but only one was dismantled and the other was being used for pedestrians.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**147. Para No.193 Pages 121 & 122 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.214 Million.**

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**17.02.2004** Audit had pointed out non realization of cost of repair of tampered outlets from persons responsible for the same as required under Canal Act.

The department explained that the amount of the instant para had been incorporated in the demand statement of the concerned crops and conveyed to revenue department for making recovery and that the para related to the D.G. Revenue Receipt Audit. The para was kept pending till 18-2-2004 for discussion with D.G. Revenue Receipts Audit who on 18.2.2004 stated that the para related to them.

The Committee **kept the para pending** and directed D.G. Revenue Receipts Audit to transfer this para to the audit report for the year 1999-2000 pertaining to Revenue Receipts.

**148. Para No.194 Page 122 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.130 Million.**

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**28.04.2005** The Department explained that the amount involved in the para related to the payment for work charge establishment and certain petty works made by the sub-Engineers and SDO. The matter was inquired by Chief Engineer, Faisalabad through XEN, Jhang Division who after scrutiny of the record recommended that the payments involved in the para related to 8 nos. petty works and work charge establishment carried out for O&M of the canal. But due to insufficient budget allocation during the year 1986-88, the expenditure was charged to suspense head and were placed in PW Misc. advance against the sub-Engineers and SDO of which two sub-engineers had already expired.

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

**149. Para No.196 Pages 123 & 124 of Audit Report for the year 1999-2000; Non-recovery of Rs.0.300 million.**

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**16.02.2004** Audit had pointed out that a sum of Rs.300,000/- allowed on account of mobilization advance to M/s Nespak was not recovered and that the amount was transferred in Misc PW advance which was still recoverable.

The Department explained that this amount stood adjusted vide Transfer Entry No.1 dated 4-4-2002 incorporated in monthly accounts for 3/2002. It was further stated that no overpayments had been made in this case and the amount was reflected in miscellaneous account to watch the account. The relevant record could be verified by audit.

The Committee **conditionally settled the para subject to** verification of record by Audit.

**150. Para No.197 Page 124 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.060 Million.**

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**30.04.2005** The Department explained that the calculation of rent of khokhas/kacha pakka shops constructed by occupants was not based on rational basis. The actual recovery of rent was Rs.26,655/- which had been recovered and verified by Audit.

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

**151. Para No.198 Pages 124 & 125 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.203 Million.**

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**28.04.2005** The Department explained that an inquiry was conducted through a committee comprising Executive Engineers, Faisalabad Drainage and Sumandry Drainage Division Faisalabad. In the light of the inquiry report the case had been referred to FD for sanction to clear the outstanding/unadjusted amount from the current financial year's budget allocation.

The Committee **conditionally settled the para subject to** sanction by the FD and adjustment by the Administrative Department.

**152. Para No.201 Page 126 of Audit Report for the year 1999-2000; Non-Recovery of Rs.2.699 Million.**

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**30.04.2005** The Department explained that the para consisted of two parts:-

A- The work “lining of 3 R disty RD 83000-112000 Package II” was originally allotted to M/s. Hussani Construction Company and the firm executed the total value of work done of Rs.2,204,370/-. The remaining work of package-II was sub-letted to M/s. Neelibar Associates which executed the work valuing Rs.9,203,809/-. Required funds were not provided as per project completion period. Contractor continued the work till 1996-97 and after that he stopped the work as the completion period was over and full funding was not released during project completion period. The contractor claimed the price variation which was not paid and there was no alternate except to close the agreement. The PC-I was revised and for Rs.49,596,177/-. Remaining work of package-II was included in revised PC-I and the work was allotted to Muhammad Irshad Contractor and he completed the work as per revised PC-I/Technical sanction of estimate.

B- The work “lining of 3R disty RD. 112000-126370 Package-III” was awarded to M/s. Muhammad Irshad vide acceptance letter No. 1428-29 dated 22-4-1999. Progress of work was slow. He stopped execution of the work. Department issued notice for re-tendering on 29-04-2000 at an estimated cost of Rs.4,800,000/- against remaining work of Rs. 4,316,748/- but the contractor filed a petition in the court of law that work was already allotted to him and he was doing the work. Superintending Engineer, Bahawalnagar vide his letter No.4729 dated 08-6-2000 cancelled the tenders documents. M/s. Muhammad Irshad restarted the work and continued it till its completion.

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

**153. Para No.203 Page 127 of Audit Report for the year 1999-2000; Non-adjustment of Rs.0.789 Million.**

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**17.02.2004** Audit had pointed out non adjustment of amounts lying in P.W. Deposits, since long.

The department explained that full amount had been adjusted and verified by audit.

On the recommendation of audit, the Committee **settled the para.**

**154. Para No.204 Page 128 of Audit Report for the year 1999-2000; Concealment of Divisional Office Record.**

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**30.04.2005** The Department explained that the then XEN, Lahore Malik Muhammad Nasrullah

took away record of divisional office as such FIR was registered against him. Some of the record was received back from him and got verified by Audit. The officer had been compulsory retired from government service in some other inquiry.

The Committee **kept the para pending** with the direction that proceeding against the retired officer be initiated under the Pension Rules and a copy of the same be submitted to the PAC.

**155. Para No.208 Page 131 of Audit Report for the year 1999-2000; Loss of Rs.10.895 Million.**

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**29.04.2005** The Department explained that the Administrative Department declared the Railway track and other material as un-serviceable/surplus which was accordingly put to open auction and a sum of Rs.15,555,412/- had been received through open auction against a reserve price of Rs.10,895,404/-.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**156. Para No.212 Page 133 of Audit Report for the year 1999-2000; Loss of Rs.0.612 Million to Government.**

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**157. Para No.213 Pages 133 & 134 of Audit Report for the year 1999-2000; Loss of Rs.0.521 Million to Government.**

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**28.04.2005** The Department explained that fact finding inquiries were conducted into the matters to verify the facts of the paras. The Inquiry Officers had concluded that expenditure on operation and maintaining of Jeeps could not be adjusted due to paucity of funds under proper head of accounts and was charged to suspense head.

The Committee **pended the para** and directed that disciplinary action be taken against the responsables for charging against the suspense accounts within 90 days.

**158. Para No.218 Pages 136 & 137 of Audit Report for the year 1999-2000; Non-auction of material of Rs.3.894 Million.**

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**17.02.2004** Audit had pointed out non-acceptance of the highest bid which had resulted in non-auction of material of Rs.3.894 million.



The department explained that the project of maintenance of service track along the canals was approved by the Govt. on the instructions of Chief Executive of Pakistan. For the purpose of fixing of barriers and gates on bridge for checking trespassers, out of 259.58 tons 29.26 tons B.G. rails had been consumed as barriers on SMB bank. Balance material would be auctioned shortly.

The Committee directed the Department to produce the relevant record to audit for verification.

**The para was kept pending.**

**159. Para No.220 Page 138 of Audit Report for the year 1999-2000; Undue benefit to the contractor of Rs.0.250 million.**

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**16.02.2004** Audit had pointed out that security deposit was to be deducted @ 10% on payments up to Rs.5 million and @ 5% beyond Rs.5 million from contractors, whereas security deduction from contractor's bill @ 5% on first 5 million was in violation of government instructions on the subject.

The Department explained that security @ 5% was deducted according to the provision of the agreement. The Department conceded in the meeting that omission regarding less deduction of security had taken place but no loss to the government had occurred and security after completion of work, was refunded to the contractor.

Finance Department observed that the official concerned should be warned for not complying with government instructions.

The committee **settled the para** with the direction that the defaulter should be warned by the Department for committing this irregularity.

**160. Para No.222 Page 139 of Audit Report for the year 1999-2000; Improper maintenance of cash book.**

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**17.02.2004** The department explained the position in detail with reference to audit observations viz-a-viz entry of cheque in cash book and calling of explanations of the officers concerned.

Audit vide its comments verified item (i) relating to entry of 10 No. cheques in the cash book.

The Committee **settled item No. (i)** as verified by audit and **kept remaining items of the para pending.**

## Briefing by I & P Department

**16.02.2004** The Administrative Secretary made a presentation to the Committee on the working, functions, achievements and development plans for improvement of irrigation system in Punjab. The briefing session was followed by a question – answer session.

### Audit Paras (Revenue Receipts) for the year 1999-2000

**1.      Para No.3.1 Page 57 of Audit Report for the year 1999-2000; Short realization of water charges for supply of canal water-Rs.25,719,301/-.**

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PDP. No.(6078) D.C.O., Sheikhpura-Rs.3,180,913/-.

**18.02.2004** Audit had pointed out unauthorized supply of canal water to the contractor resulting in short realization of water charges.

The department explained that total recovery had been realized. However, Rs.2,185,639/- had been deposited under the wrong head of P.W. Remittance instead of “Aabiana” due to some accounting error. The matter had been taken up with the relevant quarters for transfer under proper head of account.

D.G Revenue Receipts Audit stated that recovery had been partially verified whereas verification in respect of balance amount was yet to be done.

The Committee **kept the para pending** and directed that the Department should get the balance amount transferred to proper head of account and get the record verified by audit.

**2.      Para No.3.1 Page 57 of Audit Report for the year 1999-2000; Short realization of water charges for supply of canal water-Rs.25,719,301/-.**

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PDP. No.(6091) D.C.O., Faisalabad Division Faisalabad-Rs.65,574/-.

**18.02.2004** Audit had pointed out short realization of water charges used for non irrigation purposes.

The department explained that full recovery had been effected in accordance with figures calculated by the department.

The Committee **conditionally settled the para subject to** verification of relevant record by audit.

### **3. Para No.3.1 Page 57 of Audit Report for the year 1999-2000; Short realization of water charges for supply of canal water-Rs.25,719,301/-.**

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PDP. No.(6202) D.C.O., Lower Gogera Division Faisalabad-Rs.3,761,491/-.

**18.02.2004** Audit had pointed out short realization/assessment of water charges due to application of incorrect rate.

The department explained that the notification for 10% increase in Abiana was received late, therefore, procedure of supplementary demand was adopted throughout Punjab and that actual amount involved was Rs.3,560,439/- which had already been recovered through concerned Tehsil Offices.

The Department further stated that recovery of water charges was the responsibility of BOR and necessary demands were being regularly forwarded to the concerned Revenue Officers. However, details of recoveries received from Revenue Authorities did not contain party-wise collection/recovery which created difficulties not only in streamlining the account of water charges but also resulted in audit observations/draft paras.

After detailed discussion and due consideration of the issue, the Committee directed that the Irrigation & Power Department and Board of Revenue should constitute a Coordination Committee to resolve/streamline the issue/procedure regarding such collections/recoveries and for monitoring the progress thereof regularly. The Committee further directed that the Board of Revenue should also ensure furnishing of party-wise progress of recoveries to I&P Department. The Committee directed that directions to both the Departments be issued accordingly.

The Committee **conditionally settled the para, subject to** verification of recovery effected and relevant record by audit.

### **4. Para No.3.1 Page 57 of Audit Report for the year 1999-2000; Short realization of water charges for supply of canal water-Rs.25,719,301/-.**

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PDP. No.(6203) D.C.O., Jhang-Rs.2,309,253/-.

**18.02.2004** The department explained that enhanced 33-C for Rs.3,181,705/- had been submitted during 01/2001 against Rs.23,092,531/- due to late issue of notification about 10% increase in Abiana. Approximately 85% recovery had been realized and the remaining recovery would be effected soon.

The Committee **conditionally settled the para subject to** verification by audit of amount recovered and balance recovery.

**5. Para No.3.1 Page 57 of Audit Report for the year 1999-2000; Short realization of water charges for supply of canal water-Rs.25,719,301/-.**

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PDP. No.(6274,6275) D.C.O., Lahore Division, Lahore-Rs.14,352,382/-.

**i) PDP No. (6274): Rs.13,354,527/-.**

**18.02.2004** Audit had pointed out short recovery of water charges due to application of incorrect rate from Forest Department.

The department explained that water was supplied only during Kharif season (per half year) but audit had miscalculated the amount for the whole year for the period from 1981 to 1998.

Finance department observed that recovery was a policy issue and department was required to effect recovery from the Forest Department.

The Committee **kept the para pending** and directed the department to pursue recovery efforts with the Forest Department.

**ii) PDP. No.(6275): Rs.997,855/-.**

**18.02.2004** Audit had pointed out short realization of water charges from Pattoki Sugar Mills.

The department explained that water charges for the supply of water to Pattoki Sugar Mills were assessed as per schedule rates and not @ 47.27 as calculated by audit. Since Audit had included closure period of channels, therefore, recoverable amount was Rs.789,012/- and not Rs.997,855/- which had been recovered.

The Committee **conditionally settled the para subject to** verification of recovery and relevant record by audit.

**6. Para No.3.2 Page 58 of Audit Report for the year 1999-2000; Non-recovery of water charges for supply of canal water for non-irrigation use-Rs.7,159,720/-.**

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PDP. No.(6088, 6089) D.C.O., Hafizabad Division, Faisalabad-Rs.4,853,778/-.

**i) PDP No. (6088): Rs.1,551,818/-.**

**18.02.2004** Audit had pointed out non-realization of arrears of water charges supplied for non irrigation purposes which had to be recovered as arrears of Land Revenue.

The department explained that efforts were being made for the recovery of outstanding dues from various agencies.

The Committee **kept the para pending** and directed the department to pursue the matter of recovery.

**ii) PDP. No.(6089): Rs.3,301,960/-.**

**18.02.2004** The department explained that WASA was the biggest defaulter of Irrigation department and major part of recovery was against them for which the statement No.18 (Naqsha) was prepared and demand notices were also served for recovery purposes. It was stated that an amount of Rs.13,84,264/- had been recovered.

The Committee directed that the Department should intensify its efforts for effecting balance recovery from the consumers concerned including WASA. The Committee further directed that a letter be also written to Secretary Housing and Urban Development Department for issuing directions to WASA authorities for early clearance of dues of I&P Department.

**The para was kept pending.**

The para was discussed in the meeting of PAC-II held on 29.07.2002.

## **Audit paras (Commercial) for the year 1999-2000**

### **1. Para No.32 Page 6 of Audit Report for the year 1999-2000; Non-Compilation of Accounts.**

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**29.07.2002** The Department explained that the accounts of the PESSI for the year 1994-95 to 1998-99 were submitted to Commercial Audit on 16 February 2002 and the accounts for the year 1999-2000 and 2000-2001 had been submitted on 31 May 2002.

The Committee noted and **settled the para.**



The paras were discussed in the meetings of PAC-II held on 15.07.2002 & 19.04.2004.

### **Audit Paras (Civil) for the year 1999-2000**

#### **1. Para No.1 Page 8 of Audit Report for the year 1999-2000; Overpayment of Rs.800,271/- on Account of Double Payment of Telephone Bills.**

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**19.04.2004** Audit had pointed out that the telephone bills were paid twice to telephone department against the same claim.

The department explained that the over-payment occurred due to the fact that the newly appointed officials dealing with such matters could not properly understand the procedure. As per recommendations of the inquiry report the officers responsible for the lapse had been removed from the service and double payment made was being adjusted against future bills and PTCL had also been informed accordingly.

The Committee directed the Department to show the inquiry report to the audit and get the amount overpaid adjusted at the earliest.

**The para was kept pending.**

#### **2. Para No.2 Page 9 of Audit Report for the year 1999-2000; Recovery of Rs.1,298,401/- on Account of Double Payment of Legal Fees.**

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**19.04.2004** Audit had pointed out that legal fee was paid in excess due to various reasons.

The department explained that fee paid for each and every appearance in a case till the final decision was covered under the rules. Moreover, a number of writ petitions and miscellaneous cases of same nature filed by many people had to be defended and each law officer was entitled to claim fee for each case. The Department, however, stated that only three cases fell under the category in which Rs.300/- instead of Rs.200/- were drawn and recovery came to Rs.46,900/- and the matter for recovery had been taken up with the officers concerned.

Finance Department observed that there was no need of charging separate fee for each case of similar nature defended in the court in one appearance and that the Department should produce the authority for claiming fee for separate appearance in cases of similar nature and suggested that the matter be referred to Law Department for examination and interpretation of the relevant rules.

The Committee directed that the department should refer the case to Law Department for advice in the light of the observations of the Finance Department.

**The para was kept pending.**

**3. Para No.3 Page 10 of Audit Report for the year 1999-2000; Recovery of Rs.541,004/- on Account of Unjustified Payment of TA/DA.**

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**19.04.2004** The department gave item-wise explanation about various audit observations and stated that the Advocate General had delegated his powers to DDO to sign TA/DA bills and thus there was not irregularity. It was further contended that the stay of a certain officer at difference stations could not be grouped together to attract the provisions of Rule 2.39 of TA Rules. It was further stated that these were old cases and tracing of registration numbers of vehicles hired by the officers would not be possible.

Finance Department observed that TA rules were applicable to all Government employees and TA was not to be considered as a source of income. The furnishing of necessary details in respect of vehicles hired or a certificate was a pre-requisite under TA rules. Moreover, for the stay beyond 10 days, relaxation of Rule 2.39 would be required.

The Committee directed that the Department should move the case to the competent authority for relaxation of the relevant TA Rules, where necessary.

**The para was kept pending.**

**4. Para No.4.1 Pages 10 & 11 of Audit Report for the year 1999-2000; Recovery of Rs.73,971/- on Account of Non Deduction of Income Tax.**

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Secretary to the Government of Punjab Law & Parliamentary Affairs – Rs.29,624/-

**19.04.2004** Audit had pointed out non deduction of income tax from the contractors.

The department explained that out of Rs.29,624/- a sum of Rs.6,281/- had been recovered. The remaining recoverable amount related to small purchases made throughout the year and therefore, it was not possible for the department to assess and deduct the amount of income tax payable by different suppliers. Notwithstanding this, the persons concerned were being approached continuously to deposit the amount. Moreover, the contractors belonged to small business concerns who deserved to be exempted from the payment of income tax.

The Committee accepted departmental explanation and **settled the para.**

**5. Para No.4.2 Pages 10 & 11 of Audit Report for the year 1999-2000; Recovery of Rs.73,971/- on Account of Non Deduction of Income Tax.**

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Advocate General, Punjab Lahore – Rs.44,347/-

**19.04.2004** Audit had pointed out non deduction of income tax amount from the contractors/suppliers.

The department explained that a sum of Rs.21,640/-had been recovered and verified by audit and the concerned parties had been approached to deposit the remaining amount.

The Committee directed that the amount of the para be reduced by the amount recovered and verified by audit and efforts be made for balance recovery.

