



REPORT
of the
PUBLIC ACCOUNTS COMMITTEE-II
on
APPROPRIATION ACCOUNTS
of the
GOVERNMENT OF THE PUNJAB
And
REPORT
of the
AUDITOR GENERAL OF PAKISTAN
2009-2010

PROVINCIAL ASSEMBLY OF THE PUNJAB

***REPORT OF THE
PUBLIC ACCOUNTS COMMITTEE-II
(2009-2010)***

MAY 2015

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P R E F A C E

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

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

The Appropriation Accounts, Financial Statements and Audit Reports of the Auditor-General of Pakistan for the year 2009-10 were laid in the Provincial Assembly of the Punjab during the previous tenure and the Assembly had referred the same to PAC-II for consideration.

The previous Public Accounts Committee-II was constituted on 25 February 2009, and considered the report in a series of meetings. On the expiry of the initial period of one year for submission of report of PAC-II to the Assembly, the period was extended from time to time finally up to 8 April 2013. During this period, the Committee held 62 meetings. However, the consideration of Appropriation Accounts and Audit Report 2009-10 was under process, when the Provincial Assembly of the Punjab was dissolved on 20 March 2013 on completion of its term.

The present Public Accounts Committee-II was constituted on 13 December 2013 and the incomplete work of the previous Public Accounts Committee-II was referred to the present PAC-II on the same day. The Committee considered the aforesaid report in 32 meetings wherein the Chairman and members candidly used their diverse experience and expertise to expedite the work in hand.

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

Utmost care has been taken to ensure that this publication is brought out without any mistake. In spite of this, it is possible that some errors/omissions might have crept in. Needless to say, we would welcome any suggestion for further improvement of this treatise.

The drafting and proof reading/preparation of this Report has been made possible due to the concerted efforts of officers/staff of the Public Accounts Committee-II of the Provincial Assembly Secretariat.

(RAI MUMTAZ HUSSAIN BABER)

Senior Secretary

Provincial Assembly of the Punjab, Lahore

Dated Lahore, the
May 2015

INTRODUCTION

Following the May 2013 general elections, the Public Accounts Committee-II was constituted by the House on 13 December 2013, it met first time for the election of its Chairman on 26 December 2013. Thereafter, the Committee took up consideration of the Appropriation Accounts and Audit Report for the year 2009-10 w.e.f. 16 January 2014. This report of the Public Accounts Committee-II on the Appropriation Accounts and Audit Report for the year 2009-10 comprises the deliberations and recommendations recorded in the minutes of the meetings, and is presented to the Provincial Assembly of Punjab in terms of rule 178 read with rule 166(2)(C) of the Rules of Procedure of the Provincial Assembly of the Punjab 1997.

During consideration of its business, the Public Account Committee issued various directives to the Administrative Departments which have been incorporated in the minutes of meetings as reproduced in this report. It is hoped that attention would be paid to identifying the lessons learnt from this exercise and the process should lead to appropriate reforms in organizational set-ups and procedures for direction and control. In order to create a productive and effective working atmosphere, the Committee suggests that Government should particularly take note of the following observations/recommendations -

- The Principal Accounting officers must ensure their personal attendance in meetings of the Committee and PAC related communication must be given top priority.
- An officer must be deputed and notified in each Department to ensure production of record to Audit and strict disciplinary action be taken against the delinquents
- Internal Audit system should be augmented and strengthened so that any slip at the lower tier is identified and removed promptly. Necessary measures should be taken for training of the staff dealing with financial/accounting matters.

The Committee would like to express its sincere gratitude to the officers/officials of PAC-II and Punjab Assembly Secretariat for the assistance extended by them to the Public Accounts Committee-II in completing the examination of Audit Report for the year 2009-10 and for preparation of this report.

(DR. MALIK MUKHTAR AHMED BHARATH)

Chairman

Public Accounts Committee-II
Provincial Assembly of the Punjab

Dated Lahore, the
May 2015

AGRICULTURE

The paras were discussed in the meetings of PAC-II held on 16.05.2011, 17.05.2011, 18.05.2011, 25.07.2014 & 18.08.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Pages 5 to 9 of Appropriation Accounts for the year 2009-10

04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0421 Agriculture
042101 Administration / Land Commission

LQ4081 Agriculture Department

Final Grant		Rs.42,497,000/-
Actual Expenditure		Rs.41,955,319/-
Saving	(-)	Rs. 541,681/-
Percentage		1.27%

25.07.2014 The Department explained that saving had occurred due to vacant posts and adoption of austerity measures as per instruction of the Government.

The representative of Accountant General Punjab informed that excess expenditure had been incurred against the sub-head A011-1 for which no explanation had been rendered by the Department.

The Committee directed the Department to get the excess expenditure condoned by the Finance Department.

The item was kept pending.

2. Grant No. PC21018 (018) Agriculture (All Voted) Pages 10 to 31 of Appropriation Accounts for the year 2009-10

(i) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0421 Agriculture
042101 Administration / Land Commission

LQ4191 Planning And Evaluation Cell

Final Grant		Rs.16,707,000/-
Actual Expenditure		Rs.16,609,807/-
Saving	(-)	Rs. 97,193/-
Percentage		0.58%

25.07.2014 The Department explained that bulk of the funds had been utilized and there were minor savings against various sub-heads.

Saving being nominal, **the item was settled.**

- (ii) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry and Fishing
 0421 Agriculture
 042101 Administration / Land Commission
LQ5306 Punjab Agriculture Development Supplies Corporation (PAD & SC)

Final Grant		Rs.3,266,000/-
Actual Expenditure		Rs.3,167,215/-
Saving	(-)	Rs. 98,785/-
Percentage		3.02%

25.07.2014 The Department explained that there were minor savings against various sub-heads due to strict austerity measures as minimum funds were retained to meet unforeseen expenditures.

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

- (iii) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry and Fishing
 0421 Agriculture
 042103 Agriculture Research And Extension Service
LQ4192 Subordinate And Expert Staff

Final Grant		Rs.77,782,000/-
Actual Expenditure		Rs.75,897,359/-
Saving	(-)	Rs. 1,884,641/-
Percentage		2.42%

- (iv) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry and Fishing
 0421 Agriculture
 042103 Agriculture Research And Extension Service
LQ4193 Extension Services (Ext)

Final Grant		Rs.186,576,000/-
Actual Expenditure		Rs.182,450,035/-
Saving	(-)	Rs. 4,125,965/-
Percentage		2.21%

25.07.2014 The Department explained that saving had occurred because several posts were lying vacant for which funds for four months salaries were retained.

The Committee **settled the above items** with the directions that surplus funds should be timely surrendered in future.

- (v) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry and Fishing
 0421 Agriculture
 042103 Agriculture Research And Extension Service
LQ4194 Extension Services (Floriculture)

Final Grant		Rs.54,675,000/-
Actual Expenditure		Rs.54,216,745/-
Saving	(-)	Rs. 458,255/-
Percentage		0.84%

25.07.2014 The Department explained that saving had occurred mainly under the sub-heads of Pay & Allowances because salary budget for 3 months had been retained in respect of vacant posts. Moreover, surplus funds had been allocated by the Finance Department against the sub-head A13 which resulted in lapse of funds.

The Committee **settled the item** with the directions that excess expenditure against the sub-head A011-1 should be got regularized by the Finance Department.

- (vi) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry and Fishing
 0421 Agriculture
 042103 Agriculture Research And Extension Service
LQ4195 Extension Services (Research)

Final Grant		Rs.864,639,000/-
Actual Expenditure		Rs.857,559,513/-
Saving	(-)	Rs. 7,079,487/-
Percentage		0.82%

25.07.2014 The Department explained that there were minor savings against various sub-heads pertaining to 121 DDOs across the Department.

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

- (vii) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry and Fishing
 0421 Agriculture
 042103 Agriculture Research And Extension Service
LQ4196 On Farm Water Management Programme

Final Grant		Rs.54,542,000/-
Actual Expenditure		Rs.53,314,213/-
Saving	(-)	Rs. 1,227,787/-
Percentage		2.25%

25.07.2014 The Department explained that saving had occurred because several posts were lying vacant and funds were retained against them to the extent of 4 months salaries.

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

- (viii) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry and Fishing
 0421 Agriculture
 042103 Agriculture Research And Extension Service

LQ4197 Agriculture Engineering Soil Conservation and Boring Operations

Final Grant		Rs.2,280,892,000/-
Actual Expenditure		Rs.2,287,321,830/-
Excess	(+)	Rs. 6,429,830/-
Percentage		0.28%

25.07.2014 The Department explained that saving had occurred because several posts were lying vacant and certain bills could not be finalized due to some codal formalities. However, excess expenditure against the sub-heads A011-1 and A011-2 was due to allocation of lesser funds by the Finance Department as compared to the demand.

The Committee **settled the item** with the directions that excess expenditure should be got regularized from the Finance Department and probe report on account of this lapse should be submitted to the PAC within 20 days.

- (ix) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry and Fishing
 0421 Agriculture
 042103 Agriculture Research And Extension Service

LQ4198 Punjab Agriculture Research Board Lahore

Final Grant		Rs.31,139,000/-
Actual Expenditure		Rs.30,763,713/-
Saving	(-)	Rs. 375,287/-
Percentage		1.21%

25.07.2014 The Department explained that there were minor savings against various sub-heads because lesser expenditure was incurred on account of utilities and Repair & Maintenance.

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

- (x) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry and Fishing
 0421 Agriculture
 042103 Agriculture Research And Extension Service

LQ4199 Works

Final Grant		Rs.3,500,000/-
Actual Expenditure		Rs.3,481,819/-
Saving	(-)	Rs. 18,181/-
Percentage		0.52%

- (xi) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0421 Agriculture
042103 Agriculture Research And Extension Service
LQ4200 Lump sum Provision for Incentives

Final Grant		Rs.30,000,000/-
Actual Expenditure		Rs.29,693,739/-
Saving	(-)	Rs. 306,261/-
Percentage		1.02%

- (xii) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0421 Agriculture
042103 Agriculture Research And Extension Service
LQ4357 Lump sum Provision for Punjab Agriculture Marketing Company (PAMCO)

Final Grant		Rs.41,715,000/-
Actual Expenditure		Rs.41,068,000/-
Saving	(-)	Rs. 647,000/-
Percentage		1.55%

- (xiii) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0421 Agriculture
042103 Agriculture Research And Extension Service
LQ4765 Estb. of WTO in Agriculture Deptt.

Final Grant		Rs.3,253,000/-
Actual Expenditure		Rs.3,202,782/-
Saving	(-)	Rs. 50,218/-
Percentage		1.54%

25.07.2014 The Department explained that bulk of the allocated funds had been utilized and the savings against various sub-heads were quite nominal.

The above items were accordingly settled.

- (xiv) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0421 Agriculture
042103 Agriculture Research And Extension Service
LQ4529 Water Courses (Punjab Component)

Final Grant		Rs.18,760,000/-
Actual Expenditure		Rs.18,136,779/-
Saving	(-)	Rs. 623,221/-
Percentage		3.32%

25.07.2014 The representative of AG Punjab stated that despite savings against various sub-heads, excess expenditure had been incurred against the sub-head A06-Transfers and the budget figures of this sub-head ought to be reconciled with Finance Department.

The **item was kept pending** for reconciliation of accounts with the Finance Department/AG Punjab.

- (xv) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0421 Agriculture
042103 Agriculture Research And Extension Service
LQ4530 Water Courses for Regional Offices

Final Grant		Rs.27,295,000/-
Actual Expenditure		Rs.26,854,952/-
Saving	(-)	Rs. 440,048/-
Percentage		1.61%

25.07.2014 The Department explained that there were minor savings against various sub-heads, however excess expenditure had been incurred against the sub-heads of A011-2 and A03 due to increase in pay as well as the rates of utilities.

The Committee **settled the item** subject to condonation of the excess expenditure by the Finance Department with the direction that warning be issued to the responsible official.

- (xvi) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0421 Agriculture
042103 Agriculture Research And Extension Service
VQ4001 RAEDC Vehari

Final Grant		Rs.9,580,000/-
Actual Expenditure		Rs.9,437,009/-
Saving	(-)	Rs. 142,991/-
Percentage		1.49%

25.07.2014 The Department explained that there was minor saving because some posts were lying vacant.

The Committee **settled the item** with the directions that excess expenditure against the sub-head A011-2 should be got condoned from the Finance Department.

- (xvii) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0421 Agriculture
042104 Plants Protection And Locust Control
MP4006 Plants Protection And Locust Control-Multan

Final Grant		Rs.131,770,000/-
Actual Expenditure		Rs.127,648,542/-
Saving	(-)	Rs. 4,121,458/-
Percentage		3.13%

25.07.2014 The Department explained that saving had occurred because several posts were lying vacant and there was ban on recruitment. Moreover, in case of sub-heads A03 and A13, there were nominal savings in the field offices involving 47 DDOs.

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

- (xviii) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0421 Agriculture
042113 Information And Statistics
LQ5299 Agriculture Census / Statistics

Final Grant		Rs.273,653,000/-
Actual Expenditure		Rs.265,612,810/-
Saving	(-)	Rs. 8,040,190/-
Percentage		2.94%

25.07.2014 The Department explained that saving had occurred because some posts were lying vacant and there were nominal savings against 46 DDOs across the Department.

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

- (xix) 04 Economic Affairs
044 Mining And Manufacturing
0441 Manufacturing
044120 Others
BO4003 Karkhana Allat-e-Zaree Bahawalpur

Final Grant		Rs.21,040,000/-
Actual Expenditure		Rs.20,645,592/-
Saving	(-)	Rs. 394,408/-
Percentage		1.87%

25.07.2014 The Department explained that saving had occurred because numerous posts were lying vacant and some bills could not be cleared due to technical reasons.

The Committee **settled the item** with the directions that excess expenditure against the sub-head A011-1 should be got condoned by the Finance Department.

- (xx) 08 Recreational, Culture And Religion
082 Culture Services
0821 Culture Services
082120 Others
LQ4189 Government Gardens (Floriculture)

Final Grant		Rs.54,738,000/-
Actual Expenditure		Rs.53,850,663/-
Saving	(-)	Rs. 887,337/-
Percentage		1.62%

25.07.2014 The Department explained that saving had occurred because several posts were lying vacant and some bills were not entertained by the AG Office during the last fortnight of financial year.

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

- (xxi) 08 Recreational, Culture And Religion
083 Broadcasting And Publishing
0831 Broadcasting And Publishing
083103 Publicity

LQ4188 Agriculture Information Bureau

Final Grant		Rs.92,623,000/-
Actual Expenditure		Rs.90,502,308/-
Saving	(-)	Rs. 2,120,692/-
Percentage		2.29%

25.07.2014 The Department explained that saving had occurred because several posts were lying vacant whereas advertisement bill amounting to Rs.1,637,288/- was not timely received from DGPR.

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

- (xxii) 09 Education Affairs And Services
093 Tertiary Education Affairs And Services
0931 Tertiary Education Affairs And Services
093102 Professional/Technical/Universities/Colleges

LQ4190 Agriculture Training Institute

Final Grant		Rs.55,354,000/-
Actual Expenditure		Rs.55,277,015/-
Saving	(-)	Rs. 76,985/-
Percentage		0.14%

25.07.2014 The Department explained that there were nominal savings against various sub-heads, however, there was excess expenditure against the sub-head A011-1 due to provision of insufficient funds by the Finance Department.

The Committee **settled the item** with the directions/recommendations that excess expenditure should be got condoned by the Finance Department. Meanwhile, Finance Department should also improve its mechanisms for timely release of appropriate funds.

- (xxiii) 09 Education Affairs And Services
 093 Tertiary Education Affairs And Services
 0931 Tertiary Education Affairs And Services
 093102 Professional/Technical/Universities/Colleges
RA4006 Barani Agriculture College/University of ARID Agriculture Rawalpindi.

Final Grant		Rs.20,530,000/-
Actual Expenditure		Rs. 20,530,000/-
Saving	(-)	<i>Nil</i>
Percentage		0.00%

25.07.2014 The Department explained that all the allocated funds had been fully utilized.

The item was accordingly settled.

- (xxiv) 09 Education Affairs And Services
 093 Tertiary Education Affairs And Services
 0931 Tertiary Education Affairs And Services
 093102 Professional/Technical/Universities/Colleges
LQ4777 University of Agriculture Faisalabad

Final Grant		Rs.126,355,000/-
Actual Expenditure		Rs.120,908,861/-
Saving	(-)	Rs. 5,446,139/-
Percentage		4.31%

25.07.2014 The Department explained that funds had been allocated for University's delegations to Iran, China and France, which were utilized as per actual requirements. Moreover, the expenditure of Rs.9,934,900/- actually related to the sub-head A12-Civil work instead of A012 and the facts had been got verified by AG office.

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

- (xxv) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry and Fishing
 0421 Agriculture
 042103 Agriculture Research And Extension Service
LQ4902 Punjab Seed Corporation

Final Grant		Rs.63,917,000/-
Actual Expenditure		Rs.51,966,000/-
Saving	(-)	Rs.11,951,000/-
Percentage		18.70%

25.07.2014 The representative of AG Punjab informed that above accounts had not been reconciled by the Department.

The item was kept pending for reconciliation of accounts with concerned quarters within 30 days.

3. Grant No. PC22036 (036) Development (All Voted) Pages 32 to 36 of Appropriation Accounts for the year 2009-10

25.07.2014 The representative of AG informed that reconciliation of accounts was required in this grant.

The Committee directed that reconciliation of all pending items should be completed within 30 days under intimation to the PAC.

The grant was kept pending.

4. Grant No. PC12038 (038) Agriculture Improvement & Research: (Development) Pages 37 & 38 of Appropriation Accounts for the year 2009-10

- (i) 04 Economic Affairs
042 Agriculture, Food, Irrigation, Forestry & Fishing
0421 Agriculture
042103 Agriculture Research and Extension Service
LE4247 Agriculture Research and Extension Services

Final Grant		Rs.7,510,000/-
Actual Expenditure		Rs.7,174,752/-
Saving	(-)	Rs. 335,248/-
Percentage		4.46%

25.07.2014 The Department explained that tenders had been floated for purchase of some vehicles, Machinery & Equipment and procurement was made in June 2010. The saving occurred due to lower rates offered by the bidder. As such, the saving was in public interest.

The Committee accepted the explanation of the Department and settled the item.

- (ii) 04 Economic Affairs
042 Agriculture, Food, Irrigation, Forestry & Fishing
0421 Agriculture
042103 Agriculture Research and Extension Service
LE4248 Agriculture Research and Extension Services

Final Grant		Rs.75,000/-
Actual Expenditure		Rs.74,600/-
Saving	(-)	Rs. 400/-
Percentage		0.53%

25.07.2014 The Department explained that allocated funds had been fully utilized and there was nominal saving.

The item was accordingly settled.

- (iii) 04 Economic Affairs
 042 Agriculture, Food, Irrigation, Forestry & Fishing
 0421 Agriculture
 042103 Agriculture Research & Extension Service
LE4249 Agriculture Research and Extension Services

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.113,242,000/-		Rs.113,242,000/-
Actual Expenditure	Rs. 90,092,827/-		Rs. 95,869,077/-
Saving	(-) Rs. 23,149,173/-	(-)	Rs. 17,372,923/-
Percentage	20.44%		15.35

25.07.2014 The representative of AG Punjab informed that accounts had been reconciled and there was saving of Rs.17,372,923/- which was 15.35 % of the final grant.

The Department explained that saving had occurred because some vehicles and Machinery & Equipment could not be purchased due to non-fulfillment of codal formalities.

The Committee **settled the item** with the directions that surplus funds should be timely surrendered and proper explanation against each sub-head should be furnished in the working papers.

- (iv) 04 Economic Affairs
 042 Agriculture, Food, Irrigation, Forestry & Fishing
 0421 Agriculture
 042103 Agriculture Research and Extension Service
LE4250 Agriculture Research and Extension Services

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.1,858,000/-		Rs.1,858,000/-
Actual Expenditure	Rs.7,632,995/-		Rs.1,856,745/-
Excess/Saving	(+) Rs.5,774,995/-	(-)	Rs. 1,255/-
Percentage	310.82%		0.07%

25.07.2014 The Department explained that accounts had been reconciled with AG Punjab and there was saving of Rs.1,255/- only which was 0.07% of the final grant.

Saving being nominal, **the item was settled.**

Audit Paras (Civil) for the year 2009-2010

1. Para No. 1.1 Pages 5 to 7 of Audit Report for the year 2009-10; Irregularities in green tractor scheme - Rs. 2,000.00 million

17.05.2011 The Department explained that a procedural criteria had been devised for providing subsidy to the 10000 farmers @ Rs.200,000/- each which was strictly followed for disbursement of tractors. However, the Administrative Secretary had ordered to thrash out the matter and resultantly some procedural discrepancies were noticed in certain cases.

The Committee observed that there were numerous complaints of irregularities in the Scheme, therefore directed/recommended that responsibility be fixed for the lapses, disciplinary action be taken against the responsible officers/officials within 90 days and physical verification of subsidized tractors be got conducted through the concerned District Authorities. The Committee also desired that a Special Audit of the Green Tractor Scheme be conducted by the DG Audit Punjab.

The para was kept pending.

18.08.2014 The Department explained that as per directions of PAC dated 17.5.2011, a special audit of green tractor scheme had been conducted and twenty paras were pointed out by the Audit team. It was added that physical verification of tractors provided under Green Tractor Scheme had also been conducted through district functionaries which transpired that not a single tractor had been sold out before the prescribed limit of 3 years.

The Committee once again directed the Department to fix responsibility for the lapses/irregularities pointed out by Audit and take disciplinary action against the responsables under intimation to the PAC within 60 days.

The para was kept pending.

2. Para No. 1.2 Pages 7 to 11 of Audit Report for the year 2009-10; Irregularities in the Scheme "Rewards for Farmers" - Rs.112.000 million

17.05.2011 The Department explained that reward scheme was arranged for farmers and a Committee was appointed in each Tehsil under DO(R) for the verification of the land record and other credentials. The prizes were awarded among the best wheat growers at Provincial, Divisional, District and Tehsil level and a probe was conducted into the matter to thrash out the irregularities. As per findings of the inquiry, departmental action was in progress.

The Committee observed that there were several complaints of irregularities in reward scheme for farmers and therefore, directed/recommended that the inquiry report be got verified by Audit.

The Committee further directed that a Special Audit of the rewards disbursed in District Nankana Sahib be conducted within 90 days under intimation to the Public Accounts Committee.

The para was kept pending.

18.08.2014 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled**.

3. Para No. 1.3 Pages 11 to 13 of Audit Report for the year 2009-10; Irregularities in project “Farm Mechanization for Food Security” - Rs.102.582 million

17.05.2011 The Department explained that a departmental inquiry was conducted into the matter and as per its findings, no irregularity could be noticed as scrutiny mechanism was strictly followed to avoid any mistake.

The Committee **settled the para** with the direction/recommendation that a district-wise list of concerned farmers be submitted for information of the PAC within 7 days.

4. Para No. 1.4 Pages 13 to 15 of Audit Report for the year 2009-10; Non achievement of physical and income targets-Rs.63.524 million

18.05.2011 The Department explained that an inquiry was conducted into the matter which transpired that there was no negligence on the part of any employee because certain bulldozers could not be utilized due to un-avoidable circumstances and insufficient provision of budget for POL.

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

- (i) **1.4.1 Director Soil Conservation Punjab, R/Pindi – Rs. 22,598,660/-**
- (ii) **1.4.2 Director Agriculture Engineering, Faisalabad – Rs. 40,925,801/-**

18.08.2014 The Department explained that all the relevant record had been produced to Audit for verification.

Audit contented that Department should justify less achievement of targets to the tune of 45% whereas the changed policy had remained in force for only 45 days.

The **paras were kept pending** with the directions that requisite record in support of departmental contention should be got verified by Audit within 30 days.

5. Para No. 1.5 Pages 15 & 16 of Audit Report for the year 2009-10; Irregular expenditure - Rs. 58.321/- million

16.05.2011 The Department explained that PARB was not provided any funds for research during the period from 1998 to 2007. However, research funding was restored in 2007-08 and thereafter; research was being conducted through research organizations

very effectively including research programmes in collaboration with various International Institutions.

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

6. Para No. 1.6 Pages 16 & 17 of Audit Report for the year 2009-10; Loss due to illegal occupation of university land - Rs. 44.450/- million

16.05.2011 The Department explained that a Special Committee headed by EDO(Rev) Faisalabad was constituted to get the land of university vacated from the encroachers. After survey of the encroached land, EDO (Rev) Faisalabad concluded that university land had been encroached by the occupants 40 to 45 years ago who had constructed houses there with all the basic utilities. Now, it was impossible to dislocate the population residing there. However, the university authorities had again taken up the matter with the DCO Faisalabad for vacation of the requisite land.

The Committee decided to appoint a Special Committee consisting of the following:-

Secretary to Government of the Punjab Agriculture Department	Convener
District Co-ordination Officer, Faisalabad	Member
Vice Chancellor University of Agriculture, Faisalabad	Member

The aforesaid Committee shall examine the matter and work out feasible solution of the issue keeping in view the interests of the University as well as the welfare of the masses. Accordingly a comprehensive summary should be moved for approval of the competent authority and progress thereon be reported to the Public Accounts Committee within the period of six months.

The para was kept pending.

18.08.2014 The Department explained that as per directions of PAC dated 16.5.2011, a Special Committee was constituted under the convenership of Administrative Secretary and further action was being taken for recovery of university land in the light of the decisions of the said Committee.

The Committee **kept the para pending** with the directions/recommendations that matter be pursued vigorously and administrative secretary should ensure remedial measures in the interest of the University.

7. Para No. 1.7 Pages 17 & 18 of Audit Report for the year 2009-10; Purchase of spare parts without immediate requirement - Rs. 39.241 million

18.05.2011 The Department explained that spare parts were purchased in bulk at cheaper rates after preparing consolidated indent on the basis of demands received from sub-offices and all the stores were issued after due entry in the stock register.

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

18.08.2014 The Department explained that all the spare parts had been issued and utilized and relevant record was also available for verification.

The Committee **settled the para** with the observation that fruitful utilization of public money should be ensured in future.

8. Para No. 1.8 Pages 19 & 20 of Audit Report for the year 2009-10; Irregular expenditure in flood affected area - Rs. 22.400 million

17.05.2011 The Department explained that an inquiry was conducted into the matter whereby it was established that the wheat crop was destroyed in 139 villages due to flood. The Chief Minister Punjab visited the site and approved assistance for flood affected farmers in re-sowing of wheat crop. The distribution of seed was made after proper survey and no irregularity was noticed in the matter.

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

18.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled**.

9. Para No. 1.9 Pages 20 to 22 of Audit Report for the year 2009-10; Non recovery of liquidated damages charges - Rs. 18.086/- million

(i) (A) AIR No. 2, University of Agriculture, Faisalabad

16.05.2011 The Department explained that M/s NLC could not complete the project in time due to difficult conditions at site. In the circumstances, the Campus Committee decided to impose penalty @ 2% of the remaining work. Accordingly, a sum of Rs.3,348,613/- had been deducted from the final bill of the contractor whereas remaining amount would also be recovered from the security deposit.

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

(ii) (B) AIR No. 1, Director, Water Management Training Institute, Lahore

17.05.2011 The Department explained that the total amount on account of liquidated damages had been recovered from the concerned firm which had also been got verified by Audit.

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

10. Para No. 1.10 Pages 22 to 24 of Audit Report for the year 2009-10; Irregular expenditure on printing charges - Rs. 12.238/- million

(i) Part (a)

(ii) **Part (b)**

16.05.2011 The Department explained that the expenditure was incurred on printing of 'Ziraat Nama' in accordance with the provisions of Punjab Printing and Stationery Manual on the rates approved by the competent authority after fulfillment of codal formalities. Moreover all the bills/comparative statements were got vetted from the Government Printing Press.