**The para was kept pending.**

**6. Para No.5 Pages 11 & 12 of Audit Report for the year 1999-2000; Recovery of Rs.108,816/- on Account of Excess Calls.**

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i) Secretary to the Government of the Punjab Law & Parliamentary Affairs – Rs.82,598/-

ii) Secretary to the Government of the Punjab Law & Parliamentary Affairs – Rs.26,218/-

**7. Para No.6 Pages 12 & 13 of Audit Report for the year 1999-2000; Recovery of Rs.152,378/- on Account of Excess Use of POL.**

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i) Secretary to the Government of the Punjab Law & Parliamentary Affairs – Rs.62,964 /-

ii) Secretary to the Government of the Punjab Law & Parliamentary Affairs – Rs.89,414 /-

**19.04.2004** Audit had pointed out excess use of official residential telephones and POL beyond entitlement.

Regarding para 5.1, the department explained that out of total recovery a sum of Rs.2,678/- had been recovered and balance recovery was outstanding against two officers who

were presently on the strength of the Lahore High Court. Registrar Lahore High Court had been requested to help in the recovery of the outstanding amount.

Regarding para 5.2, it as stated that recoverable amount was Rs.24,500/- instead of Rs.26,218/- out of which Rs.15,477/- had been recovered. The balance amount was outstanding against one officer who was presently on the strength of the Lahore High Court. Registrar, Lahore High Court had been moved to help in getting the recovery effected.

Regarding para 6.1, the Department stated that an amount Rs.8,160/- had been recovered. The balance amount was outstanding against two officers who were on the strength of Lahore High Court. Registrar High Court had been requested in this regard.

Regarding para 6.2 the department explained that recoverable amount was Rs.88,677/- instead of Rs.89,414/- out of which Rs.48,174/- had been recovered. The remaining recovery was outstanding against one officer who was on the strength of Lahore High Court. Registrar High Court had already been requested in this regard.

The Committee directed that the **amounts of the three paras be reduced** by the amount already recovered by the audit and a letter be addressed to the Registrar Lahore High Court requesting him to effect recovery from the concerned officers at the earliest.

**Paras No. 5.1, 5.2, 6.1 and 6.2 were kept pending.**

#### **8. Para No.7 Page 14 of Audit Report for the year 1999-2000; Unauthorized Expenditure of Rs.72,400/- on Repair of Machinery.**

**19.04.2004** Audit had pointed out that amount incurred on repair of machinery was split up in order to avoid necessity of obtaining the sanction of higher authority as required under the rules.

The department explained that the Advocate General being an officer of Category-I, was competent to sanction the expenditure incurred and no violation of rules was involved.

Audit pointed out that sanction was issued after the expenditure had been incurred.

The Committee **conditionally settled the para subject** to ex post facto sanction of the expenditure incurred by the competent authority.

#### **9. Para No.8 Pages 14 & 15 of Audit Report for the year 1999-2000; Uneconomical Expenditure of Rs.639,000/- on Purchase of Computers.**

**19.04.2004** Audit had pointed out that computers were purchased without observing codal

formalities i.e. without inviting open tenders and irregularity needed regularization by the Finance Department.

The department stated that the case had been referred to the Finance Department for regularization which was awaited.

Finance Department observed that in this case violation of purchase procedure was involved and the matter was being examined.

The Committee **conditionally settled the para subject to** regularization of expenditure by Finance Department.

#### **10. Para No.9 Page 15 of Audit Report for the year 1999-2000; Irregular Payment of Rs.587,115/- on Account of Photostat Charges.**

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**19.04.2004** Audit had pointed out that expenditure incurred on Photostat work was unjustified and wasteful which could have been avoided by purchasing a Photostat machine.

The department explained that keeping in view the volume of work and its exigency in the three Benches and a headquarter office, the present arrangement was economical than purchasing seven machines and incurring extra expenditure on their maintenance and repair etc.

Finance Department observed that the department was required to maintain proper record of photo copies got done from the market.

The Committee **conditionally settled the para subject to** verification of record of Photo copies got done by the audit.

The paras were discussed in the meetings of PAC-II held on 19.11.2004 & 20.11.2004.

## **Audit Paras (Commercial) for the year 1999-2000**

### **1. Para No.145 Page 95 of Audit Report for the year 1999-2000; Working Results.**

**19.11.2004** Audit had pointed that accounts of the Punjab Dairy Corporation were not produced despite lapse of several years.

The Department explained that no funds were released to PDC as grant-in-aid/loan during the financial year 1999-2000 and requisite certificate from Finance Department were available.

However, audit contended that accounts in question pertained to the year 1997, 1998-99 and 1999-2000 and the Plant of PDC was handed over to Idara-e-Kissan to run on profit/loss sharing which needed submission of accounts.

Finance Department proposed that the matter may be referred to it for formal opinion/ advice. The proposal of the Finance Department was accepted.

**The para was kept pending.**

## **Audit Paras (Civil) for the year 1999-2000**

### **1. Para No.1.1 Page 5 of Audit Report for the year 1999-2000; Misappropriation of Provincial Medicines Amounting to Rs.272,864/- (Part of Rs.300,816/-).**

Assistant Director Livestock & Dairy Development, Multan – Rs.272,864/-

**19.11.2004** Audit had pointed out the misappropriation/shortage of medicine.

The Department explained that as per findings of departmental inquiry conducted the actual recoverable was amounting to Rs.53,355/- out of which Rs.29,482/- and Rs.12,000/- had already been recovered.

Audit stated that it had verified recovery of Rs.29,482/- only and department should also justify reduction in recoverable amount.

**The Para was kept pending** for verification of relevant record and recovery of outstanding amount.

### **2. Para No.1.2 Page 5 of Audit Report for the year 1999-2000; Misappropriation**



## **of Provincial Medicines Amounting to Rs.27,952/- (Part of Rs.300,816/-).**

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Assistant Director Livestock & Dairy Development, Multan – Rs.27,952/-

**19.11.2004** Audit had pointed out the misappropriation/shortage of. medicines.

The Department explained that an inquiry was conducted and the finding of the inquiry had been approved by the competent authority; and, the actual loss had been recovered.

Audit contended that department should produce relevant record in support of its contention.

**The para was conditionally settled subject to verification of record.**

### **3. Para No.2 Pages 5 & 6 of Audit Report for the year 1999-2000; Loss to Government of Rs.348,069/- Due To Dacoity.**

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**19.11.2004** Audit had pointed out that amount involved was looted during a dacoity and the same could not be recovered.

The Department explained that the loss of Rs.348,069/- had been written off by Finance Department.

Audit verified the contention of the department and **the para was settled.**

### **4. Para No.3 Page 6 of Audit Report for the year 1999-2000; Misappropriation of Standing Crop of OAT Valuing Rs.80,000/-.**

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Audit had pointed out the misappropriation of the amount involved.

**19.11.2004** The Department explained that as a result of departmental inquiry, it was revealed that 16 acres standing crop of jai was destroyed by illicit cutting/grazing by animals of private persons and a case was registered against the accused persons, which was under investigation.

The Committee directed the department that inquiry be conducted regarding delay on the part of the department for disposal of the issue and responsibility be fixed, and the same be completed within the period of 30 days.

**The para was kept pending.**

**5. Para No.4 Page 7 of Audit Report for the year 1999-2000; Loss Sustained By Government in Million Due To Non-Allotment of Residences.**

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**19.11.2004** Audit had pointed out that non-allotment of 56 residences resulted in loss to the Government.

The Department explained that Lahore High Court Multan bench had directed that the residences should first be get repaired and certificate be obtained from Buildings Department to this effect that residences were worth living. In compliance thereon, SDO buildings had issued certificate that residences were not worth living and needed heavy repairs. It was added that now the case had been taken with Buildings Department for repair of the said residences. As such no recovery was due.

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

**6. Para No.5 Page 8 of Audit Report for the year 1999-2000; Doubtful/ Unauthorized Expenditure of Rs.473,928/- Relating To Misuse Of Government Vehicles.**

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**19.11.2004** Audit had pointed out that expenditure incurred on some vehicles of the department was irregular.

The Department explained that the expenditure in question had been regularized by the Finance Department which had been verified by audit.

On the recommendation of Audit, **the para was settled.**

**7. Para No.6 Pages 8 & 9 of Audit Report for the year 1999-2000; Advance Drawal of Rs.443,354/- Without Receipt of Store Items.**

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**19.11.2004** Audit had pointed out that the Department did not actually receive certain store articles from the supplier despite drawal of amount from the Government Treasury.

The Department explained that an inquiry was conducted into the matter which revealed that record pertaining to receipt & consumption of articles was available and expenditure had been regularized by Finance Department.

Audit verified the departmental contention.

On the recommendation of Audit, **the para was settled.**

**8. Para No.7 Page 9 of Audit Report for the year 1999-2000; Irregular Expenditure Of Rs.498,186/- On Account Of Electricity Charges.**

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**19.11.2004** Audit had pointed out the irregular payment was made to WAPDA.

The Department explained that electricity register was being maintained, payment was made in accordance with meter reading. As such no irregular payment was made.

Audit stated that requisite record had been seen and verified.

On the recommendation of Audit, **the para was settled.**

**9. Para No.8 Pages 9 & 10 of Audit Report for the year 1999-2000; Irregular Drawal of Pay Amounting To Rs.99,612/-**

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**19.11.2004** Audit had pointed out that some officials of the department drew their pay irregularly.

The Department explained that ex-post facto sanction for regularization of the expenditure had been accorded by competent authority.

Audit verified the contention of the Department.

**The para was settled.**

**10. Para No.9 Pages 10 & 11 of Audit Report for the year 1999-2000; Illegitimate Expenditure Of Rs.50,784/- Due To Un-Authorized Shifting Of Headquarter.**

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**19.11.2004** Audit had pointed irregular expenditure by way of un-authorized shifting of Headquarter.

The Department explained that an expenditure amounting to Rs.50,874/- had been regularized by the competent authority and the facts had been seen and verified by audit.

Audit verified the fact, **para was settled.**

**11. Para No.10 Page 11 of Audit Report for the year 1999-2000; Irregular And Un-economical Purchase Of Consumable Stores Amounting To Rs.308,522/-**

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**19.11.2004** Audit had pointed out that the Department purchased certain store articles from local market without observing rules and regulations.

The Department explained that purchase of medicine and rice polish was within the competency of DDO and purchase of seed was made according to the requirement, storage capacity and saving program. It was added that payment was made in cash due to urgent need to avoid loss of time and DDO had been warned not to repeat such practice in future.

The Committee observed that there was violation of rules in the matter and the department should get the expenditure regularized by the competent authority.

**The para was conditionally settled subject to** regularization of the expenditure.

## **12. Para No.11 Page 12 of Audit Report for the year 1999-2000; Shortage Of Store Articles Amounting To Rs.504,695/-**

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**19.11.2004** Audit had pointed out that the Department made payment to various firms in advances but store article were not received from them.

The Department explained that the expenditure had been regularized by Finance Department and relevant record had been verified by Audit.

On the recommendation of Audit, **the para was settled.**

## **13. Para No.12 Page 13 of Audit Report for the year 1999-2000; Irregular Payment Of Telephone Charges Amounting To Rs.514,716/-**

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**19.11.2004** The Department explained that a telephone connection was installed at the permanent residence of Rana Muhammad Iqbal Khan, ex-Minister, Livestock & Dairy Development Department and payment was made as casual telephone charges.

Audit contented that the expenditure ought to have been paid by S & GA Department.

The Committee **kept the para pending** with the direction that the department should take up the matter with the concerned ex-minister.

## **14. Para No.13 Pages 13 & 14 of Audit Report for the year 1999-2000; Wasteful Expenditure Of Rs.217,906/-**

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**19.11.2004** Audit had pointed out that the Department incurred expenditure on substandard medicine which resulted in loss to the Government.

The Department explained that medicine Levazon Plus was purchased after calling tender, efficiency test and obtaining bank guarantee from the firm. On failure of medicine to give desired result, bank guarantee of the firm was forfeited. But the firm had gone to the court and cases were pending in Civil & High Court for decision.

The Committee directed that cases may be pursued in the court by the department and **para was kept pending.**

**15. Para No.14.1 Pages 14 & 15 of Audit Report for the year 1999-2000; Non Recovery Of Rs.858,485/- On Account Of Cost/Sale Proceeds Of Medicines/Vaccine, Birds, Eggs.**

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Assistant Director Livestock & Dairy Development, Multan – Rs.1,758/-.

**16. Para No.14.2 Pages 14 & 15 of Audit Report for the year 1999-2000; Non Recovery Of Rs.858,485/- On Account Of Cost/Sale Proceeds Of Medicines/Vaccine, Birds, Eggs.**

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Government Veterinary Research Institute Ghazi Road, Lahore – Rs.532,807/-

**19.11.2004** The Department explained that total recovery had been effected and deposited into government treasury which had been verified by Audit.

On recommendation of Audit, **the Paras were settled.**

**17. Para No.14.3 Pages 14 & 15 of Audit Report for the year 1999-2000; Non Recovery Of Rs.858,485/- On Account Of Cost/Sale Proceeds Of Medicines/Vaccine, Birds, Eggs.**

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Government Poultry Farm, Bahawalnagar-Rs.53,809/-.

**19.11.2004** The Department explained that recovery of Rs.2,648/- had been effected from salary of accused official who was removed from service by the competent authority. It was added that DCO, Bahawalnagar had been requested to effect the balance recovery from the said official as an arrears of land revenue. The accused had appealed in PST against his removal from service and case was subjudice.

**The para was kept pending** till the decision of the court case.

**18. Para No.14.4 Pages 14 & 15 of Audit Report for the year 1999-2000; Non Recovery Of Rs.858,485/- On Account Of Cost/Sale Proceeds Of Medicines/Vaccine, Birds, Eggs.**

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Assistant Director Livestock & Dairy Development, Multan – Rs.202,137/-

**19.11.2004** The Department explained that total recovery had been effected and verified by audit.

On recommendation of audit, **the para was settled.**

**19. Para No.14.5 Pages 14 & 15 of Audit Report for the year 1999-2000; Non Recovery Of Rs.858,485/- On Account Of Cost/Sale Proceeds Of Medicines/Vaccine, Birds, Eggs.**

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Government Poultry Farm, Multan – Rs.67,974/-

**19.11.2004** The Department explained that total recovery amounting to Rs.67,974/- had been effected and deposited into Government Treasury.

On verification and recommendation of audit, **the para was settled.**

**20. Para No.15.1 Pages 15 & 16 of Audit Report for the year 1999-2000; Loss Of Rs.1,884,441/- Due To Non-Recovery Of Land Rent.**

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Superintendent Livestock Experiment Station Jahangirabad, Khanewal – Rs.747,763/-.

**21. Para No.15.2 Pages 15 & 16 of Audit Report for the year 1999-2000; Loss Of Rs.1,884,441/- Due To Non-Recovery Of Land Rent.**

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Livestock Experiment Station Chak Katora, Hasilpur – Rs.316,881/-

**22. Para No.15.3 Pages 15 & 16 of Audit Report for the year 1999-2000; Loss Of Rs.1,884,441/- Due To Non-Recovery Of Land Rent.**

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Livestock Experiment Station Kullurkot District Bhakkar – Rs.67,510/-



**19.11.2004** Audit had pointed out that the Department did not recover rent of land from the pattadars.

The Department explained that total recovery had been effected and deposited into government treasury and requisite record had been verified by audit.

On verification and recommendation of audit, **the paras were settled.**

**23. Para No.15.4 Pages 15 & 16 of Audit Report for the year 1999-2000; Loss Of Rs.1,884,441/- Due To Non-Recovery Of Land Rent.**

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Farm Manager Livestock Experiment Station Shah Jewana, Distt. Jhang –  
Rs.639,188/-.

**19.11.2004** Audit had pointed out that the Department did not recover rent of land from the pattadars.

The Department explained that an amount of Rs.639,188/- and Rs.513,673/- had been recovered and deposited into government treasury and balance amount could not be recovered because defaulters had filed an appeal in the court of Senior Member, Board of Revenue. It was added that efforts for recovery were being made.

The Committee directed the Department to pursue the case with Board of Revenue, Punjab.

**The para was kept pending.**

**24. Para No.15.5 Pages 15 & 16 of Audit Report for the year 1999-2000; Loss Of Rs.1,884,441/- Due To Non-Recovery Of Land Rent.**

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Office Incharge Livestock Experiment Station Fazilpur District Rajanpur –  
Rs.113,099/-

**19.11.2004** Audit had pointed out that the Department did not recover rent of land from the pattadars.

The Department explained that total recovery amounting to Rs.113,099/- had been effected and deposited into government treasury.

On verification and recommendation of audit, **the para was settled.**

**25. Para No.16.1 Pages 16 & 17 of Audit Report for the year 1999-2000; Loss of Rs.227,348/- Due To Irregular Drawal of House Rent/Conveyance Allowance And Non-Deduction Of 5% House Rent.**

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Assistant Director Livestock & Dairy Development, Lahore – Rs.104,456/-

**19.11.2004** Audit had pointed out that certain officials of the Department occupying the government residence drew house rent and also did not deposit house rent deduction.

The department explained that efforts were being made to effect recovery as arrears of land revenue and recovery to the tune of Rs.29,380/- had been effected.

The Committee settled the para to the extent of recovery effected and verified by Audit and directed the Department to expedite efforts for balance recovery at the earliest.

**The Para was kept pending**

**26. Para No.16.2 Pages 16 & 17 of Audit Report for the year 1999-2000; Loss of Rs.227,348/- Due To Irregular Drawal of House Rent/Conveyance Allowance And Non-Deduction Of 5% House Rent.**

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Assistant Director Livestock & Dairy Development, Gujrat– Rs.73,167/-.

**19.11.2004** Audit had pointed out that certain officials of the Department occupying the government residence drew house rent and also did not deposit house rent deduction.

The Department explained item-wise position of each official and stated that some residence were not occupied as they were declared as dangerous by competent authority, whereas one residence was occupied by Municipal Committee and in case of one officer, his presence was necessary at site in view of the requirements of his duties. As such no recovery was due.

On verification of departmental contention by audit, **the para was settled.**

**27. Para No.16.3 Pages 16 & 17 of Audit Report for the year 1999-2000; Loss of Rs.227,348/- Due To Irregular Drawal of House Rent/Conveyance Allowance And Non-Deduction Of 5% House Rent.**

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Manager Fine Wool Sheep Farm 205 TDA Bhakkar – Rs.49,725/-

**19.11.2004** The Department explained that amount involved in the para was recoverable from two police officials as penal rent on account of illegal occupation of government residence and keeping in view the posting record of the said officials, it was facing difficulties to recover the penal rent.

In view of the explanation of the Department the Committee directed that AIG (Finance) and AIG (Logistic) Police Department should be requested for arranging the realization of recovery from the two officials under intimation to the PAC.

**The para was kept pending.**

**28. Para No.17.1 Page 17 of Audit Report for the year 1999-2000; Non Deduction Of Interest of Rs.129,573/- On Account of Car/House Building Advance.**

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Government Veterinary Research Institute Ghazi Road, Lahore – Rs.17,420/-

**19.11.2004** The Department explained that total recovery on account of interest on Car/House Building Advance had been effected from concerned officials and deposited into the government treasury.

Audit had verified the contention of the department.

**The para was settled.**

**29. Para No.17.2 Page 17 of Audit Report for the year 1999-2000; Non Deduction Of Interest of Rs.129,573/- On Account of Car/House Building Advance.**

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Assistant Director Livestock & Dairy Development, Lahore – Rs.112,153/-

**19.11.2004** The Department explained that out of four officials involved in the para, outstanding dues of three officials had been recovered/adjusted; whereas, in case of Dr Khawaja Muhammad Khalid, partial recovery was effected and efforts were being made for the balance recovery.

The Committee **kept the para pending** upto concerned of Dr Khawaja Muhammad Khalid, remaining part of the para was settled.

**29. Para No.18 Page 17 of Audit Report for the year 1999-2000; Purchase Of Feed At a Higher Rate Involving Overpayment of Rs.56,699/-**

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**19.11.2004** The Department explained that in view of audit observation, an inquiry was conducted into the matter and as per findings thereon recovery of Rs.2,850/- had been effected and deposited into government treasury.

On verification and recommendation of audit, **the para was settled.**

### **30. Para No.19 Page 18 of Audit Report for the year 1999-2000; Over Payment Of Rs.55,121/- On Account Of Pay And Allowances.**

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**19.11.2004** Audit had pointed out that Dr Sumar Qayyum Veterinary Officer drew full pay during leave granted on half pay and a veterinary doctor drew House Rent Allowance while residing in designated house which resulted in loss to the government.

The Department explained that recovery amounting to Rs.55,121/- had been imposed on Dr Summar Quyyam as arrears of land revenue and matter was under process with DO (Revenue), Lahore. It was added that department was pursuing the case vigorously.

Finance Department observed that official responsible for pre-audit scrutiny might also had been involved in the case.

**The para was kept pending** with the direction that department should Pursue the case for recovery of outstanding dues.

### **31. Para No.20 Page 19 of Audit Report for the year 1999-2000; Less Realization Of Electricity Charges Amounting To Rs.128,163/-**

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**19.11.2004** Audit had pointed out that the Department realized less electricity charges from the residents of colony than those actually paid to WAPDA.

The Department explained that electricity charges were received from the residents as per domestic consumer rates according to the judgment of High Court. It was stated in the meeting that separate meters had been installed for each residents.

The Committee directed the Department to get the expenditure regularized by the competent authority.

**The para was conditionally settled subject to** regularization of the expenditure by Finance Department.

**32. Para No.21 Page 19 of Audit Report for the year 1999-2000; Outstanding Dues On Account Of Birds Chicks And Eggs Amounting To Rs.101,894/-**

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**19.11.2004** The Department explained that total recovery amounting to Rs.101,894/- had been effected and deposited into government treasury.

On verification and recommendation of audit, **the para was settled.**

**33. Para No.22 Page 20 of Audit Report for the year 1999-2000; Loss Of Rs.89,926 Due To High Mortality Rate.**

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**19.11.2004** Audit had pointed out that the Department did not obtain write off sanctions on account of death of numerous sheep.

The Department explained that loss of Rs.89,926/- had been written off by the Finance Department which was also verified by audit.

On recommendation of audit, **the para was settled.**

**34. Para No.23 Page 20 of Audit Report for the year 1999-2000; Non Deduction Of Income Tax For Rs.53,363/-**

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**19.11.2004** Audit had pointed out that the Department did not deduct income tax on account of supply of various goods and services.

The Department explained that recovery on account of income tax had been effected from the concerned firms and deposited into government treasury which had also been verified by Audit.

**The para was accordingly settled.**

**35. Para No.24 Page 21 of Audit Report for the year 1999-2000; Non Production Of Record Regarding Realization Of Cost Of Vaccine Amounting To Rs.16,078,868/-**

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**19.11.2004** The Department explained that recovery of total outstanding dues had been effected and deposited into government treasury. Treasury challans signed by DAO were also available for verification.

**The para was conditionally settled subject to** verification of requisite record by audit.

## **Performance Audit Report for the Year 1999-2000 Pertaining to Livestock Experiment Station Jahangirabad, District Khanewal**

**20.11.2004** Audit pointed out that Livestock Experiment Stations, Jahangirabad, District Khanewal, with an area of 3373 acres was established in 1977 with certain objectives i.e. to conserve valuables Sahiwal breed, to improve breed further, maintain 400 breeding adult cows and to produce bulls capable of transmitting better production to their progeny. The prime objective was to preserve Sahiwal breed character in milk of local dairy cattle. In view of huge resources in the shape of 3373 acres of land and other tangible assets made available to LES, it instead of being a profit earning entity, plunged into an annual average deficit of Rs.1.55 million during 5 years ending 30 June 2000. Since the objectives were not achieved and there was annual deficit of Rs.1.55 million upto year 2000, the audit recommended that:-

- (a) Government should consider privatization of LES so that public exchequer could be completely relieved of the burden and the land would become a source of income; and
- (b) some adequate measures may be taken to improve working of Livestock Experiment Station.

The Administrative Secretary was of the view that accounting audit and performance audit were two different things. Audit was not qualified to make assessment of professional activity going on in an institution and, therefore, performance audit was an O & M activity. He stated that audit had not identified the real goals because LES was not an income generating unit; rather it was male bull generating unit. The Department further pointed out that due to ban on purchase of durable goods and non-provision of funds in the past, the targets fixed could not be achieved.

Finance Department observed that performance audit was one of the functions of the Audit Department and PAC had been scrutinizing such reports. Further, there was no ban on procurement of services involving development activities and perhaps there was no letter issued by Finance Department prohibiting procurement for breeding purpose etc. Finance Department was of the view that there was no need to privatize LES at this stage. However, an inquiry be held to fix responsibility for not achieving the targets since 1977, to sort out the circumstances/reasons which resulted in non-fulfillment of the objectives and to suggest remedial measures. The inquiry report be submitted to PAC.

After thorough discussion, the Committee directed that department should initiate a broad-based inquiry, to be finalized within the period of 30 days, into the matter by an officer not below



the grade 19 officer to look into all matters and fix responsibility in respect of all aspects of the issue i.e. targets fixed, reasons of failure in making efforts to achieve the targets, why diversion from main objective of bull breeding was made, identification of loopholes in the system, responsibility of P&D and Finance Department viz a viz provision of funds, etc. The Committee further directed that detailed terms of reference of the inquiry be made in the light of discussion made in the meeting. The inquiry report be submitted to PAC for further consideration and directions within 90 days.

The Performance Audit Report **was kept pending.**

The paras were discussed in the meetings of PAC-II held on 15.07.2002, 17.07.2002, 17.08.2004, 18.08.2004 & 19.08.2004.

## **Audit Paras (Works) for the year 1999-2000**

### **1. Para No.1 Page 9 of Audit Report for the year 1999-2000; Suspected Misappropriation of Rs.0.281 Million.**

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**17.08.2004** Audit had pointed out non-accountal of amounts in cash-book and non-availability of cancelled cheque resulting in loss to the government.

The Department explained that a cheque of Rs.183,000/- was drawn from the PLA of ADLG and deposited in Bank of Punjab for Dev. Contingency which was entered in the cash-book for Bank of Punjab. Another cheque of Rs.98,500/- was prepared for payment to DG, LG&RD Punjab but was cancelled later and non-payment certificate was issued by DAO, Narowal.

Audit desired that the original record i.e. cash-book, pass-book, bank reconciliation statement and details of expenditure be produced for verification.

**The para was kept pending** for reconciliation of relevant record with Audit.

### **2. Para No.2 Page 10 of Audit Report for the year 1999-2000; Misappropriation of Rs.0.200 Million.**

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**17.08.2004** Audit had pointed out that a car received from Director Local Government and Rural Development, Gujranwala was not found on the record of Assistant Director, LG & RD, Narowal.

The Department explained that Car No. GAE-8706 was received by ADLG, Narowal and was later surrendered by DG, LG&RD Punjab to Transport Pool of S&GAD vide letter dated 6-12-1997. Relevant record was available for verification.

Audit verified the departmental contention in the meeting.

**The para was accordingly settled.**

### **3. Para No.3 Pages 10 & 11 of Audit Report for the year 1999-2000; Misappropriation of Rs.1.154 Million.**

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### **4. Para No.5 Page 12 of Audit Report for the year 1999-2000; Bogus Payment**

**of Rs.0.305 Million.**

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**5. Para No.6 Page 12 of Audit Report for the year 1999-2000; Embezzlement of Rs.0.342 Million**

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**6. Para No.29 Pages 26 & 27 of Audit Report for the year 1999-2000; Overpayment of Rs.0.096 Million**

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**7. Para No.41 Pages 33 & 34 of Audit Report for the year 1999-2000; Bogus Payment of Rs.0.322 Million.**

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**8. Para No.45 Page 36 of Audit Report for the year 1999-2000; Irregular Payment of Rs.5.787 Million.**

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**9. Para No.48 Pages 37 & 38 of Audit Report for the year 1999-2000; Bogus Payment of Rs.1.836 Million.**

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**10. Para No.54 Pages 41 & 42 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.0.413 Million.**

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**11. Para No.60 Pages 45 & 46 of Audit Report for the year 1999-2000; Unauthorized Withdrawal of Rs.7.000 Million.**

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**12. Para No.82 Pages 59 & 60 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.847 Million.**

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**13. Para No.98 Pages 69 & 70 of Audit Report for the year 1999-2000; Irregular Payment of Rs.0.167 Million.**

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**14. Para No.99 Page 70 of Audit Report for the year 1999-2000; Irregular Released of Security of Rs.0.133 Million.**

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**17.08.2004** Audit had pointed out that huge expenditure was incurred out of development contingency for purchase of furniture, carpets, crockery, POL charges, repair of vehicles etc. and various irregularities were also committed such as non-maintenance of proper record resulting in mis-appropriation of government funds.

The Department explained in the meeting that above paras pertained to LG&RD Department, Pakpattan in which mainly Mr. M. Shafique Sabir, ex-AD, LG&RD, Pakpattan and

Shahzada Riaz ul Qadeer, ex-AE, LG&RD, Pakpattan, were involved. Pursuant to departmental proceedings, they were dismissed from service. Recovery of loss caused to Government amounting to Rs.9,724,248/-was also imposed upon them. The two defaulters had reportedly fled abroad. The matter was investigated by Anti-Corruption Establishment which had declared them 'absconder'.

Finance Department observed that besides these main accused, an Accountant was also involved in the aforesaid matters.

The Committee observed that it was not a one man show and it appeared that various officials of even different Departments might have been involved in these matters and directed the Department that all paras/matters involving these two officers etc. be clubbed together and referred to the NAB for further action under intimation to PAC.

**The paras were kept pending.**

**15. Para No.4 Page 11 of Audit Report for the year 1999-2000; Misappropriation of Rs.1.048 Million.**

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**17.08.2004** Audit had pointed out that the department transferred funds to Zila Council Pakpattan which were not fully utilized, resulting in misappropriation.

The Department explained that an amount of Rs.8.151 Million was transferred to Zila Council Pakpattan for execution of Development Schemes and the concerned organization had reported that only an amount of Rs.286,425/- remained unspent. The Department added that relevant record which was voluminous, was lying with District Government.

The Committee directed the Department to produce record to audit for verification.

**The para was kept pending.**

**16. Para No.7 Page 13 of Audit Report for the year 1999-2000; Bogus Payment of Rs.0.184 Million.**

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**17. Para No.19 Page 21 of Audit Report for the year 1999-2000; Overpayment of Rs.0.240 Million.**

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**18. Para No.42 Page 34 of Audit Report for the year 1999-2000; Loss of Rs.0.073 Million to Government.**

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**19. Para No.46 Pages 36 & 37 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.1.324 Million.**

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**20. Para No.47 Page 37 of Audit Report for the year 1999-2000; Fictitious payment of Rs.0.090 Million.**

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**21. Para No.78 Pages 57 & 58 of Audit Report for the year 1999-2000; Non-Recovery of Rs.1.241 Million.**

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**22. Para No.80 Pages 58 & 59 of Audit Report for the year 1999-2000; Non-Recovery of Professional/Income Tax of Rs.0.055 Million.**

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**23. Para No.83 Page 60 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.105 Million.**

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**24. Para No.84 Pages 60 & 61 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.098 Million.**

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**17.08.2004** The Department explained that fact finding inquires into the matters involved in the aforesaid paras which related to the office of ADLG Pakpattan had been ordered to fix responsibility in each case and reports thereof were awaited.

The Committee directed that probe being made should be completed at the earliest and reports be submitted to the PAC for consideration and appropriate directions.

**The paras were kept pending.**

**25. Para No.8 Pages 13 & 14 of Audit Report for the year 1999-2000; Misappropriation of Material of Rs.0.297 Million.**

---

**17.08.2004** Audit had pointed out that non-recording of measurements and non-consumption of material resulted in mis-appropriation.

The Department explained that secured advance was paid to the contractor for supply of bricks and was reflected in certain running bills which could not processed due to lapse of funds. The material supplied was consumed at site in public interest and no mis-appropriation had taken place. The relevant record was available for verification.

The Committee **conditionally settled the para subject to** verification of record by Audit.

**26. Para No.9 Page 14 of Audit Report for the year 1999-2000; Misappropriation of Rs.0.243 Million.**

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**27. Para No.10 Pages 14 & 15 of Audit Report for the year 1999-2000; Misappropriation of Material of Rs.0.077 Million.**

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**17.08.2004** Audit had pointed out that non recording of measurements etc had resulted in misappropriation.

The Department explained that payment was made to the contractor for supply of different materials which was utilized at site and entered in the relevant MB. However, project could not be completed due to lapse of funds.

The Committee **conditionally settled paras 9 & 10 subject to** verification of the record by Audit.

**28. Para No.11 Page 15 of Audit Report for the year 1999-2000; Loss of Rs.0.569 Million.**

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**17.08.2004** Audit had pointed out that theft of sewing machines had resulted in a loss of Rs.0.569 million to Government.

The Department explained that cases about theft of sewing machines stood registered with the local police as well as the Anticorruption Establishment. Consequently, judicial action was approved by competent authority against Mr. Iqbal Hussain, Naib Qasid, who had filed a writ petition in the High Court and the matter was sub-judice.

The matter being sub-judice, **the para was kept pending.**

**29. Para No.12 Page 16 of Audit Report for the year 1999-2000; Misappropriation of Stores of Rs.0.241 Million.**

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**17.08.2004** Audit had pointed out mis-appropriation of casing pipes to the tune of Rs. 0.241 million.

The Department explained that 400 non-pressure pipes were received in office of ADLG, Layyah under UNICEF Program vide letter dated 31-01-1996 and entered in the stock register but



the supply was mis-directed to Rajanpur Office. Later, the pipes were handed over to different Union Councils of Layyah and consumption entries were also made. As such no mis-appropriation had taken place.

The Committee **conditionally settled the para subject to** verification of record by Audit.

**30. Para No.13 Pages 16 & 17 of Audit Report for the year 1999-2000; Misappropriation of Material Rs.2.812 Million.**

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**17.08.2004** Audit had pointed out non-consumption of re-inforced cement concrete pipes through measurement book/stock register resulting in mis-appropriation.

The Department explained that relevant book/stock register along with requisite record had been produced and verified by Audit.

On the recommendation of Audit, **the para was settled.**

**31. Para No.14 Pages 17 & 18 of Audit Report for the year 1999-2000; Embezzlement of Rs.2.000 Million**

---

**17.08.2004** Audit had pointed out that the Department made payments from PLA without supporting vouchers which resulted in embezzlement.

The Department explained that some cheques were issued to various contractors but they were neither passed nor debited to PLA. Non-payment certificates by DAO, Rajanpur were also issued.

Finance Department observed that the Department should produce PLA cash book of DAO for verification.

The Committee directed the Department to produce DAO's cash book/relevant record to audit for verification.

**The para was kept pending.**

**32. Para No.15 Page 18 of Audit Report for the year 1999-2000; Overpayment of Rs.0.287 Million.**

---

**17.08.2004** Audit had pointed out that the Department paid for quantities of work in excess of provisions of technically sanctioned estimate.

The Department explained that excess quantities were covered in revised technical sanction and no excess payment was made. Moreover, variation in quantities remained within the permissible limits. The Department however, conceded that RTS was issued in public interest after completion of work.

Finance Department observed that in all cases revised technical sanction/AA should be issued before final payment of bill and that Finance Department had already issued instructions in this behalf.

The Committee **settled the para** with the direction that the Department should ensure that no such lapse should take place in future.

### **33. Para No.16 Pages 18 & 19 of Audit Report for the year 1999-2000; Overpayment of Rs.0.194 Million.**

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Audit had pointed out payment for excessive quantities resulting in over-payment.

**17.08.2004** The Department explained that variation in quantities of different materials occurred on the basis of detailed design approved by competent authority. The SE was competent to approve such variations which were covered in the revised TS estimate. As such no excess payment was involved.

Audit verified departmental contention.

**The para was settled.**

### **34. Para No.17 Pages 19 & 20 of Audit Report for the year 1999-2000; Overpayment of Rs.0.159 Million.**

---

**17.08.2004** Audit had pointed out execution of items of work in excess of the provisions of TS estimate.

The Department explained that reply received from its field formation was found unconvincing and a fact finding inquiry had been ordered to fix responsibility.

The Committee directed the department to finalize inquiry proceedings within 30 days under intimations to PAC.

**The para was kept pending.**

**35. Para No.18 Page 20 of Audit Report for the year 1999-2000; Overpayment of Rs.0.075 Million.**

---

**17.08.2004** Audit had pointed out that excessive measurements had resulted in over-payment.

The Department explained that Audit observations were contrary to position on ground and irrelevant to the project in question. The Department added that the case was under process.

Finance Department observed that para be pended for further examination and verification of record.

**The para was kept pending.**

**36. Para No.20 Pages 21 & 22 of Audit Report for the year 1999-2000; Overpayment of Rs.0.112 Million.**

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**17.08.2004** Audit had pointed out that excessive measurements of earthwork and non-deduction of road crust had resulted in over-payment.

The Department explained that provision for earthwork embankment and brick edge soling existed in the original sanctioned estimate. However, Project could not be completed due to lapse of funds. The Department added that earth-work in extra-length also existed in the schemes under Special Development Programme for MPAs. The Department, however, admitted over-payment on account of non-deduction of earthwork for crust and stated that an amount of Rs.7,414/- in this connection had been recovered.

Finance Department was of the view that there was no need of revised technical sanction in the matter; however, audit could verify facts.

The Committee **kept the para pending** for production of record to and its verification by audit.

**37. Para No.21 Page 22 of Audit Report for the year 1999-2000; Overpayment of Rs.0.065 Million.**

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**17.08.2004** Audit had pointed out that the Department measured and paid excessive length of earthwork than that of brick soiling.