The Director (Monitoring) Finance Department also endorsed the departmental contention.

The paras were accordingly settled.

(iii) **Part (c)**

16.05.2011 The Department explained that tenders for printing of certain publications were called through advertisement in the newspapers and the contract was awarded to the lowest bidder M/s Fareedi Art Press, Lahore after obtaining NOC from the Government Printing Press, Lahore. As such there was no violation of rules as the work was got done transparently after observing all the codal formalities.

The Director (Monitoring) Finance Department also endorsed the departmental contention.

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

11. Para No. 1.11 Pages 24 & 25 of Audit Report for the year 2009-10; Irregularities in the Scheme "Diversification of Adaptive Research Activities Through Induction of Horticulture Discipline" - Rs. 8.179 million

17.05.2011 The Department explained that as per findings of inquiry conducted into the matter, all the purchases were made as per provisions of PC-I and the scheme was implemented successfully. However there was delay in commencement of the scheme due to late funding.

The Committee was not satisfied with the explanation of the department and directed/recommended that an inquiry be conducted into the matter by the Administrative Secretary and report be submitted to the PAC within 60 days alongwith a comprehensive list of selected farmers.

The para was kept pending.

18.08.2014 The Department explained that as per directions of PAC dated 17.5.2011, a high level Committee had inquired into the matter whereby it was concluded that no irregularity had been committed in the implementation of subject scheme.

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

12. Para No. 1.12 Pages 25 & 26 of Audit Report for the year 2009-10; Incorrect application of electricity charges Rs. 4.908/- million

16.05.2011 The Department explained that necessary adjustment with WAPDA was being made which would be produced to Audit for verification.

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

18.08.2014 The Department explained that adjustment tariff had been obtained from IESCO and relevant record was also available for verification.

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

13. Para No. 1.13 Pages 26 to 28 of Audit Report for the year 2009-10; Un-authorized payment of allowances of - Rs. 3.182/- million

(i) 1.13(a) Irregular payment of medical charges - Rs. 1.918/- million

16.05.2011 The Department explained that medical allowance was being paid to the employees of the Arid Agriculture University with approval of the Syndicate which was authorized for the purpose under the University Act.

The Director (Monitoring) Finance Department apprised the Committee that pay and allowances of the university employees were necessarily required to be approved by the Chancellor. As such the payment of medical allowance without approval of the Chancellor was irregular.

The Committee also endorsed the viewpoint of the Finance Department and directed/recommended that payment of all such un-authorized / irregular allowances be discontinued immediately and irregular payment already made be recovered at source if the approval of the Chancellor could not be obtained with retrospective effect. The Committee further directed that such lapses should not be repeated in future.

The para was kept pending.

18.08.2014 The Department explained that a summary had been moved for approval of the Chancellor but the decision thereon was still awaited.

The **para was kept pending** with the directions that matter should be pursued vigorously.

(ii) 1.13(b) Un-authorized payment of orderly allowance - Rs. 1.264/- million

16.05.2011 The Department explained that recovery of the orderly allowance had been initiated from the salaries of the concerned staff and an amount of Rs.67,000/- had been recovered whereas efforts were being made to recover the balance amount.

The Committee kept the para pending with the direction/recommendations that the recovery of outstanding dues be expedited.

AIR No. 26 Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi – Rs. 1,168,500/-

AIR No. 43 Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi – Rs. 95,000/-

18.08.2014 The Department explained that Rs.595,725/- had been recovered and efforts were being made for remaining balance recovery.

The Committee reduced the para to the extent of recovered amount subject to verification of record by Audit and **kept the para pending** for balance recovery.

14. Para No. 1.14 Pages 28 & 29 of Audit Report for the year 2009-10; Excess expenditure over and above budget allocation - Rs. 2.640/- million

(i) **1.14.1 Director Oil Seed Research Institute, Faisalabad – Rs.34,222/-**

(ii) **1.14.3 Director Agriculture, Engineering, Faisalabad – Rs. 1,014,546**

18.05.2011 The Department explained that excess expenditure was incurred under the heads of Pay & Allowances due to revision of pay scales by the government. As such, the expenditure was inevitable, therefore, a case for regularization had been submitted for approval of the competent authority.

The Committee kept the paras pending till the submission of Appropriation Accounts of the relevant fiscal year.

18.08.2014 The Department explained that excess expenditure was incurred due to inevitable circumstances mainly under the sub-heads of Pay & Allowances.

The **paras were kept pending** till the decision of relevant appropriation accounts.

(iii) **1.14.2 Director, Water Management Institute, Lahore – Rs. 1,592,092/-**

17.05.2011 The Department explained that there was minor excess against certain heads of accounts but the overall expenditure in Grant-18 was well within the budget allocation.

The Committee kept the para pending till the submission of Appropriation Accounts of the relevant fiscal year.

18.08.2014 The Department explained that excess expenditure was incurred due to inevitable circumstances mainly under the sub-heads of Pay & Allowances.

The **para was kept pending** till the decision of relevant appropriation accounts.

15. Para No. 1.15 Pages 30 & 31 of Audit Report for the year 2009-10; Doubtful expenditure on publication valuing - Rs. 2.460/- million

16.05.2011 The Department explained that an inquiry was conducted into the matter by Director, Floriculture who concluded that printing and distribution of the publications was transparent and no embezzlement was proved. However, as per his recommendations, the concerned officer had been warned for procedural lapse.

Audit contented that the Department should produce the Inquiry Report duly vetted by the Administrative Secretary, for verification.

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

18.08.2014 The Department explained that an inquiry was conducted into the matter which transpired that no irregularity had been committed and the inquiry report had been approved by the Administrative Secretary.

The **para was kept pending** for verification of requisite record by Audit.

16. Para No. 1.16 Pages 31 & 32 of Audit Report for the year 2009-10; Irregular expenditure and blockage of government money - Rs. 1.958/- million

18.05.2011 The Department explained that an inquiry was conducted into the matter to thrash out the facts and the inquiry officer concluded that all the purchases were made as per rules and prescribed procedures after observing the codal formalities.

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

18.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled**.

17. Para No. 1.17 Pages 32 & 33 of Audit Report for the year 2009-10; Non recovery of outstanding amount - Rs. 1.302 million

18.05.2011 The Department explained that security deposit of the concerned firm had been forfeited and remaining amount would be recovered at the earliest.

The Committee conditionally settled the para subject to verification of recovery and requisite record by Audit.

18.08.2014 The Department explained that total outstanding amount had recovered from the defaulting firm which could be verified by Audit.

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

18. Para No. 1.18 Pages 33 & 34 of Audit Report for the year 2009-10; Recovery of special allowances discontinued by government - Rs. 1.201/- million

16.05.2011 The Department explained that recovery of special allowance had already been initiated and partial recovery had been effected. It was added that a clarification had been sought in the matter from Law & Parliamentary Affairs Department as well as Services & General Administration Department which was still awaited.

The Committee reiterated its directions that salary and allowances should only be paid after the approval of the Chancellor and un-authorized paid allowances be recovered. The Committee further directed that Finance Department should issue instructions to all the Universities to strictly follow the law/rules.

The **para was kept pending**.

(a) AP No. 18

18.08.2014 The Department explained that an amount of Rs.17,416/- had been recovered and got verified by Audit and efforts were being for balance recovery.

The **AP was conditionally settled** subject to balance recovery and its verification by Audit.

(b) AP No. 20

18.08.2014 The Department explained that a case for regularization of the expenditure had been moved for approval of the competent authority and decision thereon was still awaited.

The **AP was kept pending** till decision of the Chancellor.

19. Para No. 1.19 Pages 34 & 35 of Audit Report for the year 2009-10; Uneconomical purchase of LASER Land levelers - Recovery thereof - Rs.705,000/-

17.05.2011 The Department explained that LASER leveling equipment was purchased with prior concurrence of the Finance Department after technical scrutiny of the tenders and observing all the codal formalities.

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

20. Para No. 1.20 Pages 35 & 36 of Audit Report for the year 2009-10; Irregular expenditure on purchase of government vehicles - Rs. 999,000/-

21. Para No. 1.21 Pages 36 & 37 of Audit Report for the year 2009-10; Non auction of wheat - Rs. 923,083/-

(i) 1.21.1 Director Sugarcane, Faisalabad – Rs.390,046/-

18.05.2011 The Department explained that relevant record in support of departmental contention had already been got verified by Audit.

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

(ii) **1.21.2 University of Agriculture, Faisalabad – Rs. 533,037/-**

16.05.2011 The Department explained that the wheat was auctioned at the rate of Rs.900/40 kg through advertisement in the press because the Food Department had already stopped procurement due to surplus stock. As such no irregularity had been committed.

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

Audit Paras (Commercial) for the year 2009-10

1. Para No.2.1 Page 4 of Audit Report for the year 2009-10; Operational Results

25.07.2014 The Department explained that targets could not be achieved due to non-availability of sufficient funds for procurement of POL. Moreover, the machines had covered four times greater life as compared to designed life of 11000 hours and irreparable machinery had been disposed off through the District Disposal Committee.

The Committee directed/recommended that administrative secretary and Finance Department should examine the matter of provision of appropriate funds and targets should also be fixed logically. The Committee further directed that remaining unserviceable machines should be auctioned within 60 days.

Subject to above directions, the **para was conditionally settled.**

2. Para No. 2.2 Pages 4 & 5 of Audit Report for the year 2009-10; Financial Results

3. Para No. 2.3 Page 5 of Audit Report for the year 2009-10; Working results

25.07.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

4. Para No. 3.1 Page 6 of Audit Report for the year 2009-10; Operational Results

5. Para No. 3.2 Pages 6 & 7 of Audit Report for the year 2009-10; Financial Results

25.07.2014 The Department explained that targets could not be achieved due to non-availability of sufficient funds for POL. Moreover, the expenditure was also increasing due to hike in prices of POL and the machines had already covered more than four times life i-e 40000-50000 hours.

The Committee **settled the above paras** with the directions that necessary measures should be taken to improve the efficiency of the department.

6. Para No. 3.3 Page 7 of Audit Report for the year 2009-10; Working results

25.07.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

7. Para No. 4.1 Page 8 of Audit Report for the year 2009-10; Operational Results

25.07.2014 The Department explained that several machines were under repair but their parts were very costly and rare. Meanwhile, lesser funds had been allocated for POL charges as compared to the actual requirements.

The Committee **settled the para** with re-iteration of its recommendations that remedial measures should be taken by the PAO and appropriate funds should be provided by the Finance Department.

8. Para No. 4.2 Pages 8 & 9 of Audit Report for the year 2009-10; Financial Results

25.07.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

9. Para No. 4.3 Page 9 of Audit Report for the year 2009-10, Working results

25.07.2014 The Department explained that increase in expenditure was due to rehabilitation of two bulldozers under special repair programme which increased the life of machines by 6-7 years.

Audit contended that expenditure on rehabilitation had not been capitalized in the books of accounts.

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

10. Para No. 4.4 Page 9 of Audit Report for the year 2009-10; Working results

25.07.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

11. Para No. 4.5 Page 9 of Audit Report for the year 2009-10, Working results

25.07.2014 The Department explained that actual adjustable amount was Rs.4.822 million instead of Rs.3.935 million which was value of 2 Nissan Loaders. This amount had not been accounted for previously but it was taken into account during 2008-09. Similarly, material worth Rs.0.162 million had also been taken into account after some delay.

The Committee **settled the para** with the directions/recommendations that responsibility should be fixed for the aforesaid lapse and warnings be issued to the concerned employees.

12. Para No. 4.6 Page 9 of Audit Report for the year 2009-10, Working results

25.07.2014 The Department explained that POL was purchased from local markets while the agreement for rate contract was under discussion over some terms and all the record in this regard was available for verification.

Audit contended that expenditure had been split up in violation of procurement rules.

The **para was kept pending** with the directions/recommendations that an inquiry should be conducted to thrash out the matter and report to be submitted to the PAC at the earliest.

13. Para No. 4.7 Page 10 of Audit Report for the year 2009-10, Working results

25.07.2014 The Department explained that Sundry Debtors worth Rs.4.130 million were outstanding against Irrigation & Power Department, District Governments and Army Authorities and hectic efforts were being made for recovery.

The Committee **kept the para pending** with the directions that recovery should be pursued vigorously and higher authorities of the Department should take up the matter at appropriate forum.

14. Para No. 4.8 Page 10 of Audit Report for the year 2009-10, Working results

25.07.2014 The Department explained that farming community was not prompt to level their land in accordance with the new hiring policy due to which work was still pending. However, efforts were being made to clear the pending bookings.

The Committee directed/recommended that operating mechanism should also be reviewed to facilitate the farmers and dues of the farmers should be returned. Meanwhile, a certificate regarding un-traceable farmers who had deposited booking dues, should also be submitted to the PAC in its next meetings.

The **para was kept pending.**

15. Para No. 4.9 Page 10 of Audit Report for the year 2009-10; Working results

16. Para No. 4.10 Page 10 of Audit Report for the year 2009-10; Working results

25.07.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

17. Para No. 5.1 Page 11 of Audit Report for the year 2009-10; Operational Results

25.07.2014 The Department explained that targets could not be achieved because machines were very old and sufficient budget had not been allocated for POL.

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

18. Para No. 5.2 Pages 11 & 12 of Audit Report for the year 2009-10; Financial Results

25.07.2014 The Department explained that POL rates had increased considerably whereas hiring charges of bulldozers had not been enhanced proportionally because, machines were provided for agricultural lands to increase production. As such, activities of the Department were not purely commercial in nature.

The Committee **settled the para** with the directions that necessary measures should be taken to facilitate the farmers.

19. Para No. 5.3 Page 12 of Audit Report for the year 2009-10; Working Results

25.07.2014 The Department explained that all the pending bookings had been cleared and relevant record was also available for verification.

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

20. Para No.6.1 Page 13 of Audit Report for the year 2009-10, Operational Results

18.08.2014 The Department explained that targets could not be achieved due to shortage of funds for POL and spare parts. As per factual position, most of the machines were very old and had covered much more than their economical life.

The Committee **settled the para** with the directions that targets should be rationalized.

21. Para No. 6.2 Pages 13 & 14 of Audit Report for the year 2009-10, Financial Results

22. Para No. 6.3 Page 14 of Audit Report for the year 2009-10, Financial Results

18.08.2014 The Department explained that necessary action had been taken in respect of above paras and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **paras were settled.**

23. **Para No. 7.1 Page 15 of Audit Report for the year 2009-10, Operational Results**

24. **Para No. 7.2 Pages 15 & 16 of Audit Report for the year 2009-10, Financial Results**

18.08.2014 The Department explained targets could not be achieved due to shortage of funds for POL. Moreover, several machines were under repair being very old and unserviceable machines had been auctioned.

Audit contended that the Department was required to produce record in support of its contention.

The **paras were kept pending** for verification of record by Audit at the earliest.

25. **Para No. 7.3 Page 16 of Audit Report for the year 2009-10, Financial Results**

18.08.2014 The Department explained that necessary action had been taken in respect of above paras and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled**.

26. **Para No. 8.1 Page 17 of Audit Report for the year 2009-10, Operational Results**

18.08.2014 The Department explained that targets could not be achieved due to shortage of funds for POL and spare parts. As per factual position, most of the machines were very old and had covered much more than their economical life.

The Committee **settled the para** with the directions that targets should be rationalized.

27. **Para No. 8.2 Page 17 of Audit Report for the year 2009-10, Operational Results**

28. **Para No. 8.3 Pages 17 & 18 of Audit Report for the year 2009-10, Financial Results**

29. **Para No. 8.4 Page 18 of Audit Report for the year 2009-10, Financial Results**

30. **Para No. 8.5 Page 18 of Audit Report for the year 2009-10, Financial Results**

31. **Para No. 9.1 Page 19 of Audit Report for the year 2009-10, Operational Results**

32. **Para No. 9.2 Pages 19 & 20 of Audit Report for the year 2009-10, Financial Results**

33. Para No. 9.3 Page 20 of Audit Report for the year 2009-10, Financial Results

18.08.2014 The Department explained that necessary action had been taken in respect of above paras and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **paras were settled**.

34. Para No. 10.1 Page 21 of Audit Report for the year 2009-10, Operational Results

18.08.2014 The Department explained that targets could not be achieved due to shortage of funds for POL and spare parts. As per factual position, most of the machines were very old and had covered much more than their economical life.

The Committee **settled the para** with the directions that targets should be rationalized.

35. Para No. 10.2 Pages 21 & 22 of Audit Report for the year 2009-10, Financial Results

36. Para No. 10.3 Page 22 of Audit Report for the year 2009-10, Financial Results

37. Para No. 10.4 Page 22 of Audit Report for the year 2009-10, Financial Results

18.08.2014 The Department explained that necessary action had been taken in respect of above paras and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **paras were settled**.

38. Para No. 11.1 Page 23 of Audit Report for the year 2009-10, Operational Results

39. Para No. 11.2 Page 24 of Audit Report for the year 2009-10, Financial Results

18.08.2014 The Department explained that targets could not be achieved due to shortage of funds for POL and spare parts. As per factual position, most of the machines were very old and had covered much more than their economical life.

The Committee **settled the paras** with the directions that targets should be rationalized.

40. Para No. 11.3 Page 24 of Audit Report for the year 2009-10, Financial Results

18.08.2014 The Department explained that all the requisite record had been produced to Audit for verification.

The Committee expressed its concern on non-production of record at the time of Audit Inspection and directed/recommended that an inquiry should be conducted to fix responsibility for the lapse and action be taken against the responsables.

Subject to above directions, the **para was conditionally settled.**

41. Para No. 11.4 Page 24 of Audit Report for the year 2009-10, Financial Results

42. Para No. 11.5 Page 24 of Audit Report for the year 2009-10, Financial Results

18.08.2014 The Department explained that necessary action had been taken in respect of above paras and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **paras were settled.**

43. Para No. 12.1 Page 25 of Audit Report for the year 2009-10, Operational Results

18.08.2014 The Department explained that targets could not be achieved due to shortage of funds for POL and spare parts. As per factual position, most of the machines were very old and had covered much more than their economical life.

The Committee **settled the para** with the directions that targets should be rationalized.

44. Para No. 12.2 Page 26 of Audit Report for the year 2009-10, Financial Results

18.08.2014 The Department explained that a detailed study had been conducted in the light of Audit observation and resultantly, a summary containing recommendations for remedial measures had been moved for approval of the competent authority.

The Committee directed/recommended that surplus strength of the formation should be utilized somewhere else and study report should be produced to Audit for verification/comments.

Subject to above directions, the **para was conditionally settled.**

45. Para No. 12.3 Page 26 of Audit Report for the year 2009-10, Financial Results

18.08.2014 The Department explained that necessary action had been taken in respect of above paras and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled.**

46. Para No.13 Page 27 of Audit Report for the year 2009-10; Working results

18.05.2011 The Department explained that purchase and sale of imported fertilizer and pesticide were the main functions of PAD&SC which had been dissolved in 1998.

Being introductory, **the para was settled.**

47. Para No. 13.1 Page 27 of Audit Report for the year 2009-10; Working results

18.05.2011 The Department explained that most of the assignment for winding up the PAD&SC had already been completed but 52 cases were *subjudice* in the court of law besides recovery of the debts. Moreover, 63,050 bags of fake fertilizer had been retained as case property which was stored in rented godowns.

The Committee directed/recommended that the department should move a summary to the competent authority for disposal of the fake fertilizer at the earliest.

The para was kept pending.

18.08.2014 The Department explained that winding up of the PAD&SC was still under process and a high level Committee had been appointed by the Government of the Punjab for disposal of fake fertilizer. The stock would be disposed of in the light of recommendations of the said Committee.

The Committee directed/recommended that Finance Department should ensure completion of all the codal formalities within 30 days and report be submitted to the PAC.

The para was kept pending.

48. Para No.14 Page 28 of Audit Report for the year 2009-10; Working results

49. Para No.14.1 Page 28 of Audit Report for the year 2009-10; Working results

18.05.2011 The Department explained that due to fluctuation of electricity supply times and again, the oracle data base system of the PSC crashed. After the hectic efforts, the data base was restored in the month of March 2010 and the accounts were finalized and got verified by Audit.

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

50. Para No. 15 Pages 28 & 29 of Audit Report for the year 2009-10; Loss due to un-necessary procurement and improper marketing of Hybrid Maize Seed - Rs. 48.341 million

18.05.2011 The Department explained that as per contention of Audit, the Board of Governors of PSC had already ordered an inquiry into the matter and further necessary action would be taken in the light of findings of the inquiry report.

The para was kept pending with the directions that inquiry proceedings be finalized within 60 days under intimation to the PAC.

18.08.2014 The Department explained that in compliance with the PAC directions dated 18.5.2011, an inquiry was conducted into the matter and report thereon, was

presented in the meeting of Board of Directors held on 13.3.2014 and the Board had regularized the expenditure.

The Committee was not satisfied with the explanation of the Department and directed/recommended that responsibility should be fixed for the lapse and Audit should also examine the matter whether prescribed procedure had been followed for procurement of hybrid maize seed.

The **para was kept pending** for submission of compliance report by the Department/Audit.

51. Para No. 16 Pages 29 & 30 of Audit Report for the year 2009-10; Irregular appointment of consultants / marketing executives - Rs.2.540 million

18.05.2011 The Department admitted that as per Audit observation, certain appointments were made in violation of the prescribed procedure by the then Managing Director, Punjab Seed Corporation and the matter had been referred to the Finance Department for an advice in the matter. However, the services of the all the five incumbents had been discontinued.

The Committee directed/recommended that an inquiry be conducted into the matter to fix responsibility for the lapse and disciplinary action be taken against the concerned Managing Director in co-ordination with the Government of the Punjab, within 30 days under intimation to the PAC.

The para was kept pending.

18.08.2014 The Department explained that in compliance with the directions of PAC dated 18.5.2011, the matter had been referred to the Anti-corruption Establishment and report thereon was still awaited.

The Committee directed the Department to pursue the matter vigorously and Administrative Secretary should write a letter to DG Anti-corruption to expedite the matter within 30 days.

The **para was kept pending**.

52. Para No. 17 Page 30 of Audit Report for the year 2009-10; Irregular occupation of land by the Pattedars of Khanewal Farms - Rs.2,238 million

18.05.2011 The Department explained that a special committee had already been appointed to sort out the matter which had finalized its recommendations and submitted these for approval of the Chief Minister Punjab whose decision was still awaited.

The para was kept pending.

18.08.2014 The Department explained that the matter had already been reported to the Chief Minister Punjab which was still under consideration.

The Committee directed/recommended that a report regarding departmental efforts to resolve the matter should be furnished to the PAC within 30 days.

The **para was kept pending**.

53. Para No. 18 Page 31 of Audit Report for the year 2009-10; Blockage of funds due to non utilization of stores - Rs. 1.726 million

18.05.2011 The department explained that a departmental inquiry was being conducted into the matter to thrash out the reasons for non-utilization of spare parts which would be finalized at the earliest.

The para was kept pending with the directions that inquiry report be finalized within 30 days under intimation to the PAC.

18.08.2014 The Department explained that an inquiry had been conducted into the matter which had been presented to the Board of Directors but decision thereon was still awaited.

The Committee directed/recommended that an inquiry should be conducted into the matter by the PAO and responsibility should be fixed for the lapse under intimation to the PAC.

Subject to above directions, the **para was conditionally settled.**

54. Para No. 19 Pages 31 & 32 of Audit Report for the year 2009-10; Loss due to less recovery of sui gas charges from the residents - Rs. 1.714 million

18.05.2011 The Department explained that efforts were being made for installation of separate sui gas meters in the residential colonies of plants at Khanewal and Rahim Yar Khan whereas separate meters had already been installed in the residential colony of Sahiwal Plant. Meanwhile, PSC had enhanced the fixed rate for deduction of Sui Gas Charges.

The Committee directed/recommended that no payment of Utility Bills of residential colonies should be made from the budget of PSC and such charges be collected from the concerned residents through a rational mechanism.

The para was kept pending.

18.08.2014 The Department explained that separate gas meters had been installed in residential colony of Rahim Yar Khan plant whereas efforts were being made for installation of new connections in Khanewal Colony but the matter was delayed due to some technical issues.

The **para was kept pending** with the directions that matter should be pursued vigorously.

55. Para No. 20 Pages 32 & 33 of Audit Report for the year 2009-10; Irregular appointment of consultant and undue grant of extension without satisfactory performance - Rs.1.240 million

18.05.2011 The Department explained that due to acute shortage of technical employees, a consultant was appointed without advertisement in the newspaper due to the

ban on regular appointment. The Department further explained that the incumbent of the para namely Mr. Shabbi Hassan had been working as Processing Consultant in Punjab Seed Corporation during the period from 6.11.2007 to 6.5.2009 whereas he also got employment in KTWMA Kasur w.e.f 20.12.2008. As such, the incumbent got himself employed in two different organizations simultaneously and same was not humanly possible to perform duties at two different offices.

The Committee observed that the appointment of aforesaid officer in KTWMA, Kasur was in violation of rules/law; therefore, Committee took serious notice of these fraudulent practices of the aforesaid officer. The Committee recommended/directed that District Co-ordination Officer, Kasur should take strict action against Mr. Shabbi Hassan, General Manager, as per law under intimation to the PAC.

The para was kept pending.

18.08.2014 The Department explained that in compliance with the directions of PAC, the matter regarding recovery of outstanding dues had been referred to DCO Kasur but response was still awaited.

The Committee directed/recommended that an inquiry should be conducted into the matter by the Member (Inquiries) S & GAD, Government of the Punjab to fix responsibility for the lapse and a letter for the purpose should be written by the Director (Monitoring) Finance Department to the Additional Chief Secretary, Government of the Punjab.

The para was kept pending.

56. Para No. 21 Pages 33 & 34 of Audit Report for the year 2009-10; Loss due to shortage of wheat on re-bagging-Rs.1.062 million

18.05.2011 The Department explained that an inquiry was conducted into the matter and resultant proceedings under PEEDA 2006 were initiated against the responsables. However, some officials had obtained stay orders from the court against the recovery imposed on them.

Being subjudice, the para was kept pending.

18.08.2014 The Department explained that the recovery from the Managerial employees had been effected whereas Non-managerial employees had approached the Labour court and the matter was still subjudice.

The Committee directed that recovered amount should be got verified by Audit and cases be pursued vigorously.

The para was kept pending.

BOARD OF REVENUE

The paras were discussed in the meetings of PAC-II held on 24.11.2010, 29.05.2012 and 23.07.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21002(002) Land Revenue (All Voted) Pages 43 to 45 of Appropriation Accounts for the year 2009-10

- (i) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry & Fishing
0421 Agriculture
042102 Land Management (Land Record & Colonization)

LQ4002 Superintendence

Final Grant		Rs.2,271,000/-
Actual Expenditure		Rs.2,075,742/-
Saving	(-)	Rs. 195,258/-
Percentage		8.60%

29.05.2012 The representative of AG Punjab informed that accounts had been reconciled and there was saving of Rs.195,258/- which was 8.60 % of the final grant.

The Department explained that saving occurred mainly under the Sub-heads of Pay and Allowances due to the reason that three posts of Senior Revenue Accountants remained vacant during the financial year.

The Committee **settled the item** with the warning that such lapses should be strictly avoided in future and surplus funds be surrendered well in time.

- (ii) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry & Fishing
0421 Agriculture
042102 Land Management (Land Record & Colonization)

LQ4003 Land Record-Superintendence

Final Grant		Rs.33,169,000/-
Actual Expenditure		Rs.32,277,158/-
Saving	(-)	Rs. 891,842/-
Percentage		2.69%

29.05.2012 The representative of AG Punjab informed that accounts had been reconciled and there was saving of Rs.891,842/- which was 2.69 % of the final grant.

The Department explained that the saving had occurred mainly under the sub-heads of Pay & Allowances due to the fact that certain posts remained vacant and less expenditure was incurred under the sub-head of Operating Expenses.

The Committee directed/recommended that an inquiry should be conducted into the matter to fix responsibility as to why surplus funds were not surrendered well in time and action be taken against the responsables.

Subject to above directions, the item was settled.

23.07.2014 The Department explained that as per directions of PAC dated 29.5.2012, an inquiry was conducted to thrash out the matter whereby it was concluded that no negligence was committed by an official and saving had occurred due to vacant posts.

The Committee **settled the item** with the directions that surplus funds should be timely surrendered in future.

(iii) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry & Fishing
0421 Agriculture
042102 Land Management (Land Record & Colonization)
LQ4004 Consolidation of Land Holdings-Superintendence

Final Grant		Rs.4,774,000/-
Actual Expenditure		Rs.4,707,945/-
Saving	(-)	Rs. 66,055/-
Percentage		1.38%

29.05.2012 The representative of AG Punjab apprised the Committee that accounts had been reconciled and there was saving of Rs.66,055/- which was 1.38 % of the final grant.

The Department explained that there was nominal saving under the sub-heads of Pay & Allowances and requested for settlement of the grant.

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

2. Grant No. PC21004(004) Stamps (All Voted) Pages 46 & 47 of Appropriation Accounts for the year 2009-10

(i) 01 General Public Service
011 Executive & Legislative Organs, Financial
0112 Financial & Fiscal Affairs
011205 Tax Management (Customs, I.Tax, Excise) & Taxation Department
LQ4008 Superintendence

Final Grant		Rs.6,577,000/-
Actual Expenditure		Rs.6,391,138/-
Saving	(-)	Rs. 185,862/-
Percentage		2.83%

29.05.2012 The representative of AG Punjab apprised the Committee that accounts had been reconciled and there was saving of Rs.185,862/- which was 2.83% of the final grant.

The Department explained that saving was mainly under the sub-head of Other Allowances due to the fact that certain medical claims were under process but sanction of competent authority could not be obtained till the end of fiscal year.

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

- (ii) 01 General Public Service
 - 011 Executive & Legislative Organs, Financial
 - 0112 Financial & Fiscal Affairs
 - 011205 Tax Management (Customs, I.Tax, Excise) & Taxation Department
- LQ4009 Cost of Stamps Supplied from Central Stamps Store**

Final Grant		Rs.106,300,000/-
Actual Expenditure		Rs. 85,250,542 /-
Saving	(-)	Rs. 21,049,458/-
Percentage		19.80%

29.05.2012 There was variation of figures between the office of the Accountant General and the Administrative Department.

The Committee kept the item pending for reconciliation within 60 days.

23.07.2014 The Department explained that saving had occurred because vouchers regarding adjustment of judicial and non-judicial stamps could not be made during the financial year 2009-10 and the same was reconciled/adjusted in the subsequent years.

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

- (iii) 01 General Public Service
 - 011 Executive & Legislative Organs, Financial
 - 0112 Financial & Fiscal Affairs
 - 011205 Tax Management (Customs, I.Tax, Excise) & Taxation Department
- LQ4010 Charges for the Sale of Stamps**

Final Grant		Rs.41,000,000/-
Actual Expenditure		Rs.38,113,471/-
Saving	(-)	Rs. 2,886,529/-
Percentage		7.04%

29.05.2012 The representative of AG Punjab apprised the Committee that Accounts had been reconciled and there was saving of Rs.2,886,529/- which was 7.04 % of the final grant.

The Department explained that expenditure under the head of “Charges for the Sale of Stamps” was purely unforeseen in nature which was based upon presumptions and predictions. The saving occurred due to the reason that there was lesser sale of Stamps Papers during the financial year.

The Committee was not satisfied with the explanation of the Department and directed that Administrative Secretary may probe the matter, fix responsibility for the lapse and take disciplinary action against the responsables within 90 days under intimation to the PAC.

The grant was kept pending.

23.07.2014 The Department explained that saving had occurred due to lesser sale of stamp papers and no justified parameters were available to apprehend the incoming sales. As such, 100% utilization of the budget was not possible. However, concerned officials had been directed to be careful in future.

The Committee **settled the item** with the directions that such lapses should be avoided in future.

3. Grant No. PC21006(006) Registration (All Voted) Page 48 of Appropriation Accounts for the year 2009-10

01 General Public Service
011 Executive & Legislative Organs, Financial
0112 Financial & Fiscal Affairs
011205 Tax Management (Customs, I.Tax, Excise) & Taxation Department

LO4016 Superintendence

Final Grant	Rs.3,027,000/-
Actual Expenditure	Rs.3,022,032/-
Saving	(-) Rs. 4,968/-
Percentage	0.16%

29.05.2012 The representative of AG Punjab apprised the Committee that accounts had been reconciled and there was saving of Rs.4,968/- which was 0.16% of the final grant.

The saving being nominal, **the item was settled.**

4. Grant No. PC21009(009) Irrigation and Land Reclamation (All Voted) Pages 371 to 396 of Appropriation Accounts for the year 2009-10

(i) 01 General Public Service
014 Transfers
0141 Transfers (Inter-Governmental)
014110 Others

RQ4001 Grant in Aid to Rajanpur (Hill Torrents)

Final Grant	Rs.304,000/-
Actual Expenditure	<i>Nil</i>
Saving	Rs.304,000/-
Percentage	100%

29.05.2012 There was variation of figures between the office of the Accountant General and the Administrative Department.

The Committee kept the item pending for reconciliation within 60 days.

23.07.2014 The Department explained that funds had been released to Additional District Collector Rajunpur vide Finance Department's letter dated 03.08.2009 and the relevant account fell within the purview of Account-IV. However, District Authorities had been directed to get the accounts reconciled with DAO.

The Committee **settled the item** with the directions that matter should be got condoned by the Finance Department.

- (ii) 01 General Public Service
 - 014 Transfers
 - 0141 Transfers (Inter-Governmental)
 - 014110 Others

DQ4003 Grant in Aid to D.G.Khan (Hill Torrents)

Final Grant	Rs.1,402,000/-
Actual Expenditure	Rs.1,402,000/-
Saving/Excess	<i>Nil</i>
Percentage	0.00

29.05.2012 There was variation of figures between the office of the Accountant General and the Administrative Department.

The Committee kept the item pending for reconciliation within 60 days.

23.07.2014 The Department explained that matter related to District Government and all the allocated funds had been fully utilized there.

The **item was accordingly settled.**

5. Grant No. PC21010/PC24010(010) General Administration Pages 49, 158 & 535 to 560 of Appropriation Accounts for the year 2009-10

- (i) 01 General Public Service
 - 011 Executive & Legislative Organs, Financial
 - 0112 Financial & Fiscal Affairs
 - 011205 Tax Management (Customs, I.Tax, Excise) & Taxation Department
- LQ4099 Board of Revenue**

Final Grant		Rs.150,246,000/-
Actual Expenditure		Rs.149,686,194/-
Saving	(-)	Rs. 559,806/-
Percentage		0.37%

29.05.2012 The representative of AG Punjab apprised the Committee that accounts had been reconciled and there was saving of Rs.559,806/- which was 0.37% of the final grant.

The Department explained that there was nominal saving under the sub-heads of Pay & Allowances and requested for settlement of the grant.

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

- (ii) 01 General Public Service
 - 011 Executive & Legislative Organs, Financial
 - 0112 Financial & Fiscal Affairs
 - 011205 Tax Management (Customs, I.Tax, Excise) & Taxation Department
- LQ4768 Member Colonies**

Final Grant		Rs.2,259,000/-
Actual Expenditure		Rs.2,237,415/-
Saving	(-)	Rs. 21,585/-
Percentage		0.96%

29.05.2012 The representative of AG Punjab apprised the Committee that accounts had been reconciled and there was saving of Rs.21,585/- which was 0.96% of the final grant.

Saving being nominal, **the Committee settled the item.**

- (iii) 01 General Public Services
 - 011 Executive & Legislative Organs Finance
 - 0111 Executive & Legislative Organs
 - 011111 Divisional Administration
- LQ4508 Divisional Administration**

Final Grant		Rs.220,796,000/-
Actual Expenditure		Rs.172,141,726/-
Saving	(-)	Rs. 48,654,274/-
Percentage		22.04%

29.05.2012 The representative of AG Punjab apprised that accounts had been reconciled and there was saving of Rs.48,654,274/- which was 22.04% of the final grant.

The Department explained that offices of Divisional Commissioner were established in Punjab after devolution and posts of officers/officials in different cadres were

created but staff against these posts could not be posted due to ban on recruitment imposed by the Government. Consequently the funds could not be spent.

The Committee expressed its displeasure on non-compliance of its earlier directions to surrender excess funds in the 2nd Statement of Excesses & Surrenders and recommended/directed that Administrative Secretary may probe into the matter, fix responsibility and take disciplinary action against the responsables.

The item was kept pending.

23.07.2014 The Department explained that saving had occurred because several posts were lying vacant and there was ban on recruitment.

The Committee expressed its displeasure on huge savings and once again directed the Department to surrender the surplus funds in 2nd statement of excesses and surrenders after retaining funds for salaries of remaining 2 months.

With the above directions, **the item was settled.**

(iv) 01 General Public Services
011 Executive & Legislative Organs Finance
0111 Executive & Legislative Organs
011111 Divisional Administration
LQ4519 Circuit House of Various Divisional Headquarters

Final Grant		Rs.20,587,000/-
Actual Expenditure		Rs.13,578,919/-
Saving	(-)	Rs. 7,008,081/-
Percentage		34.04%

23.07.2014 The Department explained that savings had occurred because staff could not be recruited for newly established offices of Divisional Commissioners, due to some codal formalities.

The Committee **settled the item** with the directions/recommendations that necessary staff should be posted in above said offices and surplus funds should be surrendered well in time and instructions in this regard should be issued to all the concerned quarters under intimation to the PAC.

6. Grant No. PC21027 (027) Relief (All Voted) Pages 50 to 51 of Appropriation Accounts for the year 2009-10

10 Social Protection
107 Administration
1071 Administration
0107101 Relief Measures
LQ4277 Relief Measures

Final Grant		Rs.316,815,000/-
Actual Expenditure		Rs.209,938,260/-
Saving	(-)	Rs.106,876,740/-
Percentage		33.73%

23.07.2014 The Department explained that savings had occurred because two cheques were issued to the Food Department for IDPs of KPK but the same were not cleared by the treasury which resulted in lapse of funds.

The Committee directed/recommended that SMBR should look into the matter and fix responsibility for lapse of funds, under intimation to the PAC within 30 days.

The **item was kept pending.**

7. Grant No. PC21029 (029) Stationary and Printing Pages 356 to 359 of Appropriation Accounts for the year 2009-10

- 01 General Public Service
- 015 General Service
- 0154 Other General Services
- 015403 Centralized Printing & Publishing

LQ4281 Purchase of Plain Paper used with Stamps

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.3,636,000/-	Rs.3,636,000/-
Actual Expenditure	Rs.1,353,427/-	Rs.3,576,158/-
Saving	(-) Rs.2,282,573/-	(-) Rs. 59,842/-
Percentage	62.78%	1.64%

23.07.2014 The representative of AG Punjab stated that account had not yet been reconciled by the Department.

The Department explained that there was saving of Rs.59,842/- only which came to 1.64 % of the final grant. The Department further stated that out of total grant, a sum of Rs.644,518/- related to Director Works which had already been reconciled.

The Committee **conditionally settled the item** subject to reconciliation of departmental figures with the Accounts Offices.

8. Grant No. PC21031 (031) Miscellaneous (All Voted) Pages 711 to 740 of Appropriation Accounts for the year 2009-10

- (i) 10 Social Protection
- 107 Administration
- 1071 Administration
- 0107102 Rehabilitation and Resettlement
- LQ4297 Settlement and Rehabilitation Organization**

Final Grant		Rs.15,639,000/-
Actual Expenditure		Rs.16,762,036/-
Excess	(+)	Rs. 1,123,036/-
Percentage		7.18%

23.07.2014 The Department explained that excess expenditure had been incurred under the sub-heads of Pay & Allowances because funds as per demand were not sanctioned by the Finance Department.

The Committee **conditionally settled the item** subject to condonation of the expenditure by the Finance Department.

- (ii) 01 General Public Service
014 Transfers
0141 Transfers (Inter-Governmental)
014110 Others

LQ4298 Implementation of Jinnah Abadies

Final Grant		Rs.2,802,000/-
Actual Expenditure		Rs.3,117,938/-
Excess	(+)	Rs. 315,938/-
Percentage		11.28%

23.07.2014 There was variation in figures of budget and expenditure between the administrative Department and office of AG Punjab/Finance Department.

The **item was kept pending** with the directions that accounts should be reconciled with AG Punjab/Finance Department and proper explanation should be rendered for excess expenditure.

Audit paras (Revenue Receipts) for the year 2009-2010

1. Para No.2.1 Pages 32 & 49 of Audit Report for the year 2009-10; Non/Short-Recovery of Arrears of Abiana – Rs.185.664 Million

- 2.1.1(i) Tehsildar Nankana Sahib – Rs.3,611,673/-
- 2.1.1(ii) Tehsildar Nankana Sahib – Rs.3,024,745/-
- 2.1.3 Tehsildar Sargodha – Rs.67,912,872/-
- 2.1.4 Tehsildar Bhalwal – Rs.2,731,218/-
- 2.1.5 Tehsildar Sadar, Faisalabad – Rs.1,394,127/-
- 2.1.7 Tehsildar Jalalkpur – Rs.1,085,889/-
- 2.1.8(i) Tehsildar Sadar Bahawalpur – Rs.1,965,237/-
- 2.1.8(ii) Tehsildar Sadar Bahawalpur – Rs.2,147,763/-
- 2.1.9(i) Tehsildar City, Lahore – Rs.12,254,741/-
- 2.1.9(ii) Tehsildar City, Lahore – Rs.43,351,361/-
- 2.1.10 Tehsildar Kamoke – Rs.9,878,662/-
- 2.1.11 Tehsildar Vehari – Rs.629,846/-
- 2.1.12 Tehsildar Burewala – Rs.355,331/-
- 2.1.13 Tehsildar Gujranwala – Rs.324,030/-
- 2.1.14 Tehsildar Khanewal – Rs.2,248,870/-
- 2.1.15(ii) Tehsildar Toba Take Singh – Rs.6,352,530/-
- 2.1.18 Tehsildar Chistian – Rs.1,169,160/-
- 2.1.19(i) Tehsildar Rahim Yar Khan – Rs.5,188,806/-
- 2.1.19(ii) Tehsildar Rahim Yar Khan – Rs.614,433/-
- 2.1.20(i) Tehsildar Khanpur – Rs.6,834,636/-
- 2.1.20(ii) Tehsildar Khanpur – Rs.2,335,361/-
- 2.1.21(i) Tehsildar Liaquatpur – Rs.3,866,265/-
- 2.1.21(ii) Tehsildar Liaquatpur – Rs.4,917,515/-

24.11.2010 The Department explained that the above PDPs were relating to the recovery of *Tawan* instead of *Abiana* imposed on the land cultivators on committing theft of water which was assessed by the Irrigation & Power Department. It was also stated that most of the defaulters had already filed suits in different courts of law whose decisions had not yet been intimated to BoR. The SMBR requested the Committee to direct the Irrigation & Power Department to prepare an updated list of all recoverable amounts in respect of *Tawan* and then submit to BoR so that proper action could be taken towards recovery of *Tawan*.

The Committee directed the Department to pursue the matter vigorously and recover the outstanding dues at the earliest. However, Secretary, Irrigation & Power Department and Senior Officer of Board of Revenue may attend the next meeting of Sub-Committee-I of PAC-II being held on 30 November 2010, to resolve the issue.

These items were kept pending.

23.07.2014 The Department explained item-wise position of the above sub-paras and stated that partial recovery had been effected and efforts were being made for balance recovery.

After detailed deliberations the Committee directed/recommended that process of recovery of Abiyana/tawaan (water charges) should be streamlined and a Committee comprising a representative each from Board of Revenue and Irrigation Department should be appointed in each Tehsil which should examine all the cases and decide on merit. The old and untraceable cases of non-recoverable amount should be written off by the Competent Authority subject to fulfillment of codal formalities. Meanwhile, outstanding amount should be reconciled and its recovery be expedited through mutual cooperation. Moreover the District Coordination Officer of each District should review the performance of aforesaid Committee on monthly basis and ensure complete recovery within a period of six month.

The above **paras were kept pending** with the directions/recommendations that amount of paras be reduced to the tune of recovered amount subject to verification of requisite record by Audit.

2.1.2 Tehsildar Shahkot – Rs.488,673/-

24.11.2010 The Department explained that the above PDPs were relating to the recovery of *Tawan* instead of *Abiana* imposed on the land cultivators on committing theft of water which was assessed by the Irrigation & Power Department. It was also stated that most of the defaulters had already filed suits in different courts of law whose decisions had not yet been intimated to BoR. The SMBR requested the Committee to direct the Irrigation & Power Department to prepare an updated list of all recoverable amounts in respect of *Tawan* and then submit to BoR so that proper action could be taken towards recovery of *Tawan*.

The Committee directed the Department to pursue the matter vigorously and recover the outstanding dues at the earliest. However, Secretary, Irrigation & Power Department and Senior Officer of Board of Revenue may attend the next meeting of Sub-Committee-I of PAC-II being held on 30 November 2010, to resolve the issue.

These items were kept pending.

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.1.6 Tehsildar Jaranwala – Rs.88,632/-

2.1.15(i) Tehsildar Toba Take Singh – Rs.89,883/-

2.1.16(i) Tehsildar Kamalia – Rs.277,464/-

2.1.16(ii) Tehsildar Kamalia – Rs.348,879/-

2.1.17 Tehsildar Gujrat – Rs.174,955/-

24.11.2010 The Department explained that all the recovery relating to above mentioned paras had been effected and got verified by Audit.

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

2.1.13 Tehsildar Gujranwala – Rs.324,030/-

2.1.14 Khanewal – Rs.2,248,870/-

2.1.15(ii) Tehsildar Toba Take Singh – Rs.6,352,530/-

2.1.18 Tehsildar Chistian – Rs.1,169,160/-

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2. Para No.2.2 Pages 32, 33 & 50 of Audit Report for the year 2009-10; Non carrying forward Arrears of Abiana – Rs.64.963 Million

2.2.1 Tehsildar Sahiwal – Rs. 28,930,234/-

24.11.2010 The Department explained that out of total recoverable amount of *Abiana* partial recovery had been made. Efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery and directed that the balance amount be recovered within 90 days.

These items were kept pending.

23.07.2014 The Department explained item-wise position of the above sub-paras and stated that partial recovery had been effected and efforts were being made for balance recovery.

After detailed deliberations the Committee directed/recommended that process of recovery of *Abiyana/tawaan* (water charges) should be streamlined and a Committee comprising a representative each from Board of Revenue and Irrigation Department should be appointed in each Tehsil which should examine all the cases and decide on merit. The old and untraceable cases of non-recoverable amount should be written off by the Competent Authority subject to fulfillment of codal formalities. Meanwhile, outstanding amount should be reconciled and its recovery be expedited through mutual cooperation. Moreover the District Coordination Officer of each District should review the performance of aforesaid Committee on monthly basis and ensure complete recovery within a period of six month.

The above **para was kept pending** with the directions/recommendations that amount of paras be reduced to the tune of recovered amount subject to verification of requisite record by Audit.

2.2.2 Tehsildar Chistian – Rs.604,422/-

24.11.2010 The Department explained that entire recovery had been effected and deposited into the Govt. Treasury and record was available for verification by Audit.

This item was settled subject to verification of record by Audit.

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.2.3 Tehsildar Chubara – Rs.786,313/-

24.11.2010 The Department explained that out of total recoverable amount of *Abiana* partial recovery had been made. Efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery and directed that the balance amount be recovered within 90 days.

These items were kept pending.

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.2.4 Tehsildar Layyah – Rs. 4,305,329/-

24.11.2010 The Department explained that out of total recoverable amount of *Abiana* partial recovery had been made. Efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery and directed that the balance amount be recovered within 90 days.

The item was kept pending.

23.07.2014 The Department explained item-wise position of the above sub-paras and stated that partial recovery had been effected and efforts were being made for balance recovery.

After detailed deliberations the Committee directed/recommended that process of recovery of *Abiyana/tawaan* (water charges) should be streamlined and a Committee comprising a representative each from Board of Revenue and Irrigation Department should be appointed in each Tehsil which should examine all the cases and decide on merit. The old and untraceable cases of non-recoverable amount should be written off by the Competent Authority subject to fulfillment of codal formalities. Meanwhile, outstanding amount should be reconciled and its recovery be expedited through mutual

cooperation. Moreover the District Coordination Officer of each District should review the performance of aforesaid Committee on monthly basis and ensure complete recovery within a period of six month.

The above **para was kept pending** with the directions/recommendations that amount of paras be reduced to the tune of recovered amount subject to verification of requisite record by Audit.

2.2.5 Tehsildar Karoor Lal Eisan – Rs.23,724,824/-

24.11.2010 The Department explained that out of total recoverable amount of *Abiana* partial recovery had been made. Efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery and directed that the balance amount be recovered within 90 days.

These items were kept pending.

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.2.6 Tehsildar Nankana Sahib – Rs. 5,149,107/-

2.2.7 Tehsildar Sadar, Bahawalpur – Rs. 1,089,316/-

2.2.8 Tehsildar Vehari – Rs. 281,122/-

2.2.9 Tehsildar Burewala – Rs. 92,477/-

24.11.2010 The Department explained that out of total recoverable amount of *Abiana* partial recovery had been made. Efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery and directed that the balance amount be recovered within 90 days.

These items were kept pending.

23.07.2014 The Department explained item-wise position of the above sub-paras and stated that partial recovery had been effected and efforts were being made for balance recovery.

After detailed deliberations the Committee directed/recommended that process of recovery of *Abiyana/tawaan* (water charges) should be streamlined and a Committee comprising a representative each from Board of Revenue and Irrigation Department should be appointed in each Tehsil which should examine all the cases and decide on merit. The old and untraceable cases of non-recoverable amount should be written off by the Competent Authority subject to fulfillment of codal formalities. Meanwhile, outstanding amount should be reconciled and its recovery be expedited through mutual cooperation. Moreover the District Coordination Officer of each District should review

the performance of aforesaid Committee on monthly basis and ensure complete recovery within a period of six month.

The above **paras were kept pending** with the directions/recommendations that amount of paras be reduced to the tune of recovered amount subject to verification of requisite record by Audit.

3. Para No.2.3 Pages 33, 34 & 51 of Audit Report for the year 2009-10; Non-levy of ten per cent surcharge on late payment of Abiana – Rs.2.817 Million

2.3.1 Tehsildar Mianwali – Rs.39,475/-

24.11.2010 The Department explained that entire recovery had been effected and deposited into the Govt. Treasury and record was available for verification by Audit.

The item was settled subject to verification of record by Audit.

23.07.2014 The Department explained that partial recovery had been effected and efforts were being made for balance recovery. It was further stated that Surcharge on Abiana was not justified as per law.

The Committee directed the Department to seek an advice from the Law & Parliamentary Affairs Department and proceed in the matter accordingly.

The **para was kept pending**.

2.3.2 Tehsildar Silanwali – Rs.43,570/-

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

24.11.2010 Audit had pointed out that Revenue Officers had not levied and recovered 10% surcharge, on late payment of *Abiana*.

The Department explained that demand sheet of recovery was always delivered late by the Irrigation and Power Department to the Revenue Officers. Resultantly, the recovery process could not be completed within the stipulated period of 45 days which was the main hurdle in recovering 10% surcharge. It was also stated that in most of the Villages, Lamberdars were not given any incentives, therefore they did not assist the field staff towards recovery of 10% surcharge. The payments of 10% surcharge to the Lamberdars were not an easy task as the defaulters were not even willing to pay the actual amount of *Abiana*. It was further stated that the levy and recovery of 10% surcharge by the Lamberdars would further discourage the defaulters to pay their actual

dues. In the circumstances, the Department showed its inability towards levy and recovery of 10% surcharge.

The Committee directed that as the matter was relating to recovery of *Abiana* assessed by Irrigation & Power Department and decided that the matter would be discussed in the meeting of Irrigation & Power Department which was being held on 30.11.2010 in the presence of a Senior Officer of BoR.

The **item was kept pending.**

2.3.3 Tehsildar Nankana Sahib – Rs.302,274/-

24.11.2010 Audit had pointed out that Revenue Officers had not levied and recovered 10% surcharge, on late payment of *Abiana*.

The Department explained that demand sheet of recovery was always delivered late by the Irrigation and Power Department to the Revenue Officers. Resultantly, the recovery process could not be completed within the stipulated period of 45 days which was the main hurdle in recovering 10% surcharge. It was also stated that in most of the Villages, Lamberdars were not given any incentives, therefore they did not assist the field staff towards recovery of 10% surcharge. The payments of 10% surcharge to the Lamberdars were not an easy task as the defaulters were not even willing to pay the actual amount of *Abiana*. It was further stated that the levy and recovery of 10% surcharge by the Lamberdars would further discourage the defaulters to pay their actual dues. In the circumstances, the Department showed its inability towards levy and recovery of 10% surcharge.

The Committee directed that as the matter was relating to recovery of *Abiana* assessed by Irrigation & Power Department and decided that the matter would be discussed in the meeting of Irrigation & Power Department which was being held on 30.11.2010 in the presence of a Senior Officer of BoR.

The items were kept pending.

23.07.2014 The Department explained that partial recovery had been effected and efforts were being made for balance recovery. It was further stated that Surcharge on *Abiana* was not justified as per law.

The Committee directed the Department to seek an advice from the Law & Parliamentary Affairs Department and proceed in the matter accordingly.

The **para was kept pending.**

2.3.4 Tehsildar Shahkot – Rs.68,413/-

24.11.2010 The Department explained that all the recovery relating to above mentioned paras had been effected and got verified by Audit.

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

2.3.5 Tehsildar Sargodha – Rs.307,371/-

2.3.6 Tehsildar Bhalwal – Rs.136,003/-

24.11.2010 Audit had pointed out that Revenue Officers had not levied and recovered 10% surcharge, on late payment of *Abiana*.

The Department explained that demand sheet of recovery was always delivered late by the Irrigation and Power Department to the Revenue Officers. Resultantly, the recovery process could not be completed within the stipulated period of 45 days which was the main hurdle in recovering 10% surcharge. It was also stated that in most of the Villages, Lamberdars were not given any incentives, therefore they did not assist the field staff towards recovery of 10% surcharge. The payments of 10% surcharge to the Lamberdars were not an easy task as the defaulters were not even willing to pay the actual amount of *Abiana*. It was further stated that the levy and recovery of 10% surcharge by the Lamberdars would further discourage the defaulters to pay their actual dues. In the circumstances, the Department showed its inability towards levy and recovery of 10% surcharge.

The Committee directed that as the matter was relating to recovery of *Abiana* assessed by Irrigation & Power Department and decided that the matter would be discussed in the meeting of Irrigation & Power Department which was being held on 30.11.2010 in the presence of a Senior Officer of BoR.

The items were kept pending.

23.07.2014 The Department explained that partial recovery had been effected and efforts were being made for balance recovery. It was further stated that Surcharge on *Abiana* was not justified as per law.

The Committee directed the Department to seek an advice from the Law & Parliamentary Affairs Department and proceed in the matter accordingly.

The paras were kept pending.