The Department stated that para was based on two advance paras. Regarding advance para 6, it was stated that quantity of earth-work was measured and paid according to the TS estimate which had been verified by Audit. About advance para 15, the Department explained that work was completed within the sanctioned quantities of TS estimate as per site requirements. However, the Department was debarred from development activities after 1996 and such schemes were taken up and completed by some other agencies like defunct Zila Councils etc.

The Committee **settled first part** relating to advance para 6 and **conditionally settled the second part subject to** reconciliation and verification of record by audit.

### **38. Para No.24 Pages 23 & 24 of Audit Report for the year 1999-2000; Overpayment of Rs.0.162 Million**

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**17.08.2004** Audit had pointed out that the Department had measured and paid for brick soling in excess of sanctioned estimate.

The Department explained that only 4100 rft soling 8 feet wide with a quantity of 12,300 cft. was paid against estimated provision of 12,375 cft. As such work was completed within the provisions of approved estimate.

The Committee **conditionally settled the para subject to** verification of record by Audit.

### **39. Para No.25 Page 24 of Audit Report for the year 1999-2000; Overpayment of Rs.0.228 Million.**

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**17.08.2004** Audit had pointed out payment for higher rates than those provided in the agreement and comparative statement.

The Department explained that rates of agreement were quoted in percentage above or below the Composite Schedule of Rates and all the payments were made on the basis of actual work done in accordance with the sanctioned estimate after pre-audit scrutiny. As such no over-payment was involved.

Finance Department desired that the Department should produce lead chart to Audit for verification; however, no regularization was involved.

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

### **40. Para No.26 Pages 24 & 25 of Audit Report for the year 1999-2000;**

## **Overpayment of Rs.0.089 Million**

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**17.08.2004** The Department explained that the para was based on three advance paras. About advance para 8, it was stated that provision for one mile lead existed in the technically sanctioned estimate and rate was prepared on the basis of CSR 1979 rates. About AP14, the Department stated that earth-work was paid on the request of MPA which was incorporated in the revised TS and variation remained within the permissible limit. Regarding AP19, it was explained that the estimate for construction of metalled road was prepared on the basis of CSR-1979 and premium allowed by the government. Hence, no over-payment was involved.

The Committee accepted the departmental explanation and **settled the para.**

### **41. Para No.27 Page 25 of Audit Report for the year 1999-2000; Overpayment of Rs.0.062 Million.**

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**19.08.2004** Audit had pointed out that the department paid higher rates for providing & lying sub-base and base course than those provided in DNIT/PC-1 and comparative statement.

The Department explained that milage of 144 miles was rightly adopted by the Competent Authority in view of the specification of the scheme. The department added that authenticated lead chart of Highway Department and NHA was available for verification.

Audit verified the departmental contention in the meeting.

On recommendation of Audit, **the para was settled.**

### **42. Para No.28 Page 26 of Audit Report for the year 1999-2000; Overpayment of Rs.0.067 Million**

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**17.08.2004** Audit had pointed out incorrect measurements and less deduction of road crust resulting in over-payment.

The Department explained that though payment of some earthwork for sub-base was against the normal procedure, yet the whole provision existed in the sanctioned estimate. However, non-deduction on account of road crust was justified because sub-base and TST was provided after completing compacted earth embankment. Moreover, additional earthwork along berms was not paid to the contractor.

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

**43. Para No.30 Page 27 of Audit Report for the year 1999-2000; Overpayment of Rs.0.220 Million.**

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**17.08.2004** Audit had pointed out incorrect measurements of sub-base/base course resulting in over-payment.

The Department explained that 20 feet width in a length of 1200 rft metalled road existed in original estimate but the length of road was extended to 2000 rft on directions of the concerned sponsor in view of the actual site requirements. The Competent Authority sanctioned revised TS estimate and payments were made as per actual work done. As such no over-payment was involved.

The Committee **conditionally settled the para subject to** verification of record by Audit.

**44. Para No.31 Pages 27 & 28 of Audit Report for the year 1999-2000; Overpayment of Rs.0.118 Million**

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**17.08.2004** Audit had pointed out non-deduction of shrinkage and road crust resulting in over-payment.

The Department explained that 3 to 6 percent deduction was made where applicable. Moreover, no deduction was required on account of shrinkage where compaction was done by mechanical means.

Audit endorsed the departmental contention in the meeting.

**The para was accordingly settled.**

**45. Para No.34 Page 29 of Audit Report for the year 1999-2000; Overpayment of Rs.0.070 Million.**

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**19.08.2004** Audit had pointed out non-deduction of road crust and edging from earth work which resulted in over payment.

The Department explained that deduction of road crust and edging as pointed by Audit, was made in the 8<sup>th</sup> running bill of the Project. However, relevant record could not be verified in time due to dissolution of Bahawalpur Development Authority.

The Committee directed that relevant record be got verified by Audit at the earliest.



**The para was kept pending.**

**46. Para No.35 Pages 29 & 30 of Audit Report for the year 1999-2000; Overpayment of Rs.0.384 Million**

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**17.08.2004** Audit had pointed out that the Department made payment for execution of shingle gravel without provision in the estimate and bid schedule.

The Department explained that item of shingle road existed in rough cost estimate, administrative approval as well as detailed TS estimate sanctioned by competent authority, well before the completion of the project. As such Audit objection was not justified.

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

**47. Para No.36 Page 30 of Audit Report for the year 1999-2000; Overpayment of Rs.0.168 Million.**

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**18.08.2004** Audit had pointed out that payment for excessive quantities for execution of work had resulted in over-payment to the contractors.

The Department explained the draft para was based on four advances paras. About **A.P. No.11**, it was stated that the original scope of work existed in detailed estimate which was approved by competent authority and accordingly payment was made. No excess payment was involved. Audit stated that as a result of record verification the amount of advance para had been reduced to Rs.4,134/-. About **A.P. No.21 & 51**, it was stated that reply of field formation was found unsatisfactory and a fact finding inquiry had been ordered into the matter. Regarding **A.P. No.64**, the Department stated that the variation in scope of work was less than 5% of the estimated cost i. e. within permissible limit.

The Committee after detailed discussion, settled the para to the extent of A/P. No.11 and remaining items were kept pending for inquiry/verification within 30 days.

**The para was kept pending** to the extent as stated above.

**48. Para No.37 Page 31 of Audit Report for the year 1999-2000; Overpayment of Rs.0.070 Million**

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**18.08.2004** Audit had pointed out that the Department paid incorrect premium for triple surface treatment which resulted in overpayment to the contractor.

The Department explained that a fact finding inquiry had been ordered into the matter to fix responsibility.

The Committee directed that inquiry proceedings be completed within 30 days.

**The para was kept pending.**

**49. Para No.38 Page 31 & 32 of Audit Report for the year 1999-2000; Overpayment of Rs.0.053 Million.**

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**18.08.2004** Audit had pointed out that the Department paid for extra lead resulting in overpayment to the contractor.

The Department explained that the contractor had to bring the earth from a lead of ½ mile because of non-availability of earth at 100 ft. lead. The variation was approved by competent authority in the revised TS estimate. The first lowest contractor had executed the work and no excess payment was involved.

Audit recommended the para for settlement in the meeting.

**The para was settled.**

**50. Para No.39 Page 32 of Audit Report for the year 1999-2000; Loss of Rs.0.263 Million to Government.**

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**18.08.2004** Audit had pointed out that acceptance of tenders beyond permissible limit had resulted in loss to the Government.

The Department explained that a fact finding inquiry had been ordered into the matter to establish facts and fix responsibility.

The Committee directed the department to finalize inquiry proceedings within 30 days under intimation to PAC.

**The para was kept pending.**

**51. Para No.40 Page 33 of Audit Report for the year 1999-2000; Loss of Rs.0.691 Million to Government.**

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**18.08.2004** Audit had pointed out that acceptance of tenders beyond permissible limit in violation of Delegation of Financial Power Rules 1990 had resulted in loss to the Government.

The Department explained that in case of A.P 70, the variation between the rates quoted in tender and actually paid was 4.5% i.e. within permissible limit. However, in case of A.P 71, premia limits had been increased by Finance Department and the estimate was framed on the basis of new premia limits. However, higher rates were to be recovered from the defaulter.

Audit stated that the amount of para had been reduced to Rs.23,251/-.

The Committee **conditionally settled the para subject to** recovery of the outstanding amount and its verification by audit.

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**52. Para No.43 Pages 34 & 35 of Audit Report for the year 1999-2000; Loss of Rs.0.056 Million to Government.**

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**18.08.2004** Audit had pointed out that the Department accepted tenders of the second lowest contractor which resulted in loss to the Government.

The Department explained that the rates of first contractor exceeded the second lowest contractor due to change of route/alignment of the road. The final bill, prepared in 1993 could not be paid due to lapse of funds. Hence the excess amount of Rs.52,109/- was less than the pending bill of the contractor amounting to Rs.52,317/-. This amount had been adjusted.

The Committee **kept the para pending** for further consideration along with other cases pertaining to office of ADLG Pakpattan.

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**53. Para No.44 Page 35 of Audit Report for the year 1999-2000; Loss of Rs.1.320 Million to Government.**

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**18.08.2004** Audit had pointed out that the Department made payment to WAPDA on account of electricity supply to villages without approval of the Finance Department and preparation of estimate.

The Department explained that the schemes were sanctioned under “Special Development Programmes for MNAs, MPAs and Senators during 1991-92”. The schemes were to be executed by WAPDA as executing agency. Moreover, payment was verified by MEPCO and relevant record was available for verification.

On the verification and recommendation of Audit, the para was settled.

**54. Para No.49 Page 38 of Audit Report for the year 1999-2000; Misutilization of Government Funds of Rs.3.550 Million.**

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**55. Para No.50 Page 39 of Audit Report for the year 1999-2000; Unjustified Payment of Rs.1.532 Million.**

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**56. Para No.51 Pages 39 & 40 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.0.065 Million.**

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**57. Para No.52 Page 40 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.0.557 Million.**

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**58. Para No.53 Page 41 of Audit Report for the year 1999-2000; Misappropriation of Rs.1.977 Million.**

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**59. Para No.58 Page 44 of Audit Report for the year 1999-2000; Mis-utilization of Government Funds of Rs.0.500 Million.**

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**60. Para No.65 Page 49 of Audit Report for the year 1999-2000; Non-Adjustment of Advance Payment of Rs.16.601 Million.**

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**18.08.2004** The above paras involving the issue of transfer of development contingency for other purposes were jointly considered by the Committee. Audit explained that verification of vouched accounts and other relevant record was involved in the above paras.

The Department explained that the matter pertained to development contingency funds for implementation of Tameer-e-Watan/ Special Development Programme for Parliamentarians and the vouched accounts were voluminous which had created difficulties in the process of verification. The Department added that the issues involved needed to be sorted out, therefore, a team comprising representatives of Administrative Department, Audit and Finance Department would be constituted to sort out all such matters.

The Committee directed that a departmental committee comprising the following be constituted to look into all pending paras of development contingencies etc. and submit its report to PAC within 90 days:-

i) Mr. Javid Latif,

Addl. Secretary (Dev) LG&RD Department, Lahore

- ii) Mr. Rab Nawaz Khan,  
Deputy Secretary (Monitoring), Finance Department, Lahore
- iii) Mr. Kamran Rasheed Mirza,  
Deputy Director, o/o D.G Audit Works
- iv) Mr. Obaid Ullah Rathore,  
Tehsil Officer (I&S) TMA, Multan City.

**The paras were kept pending.**

**61. Para No.55 Page 42 of Audit Report for the year 1999-2000; Loss of Rs.0.048 Million to Government.**

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**18.08.2004** Audit had pointed out that the Department cleared the bills of various contractors without affixing revenue stamps and stamp duty was not recovered from them.

The Department explained that Audit had worked out recoverable amount wrongly on the basis of total expenditure whereas ADLG Layyah was making efforts for recovery on account of cost of stamp duty in each case. However, it requested that the amount of para be reduced on the basis of actual values of the contracts awarded.

The Committee directed the Department to reconcile the record /recoverable amount with Audit and effect recovery within 30 days.

**The para was kept pending.**

**62. Para No.56 Pages 42 & 43 of Audit Report for the year 1999-2000; Loss of Rs.0.200 Million to Government.**

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**18.08.2004** Audit had pointed out that un-economical purchase of sewing machines had resulted in loss to the government.

The Department explained that sewing machines were purchased after inviting tenders through the press and all codal formalities were fulfilled. The rates of lowest bidder were accepted. The audit objection was not justified. All relevant record was available for verification.

Audit conceded in the meeting that all codal formalities were fulfilled and recommended the para

for settlement.

**The para was settled.**

**63. Para No.57 Page 43 of Audit Report for the year 1999-2000; Loss of Rs.0.060 Million to Government.**

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**18.08.2004** Audit had pointed out that irregular purchase of substandard bitumen had resulted in loss to the Government.

The Department explained that bitumen was centrally purchased by DG LG&RD and was supplied to ADLG Layyah. The DG was competent for purchase at central level and bitumen's purchase direct from National Refinery, Karachi was not essential. The difference in rates was due to carriage factor. Relevant record was available for verification.

Finance Department observed that supply for original work was the responsibility of contractor. Moreover, as per P&D's instructions, such purchases should not have been centralized. The Department should look again into this case to determine whether the supply was for original work or for repair work.

The Committee directed that the department should look into all aspects of the matter in the light of points raised by Finance Department and audit and submit a report to PAC.

**The para was kept pending.**

**64. Para No.59 Pages 44 & 45 of Audit Report for the year 1999-2000; Unauthorized Expenditure Rs.0.197 Million.**

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**18.08.2004** Audit had pointed out that the Department paid for excessive measurements and also increased scope of work without any approval.

The Department explained that variation in the quantities of work was incorporated in the revised estimate in view of site requirement which was well within the permissible limits. Moreover, the payments were made as per actual work done after approval of the competent authority as well as pre-audit scrutiny.

Audit verified the contention of department.

**The Committee settled the para.**

**65. Para No.61 Page 46 of Audit Report for the year 1999-2000; Unauthorized**



## **Payment of Rs.14.871 Million.**

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**18.08.2004** Audit had pointed out that the Department made payments to various Municipal Committees without any approval/vouched accounts in violation of rules.

The Department explained that Municipal Committees were awarded the work as desired by sponsors in accordance with the policy of Government and sponsors of the project were competent to indicate the executing agency for their funds.

The Committee **settled the para subject to** verification of relevant information/ record in respect of executing agencies.

## **66. Para No.62 Page 47 of Audit Report for the year 1999-2000; Unauthorised/ Doubtful Payment of Rs.1.508 Million.**

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**18.08.2004** Audit had pointed out that the Department made payments to Assistant Engineer irregularly and vouched accounts were also missing.

The Department explained that an amount of Rs.194,000/- was transferred to Assistant Agriculture Engineer, Attock as hire charges for bulldozer and remaining amount was transferred to Assistant Engineer LG&RD for execution of development schemes in far flung areas where no contractor was willing to undertake the work. Vouched accounts of these payments were available for verification.

Audit recommended the para for settlement in the meeting.

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

## **67. Para No.63 Pages 47 & 48 of Audit Report for the year 1999-2000; Non-Recovery of Rs.2.281 Million.**

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**18.08.2004** Audit had pointed out that vouched accounts of payments made to different Departments were not available.

The Department explained that the payments were made to various Government organizations and three cheques involved in the para were cancelled whereas vouched accounts of remaining two cheques were available for verification.

Audit recommended the para for settlement in the meeting.

**The para was settled.**

**68. Para No.64 Page 48 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.0.727 Million.**

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**18.08.2004** Audit had pointed out non-submission of vouched accounts and incurrence of expenditure without approval of competent authority.

The Department explained that vouched accounts for a sum of Rs.227,236/- were available for verification whereas a sum of Rs.500,000/- was transferred to EE Provincial Buildings, Hafizabad for construction of SP office as per instructions of P&D Department and vouched accounts could be verified from the record of the executing department.

The Committee **conditionally settled the para** with the direction that the department should produce relevant record to audit in support of its contention for verification.

**69. Para No.66 Pages 49 & 50 of Audit Report for the year 1999-2000; Non-Adjustment of Advance Payment of Rs.14.998 Million.**

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**18.08.2004** Audit had pointed out that non-availability of vouched accounts had resulted in non-adjustment of advance payments.

The Department explained that funds were transferred to different Government Departments for development schemes and vouched accounts were available with the concerned Departments which fell within the jurisdiction of DG Audit Works.

The Committee **conditionally settled the para subject to** production to and verification of relevant record by Audit.

**70. Para No.67 Pages 50 & 51 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.32.134 Million.**

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**18.08.2004** Audit had pointed out that vouched accounts of the amount withdrawn from PLA were not available which resulted in misuse of Government money.

The Department explained that funds were transferred to Project Managers and Union Councils for execution of development schemes for Parliamentarians and the work was executed by Project Committees. Vouched accounts of these payments were available for verification.

The Committee directed the Department to produce relevant record in support of its contention to audit.

**The para was kept pending.**

**71. Para No.68 Page 51 of Audit Report for the year 1999-2000; Unauthorized Utilization of Government Funds of 2.571 Million.**

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**18.08.2004** Audit had pointed out non-submission of vouched accounts resulting in un-authorized use of Government money.

The Department explained that a scheme for supply of electricity to Dera Muhammad Khan Bittian was sanctioned under TWP for Parliamentarians and funds were transferred to XEN Central Civil Division PAK PWD Faisalabad as per directions. The vouched accounts of these payments were available with XEN PAK PWD and WAPDA. As such no irregularity was committed.

The Committee **conditionally settled the para subject to** verification of relevant record by Audit.

**72. Para No.69 Page 52 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.31.305 Million.**

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**18.08.2004** Audit had pointed out that irregular transfer of funds and non-submission of vouched accounts had resulted in un-authorized payment.

The Department explained that funds amounting to Rs.31.305 Million were transferred to different executing agencies of Punjab and Federal Government. However, a sum of Rs.282,209/- was refunded by Highways Department and a cheque of Rs.600,000/- in favour of WAPDA was cancelled. The Department added that the funds were transferred to Government Departments which were within the jurisdiction of DG Audit Works and vouched accounts of these development schemes were available with them.

The Committee **conditionally settled the para subject to** verification of relevant record by Audit.

**73. Para No.70 Pages 52 & 53 of Audit Report for the year 1999-2000; Unauthorized Payment of Rs.0.200 Million.**

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**18.08.2004** Audit had pointed out that vouched accounts of the amount transferred from PLA of the Department to Commissioner, Sargodha Division were no produced.

The Department stated that the scheme of construction of a block in DHQ Hospital, Sargodha had materialized and a certificate about utilization of funds had been issued by Addl. Commissioner (Gen), Sargodha Division.

Audit agreed with the contention of Department and recommended the para for settlement.

The Committee accordingly **settled the para.**

**74. Para No.71 Page 53 of Audit Report for the year 1999-2000; Irregular Payment of Rs.6.500 Million.**

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**18.08.2004** Audit had pointed out that vouched accounts of the funds transferred to various formations were not produced for verification.

The Department explained that funds were transferred to XEN Provincial Buildings, XEN PHED, Municipal Corporation and Zila Council Pakpattan as per Government instructions and vouched accounts of these transactions were available with the aforesaid Departments which fell within the jurisdiction of DG Audit Works Punjab.

The Committee directed the department to get the requisite record verified by audit at the earliest.

**The para was kept pending.**

**75. Para No.72 Pages 53 & 54 of Audit Report for the year 1999-2000; Misappropriation of Rs.4.100 Million.**

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**18.08.2004** Audit had pointed out transfer of funds without approval of competent authority and non-submission of vouched accounts resulting in misappropriation.

The Department explained that the funds were transferred to DG Khan Development Authority on proposal received from concerned MPA as per Government's instructions and Deputy Director DGKDA (defunct) had issued a certificate regarding utilization of funds. However, after dissolution of DG Khan Development Authority, difficulties were being faced in retrieving the record.

Audit desired that vouched accounts be produced for verification.

The Committee directed the department to trace out the relevant record and get it verified by Audit.

**The para was kept pending.**

**76. Para No.73 Page 54 of Audit Report for the year 1999-2000; Misappropriation of Rs.20.683 Million.**

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**19.08.2004** Audit had pointed out irregular transfer of funds and non-submission of vouched accounts resulting in misappropriation.

The Department explained the details of funds transferred to WAPDA and AE (Agriculture) for implementation of electrification schemes and as hiring charges of bulldozers, adding that remaining funds were transferred to various other executing bodies/ organizations for implementation of development schemes. It was stated that the record being voluminous, sample checking thereof could be done at local level.

The Committee directed that the department should apprise the position/nature of the record being huge and voluminous to PAC and also produce the same to audit.

**The para was kept pending.**

**77. Para No.75 Pages 55 & 56 of Audit Report for the year 1999-2000; Non-Recovery of Hire Charges of Rs.2.745 Million.**

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**78. Para No.76 Page 56 of Audit Report for the year 1999-2000; Non-Recovery of Hire Charges of Rs.0.691 Million.**

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**19.08.2004** Audit had pointed out that the department failed to recover hire charges of road rollers which were still outstanding.

The Department explained that a fact finding inquiry had been ordered into the matter which was under process.

The Committee directed the department to finalize inquiry proceedings within 30 days.

**The paras were kept pending.**

**79. Para No.77 Page 57 of Audit Report for the year 1999-2000; Non-Recovery of Hire Charges of Rs.0.308 Million.**

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**19.08.2004** Audit had pointed out non-recovery of hire charge of road rollers to the tune of Rs.0.308 million.

The Department explained that scrutiny of log books had revealed that recoverable amount was wrongly calculated by audit whereas actual hire charges had been deducted from contractor's bill. As such audit observation was not justified.

The Committee directed the department to get the requisite record verified by Audit.

**The para was kept pending.**

#### **80. Para No.79 Page 58 of Audit Report for the year 1999-2000; Non-Recovery of Professional Tax of Rs.0.088 Million.**

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**19.08.2004** The Department explained that an amount of Rs.18,500/- was not recoverable as no work was awarded to 37 enlisted contractors whereas an amount of Rs.1,000/- had been recovered and efforts were being made to recover the balance amount.

The Committee directed the department to recover the balance amount within 90 days.

**The para was kept pending.**

#### **81. Para No.85 Page 61 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.889 Million.**

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**19.08.2004** Audit had pointed out that Bahawalpur Development Authority failed to recover secured advances from different contractors.

The Department explained that it was rather a matter of adjustments in subsequent bills and record entries, which were made in the 8<sup>th</sup> and final bill. Audit stated that relevant record was not produced for verification.

Administrative Secretary assured the Committee that he would write a letter to DCO Bahawalnagar for provision of relevant record at the earliest.

The Committee directed the department to produce the record to audit after obtaining the same from concerned quarters.

**The para was kept pending.**



## **82. Para No.86 Page 62 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.314 Million.**

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**19.08.2004** Audit had pointed out that the department did not recover the amount of risk & cost from original contractor.

The Department explained that the para was based on two advance paras. In case of AP.69, it was stated that security of contractor was lying with the department and efforts were being made for recovery as arrears of land revenue through District Collector. About AP.72, the department stated that difference of rates offered by two contractors was Rs.12,456/- which had been recovered from the original contractor and verified by Audit.

Audit in its comments accepted departmental contention about AP 72 and reduced the amount of Rs.148,483/- to “NIL”.

The Committee **settled the para** to the extent of Rs.148,483/- (AP-72) while the other part (AP-69) was **kept pending** for recovery of outstanding amount.

## **83. Para No.87 Pages 62 & 63 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.211 Million.**

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**19.08.2004** Audit had pointed out that the department re-allotted the incomplete work to 2<sup>nd</sup> contractor but difference of rates quoted by the contractor was not recovered from the original contractor.

The Department explained that audit had wrongly worked out the recoverable amount which actually came to Rs.98,789/- and had already been recovered.

Audit stated that department did not produce final bills of both contractors and revised/ original technically sanctioned estimate etc. in support of its contention.

The Committee directed the department to get the relevant record verified by Audit at the earliest.

**The para was kept pending.**

## **84. Para No.88 Page 63 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.811 Million.**

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**19.08.2004** Audit had pointed out that the department did not recover the outstanding dues from ex-Project Manager LG&RD Markaz Saddar, Jhelum as per orders of Punjab Service Tribunal.

The Department explained that an amount of Rs.495,403/- had been recovered from the concerned officer and remaining amount would be recovered in due course.

The Committee directed that recovery of balance amount be effected from the salary of the said officer.

**The para was kept pending.**

**85. Para No.89 Page 64 of Audit Report for the year 1999-2000; Non-Recovery of Rs.2.897 Million.**

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**86. Para No.93 Pages 66 & 67 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.5.077 Million.**

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**87. Para No.94 Page 67 of Audit Report for the year 1999-2000; Wastage of Government Money of Rs.2.269 Million.**

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**88. Para No.95 Pages 67 & 68 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.1.169 Million.**

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**89. Para No.96 Pages 68 & 69 of Audit Report for the year 1999-2000; Misappropriation of Government Funds of Rs.3.673 Million.**

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**19.08.2004** Audit had pointed out that construction of community centres on private land had resulted in wasteful expenditure of Government Funds.

The Department explained that the matter relating to construction of community centres was being investigated by NAB and detailed report in this context was submitted by the department to the Ad-hoc PAC. The Committee directed that a copy of the said report be also provided to it at the earliest.

The above mentioned **paras were kept pending** for further consideration in the next meeting.

**90. Para No.97 Page 69 of Audit Report for the year 1999-2000; Un-Necessary Blockade of Rs.1.330 Million.**

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**19.08.2004** Audit had pointed out that the department did not make any efforts for disposal/ auction of unserviceable/idle machinery which had resulted in loss to the Government.

The Department explained that audit had miscalculated the value of 4-Tar Boilers. However, it admitted that certain idle machinery was lying in office of ADLG Mianwali safely and efforts were being made for its condemnation by competent authority.

The Committee directed the department to complete the process of condemnation and auction of aforesaid machinery within 60 days under intimation to PAC.

**The para was kept pending.**

### **91. Para No.100 Pages 70 & 71 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.0.760 Million.**

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**19.08.2004** Audit had pointed out that triple surface treatment work was not executed during the road work which resulted in loss to the Government.

The Department explained that the para related to two Projects. The construction of metalled road Darbar Sultan Ayyub Qattal was physically completed but payment for TST item could not made due to lapse of funds. However, construction of metalled road Jalalpur Peerwala could not be completed due to lapse of fund which was later executed by Zila Council, Lodhran.

The Committee **conditionally settled the para subject to** verification of record by Audit.

## **GENERAL OBSERVATION**

**17.08.2004** On the request of the Department, the consideration of paras pertaining to Dera Ghazi Khan Development Authority (Defunct) was deferred till the next meeting.

The paras were discussed in the meeting of PAC-II held on 31.12.2004.

## **Audit Paras (Civil) for the year 1999-2000**

### **1. Para No.1 Page 9 of Audit Report for the year 1999-2000; Embezzlement of Rs.100,000/- by Tempering With Record.**

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**31.12.2004** The Department explained that the total recovery had been effected from the concerned official and he had been awarded the penalty of withholding of promotion in terms of Rule 4 (1)(II) of the E&D Rules 1975.

The Committee accepted the explanation of the department and **the para was settled.**

### **2. Para No.2.1 Pages 10 & 11 of Audit Report for the year 1999-2000; Unauthorized Expenditure of Rs.129,451/- Beyond the Budgetary Allocation.**

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Director Development Divisional Planning Cell Gujranwala:-Rs.32,957/-

**31.12.2004** Audit had pointed out that expenditure was incurred in excess of budget provision under various heads of account during the year 1995-96 to 1998-1999.

The Department explained that an inquiry had been initiated in the case and assured that if any officer was found responsible for the irregularity disciplinary action would be taken against him.

**The para was kept pending.**

### **3. Para No.2.2 Pages 10 & 11 of Audit Report for the year 1999-2000; Unauthorized Expenditure of Rs.129,451/- Beyond the Budgetary Allocation.**

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Director Planning & Development Bahawalpur:-Rs.46,933/-

**31.12.2004** The Department explained that the expenditure was made as per the original budgetary provision under the relevant head. The excess was due to the economic cut in the second statement, while the expenditure had already been booked.

The Department further stated that the case had already been sent to the Finance Department to regularize the expenditure.

**The Committee settled the para subject to regularization by the Finance Department.**

#### **4. Para No.2.3 Pages 10 & 11 of Audit Report for the year 1999-2000; Unauthorized Expenditure of Rs.129,451/- Beyond the Budgetary Allocation.**

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Director Development Sargodha Division Sargodha:-Rs.49,561/-

**31.12.2004** The Department explained that the amount was utilized on the basis of budget for the year 1998-99 and the expenditure was also within the limits of allocations proposed in the second statement of excess & surrender after effecting 7.5% cut in the budget allocation as per government instructions.

The Department further explained that no excess amount was drawn from the treasury, actually the amount had already been consumed whereas the government of the Punjab conveyed vide letter No. SOB(P&D)1-38/98 dated 19-5-1999. The allocated funds under each sub-head in the revised budget, which was less than the actual budget already consumed. However, the case for regularization had been referred to the Finance Department.

The Committee **settled the para subject to** regularization from the Finance Department.

#### **5. Para No.3 Page 11 of Audit Report for the year 1999-2000; Non-Maintenance of Cash Book Amounting to Rs.72,949,000/-**

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**31.12.2004** The Department explained that the maintenance of the record of sugar cane development cess funds was the responsibility of the Assistant Commissioner (Development), however, on 8-3-1989 under the orders of the then Commissioner, Lahore Division, the job was transferred to Director Development. Accordingly a cash book (No. 2) was maintained w.e.f. 3-9-1992 which had been seen and verified by audit.

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

#### **6. Para No.4 Page 12 of Audit Report for the year 1999-2000; Shifting of Headquarter of Employee and Unauthorized Utilization of Post Irregular Expenditure of Rs.114,421/-**

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**31.12.2004** The Department explained that the para consisted of two parts as follows:-

- (a) Mr. Abbas Ali was asked to work in P&D Department in the public interest and draw the salary from the office of Director Development, Lahore. As both the offices were located in the same city i.e. Lahore no irregularity was committed. However, on the request of Director Development, later on, internal arrangement was made according to which he worked in both the offices. As Mr. Abbas had been

working in the same station i.e. (Lahore) where his original posting was made and no irregularity was committed. It was also stated that he drew salary only from Director Development office, therefore the question of over-drawl of pay did not arise. He also did not get any TA/DA during this period from any office.

Audit contented that the irregular expenditure be got regularized from the Finance Department.

The part 'a' of **para was kept pending** till the regularization of irregular expenditure by the Finance Department.

(b) the Divisional Research & Planning Cells were established in 1979 at all Divisional Headquarters after getting sanction from all concerned authorities i.e. P&D Department, Finance Department and Governor of the Punjab. As per approved set-up, one stenographer & one steno-typist were posted by the P& D Department in all the Divisional Research Cells along with other staff. Later on, on the transfer of Stenographer in 1992, the post remained vacant. However, in spite of repeated requests, the stenographer had not so far been posted. As the stenographer was posted originally by the P&D Department, keeping in view, the quantum of work and necessity with the approval of concerned authority.

The Committee accepted the explanation of the Department and **part (b) of the para was settled.**

#### **7. Para No.5 Page 13 of Audit Report for the year 1999-2000; Loss of Rs.68,705/- on Purchase of a Used Photocopier and Repair Charges.**

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**31.12.2004** The Department explained that an inquiry was conducted in the matter and as per the inquiry report, the machine was purchased a new one, however, regarding irregular expenditure, the Inquiry Officer had reported Rs. 3,020/- as un-justified expenditure. The concerned officer had been retired from service on 15-4-2002 and as per rules it would not be possible to recover the amount from the pensioner.

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

#### **8. Para No.6 Page 14 of Audit Report for the year 1999-2000; Non-Maintenance of Log book and Telephone Trunk Call Register Doubtful Payment of Rs.295,925/-**

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**31.12.2004** The Department explained that log book and telephone trunk call register were maintained as per the government instructions and the same could be verified by Audit.

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



**9. Para No.7 Pages 14 & 15 of Audit Report for the year 1999-2000; Fictitious Cancellation of Cheques Amounting to Rs.251,822,000/-**

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**31.12.2004** Audit had pointed out that cheques pertaining to sugar cess account of Director P&D were cancelled which were fictitious.

The Department explained that cheques were cancelled because they were filled erroneously and in lieu of them new cheques were issued and a report from Treasury Officer, Lahore had been obtained regarding non-encashment of cancelled cheques.

**The para was kept pending** for verification of relevant record by Audit.

The paras were discussed in the meetings of PAC-II held on 28.10.2004, 29.10.2004, 30.10.2004, 28.07.2005 & 29.07.2005.

## **Audit Paras (Works) for the year 1999-2000**

### **1. Para No.1 Page 7 of Audit Report for the year 1999-2000; Over Payment of Rs.0.581 Million.**

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**28.07.2005** The Department explained that the houses were requisitioned with the approval of the competent authority and Finance Department approved and released the required funds.

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

### **2. Para No.2 Page 8 of Audit Report for the year 1999-2000; Short Recovery of Rs.0.266 Million.**

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**28.07.2005** The Department explained that the para consisted of following Advance Paras:-

#### **Advance para 1471**

The Department explained that the total recovery had been made and deposited into the government treasury.

The Committee **settled this part subject to** verification of recovery by Audit.

#### **Advance para 1478**

The Department explained that the penal rent had been imposed after the expiry of grace period and the notices had been issued to the concerned officer for deposit of the rent but no response had been received from the officer.

The Committee **pended this part** with the direction that reference be made to the Establishment Division for recovery at source from his pay.

### **3. Para No.3 Pages 8 & 9 of Audit Report for the year 1999-2000; Non-Recovery of Rs.1.769 Million.**

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**28.07.2005** The para was based on following Advance Paras:-

**Advance para 1470-A**

The Department explained that the house was allotted to Hafiz Muhammad Ishaq Khalid, Professor, who was retired on 24-5-1998 and he vacated the house on 28-7-1998.

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

**Advance para 1480**

The Department explained that the house was allotted to Mrs. Naseem Javed Jilani, Assistant Professor. She was granted extension to retain the residence upto 25-11-1997 on the payment of normal rent. However, penal rent from 26-11-1997 to 13-7-1998 had been worked out against her. Recovery notices had been issued but she had not responded.

The Committee **kept this part pending** with the direction that the Secretary Education be requested for early recovery from her.

**Advance para 1484**

The Department explained that the house was allotted to Professor Muhammad Sadiq, who had retired from service on 05-3-1998. Penal rent had been imposed for the period from 05-11-1998 to 14-1-2000. It was also stated that the AG Treasury Officer had been requested for stoppage of his pension and to recover the said amount from his pension.

The Committee **kept this part pending** with the direction that the recovery be made at the earliest.

**Advance para 1494**

The Department explained that the said house was allotted to Mr. Khizar Ahmad Khan, Section Officer. Penal rent for the period from 1-7-1998 to 30-9-1999 had been imposed against him. Recovery notices had been issued but he had not responded.

The Committee **kept this part pending** with the directions that his pension be stopped and recovery be made from his pension.

**Advance para 1467**

The Department explained that the said house was allotted to Mr. Naseem Ghani, who died in a road accident. The Notices for recovery had been issued to his widow and she had promised to

pay the amount within 90 days.

The Committee **kept this part pending** with the directions that the recovery be made within 90 days.

#### **Advance para 1479**

The Department explained that the house was allotted to Mr. Zulqurnain Khan, District & Session Judge. The exact recoverable amount from him was Rs.228,122/- for the period from 06-12-97 to 14-7-2001. It was also stated that Registrar, Lahore High Court, Lahore had been requested for deduction of penal rent from his pension.

The Committee **kept this part pending** with the directions that the Registrar, Lahore High Court, Lahore be requested to stop his pension and recovery be made from his pension.

#### **4. Para No.4 Pages 9 & 10 of Audit Report for the year 1999-2000; Non-Recovery of Rs.1.737 Million.**

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**28.07.2005** The Department explained the para on the basis of following Parts:-

(i) The Department explained that the house was allotted to Mr. Ghulam Abbass Tarar, who was transferred out of Lahore and his allotment was cancelled. Penal rent had been imposed for the period from 1-6-96 to 31-3-1999. It was also stated that the deduction @ of Rs.5,000/- pm from his pay had been started.

The Committee **kept this part of the para pending**.

(ii) The Department explained that the House No. 4 Patiala House, GOR-I was allotted to Mr. Sultan Haider, who was transferred from Lahore to Chakwal. It was also stated that the competent authority had given the approval for retention of two houses.

The Committee **kept this part pending** with the directions that the rest of recovery be made after deduction of the period for which the competent authority had given approval.

(iii) The Department explained that the house was allotted to Miss Arifa Sabohi, she was transferred out of Lahore and declared illegal occupant from 16-2-1998. She was posted back to Lahore on 29-11-99. It was also stated that total recovery had been effected from her.

The Committee **settled this part subject to** verification of the record by audit.

(iv) The Department explained that the bachelor flat No. 4 & 5 GOR-III were allotted to Mr Muhammad Faryad, SDO (Buildings Department). It was also stated that the matter was subjudice in the court of law for the third house.

The Committee **kept this part pending** with the directions that the recovery of the two houses be made and the appeal for the third house be made in the next higher court.