2.3.7 Tehsildar Jalalpur – Rs.109,356/-

24.11.2010 The Department explained that entire recovery had been effected and deposited into the Govt. Treasury and record was available for verification by Audit.

These items were settled subject to verification of record by Audit.

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.3.8 Tehsildar Sadar, Bahawalpur – Rs.101,080/-

24.11.2010 Audit had pointed out that Revenue Officers had not levied and recovered 10% surcharge, on late payment of *Abiana*.

The Department explained that demand sheet of recovery was always delivered late by the Irrigation and Power Department to the Revenue Officers. Resultantly, the recovery process could not be completed within the stipulated period of 45 days which was the main hurdle in recovering 10% surcharge. It was also stated that in most of the Villages, Lamberdars were not given any incentives, therefore they did not assist the field staff towards recovery of 10% surcharge. The payments of 10% surcharge to the Lamberdars were not an easy task as the defaulters were not even willing to pay the actual amount of *Abiana*. It was further stated that the levy and recovery of 10% surcharge by the Lamberdars would further discourage the defaulters to pay their actual dues. In the circumstances, the Department showed its inability towards levy and recovery of 10% surcharge.

The Committee directed that as the matter was relating to recovery of *Abiana* assessed by Irrigation & Power Department and decided that the matter would be discussed in the meeting of Irrigation & Power Department which was being held on 30.11.2010 in the presence of a Senior Officer of BoR.

The items were kept pending.

23.07.2014 The Department explained that partial recovery had been effected and efforts were being made for balance recovery. It was further stated that Surcharge on *Abiana* was not justified as per law.

The Committee directed the Department to seek an advice from the Law & Parliamentary Affairs Department and proceed in the matter accordingly.

The **paras were kept pending.**

2.3.9 Tehsildar City Lahore – Rs.180,550/-

24.11.2010 Audit had pointed out that Revenue Officers had not levied and recovered 10% surcharge, on late payment of *Abiana*.

The Department explained that demand sheet of recovery was always delivered late by the Irrigation and Power Department to the Revenue Officers. Resultantly, the recovery process could not be completed within the stipulated period of 45 days which was the main hurdle in recovering 10% surcharge. It was also stated that in most of the Villages, Lamberdars were not given any incentives, therefore they did not assist the field staff towards recovery of 10% surcharge. The payments of 10% surcharge to the Lamberdars were not an easy task as the defaulters were not even willing to pay the actual amount of *Abiana*. It was further stated that the levy and recovery of 10% surcharge by the Lamberdars would further discourage the defaulters to pay their actual dues. In the circumstances, the Department showed its inability towards levy and recovery of 10% surcharge.

The Committee directed that as the matter was relating to recovery of *Abiana* assessed by Irrigation & Power Department and decided that the matter would be discussed in the meeting of Irrigation & Power Department which was being held on 30.11.2010 in the presence of a Senior Officer of BoR.

The items were kept pending.

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.3.10 Tehsildar Kamoke – Rs.204,747/-

2.3.11 Tehsildar Vehari – Rs.144,722/-

2.3.12 Tehsildar Burewala – Rs.109,027/-

24.11.2010 Audit had pointed out that Revenue Officers had not levied and recovered 10% surcharge, on late payment of *Abiana*.

The Department explained that demand sheet of recovery was always delivered late by the Irrigation and Power Department to the Revenue Officers. Resultantly, the recovery process could not be completed within the stipulated period of 45 days which was the main hurdle in recovering 10% surcharge. It was also stated that in most of the Villages, Lamberdars were not given any incentives, therefore they did not assist the field staff towards recovery of 10% surcharge. The payments of 10% surcharge to the Lamberdars were not an easy task as the defaulters were not even willing to pay the actual amount of *Abiana*. It was further stated that the levy and recovery of 10% surcharge by the Lamberdars would further discourage the defaulters to pay their actual dues. In the circumstances, the Department showed its inability towards levy and recovery of 10% surcharge.

The Committee directed that as the matter was relating to recovery of *Abiana* assessed by Irrigation & Power Department and decided that the matter would be discussed in the meeting of Irrigation & Power Department which was being held on 30.11.2010 in the presence of a Senior Officer of BoR.

The items were kept pending.

23.07.2014 The Department explained that partial recovery had been effected and efforts were being made for balance recovery. It was further stated that Surcharge on *Abiana* was not justified as per law.

The Committee directed the Department to seek an advice from the Law & Parliamentary Affairs Department and proceed in the matter accordingly.

The paras were kept pending.

2.3.13 Tehsildar Gujranwala – Rs.13,783/-

24.11.2010 The Department explained that all the recovery relating to above mentioned paras had been effected and got verified by Audit.

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

2.3.14 Tehsildar Khanewal – Rs.112,013/-

24.11.2010 The Department explained that almost total recovery had been effected leaving a balance recovery of Rs.1,000/-

The Committee settled the para subject to balance recovery and its verification by Audit.

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.3.15 Tehsildar Kamalia – Rs.27,755/-

24.11.2010 The Department explained that all the recovery relating to above mentioned paras had been effected and got verified by Audit.

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

2.3.16 Tehsildar Chistian – Rs.156,023/-

24.11.2010 Audit had pointed out that Revenue Officers had not levied and recovered 10% surcharge, on late payment of *Abiana*.

The Department explained that demand sheet of recovery was always delivered late by the Irrigation and Power Department to the Revenue Officers. Resultantly, the recovery process could not be completed within the stipulated period of 45 days which was the main hurdle in recovering 10% surcharge. It was also stated that in most of the Villages, Lamberdars were not given any incentives, therefore they did not assist the field staff towards recovery of 10% surcharge. The payments of 10% surcharge to the Lamberdars were not an easy task as the defaulters were not even willing to pay the actual amount of *Abiana*. It was further stated that the levy and recovery of 10% surcharge by the Lamberdars would further discourage the defaulters to pay their actual dues. In the circumstances, the Department showed its inability towards levy and recovery of 10% surcharge.

The Committee directed that as the matter was relating to recovery of *Abiana* assessed by Irrigation & Power Department and decided that the matter would be discussed in the meeting of Irrigation & Power Department which was being held on 30.11.2010 in the presence of a Senior Officer of BoR.

The items were kept pending.

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.3.17 Tehsildar Rahim Yar Khan – Rs.257,458/-

2.3.18 Tehsildar Khanpur – Rs.247,302/-

2.3.19 Tehsildar Liaqatpur – Rs.255,594/-

24.11.2010 Audit had pointed out that Revenue Officers had not levied and recovered 10% surcharge, on late payment of *Abiana*.

The Department explained that demand sheet of recovery was always delivered late by the Irrigation and Power Department to the Revenue Officers. Resultantly, the recovery process could not be completed within the stipulated period of 45 days which was the main hurdle in recovering 10% surcharge. It was also stated that in most of the Villages, Lamberdars were not given any incentives, therefore they did not assist the field staff towards recovery of 10% surcharge. The payments of 10% surcharge to the Lamberdars were not an easy task as the defaulters were not even willing to pay the actual amount of *Abiana*. It was further stated that the levy and recovery of 10% surcharge by the Lamberdars would further discourage the defaulters to pay their actual dues. In the circumstances, the Department showed its inability towards levy and recovery of 10% surcharge.

The Committee directed that as the matter was relating to recovery of *Abiana* assessed by Irrigation & Power Department and decided that the matter would be discussed in the meeting of Irrigation & Power Department which was being held on 30.11.2010 in the presence of a Senior Officer of BoR.

The items were kept pending.

23.07.2014 The Department explained that partial recovery had been effected and efforts were being made for balance recovery. It was further stated that Surcharge on *Abiana* was not justified as per law.

The Committee directed the Department to seek an advice from the Law & Parliamentary Affairs Department and proceed in the matter accordingly.

The paras were kept pending.

4. Para No.2.4 Pages 34, 35 & 52 of Audit Report for the year 2009-10; Non-recovery of government dues after expiry of stay orders– Rs.184.745 Million

2.4.1 Tehsildar Shahkot – Rs.19,040,973/-

2.4.2 Tehsildar Nankana Sahib – Rs.155,231,477/-

24.11.2010 The Department explained that in the above mentioned PDPs, different courts had issued stay-orders regarding recoveries. Therefore, it was not possible for revenue authorities to recover the amount from the defaulters.

The DG Audit apprised the Committee that there was a constitutional provision that any stay order issued by a civil court against the recovery of Govt. dues or revenues, ceases to have effect after 6 months period following the day on which the said stay order was issued. According to Audit, the Department had not made any effort towards recovery after the expiry of stay orders.

The Department explained that the statement of the DG Audit was not justified because the water could not reach in those areas where the demand had been raised and recovery orders were issued.

The Committee endorsed the contention of Audit that stay-order was valid only for a period of six months. Afterwards, the Department should proceed for recovery of outstanding dues at the earliest.

These items were kept pending.

23.07.2014 The Department explained item-wise position of the above sub-paras and stated that partial recovery had been effected and efforts were being made for balance recovery.

After detailed deliberations the Committee directed/recommended that process of recovery of Abiyana/tawaan (water charges) should be streamlined and a Committee comprising a representative each from Board of Revenue and Irrigation Department should be appointed in each Tehsil which should examine all the cases and decide on merit. The old and untraceable cases of non-recoverable amount should be written off by the Competent Authority subject to fulfillment of codal formalities. Meanwhile, outstanding amount should be reconciled and its recovery be expedited through mutual cooperation. Moreover the District Coordination Officer of each District should review the performance of aforesaid Committee on monthly basis and ensure complete recovery within a period of six month.

The above **paras were kept pending** with the directions/recommendations that amount of paras be reduced to the tune of recovered amount subject to verification of requisite record by Audit.

2.4.3 Tehsildar Jalalpur – Rs.2,937,957/-

24.11.2010 The Department explained that an amount of Rs.20,000/- had been recovered leaving a balance recovery of Rs.2,937,957/-

The Committee observed that there was no bar towards recovery process once the stay orders issued had become ineffective, the recovery should be effected.

The Committee directed/recommended that recovery be made within 60 days and report be submitted to PAC.

The item was kept pending.

23.07.2014 The Department explained item-wise position of the above sub-paras and stated that partial recovery had been effected and efforts were being made for balance recovery.

After detailed deliberations the Committee directed/recommended that process of recovery of Abiyana/tawaan (water charges) should be streamlined and a Committee comprising a representative each from Board of Revenue and Irrigation Department should be appointed in each Tehsil which should examine all the cases and decide on merit. The old and untraceable cases of non-recoverable amount should be written off by the Competent Authority subject to fulfillment of codal formalities. Meanwhile, outstanding amount should be reconciled and its recovery be expedited through mutual cooperation. Moreover the District Coordination Officer of each District should review the performance of aforesaid Committee on monthly basis and ensure complete recovery within a period of six month.

The above **para was kept pending** with the directions/recommendations that amount of paras be reduced to the tune of recovered amount subject to verification of requisite record by Audit.

2.4.4 Tehsildar Sadar, Bahawalpur – Rs.468,717/-

24.11.2010 The Department explained that in the above mentioned PDPs, different courts had issued stay-orders regarding recoveries. Therefore, it was not possible for revenue authorities to recover the amount from the defaulters.

The DG Audit apprised the Committee that there was a constitutional provision that any stay order issued by a civil court against the recovery of Govt. dues or revenues, ceases to have effect after 6 months period following the day on which the said stay order was issued. According to Audit, the Department had not made any effort towards recovery after the expiry of stay orders.

The Department explained that the statement of the DG Audit was not justified because the water could not reach in those areas where the demand had been raised and recovery orders were issued.

The Committee endorsed the contention of Audit that stay-order was valid only for a period of six months. Afterwards, the Department should proceed for recovery of outstanding dues at the earliest.

These items were kept pending.

23.07.2014 The Department explained item-wise position of the above sub-paras and stated that partial recovery had been effected and efforts were being made for balance recovery.

After detailed deliberations the Committee directed/recommended that process of recovery of Abiyana/tawaan (water charges) should be streamlined and a Committee comprising a representative each from Board of Revenue and Irrigation Department should be appointed in each Tehsil which should examine all the cases and decide on merit. The old and untraceable cases of non-recoverable amount should be written off by the Competent Authority subject to fulfillment of codal formalities. Meanwhile, outstanding amount should be reconciled and its recovery be expedited through mutual cooperation. Moreover the District Coordination Officer of each District should review

the performance of aforesaid Committee on monthly basis and ensure complete recovery within a period of six month.

The above **para was kept pending** with the directions/recommendations that amount of para be reduced to the tune of recovered amount subject to verification of requisite record by Audit.

2.4.5 Tehsildar Vehari – Rs.748,817/-

24.11.2010 The Department explained that another amount of Rs.23,800/- had been recovered besides recovery of Rs.321,413/-. Efforts were being made to effect the balance recovery.

The Committee directed/recommended to effect the balance recovery within 90 days, submit report to PAC as there was no legal bar towards the process of recovery.

The item was kept pending.

23.07.2014 The Department explained item-wise position of the above sub-paras and stated that partial recovery had been effected and efforts were being made for balance recovery.

After detailed deliberations the Committee directed/recommended that process of recovery of Abiyana/tawaan (water charges) should be streamlined and a Committee comprising a representative each from Board of Revenue and Irrigation Department should be appointed in each Tehsil which should examine all the cases and decide on merit. The old and untraceable cases of non-recoverable amount should be written off by the Competent Authority subject to fulfillment of codal formalities. Meanwhile, outstanding amount should be reconciled and its recovery be expedited through mutual cooperation. Moreover the District Coordination Officer of each District should review the performance of aforesaid Committee on monthly basis and ensure complete recovery within a period of six month.

The above **paras were kept pending** with the directions/recommendations that amount of para be reduced to the tune of recovered amount subject to verification of requisite record by Audit.

2.4.6 Tehsildar Burewala – Rs.1,515,134/-

24.11.2010 The Department explained that an amount of Rs.153,627/- had also been recovered besides recovery of Rs.194,488/-. Efforts were being made to effect the balance recovery.

The Committee directed/recommended that balance recovery be effected within 60 days and report be submitted to PAC as there was no legal bar towards the process of recovery.

The item was kept pending.

23.07.2014 The Department explained item-wise position of the above sub-paras and stated that partial recovery had been effected and efforts were being made for balance recovery.

After detailed deliberations the Committee directed/recommended that process of recovery of Abiyana/tawaan (water charges) should be streamlined and a Committee comprising a representative each from Board of Revenue and Irrigation Department should be appointed in each Tehsil which should examine all the cases and decide on merit. The old and untraceable cases of non-recoverable amount should be written off by the Competent Authority subject to fulfillment of codal formalities. Meanwhile, outstanding amount should be reconciled and its recovery be expedited through mutual cooperation. Moreover the District Coordination Officer of each District should review the performance of aforesaid Committee on monthly basis and ensure complete recovery within a period of six month.

The above **para was kept pending** with the directions/recommendations that amount of para be reduced to the tune of recovered amount subject to verification of requisite record by Audit.

2.4.7 Tehsildar Kamalia – Rs.3,845,548/-

2.4.8 Tehsildar Toba Take Sing – Rs.956,643/-

24.11.2010 The Department explained that all the recovery relating to above mentioned paras had been effected and got verified by Audit.

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

5. Para No.2.5 Pages 35 & 36 of Audit Report for the year 2009-10; In admissible allowance of “*lambardari*” fee– Rs.646,759/-

2.5.1 Tehsildar Sargodha – Rs.187,994/-

24.11.2010 The Department explained that Army Authorities had collected the amount of *Abiana* and deposited the same in to Govt. Treasury after deducting 6% *Lambardari* Fee/Commission. The Department showed its inability to recover the 6% *Lambardari* Fee/commission from the Army Authorities because according to the version of Army Authorities they were also entitled to 6% *Lambardari* fee/commission same like *Lambardars* for collection *abiana*.

The Committee directed/recommended the Department to write a letter to the Commandant concerned with the directions of the PAC to deposit 6% *Lambardari* Fee in Govt. Treasury within 90 days.

The item was kept pending.

23.07.2014 The Department explained that partial recovery had been effected and efforts were being made for balance recovery.

The Committee **kept the para pending** with the directions that complete recovery should be effected and record be got verified by Audit within 60 days.

2.5.2 Tehsildar Bhalwal – Rs.433,468/-

24.11.2010 The Department explained that the matter was regarding book transfer of Lambardari Fee which had been shown to audit for verification.

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

23.07.2014 The Department explained that partial recovery had been effected and efforts were being made for balance recovery.

The Committee **kept the para pending** with the directions that complete recovery should be effected and record be got verified by Audit within 60 days.

2.5.3 Kamalia – Rs. 25,297/-

24.11.2010 The Department explained that all the recovery relating to above mentioned paras had been effected and got verified by Audit.

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

6. Para No.2.6 Pages 36 & 52 of Audit Report for the year 2009-10; Non-recovery of Tawan From Un-authorized Cultivators of State Land– Rs. 21.662 Million

2.6.1 Tehsildar Jalalpur – Rs.3,989,040/-

24.11.2010 The Department explained that an amount of Rs.339,030/- had been remitted by the Irrigation & Power Department and efforts were being made for the balance recovery. The concerned officer was of the view that the para was related to Tawan instead of *Abiana*.

The Committee kept the item pending till the matter of Tawan was discussed in meeting of Irrigation & Power Department which was held on 30 November 2010.

23.07.2014 The Department explained that a sum of Rs.636,751/- and Rs.298,428/- had been recovered whereas an amount of Rs.1,727,243/- was not due. Meanwhile, efforts were being made for balance recovery.

The Committee **reduced the para** to the extent of recovered amount subject to verification of record and the **remaining portion of the para was kept pending** for recovery of outstanding dues within 60 days.

2.6.2 Tehsildar Vehari – Rs.226,921/-

24.11.2010 The Department explained that an amount of Rs.129,129/- had been recovered and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery and directed/recommended that balance amount be recovered within 60 days. The Committee also desired that a report regarding illegal occupants and their present status towards illegal occupation of Govt. land be submitted to the PAC in its next meeting.

The item was kept pending.

23.07.2014 The Department explained that outstanding amount had been recovered whereas balance amount was not recoverable despite hectic efforts.

The Committee **kept the para pending** with the directions that if recovery was impossible, the non-recoverable amount should be written off by the competent authority subject to rules/law within 60 days.

2.6.3 Tehsildar Burewala – Rs.1,450,400/-

24.11.2010 The Department explained that the figures required reconciliation.

The Committee kept the item pending for reconciliation and verification of record by Audit.

23.07.2014 The Department explained that a sum of Rs.256,762/- had been recovered and Rs.78,179/- has been remitted while efforts were being made for balance recovery but cases of some amount were subjudice in the court.

The **para was kept pending** for balance recovery.

2.6.4 Tehsildar Chistian – Rs.3,677,447/-

24.11.2010 The Department explained that the matter was sub-judice and efforts were being made to vacate the stay orders.

The Committee observed that any stay order issued by a civil court became ineffective after the expiry of six months. The Committee kept the para pending for balance recovery within 60 days. The Committee also desired that a report regarding illegal occupants and their present status towards illegal occupation of Govt. land be submitted to the PAC in its next meeting.

The item was kept pending.

23.07.2014 The Department explained that partial recovery had been effected and efforts were being for recovery of outstanding dues.

The **para was kept pending** with the directions that cases pending for decision of Superintending Engineer should be finalized within 60 days.

2.6.5 Tehsildar Khanpur – Rs.12,109,316/-

24.11.2010 The Department explained that Tawan was imposed on Hamza Sugar Mills for illegal cultivation of Govt. land against which they had filed an appeal in the High Court. The Committee was apprised that 100 acre land was still occupied by the Hamza Sugar Mills.

According to the Audit the department had made no efforts towards recovery and dispossession of the Govt. land.

The Committee directed/recommended that an inquiry be initiated in the illegal occupation of land and report be submitted to the PAC within 15 days.

The item was kept pending.

23.07.2014 The Department explained that tawan had been imposed on Hamza Sugar Mills and Lambardar Chak No.23/P but both the parties had challenged the tawan and the matter was still under trial.

The **para was kept pending** with the directions/recommendations that if there was no stay order by the court, the Department should proceed for recovery of outstanding dues.

2.6.6 Tehsildar Liaqatpur – Rs.208,826/-

24.11.2010 The Department explained that notices had been issued to all the defaulters for recovery as arrears of land revenue.

On the request of the Department 60 days time was granted to effect recovery and submit report to PAC.

The item was kept pending.

23.07.2014 The Department explained that all the outstanding amount had been recovered which could be verified by Audit.

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

7. Para No.2.7 Pages 37 & 53 of Audit Report for the year 2009-10; Non/short-realization of mutation fee– Rs.1.997 million

2.7.1 Tehsildar Nankana Sahib – Rs.269,755/-;

24.11.2010 Audit pointed out that while transferring immovable property through oral mutation the mutation fee was either not charged or less charged by the revenue officers concerned.

The Department explained that an amount of Rs.626,354/- had been effected and got verified by Audit.

The Committee directed/recommended that in all those cases where mutation fee had not been imposed inquiry should be held and disciplinary action should be taken against the delinquents and in those cases where demand had already been created but there was short realization of mutation fee, recovery should be effected within 60 days under report to PAC.

The item was kept pending.

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.7.2 Tehsildar Shahkot – Rs. 18,592/-

24.11.2010 The Department explained that entire recovery had been effected and deposited into the Govt. Treasury and record was available for verification by Audit.

These items were settled subject to verification of record by Audit.

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.7.3 Tehsildar Rawalpindi – Rs.129,800/-;

2.7.4 Tehsildar Sadar, Bahawalpur – Rs.124,757/-;

2.7.5 Tehsildar Kamoke – Rs.35,617/-;

2.7.6 Tehsildar Sohawa – Rs.161,830/-;

2.7.9 Tehsildar Dina – Rs.166,650/-;

2.7.10 Tehsildar Jhelum – Rs.28,100/-;

2.7.12 Tehsildar Toba Tak Sing – Rs.23,230/-;

2.7.14 Tehsildar Chishtian – Rs. 111,393/-

24.11.2010 The Department explained that all the recovery relating to above mentioned paras had been effected and got verified by Audit.

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

2.7.7 Tehsildar Vehari – Rs. 291,616/-

2.7.8 Tehsildar Burewala – Rs.145,773/-

24.11.2010 The Department explained that partial recoveries had been effected on account of mutation fee and efforts were being made for balance recoveries.

The item was kept pending to effect the recoveries within 60 days and submit report to PAC.

23.07.2014 The Department explained that entire recovery had been effected and got verified by Audit.

On the recommendations of Audit, the above **paras were settled.**

2.7.11 Tehsildar Gujranwala – Rs. 235,559/-

24.11.2010 The Department explained that partial recoveries had been effected on account of mutation fee and efforts were being made for balance recoveries.

The item was kept pending to effect the recoveries within 60 days and submit report to PAC.

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.7.13 Tehsildar Kamalia – Rs. 254,782/-

24.11.2010 The Department explained that entire recovery had been effected and deposited into the Govt. Treasury and record was available for verification by Audit.

These items were settled subject to verification of record by Audit.

23.07.2014 The Department explained that entire recovery had been effected and got verified by Audit.

On the recommendations of Audit, the above **para was settled.**

8. Para No.2.8 Pages 37 & 38 of Audit Report for the year 2009-10; Short realization of Government revenue due to irregular transfer of urban land through oral mutation – Rs.192,481/-

2.8.1 Tehsildar Rawalpindi – Rs. 23,700/-

23.07.2014 The Department explained that entire recovery had been effected and got verified by Audit.

On the recommendations of Audit, the above **para was settled.**

2.8.2 Tehsildar City, Lahore – Rs.95,200/-;

2.8.3 Tehsildar Khanpur – Rs. 56,911/-;

2.8.4 Tehsildar Liaqatpur – Rs. 16,670/-

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

- 9. Para No.2.9 Pages 38 & 39 of Audit Report for the year 2009-10; Non-production of auditable record of Mutation fee and Capital Value Tax for the period 2008-09**
-

2.9.1 Tehsildar, Rawalpindi

2.9.3 Tehsildar, Rahim Yar Khan

23.07.2014 The Department explained that all the relevant record was available for verification.

The **paras were kept pending** for verification for record within 15 days with the directions that in future, non-production of record would be dealt with as misappropriation.

2.9.2 Tehsildar, Dina

23.07.2014 The Department explained that all the relevant record had been got verified by Audit.

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

- 10. Para No.2.10 Pages 40 & 41 of Audit Report for the year 2009-10; Non/short realization of mutation fee on oral mutation in favour of other than legal heirs – Rs.371,885/-**
-

2.10.1 Tehsildar Sohawa – Rs.166,955/-;

2.10.2 Tehsildar Dina – Rs. 132,430/-;

2.10.3 Tehsildar Khanewal – Rs. 72,500/-

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

- 11. Para No.2.11 Pages 41 & 42 of Audit Report for the year 2009-10; Evasion of mutation fee due to mis-declaration of value on oral sale of land – Rs.186.242 million**
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23.07.2014 The ADC Rawalpindi stated that Audit had wrongly applied mutation fee on the land of Bahria Town in Rawalpindi just on the basis of a Newspaper Clipping.

According to the department, the mutation fee was not applicable on the land of Bahria Town which was further sold to Army Welfare Housing Scheme.

The Department further explained that at the time when sale transaction took place, no valuation table for rural land was existing and therefore, no mutation fee was justified as per audit calculations. After the sale transaction, the land had become the property of Bahria Town and no mutation fee was applicable on further transfer/sale of land by Bahria Town. The mutation fee on merger transaction had been paid but it was not justified in case of sale transaction.

After detailed discussion, the Committee directed the SMBR to submit a detailed report in support of departmental contention for consideration by the PAC.

The Committee **settled the para** subject to submission of detailed report by SMBR.

12. Para No.2.12 Pages 42, 53 & 54 of Audit Report for the year 2009-10; Non-short recovery of agricultural income tax – Rs.11.007 million

- 2.12.1 Tehsildar Layyah – Rs.4,050,752/-;**
- 2.12.2 Tehsildar Chubara – Rs. 590,864/-;**
- 2.12.3 Tehsildar Jaranwala – Rs. 20,542/-**
- 2.12.4 Tehsildar Jalalpur – Rs. 74,400/-**
- 2.12.6 Tehsildar City, Lahore – Rs. 146,600/-**
- 2.12.9 Tehsildar Bhalwal – Rs. 390,588/-**
- 2.12.10(i) Tehsildar Vehari – Rs. 289,749/-**
- 2.12.10(ii) Tehsildar Vehari – Rs. 14,588/-**
- 2.12.12 Tehsildar Gujranwala – Rs. 43,500/-**
- 2.12.13 Tehsildar Khanewal – Rs. 462,200/-**
- 2.12.14 Tehsildar Toba Tak Singh – Rs. 219,457/-**
- 2.12.15 Tehsildar Kamalia – Rs. 169,743/-**
- 2.12.16 Tehsildar Chistian – Rs. 492,800/-**

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

- 2.12.5 Tehsildar Sadar, Bahawalpur – Rs.740,221/-**
- 2.12.7 Tehsildar Kamoke – Rs.1,099,213/-**
- 2.12.11 DP No. 13453 Tehsildar Burewala – Rs.106,323/-**
- 2.12.11 DP No. 13454 Tehsildar Burewala – Rs.107,221/-**
- 2.12.18 Tehsildar Khanpur – Rs.187,530/-**
- 2.12.19 Tehsildar Liaqatpur – Rs.428,170/-**

23.07.2014 The Department explained that total outstanding amount had been recovered and relevant record had also been got verified by Audit.

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

2.12.8 Tehsildar Sargodha – Rs.454,371/-

2.12.17 Tehsildar Rahim yar Khan– Rs.917,752/-

23.07.2014 The Department explained that partial recovery had been effected and efforts were being made for recovery of outstanding dues.

The Committee reduced the above paras to the extent of recovered amount subject to verification of record and directed/recommended that balance amount should be recovered with in 60 days.

The paras were kept pending.

13. Para No.2.13 Pages 43, 54 & 55 of Audit Report for the year 2009-10; Short realization of stamp duty & registration fee due to under valuation of Assets – Rs.1.365 million

2.13.1(ii) Sub-Registrar, Data Gunj Buxsh Town, Lahore– Rs.28,110/-;

2.13.2 Sub-Registrar, Ravi Town, Lahore – Rs. 64,178/-;

2.13.3 Sub-Registrar, Attock – Rs. 176,071/-

2.13.4 Sub-Registrar, Bahawalpur – Rs. 30,008/-

2.13.5 Sub-Registrar, Allama Iqbal Town, Lahore – Rs. 88,480/-

2.13.6 Sub-Registrar, Kamoke – Rs. 90,841/-

2.13.7 Sub-Registrar, Wagha Town, Lahore – Rs. 41,025/-

2.13.8 Sub-Registrar, Ferozewala – Rs. 27,722/-

2.13.9 Sub-Registrar, Sohawa – Rs. 15,371/-

2.13.11 Sub-Registrar, Shalimar Town, Lahore – Rs. 70,893/-

2.13.13 Sub-Registrar, Dina – Rs. 113,632/-

2.13.14 Sub-Registrar, Jhelum – Rs. 71,367/-

2.13.15 Sub-Registrar, Burewala – Rs. 11,550/-

2.13.16 Sub-Registrar, Gujrat – Rs. 21,265/-

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.13.1(i) Sub-Registrar, Data Gunj Buxsh Town, Lahore– Rs.11,490/-

2.13.10 Sub-Registrar, Shalimar Town, Lahore – Rs. 161,900/-

2.13.12 Sub-Registrar, Aziz Bhatti Town, Lahore – Rs. 306,755/-

2.13.17 Sub-Registrar, Gujranwala – Rs. 10,200/-

2.13.18 Sub-Registrar, Multan – Rs. 24,359/-

23.07.2014 The Department explained that entire recovery had been effected and got verified by Audit.

On the recommendations of Audit, the above paras were settled.

14. **Para No.2.14 Pages 43, 44, 55 & 56 of Audit Report for the year 2009-10; Non-realization of Capital Value Tax on transfer of urban immovable properties – Rs.2.561 million**
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2.14.1 Sub-Registrar, Data Gunj Buksh Town, Lahore – Rs. 185,560/-

2.14.4 Sub-Registrar, Attock – Rs. 140,165/-

2.14.6 Sub-Registrar, Attock – Rs. 128,462/-

2.14.13 Sub-Registrar, Dina, Jhelum – Rs. 148,280/-

2.14.17 Sub-Registrar, Khanewal – Rs. 60,000/-

2.14.21 Sub-Registrar, Urban, Gujranwala – Rs. 23,200/-

2.14.23 Sub-Registrar, City, Multan – Rs. 163,300/-

23.07.2014 The Department explained that entire recovery had been effected and got verified by Audit.

On the recommendations of Audit, **the above paras were settled.**

2.14.2 Sub-Registrar, Sargodha – Rs. 58,538/-;

2.14.3 Sub-Registrar, City, Rawalpindi – Rs. 12,200/-

2.14.5 Sub-Registrar, Attock – Rs. 146,170/-

2.14.7 Sub-Registrar, Rahim Yar Khan – Rs. 219,860/-

2.14.8 Sub-Registrar, Kamoke – Rs. 84,000/-

2.14.9 Sub-Registrar, Data Gunj Buksh Town, Lahore – Rs. 2,500/-

2.14.10 Sub-Registrar, Ferozewala – Rs. 40,000/-

2.14.11 Sub-Registrar, Shalimar Town, Lahore – Rs. 7,000/-

2.14.12 Sub-Registrar, Dina, Jhelum – Rs. 50,000/-

2.14.14 Sub-Registrar, Jhelum – Rs. 351,816/-

2.14.15 Sub-Registrar, Vehari – Rs. 40,000/-

2.14.18 Sub-Registrar, Sialkot-II – Rs. 199,100/-

2.14.19 Sub-Registrar, Sialkot-I – Rs. 152,940/-

2.14.20 Sub-Registrar, Gujrat – Rs. 45,800/-

2.14.22 Sub-Registrar, Bahawalnagar – Rs. 148,000/-

2.14.24 Sub-Registrar, Chakwal – Rs. 14,400/-

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.14.16 Sub-Registrar, Khanewal – Rs. 139,383/-

23.07.2014 The Department explained that an amount of Rs. 29,450/- had been recovered and the case was subjudice in the court of law.

Being subjudice, **the para was kept pending.**

15. **Para No.2.15 Pages 44 & 45 of Audit Report for the year 2009-10; Short realization of stamp duty & registration fee on lease deeds – Rs.40,438/-**

(PDP No. 13122) DDO Registration, Sargodha

16. **Para No.2.16 Pages 45 & 46 of Audit Report for the year 2009-10; Short realization of stamp duty on conveyance deeds – Rs.280,109/-**

2.16.1 Sub-Registrar, Sargodha – Rs. 24,646/-;

2.16.2 Sub-Registrar, Jhelum – Rs. 209,360/-;

2.16.4 Sub-Registrar, Bahwal Nagar – Rs. 17,680/-;

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.16.3 Sub-Registrar, Khanewal – Rs. 28,423/-

23.07.2014 The Department explained that stamp duty had been recovered in the shape of adhesive tickets affixed on conveyance deeds and all the relevant record was available for verification.

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

17. **Para No.2.17 Pages 46 & 47 of Audit Report for the year 2009-10; In admissible refund of stamps papers allowed on claim – Rs.222,350/- time bar**

23.07.2014 The Department explained that entire recovery had been effected and got verified by Audit.

On the recommendations of Audit, the above **para was settled.**

18. **Para No.2.18 Pages 47 & 48 of Audit Report for the year 2009-10; Short realization of registration fee due to mis-calculation – Rs.105,843/-**

2.18.1 Sub-Registrar, Chishtian – Rs. 25,713/-;

2.18.2 Sub-Registrar, Sahiwal – Rs. 13,920/-;

2.18.5 Sub-Registrar, Gujranwala – Rs. 10,390/-;

29.05.2012 The Department explained that recovery involved in above paras had already been effected and relevant record in support of departmental contention had also been got verified by Audit.

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

2.18.3 Sub-Registrar, Data Gunj Buksh Town, Lahore – Rs. 30,090/-

2.18.4 Sub-Registrar, Bahwal Nagar – Rs. 25,730/-

23.07.2014 The Department explained that entire recovery had been effected and got verified by Audit.

On the recommendations of Audit, the above **paras were settled**.

GENERAL DIRECTIONS/RECOMMENDATIONS

24.11.2010 The Committee observed that most of the Administrative Department appeared before the PAC without proper preparation and the explanation of the Administrative Officers in the meeting was often different from that contained in the working papers. The Committee, therefore, reiterated its directions that:

1. Working papers in respect of all the items pending for consideration by the PAC may always be kept ready and updated to enable the Committee to hold the meetings at shortest notices.
2. Working papers should be comprehensive and complete in all respects and should contain all the relevant information therein.
3. Working papers be prepared at comparatively higher level strictly in accordance with the prescribe format and must be approved/signed by the Administrative Secretary and sent to all concerned within prescribed time limit.
4. The Principal Accounting Officer should hold pre-PAC meeting to familiarize himself with the facts and figures of each para and up-to-date position of the each case.

**COMMUNICATION
&
WORKS**

The paras were discussed in the meetings of PAC-II held on 27.01.2011, 28.01.2011, 29.01.2011, 27.10.2011, 28.10.2011, 29.10.2011, 28.03.2012, 16.04.2012, 17.04.2012, 18.04.2012, 28.05.2012, 30.05.2012, 26.02.2014 & 27.02.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No.PC21024/PC24024 (024) (Civil Works) Pages 68 to 75 of Appropriation Accounts for the year 2009-10,

- (i) 04 Economic Affairs
045 Construction & transport
0457 Construction (Works)
045701 Administration
LQ4351 Chief Engineers

Final Grant		Rs.39,109,000/-
Actual Expenditure		Rs.38,846,565/-
Saving	(-)	Rs. 262,435/-
Percentage		0.67%

17.04.2012 The representative of AG Punjab informed that accounts had been reconciled and there was saving of Rs.262,435/- which was 0.67 % of the final grant.

The Department explained that saving was mainly under the sub-head of Repair & Maintenance because funds could not be surrendered well in time in anticipation of repair of certain vehicles / office equipments etc.

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

- (ii) 04 Economic Affairs
045 Construction & transport
0457 Construction (Works)
045701 Administration
LQ4352 Director Planning & Design

Final Grant		Rs.12,539,000/-
Actual Expenditure		Rs.11,718,679/-
Saving	(-)	Rs. 820,321/-
Percentage		6.54%

17.04.2012 The representative of AG Punjab apprised the Committee that accounts had been reconciled and there was saving of Rs. 820,321/- which came to 6.54 % of the final grant.

The Department explained that the saving was due to the reason that some posts remained vacant and less re-imburement claims of medical charges were received during the relevant financial year.

The Committee **settled the item** with the directions that surplus funds should be surrendered well in time.

- (iii) 04 Economic Affairs
 - 045 Construction & transport
 - 0457 Construction (Works)
 - 045701 Administration

LQ4354 Superintending Engineers

Final Grant		Rs.72,209,000/-
Actual Expenditure		Rs.62,461,672/-
Saving	(-)	Rs. 9,747,328/-
Percentage		13.50%

17.04.2012 The representative of AG Punjab apprised the Committee that accounts had been reconciled and there was saving of Rs.9,747,328/- which came to 13.50 % of the final grant.

The Department explained that saving was due to the reason that some posts of officials / officer remained vacant during the last quarter of financial year and due to receipt of less re- imbursement claims of medical charges. The Department further added that another reason for saving was that expected utility bills were not received from WAPDA, SNGPL and PTCL.

The Committee was not satisfied with the explanation of the Department and observed that departmental explanation regarding non-receipt of utility funds was not based on facts and directed/recommended that Administrative Secretary should hold an inquiry into the matter and responsibly for be fixed for the lapse within 15 days under intimation to PAC.

The item was kept pending.

- (iv) 04 Economic Affairs
 - 045 Construction & transport
 - 0457 Construction (Works)
 - 045702 Buildings & Structures

LQ4249 Executive Engineers

Final Grant		Rs.554,739,000/-
Actual Expenditure		Rs.513,895,646/-
Saving	(-)	Rs. 40,843,354/-
Percentage		7.36%

17.04.2012 The representative of AG Punjab apprised the Committee that accounts had been reconciled and there was saving of Rs.40,843,354/- which came to 7.36 % of the final grant.

The Department explained that saving had occurred due to the reason that supplementary funds were released by finance department on 16-06-2010 which could not be utilized as Finance Department had fixed the cut off date for submission of claims up to 18.06.2010. As such, no claims could be entertained due to shortage of time.

The Committee **settled the item** with the directions that unutilized funds should be surrendered well in time in future.

- (v) 04 Economic Affairs
 - 045 Construction & transport
 - 0457 Construction (Works)
 - 045720 Others

LQ4395 Director Building Research Station Lahore

Final Grant		Rs.23,293,000/-
Actual Expenditure		Rs.22,644,915/-
Saving	(-)	Rs. 648,085/-
Percentage		2.78%

17.04.2012 The representative of AG Punjab apprised the Committee that Accounts had been reconciled and there was saving of Rs.648,085/- which comes to 2.78 % of the final grant.

The Department explained the saving due to the reason that lesser medical claim were received for re-imbursement utility bills received from WAPDA, SNGPL and PTCL were also lesser than anticipation.

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

- (vi) 04 Economic Affairs
 - 045 Construction & transport
 - 0457 Construction (Works)
 - 045720 Others

LQ4258 Chief Architect

Final Grant		Rs.106,943,000/-
Actual Expenditure		Rs. 99,599,234/-
Saving	(-)	Rs. 7,343,766/-
Percentage		6.87%

17.04.2012 The representative of AG Punjab informed that accounts had been reconciled and there was saving of Rs. 7,343,76/- which was 6.87 % of final Grant.

The Department explained that the saving was due to reason that 88 posts of officers/official remained vacant .Moreover the funds were got allocated for purchase of vehicles and furniture but there was ban on purchase of these items and the cases for

allowing the said purchases were not finalized by the Finance Department and Chief Minister Secretariat.

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

(vii) 04 Economic Affairs
 045 Construction & Transport
 0457 Construction (Works)
045702 Buildings & Structures
LQ4250 Maintenance and Repairs (Charged)

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.63,466,000/-	Rs.63,466,000/-
Actual Expenditure	Rs.52,395,377/-	Rs.63,356,641/-
Saving (-)	Rs.11,070,623/-	Rs.109,359/-
Percentage	17.44%	0.17%

17.04.2012 The representative of AG Punjab informed that the accounts had been reconciled and there was a saving of Rs. 109,359/- which 0.17 % of the final grant.

The Department stated that the saving was nominal i.e 0.17 % and requested for its settlement.

The Committee **settled the item.**

(viii)04 Economic Affairs
 045 Construction & Transport
 0457 Construction (Works)
045702 Buildings & Structures
LQ4251 Maintenance and Repairs

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.1,485,924,000/-	Rs.1,485,924,000/-
Actual Expenditure	Rs.1,358,694,368/-	Rs.1,361,224,671/-
Saving (-)	Rs. 127,229,632/-	Rs.124,699,329/-
Percentage	8.56%	8.39%

17.04.2012 The representative of AG Punjab apprised the Committee that Accounts had been reconciled and there was saving of Rs.124,699,329/- which came to 8.39 % of the final grant.

The Department explained that saving had occurred due to reason that funds demanded in the 2nd statement of excesses & surrenders were received on 16.06.2010, whereas Finance Department had fixed the cut of date for utilization of funds/ submission of claims up to 25.06.2010. As such, funds could not be utilized due to shortage of time.

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

(ix) 04 Economic Affairs
 045 Construction & Transport
 0457 Construction (Works)
 045702 Buildings & Structures

LQ4256 Tools & Plants

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.2,775,000/-	Rs.2,775,000/-
Actual Expenditure	Rs.Nil	Rs.2,150,477/-
Saving (-)	Rs. 2,775,000/-	Rs. 624,523/-
Percentage	100%	22.50%

17.04.2012 The representative of AG Punjab apprised the Committee that Accounts had been reconciled and there was saving of Rs.624,523/- which came to 22.5 % of the final grant.

The Department explained that the saving was due to late receipt of funds on 16.06.2010 which could not be utilized due to shortage of time.

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

2. Grant No.PC12042 (042) -Government Buildings (All Voted) Page 330 of Appropriation Accounts for the year 2009-10,

04 Economic Affairs
 045 Construction & Transport
 0457 Construction (Works)
 045702 Building & Structure

LE4203 & 4204 Buildings & Structures

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.14,579,427,000/-	Rs.14,579,427,000/-
Actual Expenditure	Rs.13,351,418,970/-	Rs.13,862,875,849/-
Saving (-)	Rs. 1,228,008,030/-	Rs.716,551,151/-
Percentage	8.42%	4.91%

17.04.2012 The representative of AG Punjab informed that accounts had been reconciled and there was saving of Rs.716, 551,151/- which was 4.91 % of final grant.

The Department explained that saving was due to late receipt of funds. Moreover the Administrative Approval of seven schemes was awaited and in certain cases the sites of different projects were not available whereas two schemes were subjudice in the court.

The Committee accepted the explanation of the Department of the department and **settled the item** with the directions that the Department should streamline the system to avoid such lapses in future.

Audit Paras (Works) for the year 2009-2010

- 1. Para No.1.1 Pages 3 to 5 of Audit Report for the year 2009-10, Irregular payment due to execution of carpeting work without job mix formula – Rs.454 million**
-

1.1.1 DP.No.156, Provincial Highway Division, Mianwali

29.10.2011 The Department explained that work had been executed as per Job Mix Formula and the Director, RR& MTI had been requested for evaluation of bitumen contents of the carpeting laid at site but the report of Road Research & Material Testing Laboratory was still awaited.

The **para was kept pending** with the directions that matter should be pursued vigorously.

1.1.2 DP.No.292, Provincial Highway Division, Gujrat

29.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

- 2. Para No.1.2 Pages 5 & 6 of Audit Report for the year 2009-10, Loss to government due to allotment of work at high rates – Rs.185.5 million**
-

DP No. 392 Lahore Ring Road Project, Lahore

26.02.2014 The Department explained that as per decision of SDAC dated 24.01.2011, a case for regularization of the matter had been moved to the Finance Department and the matter was still under process.

The **para was kept pending** for regularization with the directions that matter be pursued vigorously.

- 3. Para No.1.3 Pages 6 to 10 of Audit Report for the year 2009-10; Loss to Government due to incorrect application of rates – Rs.124.3 million**
-

1.3.1 DP No. 265 Provincial Highway Division, Sahiwal

27.01.2011 There was difference of opinion between Audit and Administrative Department regarding specifications of work and the rates applicable thereon.

After detailed deliberations on the matter, the Committee desired that Audit, Administrative Department and Finance Department may reconcile the matter, sort out the issues and report be submitted to the PAC on 29.01.2011.

On **29.01.11**, the Committee was apprised that despite detailed discussion on the matter, the participants could not reach a consensus.

In view of foregoing circumstances, the Committee recommended/decided to appoint a Special Committee consisting of the following:-

Member (Engineering) Planning & Development	Convener
Additional Secretary, Communication & Works	Member
Deputy Director Audit (Works)	Member
Technical Advisor, Finance Department	Member

The Public Accounts Committee-II directed that aforesaid special Committee shall examine all the above paras in detail and submit its recommendations to the PAC within 60 days.

The para was kept pending.

30.05.2012 The Department explained that rate for 'Plant premixed Bituminous Carpeting' was worked out on the basis of inputs rates of Finance Department as per prescribed template. The difference between MRS and rate worked out by the Chief Engineer was due to change in quarry from Sakhi Sarwar to Sikhawali as the Sakhi Sarwar quarry was declared unfit for surfacing by a Technical Committee of the Administrative Department. As such, aggregate material had to be procured from nearest alternate quarry i.e. Sikhawali with additional carriage cost.

Audit contented that higher rates had been applied over and above the MRS rates approved by the Finance Department.

The Committee was not satisfied with the explanation of the department and directed/recommended that an inquiry should be held into the matter and responsibility be fixed for the lapse. The Committee further directed/recommended that the Finance Department should also examine the matter in detail and submit its recommendations to the PAC within 120 days.

The para was kept pending.

27.02.2014 The Department explained that work had been executed by Provincial Highway Division Sahiwal and efforts were being made for transfer of security deposit of the contractor from the concerned formation.

The **para was kept pending** for seeking advice from Special Secretary, Finance Department.

1.3.2 Provincial Highway Division, Sahiwal

27.01.2011 There was difference of opinion between Audit and Administrative Department regarding specifications of work and the rates applicable thereon.

After detailed deliberations on the matter, the Committee desired that Audit, Administrative Department and Finance Department may reconcile the matter, sort out the issues and report be submitted to the PAC on 29.01.2011.

On **29.01.11**, the Committee was apprised that despite detailed discussion on the matter, the participants could not reach a consensus.

In view of foregoing circumstances, the Committee recommended/decided to appoint a Special Committee consisting of the following:-

Member (Engineering) Planning & Development	Convener
Additional Secretary, Communication & Works	Member
Deputy Director Audit (Works)	Member
Technical Advisor, Finance Department	Member

The Public Accounts Committee-II directed that aforesaid special Committee shall examine all the above paras in detail and submit its recommendations to the PAC within 60 days.

The para was kept pending.

30.05.2012 The Department explained that rate for 'Plant premixed Bituminous Carpeting' was worked out on the basis of inputs rates of Finance Department as per prescribed template. The difference between MRS and rate worked out by the Chief Engineer was due to change in quarry from Sakhi Sarwar to Sikhanwali as the Sakhi Sarwar quarry was declared unfit for surfacing by a Technical Committee of the Administrative Department. As such, aggregate material had to be procured from nearest alternate quarry i.e. Sikhanwali with additional carriage cost.

Audit contented that higher rates had been applied over and above the MRS rates approved by the Finance Department.

The Committee was not satisfied with the explanation of the department and directed/recommended that an inquiry should be held into the matter and responsibility be fixed for the lapse. The Committee further directed/recommended that the Finance Department should also examine the matter in detail and submit its recommendations to the PAC within 120 days.

The **para was kept pending.**

1.3.3 DP No. 148, Provincial Highway Division No. II, Sargodha

29.10.2011 The Department explained that all the items of work had been executed by the contractor and financial statement had also been prepared but final bill of the contractor was under process. It was added that necessary action in accordance with the Audit observation would be taken at the earliest and relevant record would be got verified by Audit after adjustment of outstanding amount in the final bill

The para was kept pending for recovery of outstanding amount and verification of relevant record by Audit within 07 days under intimation to the PAC.

18.04.2012 The Department explained that all the items of work had been executed by the contractor and financial statements had also been prepared which depicted the savings of Rs. 2,193,254/- as compared to estimated rates.

However Audit contented that final bill duly passed & monthly account had not yet been produced for verification and undue benefit was granted to the contractor.

The Committee expressed its displeasure on non-compliance of its previous directions and observed that concerned officers were not aptly prepared for the meeting of PAC.

The para was kept pending with the directions that final bill and relevant record should be produced to Audit for verification.

28.05.2012 The Department explained that all the items of work had been executed by the contractor and final bill along with financial statements had been produced which had also been got verified by Audit showing an overall saving of Rs.2,193,254/- as compared to the estimated rates.

However Audit contented that higher rates were allowed in DNIT/Technical Sanction as compared to the Market Rate System.

The Committee **kept the para pending** with the directions that Finance department should examine the matter and seek an advice from the Law Department within 15 days under intimation to the PAC.

1.3.4 DP No. 356, Provincial Buildings Division, Gujranwala

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.3.5 Provincial Highway Division, Bahawalpur

27.01.2011 There was difference of opinion between Audit and Administrative Department regarding specifications of work and the rates applicable thereon.

After detailed deliberations on the matter, the Committee desired that Audit, Administrative Department and Finance Department may reconcile the matter, sort out the issues and report be submitted to the PAC on 29.01.2011.

On **29.01.11**, the Committee was apprised that despite detailed discussion on the matter, the participants could not reach a consensus.

In view of foregoing circumstances, the Committee recommended/decided to appoint a Special Committee consisting of the following:-

Member (Engineering) Planning & Development	Convener
Additional Secretary, Communication & Works	Member
Deputy Director Audit (Works)	Member
Technical Advisor, Finance Department	Member

The Public Accounts Committee-II directed that aforesaid special Committee shall examine all the above paras in detail and submit its recommendations to the PAC within 60 days.

The para was kept pending.

30.05.2012 The Department explained that rate for 'Plant premixed Bituminous Carpeting' was worked out on the basis of inputs rates of Finance Department as per prescribed template. The difference between MRS and rate worked out by the Chief Engineer was due to change in quarry from Sakhi Sarwar to Sikhawali as the Sakhi Sarwar quarry was declared unfit for surfacing by a Technical Committee of the Administrative Department. As such, aggregate material had to be procured from nearest alternate quarry i.e. Sikhawali with additional carriage cost.

Audit contented that higher rates had been applied over and above the MRS rates approved by the Finance Department.

The Committee was not satisfied with the explanation of the department and directed/recommended that an inquiry should be held into the matter and responsibility be fixed for the lapse. The Committee further directed/recommended that the Finance Department should also examine the matter in detail and submit its recommendations to the PAC within 120 days.

The para was kept pending.

27.02.2014 The Department explained that as per directions of PAC-II dated 30.5.2012, a probe was being conducted into the matter by the Superintending Engineer, PHC D.G. Khan and report thereon was awaited.

The **para was kept pending** with the directions that opinion of Special Secretary, Finance Department should be sought regarding the technical issues of the subject para.

1.3.6 DP No. 245, Provincial Highway Division No. I, Sargodha

29.10.2011 The Department explained that outstanding amount of Rs.763,701/- had already been recovered and got verified by Audit. However, in view of Audit contention, the security deposit of the contractor would be recouped as soon as the funds were received.

The Committee kept the para pending with the directions that security deposit of the contractor should be recouped within 14 days.

18.04.2012 The Department explained that outstanding amount had been recovered on the basis of actual quantities executed up to last paid bill which had also been verified Audit. It was added that due to the revision of PC-I final bill could not be prepared.

The **para was kept pending** for balance recovery with the directions that final bill and revised technical sanction should be produced to Audit for verification at the earliest.

1.3.7 DP. No.185, Provincial Buildings Division, Dera Ghazi Khan

29.01.2011 The Department explained that the inquiry against the concerned officials/officers was being held and disciplinary action would be taken against the responsible as per findings of the inquiry report.

The Committee kept the para pending with the direction that necessary action in the matter be completed within 90 days under intimation to the PAC.

26.02.2014 The Department explained that in compliance with previous directions of PAC, necessary action in respect of above paras had been taken and relevant record had also been got verified by Audit.

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

1.3.8 DP No. 252 Provincial Buildings Division, Sahiwal

28.01.2011 The Department explained that inquiries had already been ordered in respect of above Audit observations to fix responsibility for the lapse and necessary action would be taken as per findings of the Inquiry Reports.

The para was kept pending with the directions that necessary action taken be intimated to the PAC within 90 days.

26.02.2014 The Department explained that as per directions of PAC-II dated 28.1.2011, disciplinary action had been taken against the responsible officers/officials and relevant record had also been verified by Audit.

The **para was settled** with the directions that disciplinary action against the concerned internal auditors should also be taken by the concerned authority.

1.3.9 DP No. 316 Provincial Highway Division, Rahim Yar Khan

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

1.3.10 DP No. 178 Provincial Highway Division, Multan

27.01.2011 There was difference of opinion between Audit and Administrative Department regarding specifications of work and the rates applicable thereon.

After detailed deliberations on the matter, the Committee desired that Audit, Administrative Department and Finance Department may reconcile the matter, sort out the issues and report be submitted to the PAC on 29.01.2011.

On **29.01.11**, the Committee was apprised that despite detailed discussion on the matter, the participants could not reach a consensus.

In view of foregoing circumstances, the Committee recommended/decided to appoint a Special Committee consisting of the following:-

Member (Engineering) Planning & Development	Convener
Additional Secretary, Communication & Works	Member
Deputy Director Audit (Works)	Member
Technical Advisor, Finance Department	Member

The Public Accounts Committee-II directed that aforesaid special Committee shall examine all the above paras in detail and submit its recommendations to the PAC within 60 days.

The para was kept pending.

30.05.2012 The Department explained that rate for 'Plant premixed Bituminous Carpeting' was worked out on the basis of inputs rates of Finance Department as per prescribed template. The difference between MRS and rate worked out by the Chief Engineer was due to change in quarry from Sakhi Sarwar to Sikhawali as the Sakhi Sarwar quarry was declared unfit for surfacing by a Technical Committee of the Administrative Department. As such, aggregate material had to be procured from nearest alternate quarry i.e. Sikhawali with additional carriage cost.

Audit contented that higher rates had been applied over and above the MRS rates approved by the Finance Department.

The Committee was not satisfied with the explanation of the department and directed/recommended that an inquiry should be held into the matter and responsibility be fixed for the lapse. The Committee further directed/recommended that the Finance Department should also examine the matter in detail and submit its recommendations to the PAC within 120 days.

The para was kept pending.