(v) The Department explained that the house was allotted to Syed Ijaz Hussain Rizvi, who was transferred out of Lahore in July 1996. Extension had been granted in his favour to retain the house upto 14-8-2000 on the payment of normal rent by the competent authority. The notices for recovery of Rs.182,056/- had been issued but no response had been received from him.

The Committee **kept this part pending** with the directions that the recovery be made at the earliest.

(vi) The Department explained that the house was allotted to Mr. Inamulah Khan, Additional District & Session Judge, who was transferred out of Lahore in July 1996. No recovery had so far been made despite repeated recovery letters had been issued to the Registrar, Lahore High Court Lahore to recover the said amount from the concerned officer.

The Committee **kept this part pending** with the directions that the Registrar, Lahore High Court, Lahore be requested to recover the amount at source from his pay under the rules.

(vii) The Department explained that the house was allotted to Mr. Badar-uz-Zaman, District & Session Judge. It was also stated that the total amount had been recovered and deposited into government treasury.

The Committee **settled this part of the para subject to** verification of recovery by audit.

(viii) The Department explained that Mr. Muhammad Anwar Shariq, ex-Additional Chief Secretary, remained in official residence for the period from 16-7-82 to 19-3-1999 and an amount of Rs.28,473.55/- had been worked out against him on account of penal rent/ rent for the period. Recovery notices had been issued but the where-about of the concerned officer were not known.

The Committee **kept this part of the para pending** with the directions that the

pension of the officer be stopped and recovery be made from his pension at the earliest.

**5. Para No.5 Page 10 of Audit Report for the year 1999-2000; Non-Recovery of Rs.2.582 Million.**

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**28.07.2005** The Department explained the item wise position of the para was as under:-  
**Advance para 1486**

(i) The Department explained that Ch. Manzoor Ahmad, retired Inspector General Police retained official residence No. 8, Club Road, GOR-I unauthorisly from 31-01-1991 to 25-1-1999. It was also stated that the case had been referred to the FD for regularization.

The Committee **kept this part of the para pending** till regularization by the Finance Department.

(ii) The Department explained that the cases of Mr. Nisar Ahmad Cheema and Hafiz Jami, ex-IG, Police had been regularized by the Finance Department.

The Committee accepted the explanation of the Department and **settled this part of the para.**

**Advance para 1469**

(iii) The Department explained that Rana Maqbool Ahmad, ex-IG Police Sindh had been residing in official residence in 16-A, Golf Lane, GOR-I unauthorisly from 7-10-93.

The Committee **settled this part of the para keeping** in view the similar type of draft paras regarding Ch. Nisar Ahmad Cheema and Hafiz Jami, ex-IGs Police had been regularized by the competent authority.

**Advance para 1472**

(iv) The Department explained that Mr. Nasir Mahmood Khosa, ex-Secretary to Governor Punjab retained official residence No. B-33, GOR-III from 24-05-92 to 25-8-98 unauthorisly. It was also stated that recovery of Rs.16,100/- had been made and deposited into the government treasury.

The Committee **settled this part of the para.**

**Advance para 1476**



(v) The Department explained that Mr. Shafique Ahmad Bajwa, Inspector Police was entitled to retain the said house upto 5-8-98. An amount of Rs.125,722/- had been worked out against him on account of rent/penal rent. Recovery notices had been issued and no response had been received from him.

The Committee **pended this part of the para** with the directions that the recovery be made from the pay of the officer at source under intimation to PAC-II.

**Advance para 1485**

(vi) The Department explained that Syed Javed Mahmood Deputy Secretary, Finance Department had been residing in House No. B-3, GOR-II. The competent authority had granted extension in his favour for retention of the house.

The Committee **settled this part of the para.**

**Advance para 1491**

(vii) The Department explained that Rana Muhammad Arshad, Additional Advocate General retained house unauthorisly from 18-2-91 to 21-12-1992. An amount of Rs.20,000/- had been recovered and balance recovery was yet to be made.

The Committee **kept this part of the para pending** with the directions that the balance recovery be made as arrears of land revenue.

**6. Para No.6 Pages 10 & 11 of Audit Report for the year 1999-2000; Non-Recovery of Rs.0.104 Million.**

**28.07.2005** The Department explained the item wise position was as under:-

**(i) Advance para No.98**

The Department explained that Mr. Saif-ullah Chattha, ex-DS had been residing in official residence since 15-08-1991 after his transfer out of Lahore. He was entitled to retain the government residence upto 04-07-2000. Rent/penal rent had been worked out which came to Rs.192,529/-. Recovery notices had been issued but no response had been received from him.

The Committee **kept this part of the para pending** with the directions that the Establishment Division, Government of Pakistan, be requested to deduct the amount from his pay as per rules.

**(ii) Advance Para No.1493**

The Department explained that the house was allotted to Mr. Ijaz Ahmad Arshad, Lecturer, he remained in the residence from 24-7-92 to 30-6-1995. An amount of Rs.30,252/54 had been worked out against him on account of rent/house rent allowance. Recovery notices had been issued but no response had been received from him.

The Committee **kept this part of the para pending** with the directions that the Secretary Education be requested to recover the amount from his pay as per rules.

**7. Para No.7 Page 11 of Audit Report for the year 1999-2000; Non-Recovery of Income Tax of Rs.0.125 Million.**

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**28.07.2005** The Department explained that the record of payment of rent of requisition buildings had been checked and if Income Tax had not been deducted at source than the same would be recovered from the owners of the buildings.

The Committee accepted the explanation of the department and **settled the para.**

### **Audit Paras (Civil) for the year 1999-2000**

**1. Para No.1 Page 8 of Audit Report for the year 1999-2000; Misappropriation of Rs.2,881,500/- on Purchase of Gifts.**

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**2. Para No.6 Page 12 of Audit Report for the year 1999-2000; Irregular Utilization of Discretionary Grants of Rs.254,861,994/-.**

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**3. Para No.7 Pages 12 & 13 of Audit Report for the year 1999-2000; Irregular Expenditure Worth Rs.3,341,847/- on Account of Medical Treatment Abroad.**

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**4. Para No.8 Page 13 of Audit Report for the year 1999-2000; Un-Authorized Advance Drawal Out of Discretionary Grant for Rs.10,400,000/-.**

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**5. Para No.9 Page 14 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.3,894,909/-.**

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**6. Para No.10 Page 14 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.180,000/-.**

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**7. Para No.11 Page 15 of Audit Report for the year 1999-2000; Irregular**

## **Financial Assistance to the Government Employees Amounting to Rs.1,204,092/-.**

**8. Para No.21 Page 23 of Audit Report for the year 1999-2000; Non-Recovery of Income Tax at Source Amounting to Rs.271,689/-.**

**9. Para No.25 Pages 25 & 26 of Audit Report for the year 1999-2000; Over-Payment of Rs.48,860/- for Patient Attendant & Recovery Thereof.**

**10. Para No.26 Page 26 of Audit Report for the year 1999-2000; Irregular Payment of Rs.18,461,750/- as Financial Assistance.**

**28.07.2005** The Department explained that the record of the paras was not available as the same was taken over by various agencies for investigation on 12-10-1999.

The Committee **kept the paras pending** and constituted a Committee to trace out the record and get it verified by Audit/AG within 90 days.

The Committee will consist of the following officers/officials:

1.	Mr. Arif Anwar Baloch Additional Secretary	<i>Convener</i>	CM Secretariat
2.	Mr. Arif Hussain Assistant Accounts Officer	Member	AG Punjab
3.	Malik Ali Akbar Awan Accounts Officer (F&R)	Member	Finance Deptt.

**11. Para No.2 Pages 8 & 9 of Audit Report for the year 1999-2000; Misappropriation of Rs.205,410/- on Account of Purchase of Stationary.**

**28.07.2005** The Department explained that the complete record was available for verification.

The Committee **kept the para pending** for verification of record by Audit.

**12. Para No.4 Page 10 of Audit Report for the year 1999-2000; Non-Maintenance of Consumption Account of Stationery - Rs.340,161/-.**

**29.07.2005** The Department explained that photo-state and computer papers were provided to the various offices of ex-ministers, ex-advisors/ex-special assistants to ex-Chief Minister Punjab and I&C wing on receipts of proper authorized requisitions. These articles were supplied to the above mentioned functionaries after fulfilling the requisite requirements.

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

**13. Para No.5.1 Pages 10 & 11 of Audit Report for the year 1999-2000; Non-Maintenance of Vouched Account of Rs.20,785,751/-.**

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Additional Chief Secretary, S&GAD, Punjab, Lahore – Rs.241,262/-

**29.07.2005** The Department explained that the competent authority had accorded approval for tour abroad of Mr. Sohail Hassan, Chartered Accountant to accompany the then Minister Transport to visit Korea. The detailed vouched accounts were available for verification.

**The para was settled subject to verification of record by audit.**

**14. Para No.12.1 Pages 15 & 16 of Audit Report for the year 1999-2000; Irregular Repair of Vehicles Amounting to Rs.780,245/-.**

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Chairman Punjab Public Service Commission, Lahore – Rs.118,150/-

**15. Para No.12.2 Pages 15 & 16 of Audit Report for the year 1999-2000; Irregular Repair of Vehicles Amounting to Rs.780,245/-.**

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Chairman Punjab Public Service Commission, Lahore – Rs.69,696/-

**28.07.2005** The Department explained that the vehicles had been repaired from the Republic Motors which was a State Enterprise. Therefore, calling of quotations in this regard was not necessary.

Audit verified the contention of the Department and recommended the para for settlement.

**The paras were settled.**

**16. Para No.12.3 Pages 15 & 16 of Audit Report for the year 1999-2000; Irregular Repair of Vehicles Amounting to Rs.780,245/-.**

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Additional Director, Anticorruption, Lahore – Rs.232,119/-

**28.07.2005** The Department explained that the case had been referred to the Finance Department for regularization of the expenditure.

The Committee **kept the para pending** with the directions that the actual payees receipt of the firm be provided to audit and inquiry be conducted into the matter to fix the responsibility and action be taken against the defaulter.

**17. Para No.12.5 Pages 15 & 16 of Audit Report for the year 1999-2000; Irregular Repair of Vehicles Amounting to Rs.780,245/-.**

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Registrar, Punjab Service Tribunal, Lahore – Rs.163,355/-

**28.07.2005** The Department admitted that codal formalities were not fulfilled at the time of repair of the vehicles due to emergency and stated that the expenditure would be got regularized by the Finance Department.

The Committee **kept the para pending** till the regularization by the Finance Department.

**18. Para No.12.6 Pages 15 & 16 of Audit Report for the year 1999-2000; Irregular Repair of Vehicles Amounting to Rs.780,245/-.**

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Additional Chief Secretary, S&GAD Punjab, Lahore - Rs.45,890/-.

**19. Para No.12.7 Pages 15 & 16 of Audit Report for the year 1999-2000; Irregular Repair of Vehicles Amounting to Rs.780,245/-.**

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Additional Chief Secretary, S&GAD Punjab, Lahore - Rs.96,570/-.

**29.07.2005** The Department explained that no irregular repair was done. The quotations were called and processed. However, the envelopes of the quotations were received but the same were not put in file due to the fact that the file had become bulky and heavy un-necessarily.

Audit verified the contention of the Department and recommended the para for settlement.

**The paras were accordingly settled.**

**20. Para No.13 Pages 16 & 17 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.671,829/-.**

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**29.07.2005** Audit pointed out that the PPSC had hired uneconomical furniture for conduct of written test.

The Department explained that the PPSC had conducted numerous written examinations on hiring the Hockey Stadium or Fortress Stadium and different items of furniture. The amount in question was spent after observing the necessary formalities.

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

**21. Para No.14.1 Pages 17 & 18 of Audit Report for the year 1999-2000;  
Unauthorized Expenditure of Rs.224,345/- Beyond Competency.**

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Director, Anticorruption Establishment, Punjab, Lahore – Rs.84,575/-

**28.07.2005** The Department explained that the unauthorized expenditure of Rs.84,575/- had been got regularized by the competent authority and the same had been got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**22. Para No.14.2 Pages 17 & 18 of Audit Report for the year 1999-2000;  
Unauthorized Expenditure of Rs.224,345/- Beyond Competency.**

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Director, Anticorruption Establishment, Punjab, Lahore – Rs.90,820/-

**28.07.2005** The Department explained that the expenditure had been got regularized by the competent authority and the amount of Income Tax of Rs.2,270/- had been deposited into government treasury.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**24. Para No.14.3 Pages 17 & 18 of Audit Report for the year 1999-2000;  
Unauthorized Expenditure of Rs.224,345/- Beyond Competency.**

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Registrar, Punjab Service Tribunal, Lahore – Rs.48,950/-

**28.07.2005** The Department explained that the amount of Rs.48,950/- was for the purchase of durable goods and the amount had been utilized on the purchase of steel rack after fulfilling all the codal formalities. The sanction of the expenditure was got by the Chairman, who had the full powers under the Punjab delegation of Financial Powers Rules.



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

**25. Para No.15.1 Pages 18 & 19 of Audit Report for the year 1999-2000; Irregular Maintenance of Log Books, Purchase of POL for Rs.891,021/-**

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Additional Chief Secretary, S&GAD Punjab, Lahore - Rs.750,216/-.

**29.07.2005** The Department explained that the log books complete in all respect had been seen/verified by audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**26. Para No.15.2 Pages 18 & 19 of Audit Report for the year 1999-2000; Irregular Maintenance of Log Books, Purchase of POL for Rs.891,021/-**

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Chairman, Punjab Public Service Commission, Lahore – Rs.140,805/-

**29.07.2005** The Department explained that average consumption certificate was being obtained regularly. However so far as recording of purpose of journey or place of journey was concerned, it was stated that most of the vehicles were being used by Directors to see examiners and paper setters time and again. Place and time of their journey could not be recorded in the log books to keep secret the names of the examiners and paper setters. It was also stated that the expenditure was within the budget allocation and all other formalities were fulfilled.

**The para was settled subject to** verification of log books by the next higher officer.

However, if the expenditure was beyond the prescribed limits then the recovery be made from the concerned officers. The log books after doing the needful be got verified by Audit within 30 days.

**27. Para No.16 Pages 19 & 20 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.235,517/-.**

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**28.07.2005** The Department explained that the amount was spent on the expenditure relating to printing & stationery and the case for regularization had been referred to the Finance Department.

The Committee **kept the para pending** till the regularization by the Finance Department.

**28. Para No.17 Page 20 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.53,040/- Repair/Addition to Water Purification System.**

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**29.07.2005** The Department explained that the expenditure had been got regularized by the Finance Department on 25-6-2003.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**29. Para No.18 Pages 20 & 21 of Audit Report for the year 1999-2000; Irregular Purchase of Micro Filming Material for Rs.98,657/-.**

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**29.07.2005** The Department explained that the sanction for the purchase of Micro-filming material for Archives Wing was accorded by Finance Department as the amount in question was beyond the competency of the Additional Chief Secretary. Copy of FDs concurrence had been seen/verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**30. Para No.19 Page 21 of Audit Report for the year 1999-2000; Irregular Expenditure of Rs.196,826/-.**

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**29.07.2005** The Department explained that on receipt of directions from the Chief Ministers Secretariat, the Finance Department was approached for provision of funds but the Finance Department advised to meet that expenditure out of Department's Budget. The FD was again requested to re-appropriate the amount in question from the Departments budget head "55000 to 59900". The FD agreed to meet the expenditure from the budget even without the re-appropriation.

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

**31. Para No.20 Pages 21 & 22 of Audit Report for the year 1999-2000; Loss of Rs.1,314,800/- Due to Irregular Contract With M/s Askari Aviation.**

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**29.07.2005** The Department explained that the contract regarding maintenance of the Helicopter was entered into with M/s Askari Aviation (Pvt) Limited, a subsidiary of Army Welfare Trust, after going through the codal formalities. It was also stated that the M/s. Askari Aviation Pvt. Limited reduced its rates to Rs.6,672,000/- as compared to M/s. Pakistan Aviators which were quoted as Rs.760,000/-.

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

**32. Para No.22.1 Pages 23 & 24 of Audit Report for the year 1999-2000; Recovery of Rs.188,263/- on Account of Excess Calls on Residential Telephone.**

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Chairman, Punjab, Public Service Commission, Lahore – Rs.46,692/-

**29.07.2005** The Department explained that Rs.53,374/- had been recovered and deposited into the government treasury.

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

**33. Para No.22.2 Pages 23 & 24 of Audit Report for the year 1999-2000; Recovery of Rs.188,263/- on Account of Excess Calls on Residential Telephone.**

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Director, Anticorruption Establishment, Punjab, Lahore – Rs.22,944/-

**28.07.2005** The Department explained that the amount of Rs.5,441/- had been deposited into the government treasury and Rs.6,339/- had been adjusted. The orders of the Finance Department had also been got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**34. Para No.22.3 Pages 23 & 24 of Audit Report for the year 1999-2000; Recovery of Rs.188,263/- on Account of Excess Calls on Residential Telephone.**

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Additional Chief Secretary, S&GAD, Lahore – Rs.118,627/-

**29.07.2005** The Department explained that the case had been referred to Finance Department for regularization.

The Committee **kept the para pending** till the regularization by FD.

**35. Para No.23 Page 24 of Audit Report for the year 1999-2000; Recovery of Rs.662,590/- on Account of Overseas Telephone Calls.**

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**29.07.2005** The Department explained that on the advice of the FD/Law Department similar type of draft para No. 12.3 for 1998-99 had already been settled by the *Adhoc* PAC in its meeting held on 03-7-2002.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**36. Para No.24.1 Pages 24 & 25 of Audit Report for the year 1999-2000; Misuse of Government Vehicles Loss of Rs.799,786/-.**

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Chief Pilot VIP Flight, Lahore-Rs.75,382/-.

**29.07.2005** The Department explained that the para was discussed in SDAC meeting held on 14-4-2000 and was settled with the advice that in future journey be specified on log books.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**37. Para No.24.2 Pages 24 & 25 of Audit Report for the year 1999-2000; Misuse of Government Vehicles Loss of Rs.799,786/-.**

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Additional Director, Anticorruption Establishment, Lahore – Rs.251,040/-

**28.07.2005** The Department explained that the log books of the vehicles were produced to audit who had verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**38. Para No.24.3 Pages 24 & 25 of Audit Report for the year 1999-2000; Misuse of Government Vehicles Loss of Rs.799,786/-.**

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Additional Director, Anticorruption Establishment, Lahore – Rs.101,925/-

**28.07.2005** The Department explained that the log books of the vehicles were produced before the SDAC in its meeting dated 31-5-2002 who had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**39. Para No.24.4 Pages 24 & 25 of Audit Report for the year 1999-2000; Misuse of Government Vehicles Loss of Rs.799,786/-.**

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Additional Director, Anticorruption Establishment, Lahore – Rs.263,439/-

**28.07.2005** The Department explained that actually the vehicles were used by the different officers, who had counter-signed the log books which were seen by the SDAC in its meeting on 31-5-2002 and verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**40. Para No.24.5 Pages 24 & 25 of Audit Report for the year 1999-2000; Misuse of Government Vehicles Loss of Rs.799,786/-.**

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Additional Chief Secretary, S&GAD Punjab, Lahore - Rs.108,000/-.

**29.07.2005** The Department explained that the vehicles were deployed with Prime Minister of Pakistan during his visit in Punjab. One vehicle No.LXC-819 was provided to the Prime Minister as covering car while the other two vehicles LXD-3896 and LOW-9970 were provided to the officers attached with PM for their touring purpose.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**41. Para No.27 Page 27 of Audit Report for the year 1999-2000; Non/Less Realization of Rent and Utility Charges from Canteen Contractor Recovery of Rs.60,600/-.**

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**29.07.2005** The Department explained that a Committee was constituted under the Chairmanship of Secretary (Regulation) S&GAD to resolve this issue. It was also stated that the canteen was running on no profit no loss basis to facilitate the low paid staff of the Secretariat.

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

**42. Para No.28.1 Page 28 of Audit Report for the year 1999-2000; Non-Production of Record for Rs.12,675,532/-.**

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Additional Chief Secretary, S&GAD Punjab, Lahore - Rs.12,000,000/-.

**29.07.2005** The Department explained that the amount was paid as compensatory payment to the victims of the crashed helicopter with the approval of the then Chief Minister.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**43. Para No.28.2 Page 28 of Audit Report for the year 1999-2000; Non-Production of Record for Rs.12,675,532/-.**

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Additional Chief Secretary, S&GAD Punjab, Lahore - Rs.362,250/-.

**29.07.2005** The Department explained that para consisted of two parts:-

i- **Rs.362,250/-**. The Department explained that the log book of the helicopter was shown to audit during SDAC meeting held on 23-08-1999.

Audit was of the view that the log books and copy of terms of condition of contract was not shown.

The Committee **settled this part of the para subject to** verification of record by audit.

ii- **Rs.144,000/- Rs.32,662/-**. The Department explained that the record had been produced to audit and same had seen/verified.

On the recommendation of audit this part of **the para was also settled.**

**44. Para No.28.3 Page 28 of Audit Report for the year 1999-2000; Non-Production of Record for Rs.12,675,532/-.**

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Additional Chief Secretary, S&GAD Punjab, Lahore - Rs.144,000/-.

**29.07.2005** The Department explained that the log books could not be produced at the time of audit because most of the vehicles were on duty with higher officers. The same had now been collected and produced to audit and same had been seen/verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.



**The para was settled.**

**45. Para No.28.4 Page 28 of Audit Report for the year 1999-2000; Non-Production of Record for Rs.12,675,532/-.**

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Additional Chief Secretary, S&GAD Punjab, Lahore - Rs.136,600/-.

**29.07.2005** The Department explained that the vouched accounts were submitted by concerned officer with the approval of the competent authority. All the attached vouchers, cash memos, air ticket and adjustment of Rs.136,600/- had been verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

**46. Para No.28.5 Page 28 of Audit Report for the year 1999-2000; Non-Production of Record for Rs.12,675,532/-.**

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Additional Chief Secretary, S&GAD Punjab, Lahore – Rs.32,682/-.

**29.07.2005** The Department explained that the log book of official vehicle No. LHR-8191 for the period from 7/98 to 6/99 was not produced to Audit during the course of Audit due to the reason that the staff car driver of the said vehicle was on leave on those days and log book was not traceable. Now the record was available for verification.

**The para was settled subject to verification of record by audit.**

**47. Para No.29 Page 29 of Audit Report for the year 1999-2000; Irregular Payment on Account of Telephone Charges for Rs.130,049/-.**

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**28.07.2005** The Department explained that no double payment had been made to the PTCL and the record had been got verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

The paras were discussed in the meeting of PAC-II held on 17.12.2004.

## **Audit Paras (Civil) for the year 1999-2000**

### **1. Para No.1.1.1 Pages 8 & 9 of Audit Report for the year 1999-2000; Un-Authorized/Misuse of Government Vehicles with Heavy Expenditure on POL & Repair for Rs.469,314/-.**

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*Director General Social Welfare Department, Lahore - Rs.145,710/-*

**17.12.2004** The Department explained that transport facility to certain ministerial staff was provided on instructions of the then Minister of Social Welfare for implementation of official works and the vehicles were used only for official purposes. The log books of the vehicles were also available for verification.

The Committee accepted the departmental explanation and **settled the para.**

### **2. Para No.1.1.2 Pages 8 & 9 of Audit Report for the year 1999-2000; Un-Authorized/Misuse of Government Vehicles With Heavy Expenditure on POL & Repair for Rs.469,314/-.**

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*Director General Social Welfare Department, Lahore - Rs.91,080/-*

**17.12.2004** Audit had pointed out that Vehicle No.LHV-2535 remained in private use of D.G. Social Welfare in addition to the official vehicle already provided to him.

The Department explained that the said vehicle was used for general/protocol duties and was never used for private purpose and the facts had been verified in SDAC meeting dated 30-9-2000.

On recommendation of Audit, **the para was settled.**

### **3. Para No.1.1.3 Pages 8 & 9 of Audit Report for the year 1999-2000; Un-Authorized/Misuse of Government Vehicles With Heavy Expenditure on POL & Repair for Rs.469,314/-.**

---

*Director General Social Welfare Department, Lahore - Rs.110,508/-*

**17.12.2004** The Department explained that the vehicles mentioned in audit observation were used for general, VIP and Protocol duties and no excess expenditure was incurred on account of POL/

repair of these vehicles. The para was discussed in the SDAC meeting dated 30-9-2000 and was recommended for settlement by audit.

**The para was accordingly settled.**

**4. Para No.1.1.4 Pages 8 & 9 of Audit Report for the year 1999-2000; Un-Authorized/Misuse of Government Vehicles With Heavy Expenditure on POL & Repair for Rs.469,314/-.**

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*Director General Social Welfare Department, Lahore - Rs.63,159/-*

**5. Para No.1.2.1 Pages 8 & 9 of Audit Report for the year 1999-2000; Un-Authorized/Misuse of Government Vehicles With Heavy Expenditure on POL & Repair for Rs.469,314/-.**

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*The Secretary Social Welfare Women Development & Baitulmaal, Lahore - Rs.26,408/-*

**17.12.2004** Audit had pointed out that Vehicle No.LHR-5928 remained in private use of Deputy Secretary Social Welfare in addition to the official vehicle already provided to her.

The Department explained that there were at least seven offices of the Department at different places in Lahore and the officers had to travel frequently for official purpose. The vehicles were used for official duties and log books were available for verification.

Finance Department was of the view that Grade 20 officers were entitled for use of official vehicles and the log books of the vehicles could be verified.

**The paras were kept pending** for verification of relevant record by Audit.

**6. Para No.1.2.10 Pages 8 & 9 of Audit Report for the year 1999-2000; Un-Authorized/Misuse of Government Vehicles With Heavy Expenditure on POL & Repair for Rs.469,314/-.**

---

*The Secretary Social Welfare Women Development & Baitulmaal, Lahore - Rs.32,449/-.*

**17.12.2004** The Department explained that official vehicle provided to the Ameen Bait-ul-Mall was under the rules. However, the office of Bait ul Maal Council was sealed in 1999 but the services of Ameen were not terminated and he remained functional till the appointment of new Ameen who took over the charge on 11.3.2000. Thus the use of official vehicle by the Ameen

was in order. It was added that an inquiry was conducted into matter which showed that expenditure involved in subject para was regular and genuine.

Audit stated that facts had been verified.

**The para was accordingly settled.**

**7. Para No.2 Page 10 of Audit Report for the year 1999-2000; Irregular and Uneconomical Expenditure for Rs.480,539/-on Repair of Vehicles.**

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**17.12.2004** The Department explained that Administrative Secretary had full powers to sanction the expenditure for repair of vehicles and all the repair works were genuine. However one vehicle remained off road but was not condemned by Competent Authority. As a result of inquiry repair work was reported as genuine.

The Committee was not satisfied with explanation of Department and desired it to hold a de-novo inquiry into the matter by an officer not below Grade 19 and to submit its report within the period of 90 days.

**The para was kept pending.**

**8. Para No.3 Pages 10 & 11 of Audit Report for the year 1999-2000; Irregular Payment of Rs.67,480/-on Account of Pay and Allowances to a Supervisor of Social Welfare Department.**

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**17.12.2004** The Department explained that a lady supervisor involved in audit observation was appointed on 31.08.1995 but she joined her duties on 18.10.1995. The joining period was extended by appointing authority.

Finance Department contented that department should verify whether extension in joining period was admissible or not during the period under ban on recruitment.

The Committee directed the department to thrash out the facts and get the relevant record verified by audit.

**The para was kept pending.**

**9. Para No.4 Pages 11 & 12 of Audit Report for the year 1999-2000; Drawal of Pay and Allowances for Rs.271,571/- Without Regularization of Adhoc Appointment.**

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**17.12.2004** The Department explained that competent authority had granted extension in the adhoc period of Service of Craft Supervisor involved in audit observation who contented that recovery on account of annual increment was not due from her in the light of Supreme Court decision. The Department added that matter had been regularized by the Chief Minister.

**The para was accordingly settled.**

**10. Para No.5 Page 13 of Audit Report for the year 1999-2000; Wasteful Expenditure of Rs.326,210/- Charged to Public Exchequer.**

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**17.12.2004** Audit had pointed out that a Day Care Centre was established in Gulshan-e-Ravi Lahore but only four children were enrolled there in 1998-99 despite the fact that huge expenditure was incurred on salaries of staff.

The Department explained that according to PC-I, Day Care Centre was attached with Hostel for working women and the employees of Day Care Centre were performing duties in Hostel against vacant posts. Later the Centre was shifted to Children Hospital, Lahore.

The Committee accepted the Departmental reply and **settled the para.**

**11. Para No.6 Page 14 of Audit Report for the year 1999-2000; Non Deduction of Income Tax at Source for Rs.105,469/-.**

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**17.12.2004** Audit had pointed out that the department did not deduct Income tax from the rent charges of building hired for Day Care Centre.

The Department explained that amount of rent had been included in the annual Income statement of the owner on which income tax was paid. However no deduction at source on account of income tax was made by the department and owner had reportedly settled abroad.

However, Administrative Secretary requested for some time to thrash out the matter.

**The para was kept pending.**

**12. Para No.7 Pages 14 & 15 of Audit Report for the year 1999-2000; Recovery of Rs.59,900/-.Due to Less Deposit of Room Rent of Hostel.**

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**17.12.2004** The Department explained that rent for the rooms of Hostel was enhanced in December 1998 but all inmates filed a petition to the Prime Minister. The rules for hostel were

revised in 1999 and rent for January 1999 was charged on new rates.

However, due to verbal orders of the Minister Social Welfare and petition filed by inmates, enhanced rent was not charged from the inmates.

**The para was conditionally settled subject to** condonation of outstanding amount by Finance Department.

### **13. Para No.8 Page 16 of Audit Report for the year 1999-2000; Excessive Consumption of POL for Rs.52,655/- Over and Above the Prescribed Limit.**

**17.12.2004** The Department explained that DG Social Welfare had to supervise all three wings of the department and his duties required frequent travelling in and out of city and he also accompanied various missions from all over the country. For all such purposes, he had only one vehicle.

The Committee directed the department to refer the matter to S & GAD for regularization and in case of failure to get the expenditure regularized, the recovery be effected.

**The para was kept pending.**

## **Draft Paras (Commercial) for the year 1999-2000**

### **1. Para No.146 Page 99 of Audit Report for the year 1999-2000; Working Results.**

**17.12.2004** The para, being introductory in nature, was settled.

### **2. Para No.147 Page 99 of Audit Report for the year 1999-2000; Working Results.**

**17.12.2004** Audit had pointed out that performance of Punjab, Bait-ul- Mall remained unsatisfactory as compared to its objectives.

The Department explained that district committee remained non-functional during the period 1992-93 and 29.07.93 to 19.08.94. As such funds could not be disbursed.

The Committee accepted the departmental reply and **settled the para.**

### **3. Para No.148 Pages 99 & 100 of Audit Report for the year 1999-2000; Working Results.**



#### **4. Para No.150 Page 101 of Audit Report for the year 1999-2000; Working Results.**

**17.12.2004** Audit had pointed out that performance of Punjab, Bait-ul- Mall remained unsatisfactory as compared to its objectives.

The Department explained that the committees remained non-functional for period under audit observation and afterwards rules were framed in due course.

**The Committee settled the paras.**

#### **5. Para No.149 Page 101 of Audit Report for the year 1999-2000; Working Results.**

**17.12.2004** Audit had pointed out that nature and source of certain unidentified receipts were not produced to audit for verification.

The Department explained that the amount in question pertained to loans which were deposited by loanees in bank account of respective district Bait-ul-Maal and later audit had verified the adjustment of these accounts.

On recommendation of audit, **the para was settled.**

#### **6. Para No.151 Page 101 of Audit Report for the year 1999-2000; Working Results.**

**17.12.2004** Audit had pointed out that interest free loans were disbursed to widows and jobless individuals but recovery was very meagre.

The Department explained that as a result of vigorous efforts, recovery of Rs.28,545,314/- had been effected and the matter was under consideration of Government for suitable amendments in Law.

The Committee directed the department to effect recovery as per policy of the Government.

**The para was kept pending.**

#### **7. Para No.152 Page 101 of Audit Report for the year 1999-2000; Working Results.**

**17.12.2004** Audit had pointed out that accounts of Punjab Bait-ul-Maal for the years 1994-95 to 1999-2000 had not been compiled.

The Department assured the Committee that accounts of the said period on commercial pattern would be submitted to audit till March 2005.

**The para was kept pending.**

The paras were discussed in the meetings of PAC-II held on 31.07.2002 & 31.12.2004.

## **Audit Paras (Commercial) for the year 1999-2000**

### **1. Para No.154: Page 109 of Audit Report for the year 1999-2000; Working results.**

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**31.07.2002** The Department explained that in view of the huge accumulated losses the Punjab Road Transport Corporation was wound up on 30 June 1997.

The Committee directed that the Finance Department should take necessary measures for early liquidation of the Corporation as its liabilities were increasing day by day.

The para was kept pending.

**31.12.2004** The Department explained pursuant to the directions of the PAC dated 31-7-2002, the case for early liquidation of the corporation was considered and it was observed that the liquidation would not be in the public interest as it was too expensive because the assets of the corporation were less than liabilities. Accordingly a summary had been moved to the Chief Executive of the province for early decision in the matter.

The Committee **settled the para subject to** decision of the Chief Executive of the Province.

### **2. Para No.155: Page 109 of Audit Report for the year 1999-2000; Non-disposal of Stores & Spares.**

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**31.07.2002** The Department explained that the Committee appointed by the Government for disposal of spare parts of the buses of various makes and origins which had become obsolete and redundant was making efforts to dispose of the same.

The Committee noted and **settled the para.**

### **3. Para No.156: Page 109 of Audit Report for the year 1999-2000; Theft of stock worth-Rs.540,403.**

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**31.07.2002** The Department explained that a case of theft of store was registered against M/s Lal Din and M Iqbal, Store Keepers with PS Gulberg. The investigation was transferred to CIA and both the officials were arrested and after investigation both the accused were bailed out and the Challan was sent to the court on 17 April 1986. The case never came up for hearing and the record could not be traced out since 1986. The Department further explained that the balance

recoverable as on 30 June 2001 on account of cash defalcation was Rs.394,819.19.

The Committee expressed its disappointment at the very slow progress and directed that the matter should be investigated and the record traced out.

The para was kept pending.

**31.12.2004** The Department explained that a theft of store having book value of Rs.540,403/- took place at Central workshop, Gulberg, Lahore, in January 1986 and FIR No. 29/96 dated 25-1-1986 was registered in the Police Station Gulberg, Lahore. Later on the case was transferred to CIA for investigation. Two officials namely Lal Din and Muhammad Iqbal, Store Keepers were bailed out from the Court of Anti-corruption Judge, Lahore. According to the Police Station, Gulberg, Challan was sent to the Area Magistrate, Gulberg, Vide Red. 186/21 dated 17-4-1986 through Mehboob Hussain, Constable No. 263, CIA but the case was not traceable in any court. On 26.04.1995 the Managing Director, PRTC deputed Mr. Zulfiqar Ali Toor, Senior Special magistrate-cum-Enquiry Officer, PRTC (HQ) Office, Lahore to submit his report regarding missing of Case. He submitted his report in August, 1995 and reported that the case papers could not be traced out even from the court in spite of all possible efforts. A reference was sent to Senior Superintendent of Police (Operations), Lahore wherein it was requested to please provide the information about the judicial verdict after the submission of Challan vide General No. 90-M dated 24-4-1988 regarding FIR No. 29 dated 25-1-1998 under Section 409, Police Station, Gulberg, Lahore but no report was received so far.

The Department further stated that Messrs Lal Din and Muhammad Iqbal, Store Keepers were retired on 23-7-1994 and 30-6-1997 respectively, The recovery amounting to Rs.11,046/- on account of theft case was made from the pensionary dues of Mr. Muhammad Iqbal, Store Keeper according to his share. However, the personal file of Mr. Lal Din, ex-store keeper involved in theft case was traced out along with pension papers. The pensionary dues were calculated which come to Rs.111,458/- on account of commutation and Rs.72,672/- as monthly pension for the period from 24-7-1994 to August, 2004 which were withheld.

In this way, recovery/adjustment amounting to Rs.195,536/- had been made/withheld and the amount would be adjusted from the monthly pension of Mr. Lal Din.

The Department also explained that now case for recovery as arrears of land revenue had been forwarded to EDO(R), Rawalpindi.

The Committee **settled the para subject to** recovery of the total amount and verification by the Audit.

**4. Para No.157: Page 110 of Audit Report for the year 1999-2000; Sundry Debtors-Amounting to Rs.348,897.**

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**31.07.2002** The Department explained that out of outstanding of Rs.348,897, a sum of Rs.127,742 had been recovered. Efforts were being made to realize/adjust the balance amount.

The Committee observed that the matter should be enquired into and action should be taken against the responsible persons who had not followed up to effect the total recovery.

The para was kept pending.

**31.12.2004** The department explained that a sum of Rs.215,599/- had been recovered/adjusted and efforts were being made for recovery of balance amount. However, the chances for balance recovery were bleak and the matter had been referred to Finance Department to get the amount written off.

The para was conditionally settled subject to write off sanction by the Finance Department.

### **Audit Paras (Revenue Receipts) for the year 1999-2000**

**1. Para No.4.1 (5741, 6317, 5787, 6007, 6028, 5698, 5958): Page 63 of Audit Report for the year 1999-2000; Non-realization of Government revenue on account of non-renewal of route permits-Rs.747,700.**

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**31.07.2002** Audit had pointed out that according to provisions of Section 34(1)(b) and 60 of the Motor Vehicles Ordinance 1965 read with Rules 64(2), 71, 85 and 91 of the Motor Vehicles Rules 1969 route permit was issued for a specific period on expiry of which it was required to be surrendered to the issuing authority or got renewed on payment of prescribed fee. The Department had failed to take action against permit holders who had not complied with the above provisions.