27.02.2014 The Department explained that total outstanding amount had been recovered and got verified by Audit.

The **para was settled** with the directions that issue regarding subject para should also be included in the note for seeking clarification from the Special Secretary, Finance Department.

4. Para No.1.4 Pages 10 to 14 of Audit Report for the year 2009-10, Undue benefit to contractor due to non-obtaining of performance security – Rs.112 million

1.4.1 DP. No.114, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that a sum of Rs.1,423,800/- had been deducted from the running bills of the contractor and an amount of Rs.2,846,200/- would be deducted from the forthcoming running bills of the contractor. It was added that work regarding two advance paras involved in the subject para had already been completed.

The Administrative Secretary assured that outstanding work would be completed and action would also be taken against those found responsible for the lapse within 90 days.

In view of above assurance of the Administrative Secretary, the para was conditionally settled with the directions that progress report be submitted to the PAC within the stipulated time and action should also be taken against the concerned DAO by the concerned authorities.

28.03.2012 The Department explained that performance security had been recovered from the concerned contractors and charge sheets had also been framed against the responsible officers/ officials. The Administrative secretary assured that disciplinary action against responsible officers/ officials would be taken within 90 days.

The Committee kept the para pending with the directions that departmental proceedings should be expedited under intimation to the PAC.

16.04.2012 The Department explained that the disciplinary action against the concerned officers/official had already been initiated under PEEDA act. The administrative secretary assured that the process of taking disciplinary actions would be completed within 07 days.

The para was kept pending.

26.02.2014 The Department explained that as per directions of PAC, disciplinary action had been taken against the accused officers whereas Director General Accounts (Works) Lahore had been requested repeatedly to proceed against the concerned DAO.

The Committee deferred the consideration of the para with the directions that latest position of action against DAOs should be reported by the Director General Accounts (Works) Lahore on 27.02.2014.

On 27.02.2014, the Director General (Accounts) Works, Lahore assured that disciplinary action against the responsible DAOs would be taken at the earliest. He further contended that prima facie departmental authorities were responsible for not obtaining performance security.

Audit further stated that major penalties were imposed on the defaulters vide order dated 25.7.2012 but later they were exonerated vide orders dated 4.12.2013.

The Committee recommended/directed that an officer of the Finance Department, not below the rank of Additional Secretary should probe into the matter within 30 days under intimation to the PAC.

The para was kept pending.

1.4.2 DP. No.87, Provincial Buildings Division, Lahore

28.10.2011 The Department explained that a sum of Rs.4.014 million had been deducted from the running bills of the contractor on account of performance security. It was further stated that out of total three projects involved in the para, two projects had been completed and remaining one project was under process. The Administrative

Secretary further added that the matter was being thrashed out and action would be taken against those who were found responsible for the irregularity.

The para was kept pending with the directions that the disciplinary proceedings should be completed against the delinquent officers/officials within 90 days under intimation to the PAC.

16.04.2012 The Department explained that the disciplinary action against the concerned officers/official had already been initiated under PEEDA act. The administrative secretary assured that the process of taking disciplinary actions would be completed with in 07 days.

The para was kept pending.

26.02.2014 The Department explained that in compliance with the directions of PAC-II dated 16.4.2012, disciplinary action had been taken against the responsible officers and Accountant General Punjab had been requested to take action against concerned Accounts Authorities.

The Committee re-iterated its directions/recommendations that actions should also be taken against the officers, responsible for pre-audit scrutiny of the payments.

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

1.4.4 DP. No.25, Provincial Buildings Division, Rawalpindi

29.10.2011 The Department explained that performance security had been deducted from the running bills of the contractors.

The Administrative Secretary assured that disciplinary action would be taken against the responsible officials/officers under intimation to the PAC within 90 days.

On the assurance of the Administrative Secretary the **para was settled.**

1.4.5 DP. No.408, Provincial Buildings Division, Gujrat

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.4.6 DP.No.170, Executive Engineer, Provincial Building Division, Faisalabad

28.01.2011 The Department explained that inquiries had already been ordered in respect of above Audit observations to fix responsibility for the lapse and necessary action would be taken as per findings of the Inquiry Reports.

The para was kept pending with the directions that necessary action taken be intimated to the PAC within 90 days.

28.05.2012 The Department explained that the performance security of Rs. 5.041 million had been recovered from the running bill of the contractor which had also been got verified by Audit. It was added that matter had already been probed and disciplinary action against the accused officers had been initiated according to PEEDA Act.

The Committee settled the para subject to finalization of disciplinary proceedings under intimation to the PAC.

26.02.2014 The Department explained that as per directions of PAC-II dated 28.5.2012, minor penalty of withholding an annual increment was imposed on the accused officer. But, he filed an appeal before the Chief Secretary who reduced the penalty to 'censure' only. As such, no further action was required in the matter.

The Committee **settled the para** with the warning that such practices should be strictly avoided in future.

1.4.7 DP. No.26, Provincial Buildings Division, Rawalpindi

29.10.2011 The Department explained that performance security had been deducted from the running bills of the contractors.

The Administrative Secretary assured that disciplinary action would be taken against the responsible officials/officers under intimation to the PAC within 90 days.

On the assurance of the Administrative Secretary the **para was settled**.

1.4.8 DP. No.172, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that contractor had submitted the requisite amount of performance security which could be verified by Audit.

Audit contented that undue financial benefit was granted to contractor as security was obtained after lapse of a considerable period.

The Committee conditionally settled the paras subject to complete recovery of performance security within 90 days under intimation to the PAC with the recommendations/directions that action should be taken against the concerned officers as well as DAO responsible for the lapse.

28.03.2012 The Department explained that performance security had been recovered from the concerned contractors and charge sheets had also been framed against the responsible officers/ officials. The Administrative Secretary assured that disciplinary action against responsible officers/ officials would be taken within 90 days.

The Committee kept the paras pending with the directions that departmental proceedings should be expedited under intimation to the PAC.

16.04.2012 The Department explained that the disciplinary action against the concerned officers/official had already been initiated under PEEDA act. The

administrative secretary assured that the process of taking disciplinary actions would be completed with in 07 days.

The para was kept pending.

26.02.2014 The Department explained that as per directions of PAC, disciplinary action had been taken against the accused officers whereas Director General Accounts (Works) Lahore had been requested repeatedly to proceed against the concerned DAO.

The Committee deferred consideration of the para with the directions that latest position of action against DAOs should be reported by the Director General Accounts (Works) Lahore on 27.02.2014.

On 27.02.2014, the Director General (Accounts) Works, Lahore assured that disciplinary action against the responsible DAOs would be taken at the earliest.

The **para was kept pending.**

1.4.9 DP. No.121, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that contractor had submitted the requisite amount of performance security which could be verified by Audit.

Audit contented that undue financial benefit was granted to contractor as security was obtained after lapse of a considerable period.

The Committee conditionally settled the paras subject to complete recovery of performance security within 90 days under intimation to the PAC with the recommendations/directions that action should be taken against the concerned officers as well as DAO responsible for the lapse.

28.03.2012 The Department explained that performance security had been recovered from the concerned contractors and charge sheets had also been framed against the responsible officers/ officials. The Administrative Secretary assured that disciplinary action against responsible officers/ officials would be taken within 90 days.

The Committee kept the paras pending with the directions that departmental proceedings should be expedited under intimation to the PAC.

16.04.2012 The Department explained that the disciplinary action against the concerned officers/official had already been initiated under PEEDA act. The administrative secretary assured that the process of taking disciplinary actions would be completed with in 07 days.

The para was kept pending.

26.02.2014 The Department explained that as per directions of PAC, disciplinary action had been taken against the accused officers whereas Director General Accounts (Works) Lahore had been repeatedly requested to proceed against the concerned DAO.

The Committee observed that internal auditors responsible for pre-audit scrutiny of payments made by the department, were not performing their duties efficiently, thus causing huge loss to the Government.

The Committee desired that Finance Department should approach the Chief Secretary Punjab to issue instructions for fruitful working of the internal auditors across the Province and they should also be held responsible, besides the concerned departmental authorities, for any lapse depicted in audit paras.

With the above directions/recommendations, **the para was settled.**

5. Para No.1.5 Pages 14 & 15 of Audit Report for the year 2009-10, Non-recovery of mobilization advance alongwith interest, performance bond and security deposit – Rs.109.5 million

DP No. 42 Ring Road Project, Lahore

26.02.2014 The Department explained that in compliance with previous directions of PAC, necessary action in respect of above paras had been taken and relevant record had also been got verified by Audit.

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

6. Para No.1.7 Pages 16 to 18 of Audit Report for the year 2009-10, Overpayment due to allowing final payment of more than weighted percentage on estimate – Rs.83.3 million

1.7.1 DP No. 70 Lahore Ring Road Project

26.02.2014 The Chairperson, Lahore Ring Road Authority explained that condition contained in acceptance letter regarding maintenance of weighted percentage was only a controlling factor in making payment during the execution of work and it had been misinterpreted for recovery by Audit whereas payment had been made as per approved rates. However, a clarification on this issue had been sought from the administrative Department.

Audit contended that violation of agreement condition had been committed which resulted in overpayment.

The Committee deferred consideration of the para till 27.2.2014 with the directions that the administrative department should reconcile the matter with Finance and Audit.

On 27.2.2014, the representative of Finance Department as well as the PAO of the Department endorsed the contention of Audit that overpayment ought to be recovered.

The **para was kept pending** for recovery of outstanding dues with the recommendations that if necessary, matter regarding amendment/revision of relevant rules be submitted for consideration of the Finance Department.

1.7.2 DP No. 181 Provincial Highway Division, D.G. Khan

27.02.2014 The Department explained that total outstanding amount had been recovered and final bill of the contractor had also been got verified by Audit. It was added that since the omission had been rectified, disciplinary action in the matter was not required.

The Committee **settled the para** with the directions that such lapses should be avoided in future.

1.7.3 DP No. 67 Lahore Ring Road Project

27.02.2014 The Department explained that above Audit observations were based on misinterpretation of the condition contained in acceptance letter regarding maintenance of weighted percentage which was only a controlling factor in making payment during the execution of work.

The Committee re-iterated its decision dated 26.02.2014 on similar para No. 1.7.1 that outstanding dues should be recovered and if necessary, matter regarding amendment/revision of relevant rules be submitted to Finance Department for consideration.

The para was kept pending.

7. Para No.1.8 Pages 18 & 19 of Audit Report for the year 2009-10, Irregular allotment of work – Rs.78.7 million

28.01.2011 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

8. Para No.1.10 Pages 19 & 20 of Audit Report for the year 2009-10, Unjustified expenditure for allowing payment of bituminous work without approval of Job Mix Formula – Rs.71 million

DP No. 64 Lahore Ring Road Project

27.02.2014 The Department explained that in case of Lahore Ring Road Project, Job Mix Formula was prepared and approved by the Consultant M/s NESPAK who also supervised the project. Moreover, laboratory test indicated that percentage of bitumen was even higher than the JMF and all the relevant record had been got verified by Audit.

The Committee **settled the para** with the recommendations that at least two lab test reports should be sought for mega projects in future.

9. Para No.1.11 Pages 20 to 36 of Audit Report for the year 2009-10, Non-recovery due to de-escalation in the rate of cement, bitumen, steel and diesel – Rs.70.8 million

1.11.2 DP No. 264 Provincial Highway Division, Lahore

27.01.2011 The Department explained that the recovery had been made and got verified by Audit.

However, Audit contented that verification of the final bill was required in the matter.

The para was kept pending till the verification of the final bill by Audit.

27.02.2014 The Department explained that total outstanding amount had been recovered from the contractors but the final bills were still under process.

The **para was conditionally settled** subject to verification of final bills by Audit.

1.11.4 DP.No.166. Provincial Buildings Division, Dera Ghazi Khan

29.01.2011 The Department explained that total outstanding amount had been recovered from the running bill and security deposit of the contractor and final adjustment of the outstanding amount would be got verified by Audit after preparation of the final bill.

The Committee reduced the para to the extent of recovery effected and para was conditionally settled subject to balance recovery and its verification by Audit.

26.02.2014 The Department explained that in compliance with previous directions of PAC, necessary action in respect of above paras had been taken and relevant record had also been got verified by Audit.

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

1.11.5 DP.No.186 Provincial Highway Division, Muzaffargarh

27.02.2014 The Department explained that total outstanding amount had been recovered from the contractors but the final bills were still under process.

The **para was conditionally settled** subject to verification of final bills by Audit.

1.11.6 DP No. 152 Provincial Highway Division, Multan

27.01.2011 The Department explained that the net-effect of escalation and de-escalation came to Rs.1,188,075/- and scheme was unfunded for the last two years. The recovery on account of de-escalation had been effected through Transfer Entry dated 23.12.2010.

The Committee settled the para with the directions that security deposit of the contractor be recouped from the next running bill.

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

1.11.7 DP.No.359, Provincial Buildings Division, Gujranwala (Part relating to 4th Provincial Building Division, Lahore

27.10.2011 The Department explained that necessary action in respect of the above para had already been taken and relevant record had also been got verified by the Audit.

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

1.11.7 DP.No.359, Provincial Buildings Division, Gujranwala

28.10.2011 The Department explained that a sum of Rs.152,743/- had been recovered and got verified by Audit and the remaining recovery of Rs.2,756,006/- was not due under clause 55 of the agreement.

The representative of Finance Department also endorsed the departmental contention.

The Committee settled the para with the directions that Department should re-examine its instructions contained in the letter dated 9.2.2009 regarding recovery of de-escalation and if necessary in the public interest, withdraw the same.

16.04.2012 The Department explained that Finance Department had clarified that price variation was admissible on quantities actually consumed on the work upto the issuance of secured advance and the outstanding amount would be recovered from the next running bills of the contractors.

The para was kept pending for recovery.

26.02.2014 The Department explained that para comprised four components out of which recovery in case of AIR No.3-A, 6(i) and 23(ii) had been effected and verified by Audit. However, in case of AIR No.2-A, partial recovery had been effected and balance amount was outstanding because the scheme was lying unfunded.

The Committee reduced the para to the extent of recovered amount and remaining portion of the **para was kept pending** till full recovery.

1.11.8 DP.No.345, Provincial Buildings Division, Rawalpindi

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.11.9 DP.No.192 Provincial Highway Division, Muzaffargarh

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

1.11.10 DP.No.201 Provincial Highway Division, Muzaffargarh

27.02.2014 The Department explained that total outstanding amount had been recovered from the contractors but the final bills were still under process.

The **para was conditionally settled** subject to verification of final bills by Audit.

1.11.11 DP No. 314 Lahore Ring Road Project

27.02.2014 The Department explained that para was duplication of the Audit observation contained in Para No.1.11.12

The **para was accordingly deleted.**

1.11.12 DP No. 65 Lahore Ring Road Project

27.02.2014 The Department explained that total recovery had been effected from the running bill of the contractor which had also been verified by Audit but the final bill was still under process.

The **para was conditionally settled** subject to verification of final bill by Audit.

1.11.13 DP.No.162 Provincial Highway Division, Muzaffargarh

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

1.11.14 DP.No.293, Provincial Highway Division, Gujrat

29.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.11.15 DP No. 227, Executive Engineer, Provincial Highway Division, Bhawalpur

27.01.2011 There was difference of opinion between Audit and Administrative Department regarding specifications of work and the rates applicable thereon.

After detailed deliberations on the matter, the Committee desired that Audit, Administrative Department and Finance Department may reconcile the matter, sort out the issues and report be submitted to the PAC on 29.01.2011.

On **29.01.11**, the Committee was apprised that despite detailed discussion on the matter, the participants could not reach a consensus.

In view of foregoing circumstances, the Committee recommended/decided to appoint a Special Committee consisting of the following:-

Member (Engineering) Planning & Development	Convener
Additional Secretary, Communication & Works	Member
Deputy Director Audit (Works)	Member
Technical Advisor, Finance Department	Member

The Public Accounts Committee-II directed that aforesaid special Committee shall examine all the above para in detail and submit its recommendations to the PAC within 60 days.

The paras were kept pending.

30.05.2012 The Special Committee appointed by the PAC under Convener'ship of Member (ID) Planning & Development Department, submitted detailed report in respect of above paras, vide Planning & Department letter No. 1(10) RO(TECH) P&D/2012 dated 30.5.2012 wherein it had been concluded that necessary actions in respect of Audit observations had been taken and departmental contention had also been accepted by Audit.

On the recommendations of the Special Committee, **the para was settled.**

1.11.16 DP.No.52, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that total recovery had been effected from the 34th running bill of the contractor and relevant record in support of departmental contention was available for verification.

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

16.04.2012 The Department explained that complete recovery had been effected from the running bill of the contractor which had also been got verified by Audit.

The **para was accordingly settled.**

1.11.17 DP.No.147, Provincial Highway Division No. II, Sargodha

1.11.18 DP.No.289, Provincial Highway Division, Gujrat

29.10.2011 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

1.11.19 DP. No. 224 Provincial Buildings Division, Muzaffar Garh

29.01.2011 The Department explained that total recovery involved in the para had been made and relevant record had been got verified by Audit.

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

1.11.20 DP No. 233, Executive Engineer, Provincial Highway Division, Bhawalpur

27.01.2011 There was difference of opinion between Audit and Administrative Department regarding specifications of work and the rates applicable thereon.

After detailed deliberations on the matter, the Committee desired that Audit, Administrative Department and Finance Department may reconcile the matter, sort out the issues and report be submitted to the PAC on 29.01.2011.

On 29.01.11, the Committee was apprised that despite detailed discussion on the matter, the participants could not reach a consensus.

In view of foregoing circumstances, the Committee recommended/decided to appoint a Special Committee consisting of the following:-

Member (Engineering) Planning & Development	Convener
Additional Secretary, Communication & Works	Member
Deputy Director Audit (Works)	Member
Technical Advisor, Finance Department	Member

The Public Accounts Committee-II directed that aforesaid special Committee shall examine all the above para in detail and submit its recommendations to the PAC within 60 days.

The para was kept pending.

30.05.2012 The Special Committee appointed by the PAC under Convenership of Member (ID) Planning & Development Department, submitted detailed report in respect of above para, vide Planning & Department letter No. 1(10) RO(TECH) P&D/2012 dated 30.5.2012 wherein it had been concluded that necessary actions in respect of Audit observations had been taken and departmental contention had also been accepted by Audit.

On the recommendations of the Special Committee, **the para was settled.**

1.11.21 DP.No.216, Provincial Highway Division, Jhelum

29.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.11.22 DP No. 180 Provincial Highway Division, Multan

27.01.2011 The Department explained that the recovery amounting to Rs. 744,000/- had been effected and verified by Audit whereas recovery of Rs.704,750/- had also been depicted in PDP No. 188 for the year 2009-10.

The Committee reduced the para to the extent of the recovered amount and directed Audit to verify the departmental contention in respect of balance recovery.

The para was kept pending.

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

1.11.23 DP.No.328, Provincial Highway Division, Gujranwala

29.10.2011 The Department explained that total outstanding amount had been recovered and monthly account would also be produced for verification.

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

1.11.24 DP.No.242, Provincial Buildings Division, Jhelum

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.11.25 DP. No. 151 Provincial Buildings Division, Sargodha

29.01.2011 The Department explained that excess payment had been recovered through Transfer Entry No. 4 and relevant record was available for verification.

The Committee **settled the para** with the directions that the security deposit of the contractor be recouped and record be got verified by Audit.

1.11.26 Provincial Buildings Division, Faisalabad

28.01.2011 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

1.11.27 Provincial Highway Division, Faisalabad

27.01.2011 The Department explained that total outstanding amount had been recovered in the above para and relevant record had also been got verified by Audit.

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

1.11.28 DP. No. 169 Provincial Buildings Division, Sargodha

29.01.2011 The Department explained the para on the basis of two advance paras. In case of AP. No.1 recovery had been effected from the security deposit of the contractor and the same would be recouped from next running bill. Whereas, in case of AP No. 12, the additional amount of price variation after adjustment of escalation and de-escalation was to be paid to the contractor after fulfillment of all codal formalities.

The Committee kept the para pending with the directions that para be reduced to the extent of recovery effected and necessary action be taken for balance adjustment at the earliest.

26.02.2014 The Department explained that in compliance with previous directions of PAC, necessary action in respect of above paras had been taken and relevant record had also been got verified by Audit.

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

1.11.29 DP No. 48, Executive Engineer, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that payment of price variation of steel (Grade 60) was made to the contractor in accordance with clause 55 of the contract agreement for which provision was existed in technically sanctioned estimate. It was added that according to Finance Department notification dated 21.10.2006, approved schemes were to be executed at the rates on which the scheme was administratively approved irrespective of any change in the market rates at the time of technical sanction.

Audit contented that estimate ought to have been based on the rates of 1st quarter 2006 instead of 4th quarter 2005.

After detailed deliberations, the Committee recommended/directed that a Special Committee comprising representatives each from the Finance, Planning & Development and Communication & Works Department should minutely examine the matter and render its technical opinion/recommendations in the matter to the PAC at the earliest.

The para was kept pending.

28.03.2012 The Department explained that as per directions/recommendations of PAC, a Special Committee under convenership of Member (Infrastructure) P&D had been constituted to render its technical opinion /recommendations but due to hectic schedule of the members, the Special Committee could not hold sufficient meetings to render its technical opinion.

The Committee expressed its displeasure on non-compliance of PAC directives despite lapse of several months and directed/ recommended that report of the Special Committee should be furnished to the PAC by 16.04.2012.

The para was kept pending.

16.04.2012 The Department explained that in compliance with the directives of PAC the Special Committee under the chairmanship of Member (Infrastructure Development) P&D had considered the matter involved in subject paras during its meeting held on 2.04.2012 but its recommendation could not be finalized due to shortage of time.

The Committee kept the para pending with the directions that the Special Committee should examine the matter and finalize its recommendations within 2 days.

On 18.4.2012, Mr. Muhammad Abid Bodla, Member P & D informed that the Special Committee had finalized its recommendations.

The Committee desired that the Department should prepare a final report regarding recommendations of the Special Committee in co-ordination with Audit and Finance Department which should be presented to the PAC within 30 days.

The para was kept pending.

30.05.2012 The Special Committee appointed by the PAC under Convener'ship of Member (ID) Planning & Development Department, submitted detailed report in respect of above paras, vide Planning & Department letter No. 1(10) RO(TECH) P&D/2012 dated 30.5.2012 wherein it had been concluded that necessary actions in respect of Audit observations had been taken and departmental contention had also been accepted by Audit.

On the recommendations of the Special Committee, **the para was settled.**

1.11.30 Provincial Buildings Division, Faisalabad

28.01.2011 The Department explained the para consisted of four advance paras and stated that:-

AP No.2 & AP No.4

The total recovery on account of the price variation had been effected in the above cases and relevant record had also been got verified by Audit.

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

AP No.3 & AP No.8

The total recovery involved in above cases had been effected and relevant record had also been produced to Audit for verification.

Audit contented that recovery had been effected from the security deposit of the contractor.

The Committee **conditionally settled the items** with the directions that security of contractor be recouped and final bill be got verified by Audit.

1.11.31 DP.No.358, 4th Provincial Buildings Division, Lahore

27.10.2011 The Department explained that necessary action in respect of the above para had already been taken and relevant record had also been got verified by the Audit.

On the recommendations of Audit, the para was settled.

1.11.31 DP.No.358, Provincial Buildings Division, Gujranwala

28.10.2011 The Department explained that total outstanding amount involved in the para had been recovered and got verified by Audit.

The para was accordingly settled.

1.11.32 Provincial Buildings Division, Sahiwal

1.11.33 Provincial Buildings Division, Bahawalpur

28.01.2011 The Department explained that necessary action had been taken in respect of above paras and relevant record had also been got verified by Audit.

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

1.11.34 DP.No.94, Provincial Buildings Division, Lahore

28.10.2011 The Department explained that total outstanding amount had been recovered/adjusted in the running bills of the contractor and relevant record in support of departmental contention would be produced to Audit for verification.

Audit contented that verification of final bill of the contractor was required in the matter.

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

16.04.2012 The Department explained that total outstanding amount had been recovered from the running bills of the contractor and work was still in progress and final bill would be produced to Audit after completion of the work.

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

26.02.2014 The Department explained that the recovery on account of de-escalation had already been effected but the final bill could not be produced because the work was still under process.

The **para was conditionally settled** subject to production of final bills to Audit and undertaking by the PAO that recovered amount would not be reverted to the contractors in the final bill.

1.11.35 DP. No. 204 Provincial Buildings Division, Bahawalpur

28.01.2011 The Department explained that entire recovery involved in the above para had been effected and got verified by Audit but the work was still in progress.

The para was conditionally settled subject to verification of final bill by Audit.

26.02.2014 The Department explained that total outstanding amount had been recovered but final bills could not be produced for verification because the schemes were lying unfunded.

The **para was conditionally settled** subject to production of final bills to Audit and undertaking by the PAO that recovered amount would not be reverted to the contractors in final bills.

1.11.36 Provincial Buildings Division, Faisalabad

28.01.2011 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

1.11.37 DP. No. 193 Provincial Buildings Division, Muzaffar Garh

29.01.2011 The Department explained that total recovery involved in the para had been made and relevant record had been got verified by Audit.

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

1.11.38 DP.No.338, Provincial Buildings Division GOR's, Lahore

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.11.39 DP.No.284, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that necessary action in respect of the above para had already been taken and relevant record had also been got verified by the Audit.

On the recommendations of Audit **the para was settled.**

1.11.40 DP No. 189 Provincial Highway Division, Multan

27.01.2011 The Department explained that the original contractor did not complete the work within the stipulated period and was declared as defaulter. The work was assigned to another contractor for the completion. So the recovery on account of the de-escalation had been effected from the security deposit of the original contractor.

The Committee directed the Department to recoup the security from the next running bill of the contractor.

With the above directions, the para was kept pending for verification of requisite record by Audit.

27.02.2014 The Department explained that total recovery as per Audit observation, had been effected from the security deposit of the contractor and his accounts had also been finalized. As per clause 61 of the agreement, no further recovery was due from him.

Audit contended that as per clause 60 of the agreement, overpayment was also required to be recovered besides security deposit of the contractor.

The **para was kept pending** for reconciliation and verification of relevant record by Audit.

1.11.41 DP.No.173, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that necessary action in respect of the above para had already been taken and relevant record had also been got verified by the Audit.

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

10. Para No.1.12 Pages 36 & 37 of Audit Report for the year 2009-10, Irregular payment for road carpeting items without Job Mix Formula – Rs.39.5 million plus Rs.380,836/-

DP.No.160 Provincial Highway Division, Muzaffargarh

27.02.2014 The Department explained that rate analysis of Asphaltic concrete had been prepared in the light of Finance Department's letter dated 5.4.2006 and standing instructions of the Chief Engineer. These rates had also been provided in the administrative approval and technically sanctioned estimate.

The Committee directed that opinion of Special Secretary, Finance Department should be sought regarding departmental contention in the instant case.

The **para was kept pending.**

11. Para No.1.14 Page 38 of Audit Report for the year 2009-10, Undue financial-aid to the contractor due to imbalance rates – Rs.38.1 million

DP No. 73 Lahore Ring Road Project

27.02.2014 The Department explained that revision of estimates was under process and the work had already been completed. As such, the financial statements and final bill would be produced to Audit in due course.

The **para was kept pending** for verification of requisite record by Audit.

12. Para No.1.15 Page 39 of Audit Report for the year 2009-10, Overpayment due to allowing incorrect rate – Rs.28.3 million

DP.No.53, Provincial Buildings Division, Lahore

27.10.2011 The para involved variance of the stance between Audit and Administrative Department regarding payment of incorrect rate for certain items.

The Committee referred the para to the special committee comprising representative each from the Finance, Planning & Development and Communication & Works Department which was already appointed to sort out such matters and submit report to the PAC at the earliest.

The para was kept pending.

28.03.2012 The Department explained that as per directions/recommendations of PAC, a Special Committee under convenership of Member (Infrastructure) P&D had been constituted to render its technical opinion /recommendations but due to hectic schedule of the members, the Special Committee could not hold sufficient meetings to render its technical opinion.

The Committee expressed its displeasure on non-compliance of PAC directives despite lapse of several months and directed/ recommended that report of the Special Committee should be furnished to the PAC by 16.04.2012.

The para was kept pending.

16.04.2012 The Department explained that in compliance with the directives of PAC the Special Committee under the chairmanship of Member (Infrastructure Development) P&D had considered the matter involved in subject paras during its meeting held on 2.04.2012 but its recommendation could not be finalized due to shortage of time.

The Committee kept the paras pending with the directions that the Special Committee should examine the matter and finalize its recommendations within 2 days.

On 18.4.2012, Mr. Muhammad Abid Bodla, Member P & D informed that the Special Committee had finalized its recommendations.

The Committee desired that the Department should prepare a final report regarding recommendations of the Special Committee in co-ordination with Audit and Finance Department which should be presented to the PAC within 30 days.

The para was kept pending.

26.02.2014 The Department explained that the matter had been examined in detail by the Special Committee appointed by the PAC under chairmanship of Member, Infrastructure, P&D whereby it was ascertained that no violation of rules had been committed.

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

13. Para No.1.16 Pages 39 & 40 of Audit Report for the year 2009-10, Loss due to award of work without acquisition of land – Rs.28.1 million

DP No. 313 Lahore Ring Road Project, Lahore

27.02.2014 The Department explained that payments were made to the contractor on recommendations of the Committee constituted by the Government. The interest on mobilization advance was recovered from the contractor but it was later released in his settlement claim on recommendations of aforesaid Committee. Similarly, an amount of Rs.4,166,074/-was allowed to him on account of mark up on the amount blocked by the client. Meanwhile, a probe was conducted into the matter and it was concluded that there was collective failure of the system and no individual could be held responsible.

The Committee was not satisfied with the explanation of the Department and directed/recommended that Administrative Secretary should refer the matter to Chief Minister's Inspection Team for conducting an inquiry to fix responsibility for the loss.

The **para was kept pending.**

14. Para No.1.18 Pages 41 & 42 of Audit Report for the year 2009-10, Loss due to acceptance of tender at higher rates – Rs.24.7 million

1.18.1 DP.No.62, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that the competent authority had already revised the technical sanction. However the project was still under process and work would be completed at the earliest.

The para was kept pending till the preparation of the final bill of the project.

16.04.2012 The Department explained that the competent authority had already revised the technical sanction and the tender had been re-evaluated on the basis of revised technical sanction estimate. However the project was still under process and work would be completed till 30th June 2012.

The Committee was not satisfied with the explanation of the Department and directed/recommended that responsibility should be fixed for the lapse and disciplinary action should be taken against the responsible officers/officials within in 90 days.

The para was kept pending.

26.02.2014 The Department explained that recovery had been effected from the running bill of the contractor including dues on account of 10% cushion over imported items and notification dated 30.3.2006, quoted by Audit, was not applicable in the instant

case. Moreover, as regards recovery of Rs.4.495 million, contention of Audit was not justified because 4.5% cushion over TS had been allowed according to the financial rules.

The **para was kept pending** for reconciliation and verification of record by Audit.

1.18.2 DP.No.336, GOR Buildings Division, Lahore

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

15. Para No.1.20 Pages 43 & 44 of Audit Report for the year 2009-10, Overpayment at the time of final payment – Rs.18 million

DP No. 71 Lahore Ring Road Project

27.02.2014 The Department explained that above Audit observations were based on misinterpretation of the condition contained in acceptance letter regarding maintenance of weighted percentage which was only a controlling factor in making payment during the execution of work.

The Committee re-iterated its decision dated 26.02.2014 on similar para No. 1.7.1 that outstanding dues should be recovered and if necessary, matter regarding amendment/revision of relevant rules be submitted to Finance Department for consideration.

The para was kept pending.

16. Para No.1.22 Page 45 of Audit Report for the year 2009-10, Loss to government due to award of work on higher rates – Rs.15.3 million

DP.No.61, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that as per contention of Audit, the department had already substituted the acceptance letter to the contractor for Rs. 91.462 million against the previous acceptance letter for Rs.95.304 million.

The para was conditionally settled subject to the verification of requisite record by Audit within 14 days under intimation to the PAC.

16.04.2012 The Department explained that complete recovery had been effected from the running bill of the contractor which had also been got verified by Audit.

The para was accordingly settled.

17. Para No.1.23 Pages 46 & 47 of Audit Report for the year 2009-10, Extra expenditure due to application of incorrect rate – Rs.14.1 million

1.23.1 DP. No.101, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that the payment had been made to the contractor as per rates approved by the competent authority i.e. Chief Engineer Building (North Zone) for the item of work i.e. Fabrication of mild steel reinforcement of cement concrete i.e. Rs.62.50 per kg because steel G-60 was much better than G-40 steel.

The Committee directed the department that the rates regarding steel (G-60) must be incorporated in MRS and Finance Department should take necessary action for standardization of items such as steel.

Subject to above directions, the para was settled.

28.03.2012 The Department explained that as per directions/recommendations of PAC, a Special Committee under convenership of Member (Infrastructure) P&D had been constituted to render its technical opinion /recommendations but due to hectic schedule of the members, the Special Committee could not hold sufficient meetings to render its technical opinion.

The Committee expressed its displeasure on non-compliance of PAC directives despite lapse of several months and directed/ recommended that report of the Special Committee should be furnished to the PAC by 16.04.2012.

The para was kept pending.

16.04.2012 The Department explained that in compliance with the directions of PAC, a reference had been moved to the Finance Department with the request to standardize the item of Fabrication of Mild Steel Grade 60 and Finance Department had issued a notification accordingly which had also been got verified by Audit.

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

1.23.2 DP. No.93, Provincial Buildings Division, Lahore

28.10.2011 The para involved variance of the stance between Audit and Administrative Department regarding payment of incorrect rate for certain items.

The Committee referred the para to the Special Committee comprising representative each from the Finance, Planning & Development and Communication & Works Department which was appointed to sort out such matters with the directions that report of the Committee be submitted to the PAC at the earliest.

The para was kept pending.

16.04.2012 The Department explained that in compliance with the directives of PAC the Special Committee under the Chairmanship of Member (Infrastructure Development)

P&D had considered the matter involved in subject paras during its meeting held on 2.04.2012 but its recommendation could not be finalized due to shortage of time.

The Committee kept the para pending with the directions that the Special Committee should examine the matter and finalize its recommendations within 2 days.

On 18.4.2012, Mr. Muhammad Abid Bodla, Member P & D informed that the Special Committee had finalized its recommendations.

The Committee desired that the Department should prepare a final report regarding recommendations of the Special Committee in co-ordination with Audit and Finance Department which should be presented to the PAC within 30 days.

The para was kept pending.

30.05.2012 The Special Committee appointed by the PAC under Convenership of Member (ID) Planning & Development Department, submitted detailed report in respect of above para, vide Planning & Department letter No. 1(10) RO(TECH) P&D/2012 dated 30.5.2012 wherein it had been concluded that necessary actions in respect of Audit observations had been taken and departmental contention had also been accepted by Audit.

On the recommendations of the Special Committee, **the para was settled.**

18. Para No.1.25 Page 48 of Audit Report for the year 2009-10, Short recovery of mobilization advance -- Rs.11.4 million

DP.No.290, Provincial Highway Division, Gujrat

29.10.2011 The Department explained that total recovery had been effected from the running bills of the contractor and mobilization advance had also been recovered from the contractor.

Audit contented that undue financial favour was extended to the contractor by allowing the recovery of advance through easy installments in violation of instructions contained in Finance Department letter dated 7.12.2010.

The Committee **settled the para** with the directions that disciplinary action should be taken against the delinquent officers/officials as well as the concerned DAO by the concerned authorities.

19. Para No.1.26 Pages 48 & 49 of Audit Report for the year 2009-10, Execution of carpeting work without Job Mix Formula – Rs.9.7 million

DP.No.139, Provincial Highway Division, Mianwali

29.10.2011 The Department explained that work had been executed as per Job Mix Formula and the Director, RR& MTI had been requested for evaluation of bitumen

contents of the carpeting laid at site but the report of Road Research & Material Testing Laboratory was still awaited.

The **para was kept pending** with the directions that matter should be pursued vigorously.

20. Para No.1.27 Pages 49 & 50 of Audit Report for the year 2009-10; Loss due to application of incorrect rate – Rs.9.6 million

1.27.1 DP.No.171, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that necessary action in respect of the above para had already been taken and relevant record had also been got verified by the Audit.

On the recommendations of Audit **the para was settled**.

1.27.2 DP No. 97, Executive Engineer, Provincial Building Division, Lahore

28.10.2011 The para involved variance of the stance between Audit and Administrative Department regarding payment of incorrect rate for certain items.

The Committee referred the para to the Special Committee comprising representative each from the Finance, Planning & Development and Communication & Works Department which was appointed to sort out such matters with the directions that report of the Committee be submitted to the PAC at the earliest.

The para was kept pending.

16.04.2012 The Department explained that in compliance with the directives of PAC the Special Committee under the Chairmanship of Member (Infrastructure Development) P&D had considered the matter involved in subject para during its meeting held on 02.04.2012 but its recommendation could not be finalized due to shortage of time.

The Committee kept the para pending with the directions that the Special Committee should examine the matter and finalize its recommendations within 2 days.

On 18.4.2012, Mr. Muhammad Abid Bodla, Member P & D informed that the Special Committee had finalized its recommendations.

The Committee desired that the Department should prepare a final report regarding recommendations of the Special Committee in co-ordination with Audit and Finance Department which should be presented to the PAC within 30 days.

The para was kept pending.

30.05.2012 The Special Committee appointed by the PAC under Convenership of Member (ID) Planning & Development Department, submitted detailed report in respect of above para, vide Planning & Department letter No. 1(10) RO(TECH) P&D/2012 dated 30.5.2012 wherein it had been concluded that necessary actions in

respect of Audit observations had been taken and departmental contention had also been accepted by Audit.

On the recommendations of the Special Committee, **the para was settled.**

21. Para No.1.28 Pages 50 to 54 of Audit Report for the year 2009-10, Overpayment due to less use of bitumen – Rs.10.6 million

1.28.2 DP No. 220 Provincial Highway Division, Rahim Yar Khan

27.02.2014 The Department explained that total outstanding amount had been recovered and got verified by Audit.

Audit contended that record regarding price variation of bitumen should also be produced for verification.

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

1.28.3 DP.No.211, Provincial Highway Division, Jhelum

29.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.28.4 DP.No.244, Provincial Highway Division No. II, Sargodha

29.10.2011 The Department explained that outstanding amount had already been recovered and the security deposit of the contractor had also been recouped.

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

1.28.6 DP No. 190 Provincial Highway Division, Multan

27.01.2011 The Department explained that the original contractor did not complete the work within the stipulated period and was declared as defaulter. The work was assigned to another contractor for the completion. So the recovery on account of the de-escalation had been effected from the security deposit of the original contractor.

The Committee directed the Department to recoup the security from the next running bill of the contractor.

With the above directions, the para was kept pending for verification of requisite record by Audit.

27.02.2014 The Department explained that para comprised two components. In case of AP No. 3A, the scheme was unfunded but the security deposit of the contractor, in

excess of outstanding amount, was lying with the Department which had also been verified by Audit. As regards AP No.4B, it was stated that security could not be recouped because contractor had been declared defaulter.

Audit contended that recovery from security deposit was not justified as per clause 60 of the agreement.

The Committee **reduced the para** to the extent of AP. No. 3A whereas remaining portion of **para was kept pending** for reconciliation/verification of relevant record by Audit.

1.28.8 DP.No.326, Provincial Highway Division, Gujranwala

29.10.2011 The Department explained that total outstanding amount had been recovered and monthly account would also be produced for verification.

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

22. Para No.1.29 Pages 54 to 58 of Audit Report for the year 2009-10, Overpayment due to incorrect base / current rates – Rs.10.6 million

1.29.1 DP.No.85, Provincial Buildings Division, Lahore

28.10.2011 The Department explained that total outstanding amount as per Audit objection, had been recovered and got verified by Audit.

Audit pointed out that total recovery had been effected from the security deposit of the contractor instead of running bills.

The Committee **settled the para** with the directions that security deposit of the contractor should be recouped and got verified by Audit.

16.04.2012 The Department explained that in case of AP.No, 5-A,6,9 and 10 Security deposit of contractors had been recouped and outstanding amount had been recovered through running bills which had also been verified by Audit. Whereas in case of AP No,8 the recovery had been made through transfer entry as the work had been completed and no further payment for this work was due.

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

1.29.2 Provincial Highway Division, Faisalabad

1.29.4 Provincial Highway Division, Faisalabad

27.01.2011 The Department explained that total outstanding amount had been recovered in the above paras and relevant record had also been got verified by Audit.

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

1.29.5 DP No. 219 Provincial Highway Division, Rahim Yar Khan

27.02.2014 The Department explained that total outstanding amount had been recovered and kept in public works deposit in view of the orders of the court.

Being subjudice, the **para was kept pending**.

1.29.6 DP.No.325, Provincial Highway Division, Gujranwala

29.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.29.7 Provincial Highway Division, Faisalabad

27.01.2011 The Department explained that the rates of the bitumen were applied as notified by the Chief Engineer and no overpayment was made to the contractor. The Chief Engineer had to notify the rates because of non-receipt of notification from the Finance Department which was later received after delay of almost one year. It was added that total recovery had been effected from the contractor vide transfer entry No.4 dated 12.2010.

Audit contented that the recovery ought to have been effected from the running bill of the contractor whereas department had adjusted the outstanding amount from the security deposit of the contractor which should be kept intact.

The Committee **settled the para** with the directions that department should recoup the security of the contractor and such lapse should not be repeated in future.

1.29.8 DP No. 141 Provincial Highway Division, Faisalabad

27.01.2011 The Department explained that total recovery on account of price variation of diesel had been effected whereas in case of price variation of labour, Audit had miscalculated the rate for the month of March instead of April.

The Committee deferred the consideration of the para on 28.01.2011 with the directions that the Administrative Department and Audit should reconcile the matter.

On 28.1.2011, Audit apprised the Committee that record entry could not be considered as a base for the applicable rate of material.

The Committee directed/recommended that Department should recover the outstanding amount from the next running bill of the contractor and reduced the para to the extent of recovery.

The para was kept pending for verification of record by Audit.

27.02.2014 The Department explained that total outstanding amount had been recovered from the contractors but the final bills were still under process.

The **para was conditionally settled** subject to verification of final bills by Audit.

1.29.9 DP.No.212, Provincial Highway Division, Jhelum

29.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.29.11 DP.No.323, Provincial Highway Division, Sargodha

29.10.2011 The Department explained that outstanding amount as pointed out by Audit in the above mentioned para had already been recovered and got verified by Audit.

However, Audit contented that recovery should be effected from the running bills of the contractors instead of Security Deposit.

The Committee settled the paras with the directions that security deposit of the contractor should be recouped at the earliest and relevant record be got verified by Audit.

18.04.2012 The Department explained that security of Rs, 133,256/- had been recouped from 38th running bill which had also been got verified by Audit.

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

23. Para No.1.30 Pages 58 & 59 of Audit Report for the year 2009-10, Overpayment due to incorrect calculation – Rs.9.5 million

DP.No.110, Provincial Buildings Division, Lahore

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

24. Para No.1.31 Page 59 of Audit Report for the year 2009-10, Non-recovery due to allotment of work at risk & cost of original contractor – Rs.8.3 million

DP No. 322 Provincial Highway Division, Multan

27.01.2011 The Department explained that difference of rates amounting to Rs.658,135/- had been recovered upto the last running bill of the contractor and forfeiture of performance bond or security deposit was not required in the instant case.

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

27.02.2014 The Department explained that as per directions of PAC-II, given in its meeting dated 27.1.2011, final bill had been produced to Audit for verification.

Audit contended that verification of record had transpired that competent authority had decided the matter under clause 60 of the agreement but the decision was later changed under provision of clause 61 by the junior officer.

The Committee directed/recommended that an inquiry should be conducted to fix responsibility for the lapse and outstanding amount should be recovered from the defaulters.

The para was kept pending.

25. Para No.1.32 Pages 59 & 60 of Audit Report for the year 2009-10, Overpayment due to failure to follow weighted percentage on final bill payment – Rs.8.3 million

DP No. 72 Lahore Ring Road Project

27.02.2014 The Department explained that above Audit observations were based on misinterpretation of the condition contained in acceptance letter regarding maintenance of weighted percentage which was only a controlling factor in making payment during the execution of work.

The Committee re-iterated its decision dated 26.02.2014 on similar para No. 1.7.1 that outstanding dues should be recovered and if necessary, matter regarding amendment/revision of relevant rules be submitted to Finance Department for consideration.

The para was kept pending.

26. Para No.1.33 Pages 60 & 61 of Audit Report for the year 2009-10, Overpayment due to change of premium at final cost – Rs.7.7 million

DP.No.327, Provincial Highway Division, Gujranwala

29.10.2011 The Department explained that the partial recovery had been effected and efforts were being made for balance recovery. The Administrative Secretary requested that two months be granted to finalize all aspects of the project and recovery of outstanding dues.

On request of the department, the **para was kept pending.**

27. Para No.1.34 Page 61 of Audit Report for the year 2009-10; Overpayment due to incorrect rate – Rs.7.7 million

DP No. 268, Executive Engineer, Provincial Highway Division, Sahiwal

27.01.2011 There was difference of opinion between Audit and Administrative Department regarding specifications of work and the rates applicable thereon.

After detailed deliberations on the matter, the Committee desired that Audit, Administrative Department and Finance Department may reconcile the matter, sort out the issues and report be submitted to the PAC on 29.01.2011.

On 29.01.11, the Committee was apprised that despite detailed discussion on the matter, the participants could not reach a consensus.

In view of foregoing circumstances, the Committee recommended/decided to appoint a Special Committee consisting of the following:-

Member (Engineering) Planning & Development	Convener
Additional Secretary, Communication & Works	Member
Deputy Director Audit (Works)	Member
Technical Advisor, Finance Department	Member

The Public Accounts Committee-II directed that aforesaid Special Committee shall examine all the above paras in detail and submit its recommendations to the PAC within 60 days.

The para was kept pending.

30.05.2012 The Department explained that rate for 'Plant premixed Bituminous Carpeting' was worked out on the basis of inputs rates of Finance Department as per prescribed template. The difference between MRS and rate worked out by the Chief Engineer was due to change in quarry from Sakhi Sarwar to Sikhanwali as the Sakhi Sarwar quarry was declared unfit for surfacing by a Technical Committee of the Administrative Department. As such, aggregate material had to be procured from nearest alternate quarry i.e. Sikhanwali with additional carriage cost.

Audit contented that higher rates had been applied over and above the MRS rates approved by the Finance Department.

The Committee was not satisfied with the explanation of the department and directed/recommended that an inquiry should be held into the matter and responsibility be fixed for the lapse. The Committee further directed/recommended that the Finance Department should also examine the matter in detail and submit its recommendations to the PAC within 120 days.

The para was kept pending.

27.02.2014 The Department explained that work had been executed by Provincial Highway Division Sahiwal and efforts were being made for transfer of security deposit of the contractor from the concerned formation.

The **para was kept pending** for seeking advice from Special Secretary, Finance Department.

28. Para No.1.35 Pages 61 & 62 of Audit Report for the year 2009-10, Overpayment due to incorrect estimation – Rs.7.3 million

27.01.2011 The Department explained that contractor had executed the work upto 5th running bill and actual amount of recovery outstanding against him was Rs.2.568 million which would be recovered from the forthcoming running bill of the contractor.

The Committee **kept the para pending** till verification of the final bill by Audit.

29. Para No.1.36 Pages 62 & 63 of Audit Report for the year 2009-10, Overpayment due to non-recovery of cost of less use of bitumen – Rs.6.3 million

DP No. 222 Provincial Highway Division, Rahim Yar Khan

27.02.2014 The Department explained that outstanding amount had been recovered from the contractor which had also been verified by Audit.

The Committee **settled the para** with the direction/recommendation that disciplinary action should also be taken against the responsible officer/officials as well as the concerned DAO.

30. Para No.1.37 Page 63 of Audit Report for the year 2009-10, Loss due to acceptance of tender at higher rate – Rs.6.1 million

DP No. 315 Lahore Ring Road Project Lahore

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

31. Para No.1.38 Pages 64 to 67 of Audit Report for the year 2009-10, Overpayment due to application of incorrect rate/factor for payment of price variation – Rs.6.1 million

1.38.1 DP No. 142 Provincial Highway Division, Faisalabad

27.01.2011 The Department explained that disciplinary action under PEEDA Act had already been initiated and the action would be completed within 120 days.

The Committee kept the para pending with the directions that the report of the disciplinary action be submitted to the PAC.

27.02.2014 The Department explained that total outstanding amount had been recovered from the contractors but the final bills were still under process.

The **para was conditionally settled** subject to verification of final bills by Audit.

1.38.4 DP.No.331, Provincial Highway Division, Gujranwala

29.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.38.5 DP. No. 191 Provincial Buildings Division, Muzaffar Garh

29.01.2011 The Department explained that total recovery had been effected on account of price variation and relevant record had also been got verified by Audit.

Audit contented that Department ought to have fix responsibility for negligence in the matter.

The Committee kept the para pending with the directions that department should probe into the matter and fix responsibility for the lapse under intimation to the PAC.

26.02.2014 The Department explained that in compliance with previous directions of PAC, necessary action in respect of above paras had been taken and relevant record had also been got verified by Audit.

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

1.38.6 DP No. 218 Provincial Highway Division, Rahim Yar Khan

27.02.2014 The Department explained that outstanding amount on account of incorrect calculation of price variation had been recovered from the contractor and warning had also been issued to the concerned employees.

The **para was settled** with the directions that warning should also be issued to the concerned DAO by the competent authority.

1.38.7 DP.No.157, Provincial Highway Division, Mianwali

29.10.2011 The Department explained that outstanding amount as pointed out by Audit in the above mentioned para had already been recovered and got verified by Audit.

However, Audit contented that recovery should be effected from the running bills of the contractors instead of Security Deposit.

The Committee **settled the para** with the directions that security deposit of the contractor should be recouped at the earliest and relevant record be got verified by Audit.

1.38.8 DP No. 103, Provincial Buildings Division, Lahore

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

- 32. Para No.1.39 Pages 67 & 68 of Audit Report for the year 2009-10, Overpayment due to allowing final payment more than weighted percentage over technical sanctioned estimate – Rs.5.9 million**
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DP No. 68 Lahore Ring Road Project

27.02.2014 The Department explained that above Audit observations were based on misinterpretation of the condition contained in acceptance letter regarding maintenance of weighted percentage which was only a controlling factor in making payment during the execution of work.

The Committee re-iterated its decision dated 26.02.2014 on similar para No. 1.7.1 that outstanding dues should be recovered and if necessary, matter regarding amendment/revision of relevant rules be submitted to Finance Department for consideration.

The para was kept pending.

- 33. Para No.1.40 Page 68 of Audit Report for the year 2009-10, Overpayment due to approval of higher rate – Rs.5.4 million**
-

DP.No.58, Provincial Buildings Division, Lahore

28.10.2011 The Department explained that as per clarification of Finance Department vide letter dated 14.06.2011, the estimate had already been approved by the competent authority and payment of fabrication of TOR steel (G-60) had been made within the provisions of the approved estimate.

The representative of Finance Department also endorsed the departmental contention.

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

- 34. Para No.1.41 Pages 68 & 69 of Audit Report for the year 2009-10, Unjustified expenditure for filling earth beyond project location – Rs.5.4 million**
-

DP No. 66 Lahore Ring Road Project

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

35. Para No.1.42 Pages 69 to 71 of Audit Report for the year 2009-10, Non-recovery due to using bulk bitumen - Rs.5.1 million

- (i) **1.42.1 DP No. 237 Lahore Ring Road Project, Lahore**
- (ii) **1.42.2 DP No. 44 Lahore Ring Road Project, Lahore**

27.02.2014 The Department explained that total outstanding amount had been recovered from the contractors but the final bills were still under process.

The **paras were conditionally settled** subject to verification of final bills by Audit.

1.42.3 DP.No.287, Provincial Highway Division, Gujrat

29.10.2011 The Department explained that bitumen used in the work of TST was packed in drums which had been purchased from National Refinery Karachi. The price variation was erroneously calculated on the rates of bulk bitumen which was on lesser side. However, the Administrative Secretary assured that disciplinary action would be taken, if any one was found guilty for the lapse.

On assurance of the Administrative Secretary, **the para was settled.**

36. Para No.1.44 Pages 72 to 74 of Audit Report for the year 2009-10, Short recovery of Income Tax – Rs.4.8 million

1.44.1 DP. No.136, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that necessary action in respect of the above para had already been taken and relevant record had also been got verified by the Audit.

On the recommendations of Audit **the para was settled.**

1.44.2 DP. No.51, Provincial Buildings Division, Lahore

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

1.44.3 DP.No.133, Provincial Highway Division, Mianwali

29.10.2011 The Department explained that outstanding amount as pointed out by Audit in the above mentioned para had already been recovered and got verified by Audit.

However, Audit contented that recovery should be effected from the running bills of the contractors instead of Security Deposit.

The Committee **settled the para** with the directions that security deposit of the contractor should be recouped at the earliest and relevant record be got verified by Audit.

1.44.4 DP. No.36, The Land Acquisition Collector, Rawalpindi

29.10.2011 The Department explained that a case had already been moved for obtaining advice from the Law Department as per directions of Board of Revenue and the response thereon was still awaited.

The **para was kept pending** with the directions to pursue the matter.

37. Para No.1.45 Pages 74 & 75 of Audit Report for the year 2009-10, Overpayment due to allowing final bill payment more than weighted percentage over technical sanctioned estimate – Rs.4.7 million

DP No. 74 Lahore Ring Road Project

27.02.2014 The Department explained that above Audit observations were based on misinterpretation of the condition contained in acceptance letter regarding maintenance of weighted percentage which was only a controlling factor in making payment during the execution of work.

The Committee re-iterated its decision dated 26.02.2014 on similar para No. 1.7.1 that outstanding dues should be recovered and if necessary, matter regarding amendment/revision of relevant rules be submitted to Finance Department for consideration.

The **para was kept pending**.

38. Para No.1.46 Page 75 of Audit Report for the year 2009-10, Loss due to allowing undue allowance for mega project – Rs.4.6 million

DP No. 232 Provincial Highway Division, Bahawalpur

27.01.2011 The Department explained that at the time of award of work, the scheme was splited up in two groups with the approval of the competent authority and the amount of each group was less than 200 million. Accordingly 5% overhead charges had been recovered from the contractors by reducing the rates of estimate. As such 4.74% of recovery had already been verified by Audit.

The Committee reduced the para to the extent of recovery and the para was kept pending for balance recovery and reconciliation of relevant record by Audit.

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

39. Para No.1.47.2 Page 76 of Audit Report for the year 2009-10, Non-recovery due to allowing excess bitumen rate – Rs.4.6 million

DP No. 312 Lahore Ring Road Project (package-4), Lahore

27.02.2014 The Department explained that total outstanding amount had been recovered from the contractors but the final bills were still under process.

The **para was conditionally settled** subject to verification of final bills by Audit.

40. Para No.1.48 Page 77 of Audit Report for the year 2009-10, Irregular payment on account of price variation – Rs.4.3 million

28.01.2011 The Department explained that the scheme was still in progress The price variation beyond provision of 3% contingency would be provided in the revised estimate and the payment of price variation would be got regularized from the competent authority.