The Department explained that the route permits of the vehicles were renewed under Rules 85 (2) of Motor Vehicle Rules 1969, if applicant submit his application along with route otherwise it cannot be renewed.

The Department stated that according to the judgement of the Lahore High Court dated 8 December 1990 in writ petition No.6289/90 no late fee shall be charged from permit holders except the renewal of the route permit.

It was further submitted that this issue was discussed in the meeting of Special DAC held on 6

March 1999 and in the light of judgement of the Lahore High Court, all the outstanding Audit paras were dropped.

The Department informed the Committee that a high level Committee had been constituted to resolve the issues relating to the renewal of the route permits.

**The Committee noted and settled the para.**

**2. Para No.4.2(5959): Page 65 of Audit Report for the year 1999-2000; Short-realization of fitness fee/renewal fee and penalty due to application of incorrect rate-Rs.52,300.**

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**31.07.2002** Audit had pointed out that the enhanced rates of fitness/renewal fee and penalty notified vide Notification No.SO TR-149-2/96 dated 22 July 1996 were effective from the same date, but the Motor Vehicle Examiner, Sargodha applied the new rates from 28 July 1996 resulting in short realization.

The Department explained that the said notification was received in the office of Motor Vehicle Examiner, Sargodha on 28 July 1996 and he applied the revised rates from the same day.

The Committee directed that an inquiry should be held to fix responsibility for causing delay in the receipt of the said notification in the office of Motor Vehicle Examiner, Sargodha and the resultant short realization of the government dues and take appropriate action accordingly. The Finance Department was directed to monitor taking appropriate action in the matter.

Subject to the above direction, the para was settled.

**31.12.2004** The Department explained that in compliance with the PAC directions dated 31.07.2002 the matter was enquired through Deputy Secretary (Admn) Transport Department. As per enquiry report, the notification dated 22-7-1996 regarding enhancement of route permit fee was sent to Superintendent, Printing Press on 25-7-1996 for printing in Extra-ordinary Gazette. This notification was printed in the Extra-ordinary Gazette on 04-9-1996 i.e. 40 days after it was dispatched by the Transport Deptt. The Department further explained that under Section 119(2) of the MVO-1965 all rules made under that ordinance should have become enforced and effective from the date of publication hence the route permit fee was correctly charged from the date of its publication on its receipt in office of the MVE Sargodha as per rules, and no one in the Transport Department was held responsible.

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



The paras were discussed in the meeting of PAC-II held on 31.01.2005.

**Draft Paras (Civil) For The Year 1999-2000**  
**1.PZF Punjab**  
**(Chapter-1)**

**1. Para No.1 Page 4 of Audit Report for the year 1999-2000: Irregular Payment/Purchases Out of Zakat Fund Rs.104.505 Million.**

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**31.01.2005** The Department explained that funds were spent for construction of Deeni Madaras and establishment of 46 vocational training institutes in Punjab after obtaining the advice of the Advocate General of Punjab and with the approval of the Provincial Zakat Council. The case of the irregular payment/purchase had been referred to Central Zakat Council for regularization on 3.12.2004.

**The para was kept pending** with the direction that Administrative Department and Audit may re-verify the record and report to PAC with in one month.

**(Chapter-11)**

**2. Para No.1 Pages 4 & 5 of Audit Report for the year 1999-2000: Irregular Cash Payment Out of Zakat Fund Rs.0.334 Million.**

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**31.01.2005** Audit had pointed out that cash payments were made out of Zakat Fund in contravention of the Central Zakat Council Rules.

The Department explained that cash payments were made for making payments of utility/contingent bills because the Finance Department had not allocated any additional funds for the purpose. It was added that the case for regularization had been sent to Central Zakat Council on 3.12.2004.

**The para was kept pending** with the observation that the record be got re-verified by Audit within one month.

**3. Para No.2 Page 5 of Audit Report for the year 1999-2000: Irregular Transfer of District Zakat Fund from DZCs to the Account of Secretary Punjab Zakat Department Lahore for Rs.838.000 Million.**

---

**31.01.2005** The Department explained that the amount of District Zakat committees was

transferred to the accounts of Secretary, Zakat Punjab, Lahore for grants of Guzara Allowance, Marriage Allowance and Vocational Training Institutes. It was further explained that the matter for regularization of the expenditure had been referred to the Central Zakat Council on 3.12.2004. The Committee directed that the utilization of the fund, object wise be examined in the department and certified that the same were utilized properly within the period of 30 days.

**The para was kept pending.**

**4. Para No.3 Pages 5 & 6 of Audit Report for the year 1999-2000: Irregular Releases of Zakat Fund to National Level Health Institutions. Rs.80.421 Million.**

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**31.01.2005** The Department explained that the amount was transferred to the accounts of national level health institutions with the approval of the Provincial Zakat Council. It was also explained that the case for regularization of the expenditure had been referred to the Central Zakat Council on 3.12.2004.

The Committee directed that the utilization of the fund, object wise be examined in the department and certified that the same were utilized properly within the period of 30 days.

**The para was kept pending.**

**5. Para No.4 Page 6 of Audit Report for the year 1999-2000: Unjustified Transfer of Zakat Fund for Food Stamp Scheme. Rs.325.000 Million.**

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**31.01.2005** The Department explained that the amount of Food Stamp scheme was transferred to the accounts of Secretary, Zakat Punjab after the approval of Provincial Zakat Council and the matter had been referred for regularization of the expenditure to Central Zakat Council on 3.12.2004.

The Committee directed that the utilization of the fund, object wise be examined in the department and certified that the same were utilized properly within the period of 30 days.

**The para was kept pending.**

## District Zakat Fund (Chapter-1)

**6. Para No.1 Page 7 of Audit Report for the year 1999-2000: Payment Without Passing Resolution. Rs.98.974 Million.**

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**31.01.2005** The Department explained that out of 98 million, an amount of Rs. 9 million had been recovered and verified by Audit and for remaining amount the matter had been referred to Provincial Zakat Council for regularization.

The Committee was not satisfied with the explanation of the department and decided to recommend for appointing a departmental Inquiry Committee to probe in to the matter pertaining to the subject para, consisting of the following.

- |    |                                                       |          |
|----|-------------------------------------------------------|----------|
| 1. | Rana Naseer Ahmad<br>Administrative Officer           | Convener |
| 2. | Mr Bashir Ahmad<br>Section Officer Finance Department | Member   |
| 3. | Mian Ihsan-ul-Haq<br>Audit Officer (Zakat Audit)      | Member   |

The Inquiry Committee shall submit its report with in the period of 90 days and the Department shall submit report, with its comments to the PAC-II.

**The para was kept pending.**

#### **7. Para No.2 Page 7 of Audit Report for the year 1999-2000: Irregular Payment/Purchases Out of Zakat Fund Rs.0.131 Million.**

**31.01.2005** Audit had pointed out that Zakat Fund was incurred on purchase of stationary items, POL and payment of salaries to N/Qasids and Drivers.

The Department explained that a sum of Rs.31,000/-, Rs.26,460/- and Rs.2,600/- was incurred on POL, Electricity Bills and advertisement in the newspapers respectively and rest the amount was paid as salary to the drivers and N/Qasid of Zakat Department.

The Committee observed that the salaries paid to the staff of the department were justified. Whereas a case for sanction of additional funds be sent to the Finance Department for reimbursement of the amount in the Zakat Fund incurred on POL, electricity charges and advertisement in the newspapers.

**The para was kept pended.**

#### **8. Para No.3 Page 8 of Audit Report for the year 1999-2000: Irregular Cash Payment Out of Zakat Fund Rs.80.972 Million.**

**31.01.2005** The Department explained that due to non-availability of cheque books, the payment was made in cash in five districts in a very compelling situation out of six districts.

The Committee **settled the para** with the observation that the record be got verified by Audit and in future the payments should be through cheques instead of cash.

**9. Para No.4 Page 8 of Audit Report for the year 1999-2000: Irregular Transfer of Zakat Fund to the Account of Secretary Punjab Zakat Department Lahore Rs.470.886 Million.**

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**31.01.2005** The Department explained that the amount of the said districts Zakat Committee was transferred to account of the Secretary, Zakat Punjab Lahore after the approval of Provincial Zakat Council. However the approval of the Central Zakat Committee which was essential was not sought. However, case for regularization of the same had been referred to the Cental Zakat Council.

The Committee directed that the utilization of the fund, object wise be examined in the department and certified that the same were utilized properly within the period of 30 days.

**The para was kept pending.**

**10. Para No.5 Page 9 of Audit Report for the year 1999-2000: Irregular disbursement of District Zakat Fund to National Level Health Institutions Rs.3.228 Million.**

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**31.01.2005** The Department explained that the amount of District Zakat Committees was transferred to Provincial Zakat Council and the matter had been referred to CZC for regularization on 3.12.2004.

**The para was kept pending** for regularization by Central Zakat Council.

**11. Para No.6 Page 9 of Audit Report for the year 1999-2000: Irregular Payment to Non Mustahiq/Without Istehqaq Certificate Rs.0.289 Million.**

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**31.01.2005** The Department explained that the relevant record i.e. Istehqaq certificates of mustahqeen of the concerned District Zakat Committees had been seen/verified by Audit.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was settled.**

**12. Para No.7 Page 10 of Audit Report for the year 1999-2000: Payment Without Acknowledgement by the Chairman LZCs Rs.122.856 Million.**

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**31.01.2005** The Department explained that the payments were made through cross cheques and the record had been produced to audit for verification.

The Committee accepted the explanation of the department and **the para was settled.**

**(Chapter-II)**

**13. Para No.1 Page 10 of Audit Report for the year 1999-2000: Non-Production of Record Rs.0.656 Million.**

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**31.01.2005** The Audit explained that record had been verified therefore the para may be settled.

**The para was settled.**

**(Local Zakat Fund)**  
**(Chapter-I)**

**14. Para No.1 Page 11 of Audit Report for the year 1999-2000: Irregular Cash Payment Out of Zakat Fund Rs.20.425 Million.**

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**15. Para No.2 Pages 11 & 12 of Audit Report for the year 1999-2000: Un-acknowledged Payment of Rs.4.952 Million.**

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**31.01.2005** Audit had pointed out that the procedure of payment approved by the Central Zakat Council was violated and the cash payments were made.

The Department explained that 14 District Zakat Committees made payments in cash due to non-availability of cheque books.

The Committee took serious notice of it and recommended that the criminal cases be got registered against the responsible Chairmen of Local Zakat Committees.

**The paras were kept pending.**

**16. Para No.3 Page 12 of Audit Report for the year 1999-2000: Payment Without Passing Resolution Rs.12.311 Million.**

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**31.01.2005** Audit had pointed out that the payment was made without passing the resolutions in violation of the accounting procedure.

The Department explained that out of 18 DZCs only 8 DZCs had made payment without passing the resolution. However, the payments were made in good faith.

The Committee **settled the para** with the observation that warning be issued to the concerned DZCs to be careful in future and not to disburse any funds without the resolutions.

**17. Para No.4 Page 13 of Audit Report for the year 1999-2000: Payment of Zakat Fund Without Istehqaq Certificate Rs.2.181 Million.**

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**31.01.2005** Audit had pointed out that the funds were disbursed to certain persons, who's *istehqaq* was not determined by the Local Zakat Councils.

The Department explained that out of 11 DZCs 8 DZCs had produced the record for verification and Audit had verified the same. The case respecting 3 districts involving an amount of Rs.512,390/- had been referred to DZC for regularization.

The Committee **settled the part of the para** in which the record had been verified whereas criminal action against the remaining 3 districts was recommended to be taken by the department and this part of **the para was kept pending.**

**18. Para No.5 Page 13 of Audit Report for the year 1999-2000: Irregular Payment to Certain Non Government Organizations Rs.0.154 Million.**

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**31.01.2005** Audit had pointed out that a sum of Rs.53,800/- was disbursed by the certain chairmen of Local Zakat Councils to various non-governmental organizations instead of assistance to *Mustehqeen-e-Zakat*.

The Department admitted that in the two districts i.e. Muzafargarh and Toba Tek Singh, the payment was made to certain NGOs.

The Committee took serious notice of the issue and recommended that the amount be recovered from the concerned Chairmen as arrears of land revenue.



**The para was kept pending.**

## **(Chapter-II)**

### **19. Para No.1 Page 14 of Audit Report for the year 1999-2000: Irregular Deduction of Bank Charges Rs.0.069 Million.**

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**31.01.2005** Audit had pointed out that according to Central Zakat Council banking services were free of charge whereas, a sum of Rs.69,453/- was deducted by the banks from the accounts of Local Zakat Committees as bank charges.

The Department explained that case had been referred to the Finance Department and State Bank of Pakistan for refund of Rs.65,444/-.

The Committee directed that the case be pursued with the FD and State Bank for early refund of the amount.

**The para was kept pending.**

## **Chapter-III**

### **20. Para No.1 Page 14 of Audit Report for the year 1999-2000: Non-Production of Record of 32 LZCS.**

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**31.01.2005** Audit had pointed out that record of 32 Local Zakat Councils was not produced to Audit for verification.

The Department explained that the relevant record would be produced to Audit within 60 days.

The Committee **kept the para pending** with the direction that the record be produced to Audit within 60 days failing which the criminal action was recommended to be taken against the responsible.

## **Gift Pack Scheme** **Chapter-I**

### **21. Para No.1 Page 15 of Audit Report for the year 1999-2000: Un-Acknowledged Payments of Rs.4.723 Million.**

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**22. Para No.2 Page 16 of Audit Report for the year 1999-2000: Irregular distribution of Gift Packs to Unauthorized Persons Without Istehqaq Certificate Rs.1.826 Million.**

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**23. Para No.3 Page 16 of Audit Report for the year 1999-2000; Loss Due to Missing of Gift Packs Rs.5.828 Million.**

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### (Chapter-II)

**24. Para No.1 Page 17 of Audit Report for the year 1999-2000: Non Production of Record Rs.13.303 Million.**

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**31.01.2005** The Department explained that irregularity in different districts of the DZC committed and the cases for inquiry had been referred to Member Inquiry S & GAD. It was added that the inquiry reports would be presented before the PAC in the next meeting.

The Committee **kept the paras pending** and desired that the inquiry report be completed within 90 days.

### District Level Health Institutions (Chapter-I)

**25. Para No.1 Page 18 of Audit Report for the year 1999-2000: Excess Expenditure Than the Prescribed Limit Rs.0.400 Million.**

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**31.01.2005** Audit had pointed out that certain health institutions had incurred expenditure on the Mustahiq patients, more than the approved rates without the permission of Competent Authority.

The Department explained that the case had been referred for regularization of the amount incurred above the approved rates.

The Committee **settled the para** with the direction that warning be issued to the concerned Medical Superintendents of the hospitals to avoid such practice in future.

**26. Para No.2 Pages 18 & 19 of Audit Report for the year 1999-2000: Irregular Cash Payment to Supplier of Medicines Out of Zakat Fund Rs.3.725 Million.**

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**31.01.2005** Audit had pointed out that the payments were made to the supplier of medicines in cash instead of cross cheques.

The Department explained that although mode of payment was in cash, however, the medicines were supplied to the hospitals.

The Committee **settled the para** and recommended that warning be issued to the concerned officers for making payment in cash and avoid such practice in future.

**27. Para No.3 Page 19 of Audit Report for the year 1999-2000: Irregular Payment Without Determining Istehqaq Rs.0.908 Million.**

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**31.01.2005** Audit had pointed out that the expenditure was incurred by certain institutions for treatment of patients out of Zakat fund without obtaining Istehqaq certificates.

The Department explained that out of total 8 DHQs, Hospital the 6 DHQs Hospital had provided the necessary record and the same had been verified by the Audit, whereas cases for remaining 2 DHQs Hospital had been referred to DZCs for regularization.

The Committee **kept the para pending** and directed the department that the Secretary, Health be requested to take disciplinary action against the responsible officers and a copy of the same be provided to PAC.

**28. Para No.4 Page 19 of Audit Report for the year 1999-2000: Payment Without Passing Resolution Rs.0.265 Million.**

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**31.01.2005** Audit had pointed out that the funds were disbursed by Conveners of certain Health Welfare Committees without the approval of the Health welfare Committees.

The Department explained that out of 3 HWCS the 2 had provided the record and the same had been verified by the Audit. Whereas the case for the one district had been referred for regularization to PZC.

The Committee **settled the para** and recommended that warning letters be issued to the concerned Conveners of Health Welfare Committees to avoid such practice in future.

**29. Para No.5 Page 20 of Audit Report for the year 1999-2000: Irregular Purchase of Medicines Without Contract Agreement/Calling Open Tender Rs.3.380 Million.**

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**31.01.2005** Audit pointed out that payment was made to certain suppliers of medicines by Health Welfare Committee without adopting open tender system.

The Department explained that out of total 6 HWC,s one had provided the record, whereas the cases of the remaining 5 HWCs had been referred for regularization to PZC.

The Committee **kept the para pending** and recommended that the case be referred to the Secretary Health Department for conducting a fact finding inquiry and in the light of the inquiry, action be taken against the responsible under intimation to PAC.

## Chapter-II

### **30. Para No.1 Page 20 of Audit Report for the year 1999-2000: Irregular Payment/Purchases from Zakat Fund to Rs.0.520 Million.**

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**31.01.2005** The Department explained that out of total 8 HWCs, 3 HWCs had provided the record and the same had been verified by the Audit. The cases for 2 HWCs had been referred for regularization, whereas in 3 HWCs recovery was due.

The Committee **kept the para pending** and recommended that a fact finding inquiry be conducted by the Secretary Health Department and in the light of the inquiry, action be taken against the responsables under intimation to PAC.

### **31. Para No.2 Page 21 of Audit Report for the year 1999-2000: Non-Production of Income Tax to Rs.0.058 Million.**

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**31.01.2005** The Department explained that all the recovery of income tax had been effected and audit had seen/verified the same.

Audit verified the contention of the Department and recommended the para for settlement.

**The para was accordingly settled.**

### **32. Para No.3 Page 21 of Audit Report for the year 1999-2000: Irregular Deduction of Bank Charges Rs.0.029 Million.**

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**31.01.2005** Audit had pointed out that according to Central Zakat Council banking services were free of charge whereas, a sum of Rs.69,453/- and Rs.28,877/- were deducted by the banks from the accounts of Local Zakat Committees as bank charges.

The Department explained that case has been referred to the Finance Department and State Bank of Pakistan for refund of the said amount.

The Committee directed that the case be pursued with the FD and State Bank for early refund of the amount.

**The para was kept pending.**