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

41. Para No.1.49 Pages 77 & 78 of Audit Report for the year 2009-10, Short recovery of income tax – Rs.4.2 million

DP.No.98, Provincial Buildings Division, Lahore

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

42. Para No.1.50 Page 78 of Audit Report for the year 2009-10, Overpayment due to incorrect calculation of price variation – Rs.4.2 million

DP.No.145, Provincial Highway Division No. I, Sargodha

29.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

43. Para No.1.51 Pages 78 & 79 of Audit Report for the year 2009-10, Loss due to violation of specification - Rs. 3.9 million

DP No. 263 Provincial Highway Division, Sahiwal

27.01.2011 The Department explained that work was still in progress and the payment to the contractor had been made as per contention of the Audit at the rate of 327/65 % sft. No further payment was required to be made to the contractor.

The Committee kept the para pending for verification of final bill.

27.02.2014 The Department explained that total outstanding amount had been recovered from the contractors but the final bills were still under process.

The **para was conditionally settled** subject to verification of final bills by Audit.

44. Para No.1.52 Page 79 of Audit Report for the year 2009-10; Loss to Government due to acceptance of item at higher rate on the basis of incorrect analysis of rate – Rs.3.9 million

DP No. 177, Executive Engineer, Provincial Highway Division, Multan

27.01.2011 There was difference of opinion between Audit and Administrative Department regarding specifications of work and the rates applicable thereon.

After detailed deliberations on the matter, the Committee desired that Audit, Administrative Department and Finance Department may reconcile the matter, sort out the issues and report be submitted to the PAC on 29.01.2011.

On **29.01.11**, the Committee was apprised that despite detailed discussion on the matter, the participants could not reach a consensus.

In view of foregoing circumstances, the Committee recommended/decided to appoint a Special Committee consisting of the following:-

Member (Engineering) Planning & Development	Convener
Additional Secretary, Communication & Works	Member
Deputy Director Audit (Works)	Member
Technical Advisor, Finance Department	Member

The Public Accounts Committee-II directed that aforesaid special Committee shall examine all the above paras in detail and submit its recommendations to the PAC within 60 days.

The paras were kept pending.

30.05.2012 The Department explained that rate for 'Plant premixed Bituminous Carpeting' was worked out on the basis of inputs rates of Finance Department as per

prescribed template. The difference between MRS and rate worked out by the Chief Engineer was due to change in quarry from Sakhi Sarwar to Sikhawali as the Sakhi Sarwar quarry was declared unfit for surfacing by a Technical Committee of the Administrative Department. As such, aggregate material had to be procured from nearest alternate quarry i.e. Sikhawali with additional carriage cost.

Audit contended that higher rates had been applied over and above the MRS rates approved by the Finance Department.

The Committee was not satisfied with the explanation of the department and directed/recommended that an inquiry should be held into the matter and responsibility be fixed for the lapse. The Committee further directed/recommended that the Finance Department should also examine the matter in detail and submit its recommendations to the PAC within 120 days.

The paras were kept pending.

27.02.2014 The Department explained that total outstanding amount had been recovered which had also been verified by Audit and rate analysis of thick Asphalt had been prepared as per Finance Department letter dated 5.4.2006.

Audit contended that disciplinary action against defaulters was also required in the matter.

The **para was kept pending** for seeking opinion of the Special Secretary, Finance Department in all such cases.

45. Para No.1.53 Page 80 of Audit Report for the year 2009-10; Loss due to incorrect application of rate – Rs.3.3 million

DP No. 269, Executive Engineer, Provincial Highway Division, Sahiwal

46. Para No.1.54 Pages 80 & 81 of Audit Report for the year 2009-10; Overpayment due to incorrect application of rate – Rs.3.1 million

DP No. 270, Executive Engineer, Provincial Highway Division, Sahiwal

27.01.2011 There was difference of opinion between Audit and Administrative Department regarding specifications of work and the rates applicable thereon.

After detailed deliberations on the matter, the Committee desired that Audit, Administrative Department and Finance Department may reconcile the matter, sort out the issues and report be submitted to the PAC on 29.01.2011.

On **29.01.11**, the Committee was apprised that despite detailed discussion on the matter, the participants could not reach a consensus.

In view of foregoing circumstances, the Committee recommended/decided to appoint a Special Committee consisting of the following:-

Member (Engineering) Planning & Development

Convener

Additional Secretary, Communication & Works
Deputy Director Audit (Works)
Technical Advisor, Finance Department

Member
Member
Member

The Public Accounts Committee-II directed that aforesaid special Committee shall examine all the above paras in detail and submit its recommendations to the PAC within 60 days.

The paras were kept pending.

30.05.2012 The Department explained that rate for 'Plant premixed Bituminous Carpeting' was worked out on the basis of inputs rates of Finance Department as per prescribed template. The difference between MRS and rate worked out by the Chief Engineer was due to change in quarry from Sakhi Sarwar to Sikhanwali as the Sakhi Sarwar quarry was declared unfit for surfacing by a Technical Committee of the Administrative Department. As such, aggregate material had to be procured from nearest alternate quarry i.e. Sikhanwali with additional carriage cost.

Audit contented that higher rates had been applied over and above the MRS rates approved by the Finance Department.

The Committee was not satisfied with the explanation of the department and directed/recommended that an inquiry should be held into the matter and responsibility be fixed for the lapse. The Committee further directed/recommended that the Finance Department should also examine the matter in detail and submit its recommendations to the PAC within 120 days.

The paras were kept pending.

47. Para No.1.55.2 Pages 81 & 82 of Audit Report for the year 2009-10, Overpayment due to extra provision that specification – Rs.3 million

DP.No.158 Provincial Highway Division, Muzaffargarh

27.02.2014 The Department explained that total outstanding amount had been recovered and the work had been executed as per provisions of administrative approval and technically sanctioned estimate. As such no further action was required in the matter.

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

48. Para No.1.56 Pages 82 & 83 of Audit Report for the year 2009-10, Loss to government due to acceptance of tender at higher rate – Rs.3 million

DP No. 43 Project Management Unit Lahore

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

On the recommendations of Audit, the para was settled.

49. Para No.1.58 Page 84 of Audit Report for the year 2009-10, Overpayment due to incorrect rate – Rs.2.4 million

DP.No.283, Provincial Buildings Division, Lahore

27.10.2011 The Department explained that necessary action in respect of the above para had already been taken and relevant record had also been got verified by the Audit.

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

50. Para No.1.59 Pages 84 & 85 of Audit Report for the year 2009-10, Non-accountal/consumption of bitumen – Rs.2.4 million

DP No. 317 Provincial Highway Division, Rahim Yar Khan

27.02.2014 The Department explained that Empty Tar Drum had been auctioned and auction money had been deposited into government treasury. Moreover, record relating to consumption of bitumen had also been got verified by Audit.

Audit contended that report regarding auction of empty Tar Drums was also required to be produced for verification.

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

51. Para No.1.61 Pages 85 & 86 of Audit Report for the year 2009-10, Overpayment due to non-utilization of dismantled material – Rs.2.1 million

DP No. 223 Provincial Highway Division, Rahim Yar Khan

27.02.2014 The Department explained that total dismantled quantity of brick edging, soiling, road metalling and pavement had been re-used in the sub-base and due recovery of Rs.548,661/- had also been effected from the running bill of the contractor.

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

52. Para No.1.63 Page 87 of Audit Report for the year 2009-10, Non-recovery of price de-escalation due to decrease in rate of steel – Rs.1.8 million

28.01.2011 The Department explained that entire recovery involved in the above para had been effected and got verified by Audit but the work was still in progress.

The para was conditionally settled subject to verification of final bill by Audit.

26.02.2014 The Department explained that total outstanding amount had been recovered but final bills could not be produced for verification because the schemes were lying unfunded.

The **para was conditionally settled** subject to production of final bills to Audit and undertaking by the PAO that recovered amount would not be reverted to the contractors in final bills.

53. Para No.1.65 Page 88 of Audit Report for the year 2009-10, Non receipt of performance bond - Rs. 1.6 million

28.01.2011 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

54. Para No.1.66 Pages 88 & 89 of Audit Report for the year 2009-10, Overpayment on account of price variation – Rs.1.5 million

DP No. 140 Provincial Highway Division, Faisalabad

27.01.2011 The Department explained that total recovery amounting to Rs. 1,542,722/- had been effected from the contractor vide Transfer Entry No.1 dated 12.10.2010.

Audit contented that recovery was effected from the security deposit of the contractor which ought to have been kept intact to safeguard the risk/defect liability.

The Committee recommended/directed the department to re-coup the security deposit of the contractor and make recovery from the running bill of the contractor.

Subject to above directions, the para was settled.

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

55. Para No.1.67 Page 89 of Audit Report for the year 2009-10, Loss due to inordinate delay in announcement of award – Rs.1.4 million

DP.No.45, The Land Acquisition Collector Highway Department, Rawalpindi

29.10.2011 The Department explained that compound interest was allowed as possession of site was taken over by the department on 12.01.1985.

The Committee **kept the para pending** with the directions that department should re-examine the matter and a detailed report be submitted to the PAC at the earliest.

56. Para No.1.68 Page 90 of Audit Report for the year 2009-10, Unauthentic receipt of rent from Punjab House Rawalpindi/Islamabad – Rs.1.3 million

DP.No.350, Provincial Buildings Division, Rawalpindi

28.10.2011 The Department explained that Punjab House was under the administrative control of Chief Minister Secretariat. The booking and rent collection was

carried out by the comptroller whose services were at the administrative disposal of the Services & General Administration Department. The Department requested that para may be transferred to S & GA Department.

The Committee acceded to the request of the Department and **deleted the para** with the directions that it should be incorporated in the Audit Report pertaining to Services & General Administration Department.

57. Para No.1.69 Pages 90 & 91 of Audit Report for the year 2009-10, Overpayment due to non-utilization of retrieved material – Rs.1.2 million

DP No. 187 Provincial Highway Division, Bahawalpur

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

58. Para No.1.70 Page 91 of Audit Report for the year 2009-10, Overpayment due to non-utilization of available earth – Rs.1 million

DP.No.360, Provincial Buildings Division, Gujranwala

28.10.2011 The Department explained that total outstanding amount had been recovered and got verified by Audit and in case of Sub-Para No 8, the security deposit had also been recouped from the running bill of the contractor.

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

16.04.2012 The Department explained that complete recovery had been effected from the running bill of the contractor which had also been got verified by Audit.

The **para was accordingly settled.**

59. Para No.1.71 Pages 91 & 92 of Audit Report for the year 2009-10, Loss due to application of higher specification – Rs.958,104/-

DP.No.154, Provincial Highway Division - 2, Sargodha

29.10.2011 The Department explained that outstanding amount had already been recovered and the security deposit of the contractor had also been recouped.

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

60. Para No.1.72 Pages 92 & 93 of Audit Report for the year 2009-10, Overpayment due to allowing rates more than MRS – Rs.883,151/-

1.72.1 DP No. 184 Provincial Highway Division, D.G. Khan

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

1.72.2 DP No. 208, Executive Engineer, Provincial Buildings Division, Bahawalpur

28.01.2011 There was difference between department and Audit regarding the rates applicable in the instant case.

The Committee kept the para pending with the directions that the matter be sorted out by the Special Committee appointed on 27.01.2011.

30.05.2012 The Special Committee appointed by the PAC under Convenership of Member (ID) Planning & Development Department, submitted detailed report in respect of above paras, vide Planning & Department letter No. 1(10) RO(TECH) P&D/2012 dated 30.5.2012 wherein it had been concluded that necessary actions in respect of Audit observations had been taken and departmental contention had also been accepted by Audit.

On the recommendations of the Special Committee, **the para was settled**.

1.72.3 DP. No. 309 Provincial Buildings Division, Muzaffar Garh

29.01.2011 The Department explained that the ‘fabrication of the heavy steel work etc’ was worked out by including erection & fixing in position and accordingly rate was provided in the TS estimate. In case of other work as well, all the relevant record was available for verification.

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

61. Para No.1.73 Pages 93 & 94 of Audit Report for the year 2009-10, Overpayment due to allowing rate of extra labour/shuttering in reinforcement cement concrete work – Rs.827,006/-

DP.No.352, Provincial Buildings Division, Rawalpindi

28.10.2011 The paras involved variance of the stance between Audit and Administrative Department regarding payment of incorrect rate for certain items.

The Committee referred the para to the Special Committee comprising representative each from the Finance, Planning & Development and Communication &

Works Department which was appointed to sort out such matters with the directions that report of the Committee be submitted to the PAC at the earliest.

The para was kept pending.

16.04.2012 The Department explained that incompliance with the PAC directions a Special Committee under convenership of Member (infrastructure) P&D had examined the matter in detail and concluded that the provision of additional shuttering and labour inputs for RCC work was justified.

In view of the recommendations of Special Committee, the Committee **settled the para** subject to verification of the minutes of the meeting of Special Committee.

62. Para No.1.74 Page 94 of Audit Report for the year 2009-10, Non-forfeiture of security deposit due to non-execution of works – Rs.816,630/-

DP.No.399, Provincial Buildings Division, Jhelum

28.10.2011 The Department explained that the security deposit of the defaulting contractors had been forfeited and relevant record had also been got verified by Audit and the defaulting firms had not been renewed for further contracts.

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

63. Para No.1.75 Page 95 of Audit Report for the year 2009-10, Loss due to application of rich specification – Rs.782,608/-

DP.No.153, Provincial Highway Division - I, Sargodha

29.10.2011 The Department explained that in case of AP No. 7, a sum of Rs.346,168/- had been recovered from the running bill of the contractor whereas in case of AP. No.12, the work was still in progress and recovery would be effected from the next running bill of the contractor to recoup the security deposit of the contractor.

The **para was conditionally settled** subject to recovery and verification of requisite record by Audit.

64. Para No.1.76 Page 95 of Audit Report for the year 2009-10, Overpayment due to non-deduction of area of openings – Rs. 731,977/-

29.01.2011 The Department explained that no deduction of openings was required because the brick work had been measured separately excluding the thickness of the core wall.

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

65. Para No.1.78 Pages 96 & 97 of Audit Report for the year 2009-10; Extra expenditure due to use of rich specification – Rs.630,497/-

DP No. 199, Executive Engineer, Provincial Highway Division, Faisalabad

27.01.2011 There was difference of opinion between Audit and Administrative Department regarding specifications of work and the rates applicable thereon.

After detailed deliberations on the matter, the Committee desired that Audit, Administrative Department and Finance Department may reconcile the matter, sort out the issues and report be submitted to the PAC on 29.01.2011.

On 29.01.11, the Committee was apprised that despite detailed discussion on the matter, the participants could not reach a consensus.

In view of foregoing circumstances, the Committee recommended/decided to appoint a Special Committee consisting of the following:-

Member (Engineering) Planning & Development	Convener
Additional Secretary, Communication & Works	Member
Deputy Director Audit (Works)	Member
Technical Advisor, Finance Department	Member

The Public Accounts Committee-II directed that aforesaid special Committee shall examine all the above paras in detail and submit its recommendations to the PAC within 60 days.

The para was kept pending.

30.05.2012 The Department explained that as per report of the Special Committee constituted by the PAC in its meeting dated 28.10.2012, there was ambiguity regarding quantity of bitumen mentioned in composite rate depicted in MRS and corresponding specifications which was clarified by the Finance Department on 21.10.2009. Since the work was executed prior to this clarification, therefore, no overpayment was involved and recovery had to be made only for the work executed after this clarification.

The Committee accepted the recommendations of Special Committee and conditionally settled the para subject to verification of requisite record by Audit.

27.02.2014 The Department explained that total outstanding amount had been recovered from the contractors but the final bills were still under process.

The **para was conditionally settled** subject to verification of final bills by Audit.

66. Para No.1.79 Page 97 of Audit Report for the year 2009-10, Overpayment on account of price variation – Rs.621,048/-

DP.No.301, Provincial Buildings Division, Gujrat

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

- 67. Para No.1.80 Pages 97 & 98 of Audit Report for the year 2009-10; Overpayment due to allowing excessive quantities – Rs.620,899/-**
-

DP No. 182 Provincial Highway Division, D.G. Khan

27.02.2014 The Department explained that total recovery had been effected on account of overpayment pointed out by Audit and final bill had also been got verified by Audit.

The **Committee settled the para** with the directions/recommendations that disciplinary action should also be taken against the officers/officials, responsible for overpayment.

- 68. Para No.1.81 Page 98 of Audit Report for the year 2009-10, Overpayment due to non-utilization of dismantled material as sub-base course – Rs.545,726/-**
-

DP.No.175 Provincial Highway Division, Muzaffargarh

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

- 69. Para No.1.82 Page 99 of Audit Report for the year 2009-10, Less recovery on account of hire charges of machinery – Rs.536,810/-**
-

DP. No.389, Provincial Highway Division, Rawalpindi

29.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

- 70. Para No.1.83 Page 99 of Audit Report for the year 2009-10, Non-recovery of dismantled material – Rs.422,137/-**
-

DP No. 202 Provincial Highway Division, Rahim Yar Khan

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

71. Para No.1.84 Page 100 of Audit Report for the year 2009-10, Overpayment for allowing undue rate - Rs. 417,904/-

DP No. 203, Executive Engineer, Provincial Buildings Division, Bahawalpur

28.01.2011 The Department explained that the rate analysis of MRS consisted of only single side flat wooden shuttering taken for RCC slabs. In the scheme, the RCC rate of window, shades and gola on parapet were of typical design and the rate incorporated in the estimate was technically sanctioned by Chief Engineer and accordingly the payment was made.

However, Audit contented that departmental contention was not justified in view of the clarification issued by the Finance Department on 24.02.2005.

The Committee kept the para pending with the directions that Principal Accounting Officer may conduct an inquiry into the matter, fix responsibility for the lapse and effect complete recovery within 90 days.

30.05.2012 The Special Committee appointed by the PAC under Convenership of Member (ID) Planning & Development Department, submitted detailed report in respect of above paras, vide Planning & Department letter No. 1(10) RO(TECH) P&D/2012 dated 30.5.2012 wherein it had been concluded that necessary actions in respect of Audit observations had been taken and departmental contention had also been accepted by Audit.

On the recommendations of the Special Committee, **the para was settled.**

72. Para No.1.85 Page 100 of Audit Report for the year 2009-10, Overpayment due to non-utilization of dismantled material as sub-base course – Rs.409,005/-

DP No. 226 Provincial Highway Division, Bahawalpur

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

73. Para No.1.86 Page 101 of Audit Report for the year 2009-10; Overpayment due to non-utilization of dismantled material – Rs.399,954/-

DP No. 394 Provincial Highway Division, D.G. Khan

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

74. **Para No.1.89 Page 102 of Audit Report for the year 2009-10, Non-recovery due to non-deduction of quantity of brick edging from sub-base course – Rs.236,828/-**
-

DP.No.215, Provincial Highway Division, Jhelum

29.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

75. **Para No.1.90 Page 103 of Audit Report for the year 2009-10, Overpayment due to allowing excessive rates in the calculation of price variation – Rs.228,281/-**
-

DP.No.355, Provincial Buildings Division, Gujranwala

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

76. **Para No.1.91 Pages 103 & 104 of Audit Report for the year 2009-10, Overpayment due to application of incorrect rates Rs. 222,262/-**
-

1.91.1 DP No. 311 Provincial Highway Division, Multan

28.01.2011 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

1.91.2 DP No. 318 Provincial Highway Division, D.G. Khan

27.02.2014 The Department explained that total outstanding amount had been recovered from the contractors but the final bills were still under process.

The **para was conditionally settled** subject to verification of final bills by Audit.

77. **Para No.1.92 Pages 104 & 105 of Audit Report for the year 2009-10, Overpayment due to application of incorrect rates – Rs.206,857/-**
-

DP.No.161 Provincial Highway Division, Muzaffargarh

27.02.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been verified by Audit.

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

78. Para No.1.93 Page 105 of Audit Report for the year 2009-10, Overpayment due to incorrect conversion factor – Rs.181,316/-

DP No. 254 Provincial Buildings Division, Sahiwal

28.01.2011 The Department explained that inquiries had already been ordered in respect of above Audit observations to fix responsibility for the lapse and necessary action would be taken as per findings of the Inquiry Reports.

The para was kept pending with the directions that necessary action taken be intimated to the PAC within 90 days.

26.02.2014 The Department explained that as per directions of PAC-II dated 28.1.2011, disciplinary action had been taken against the responsible officers/officials and relevant record had also been verified by Audit.

The **para was settled** with the directions that disciplinary action against the concerned internal auditors should also be taken by the concerned authority.

79. Para No.1.94 Pages 105 & 106 of Audit Report for the year 2009-10, Overpayment due to application of incorrect rate – Rs.162,830/-

DP.No.348, Provincial Buildings Division, Rawalpindi

28.10.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

GENERAL OBSERVATIONS/RECOMMENDATIONS

26.02.2014 The Committee observed that overall performance of the department in dealing with the Appropriation Accounts, Audit Report and presentation of working papers to PAC-II was far from satisfaction. The working papers for the meeting of Public Accounts Committee-II were submitted very late, almost few hours before the commencement of the meeting. Moreover, the working papers had not been compiled in accordance with the prescribed format, the written explanation given in the working paper was unsatisfactory and requisite record had not been got verified by Accounts Departments/Audit.

The Committee took serious notice of the casual attitude of the concerned officers of the Communication & Works Department towards the PAC business which caused loss of precious time of the committee as well as loss of huge amount of public money and desired that displeasure of the Committee may be conveyed to the concerned officers through the Secretary/Principle Accounting Officer.

EDUCATION

The paras were discussed in the meetings of PAC-II held on 25.11.2010, 26.11.2010, 26.05.2011, 27.05.2011, 16.07.2014 & 17.07.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Pages 93 & 100 of Appropriation Accounts for the year 2009-10

- (i) 09 Education Affairs & Services
093 Tertiary Education Affairs & Services
0931 Tertiary Education Affairs & Services
093103 Administration
LQ4451 School Education Department

Final Grant		Rs.66,585,000/-
Actual Expenditure		Rs.64,233,694/-
Saving	(-)	Rs. 2,351,306/-
Percentage		3.53%

16.07.2014 The Department explained that saving had occurred mainly under the sub-heads of Pay & Allowances because certain posts were lying vacant and posting against those was expected in near future.

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

- (ii) 09 Education Affairs & Services
093 Tertiary Education Affairs And Services
0931 Tertiary Education Affairs And Services
093103 Administration
LQ4766 Monitoring and Evaluation Cell

Final Grant		Rs.7,320,000/-
Actual Expenditure		Rs.5,411,573/-
Saving	(-)	Rs.1,908,427/-
Percentage		26.07%

16.07.2014 The Department explained that saving had occurred because certain bills for repair of machinery, procurement of stationary and POL charges could not be finalized till the close of financial year due to time constraints.

The Committee **settled the item** with the directions that such lapses should be strictly avoided in future.

- (iii) 09 Education Affairs And Services
093 Tertiary Education Affairs And Services
0931 Tertiary Education Affairs And Services
093103 Administration
LQ4448 Higher Education Department

Final Grant		Rs.179,353,000/-
Actual Expenditure		Rs.131,765,654/-
Saving	(-)	Rs. 47,587,346/-
Percentage		26.53%

17.07.2014 The Department explained that saving had occurred due to vacant posts and less utilization of funds allocated for cash awards and financial assistance.

The Committee **settled the item** with the directions that surplus funds should be surrendered well in time in future.

2. Grant No. PC21015 (015) Education (All Voted) Pages 101 to 133 of Appropriation Accounts for the year 2009-10

- (i) 09 Education Affairs & Services
092 Secondary Education Affairs And Services
0921 Secondary Education Affairs And Services
092101 Secondary Education
LQ4774 Science Education Project

Final Grant		Rs.7,806,000/-
Actual Expenditure		Rs.7,804,331/-
Saving	(-)	Rs. 1,669/-
Percentage		0.02%

16.07.2014 The Department stated that there was minor saving in case of subject item and requested for its settlement.

The **item was accordingly settled.**

- (ii) 09 Education Affairs And Services
093 Tertiary Education Affairs And Services
0931 Tertiary Education Affairs And Services
093102 Professional/Technical/Universities/Colleges
LQ4147 Elementary Teachers Training Colleges

Final Grant		Rs.451,735,000/-
Actual Expenditure		Rs.449,650,017/-
Saving	(-)	Rs. 2,084,983/-
Percentage		0.46%

16.07.2014 The Department explained that saving had mainly occurred under the sub-head of Operating Expenses because resources were prudently handled and certain bills were not passed by the Accounts office.

The Committee observed that there was excess expenditure against the sub-head of 'Pay of other staff' whereas it had been depicted as saving in working papers. The Committee took serious notice of the excess expenditure and directed/recommended that

an inquiry should be conducted to fix responsibility for the lapse under intimation to the PAC within 30 days.

The item was kept pending.

- (iii) 09 Education Affairs And Services
 093 Tertiary Education Affairs And Services
 0931 Tertiary Education Affairs And Services
 093103 Administration

LQ4138 Direction (Elementary Education)

	<u>AG Figures</u>		<u>Departmental Figures</u>	
Final Grant		Rs.32,246,000/-		Rs. 32,246,000/-
Actual Expenditure		Rs.29,557,785/-		Rs. 29,167,785/-
Saving	(-)	Rs. 2,688,215/-	(-)	Rs. 3,078,215/-
Percentage		8.34%		8.34%

- (iv) 09 Education Affairs And Services
 093 Tertiary Education Affairs And Services
 0931 Tertiary Education Affairs And Services
 093103 Administration

LQ4144 Education Management Information System

Final Grant		<i>Nil</i>		
Actual Expenditure		Rs.8,835,786/-		
Excess	(+)	Rs.8,835,786/-		
Percentage		100%		

- (v) 09 Education Affairs And Services
 093 Tertiary Education Affairs And Services
 0931 Tertiary Education Affairs And Services
 093103 Administration

LQ5296 Chief Minister's Monitoring Force/Monitoring & Evaluation Cell

	<u>AG Figures</u>		<u>Departmental Figures</u>	
Final Grant		Rs.173,950,000/-		Rs.173,950,000/-
Actual Expenditure		Rs.128,921,192/-		Rs.134,005,205/-
Saving	(-)	Rs. 45,028,808/-	(-)	Rs. 39,944,795/-
Percentage		25.89%		22.96%

- (vi) 09 Education Affairs And Services
 097 Education Affairs, Services Not Elsewhere
 0971 Education Affairs, Services Not Elsewhere
 097120 Others

AQ4001 Cadet College Hassanabdal

Final Grant		Rs.28,000,000/-
Actual Expenditure		<i>Nil</i>
Saving	(-)	Rs.28,000,000/-
Percentage		100%

16.07.2014 There was variation of figures in case of above items between the administrative department and AG office.

The **items were kept pending** for reconciliation.

- (vii) 09 Education Affairs And Services
093 Tertiary Education Affairs And Services
0931 Tertiary Education Affairs And Services
093103 Administration
LQ4139 Direction (Secondary Education)

Final Grant		Rs.29,137,000/-
Actual Expenditure		Rs.27,852,408/-
Saving	(-)	Rs. 1,284,592/-
Percentage		4.41%

16.07.2014 The Department explained that saving had occurred mainly under the sub-heads of Pay & Allowances because certain posts were lying vacant and posting against those was expected in near future.

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

- (viii) 09 Education Affairs And Services
093 Tertiary Education Affairs And Services
0931 Tertiary Education Affairs And Services
093103 Administration
LQ4343 Programme Management & Implementation Unit (PMIU)

Final Grant		Rs.2,520,232,000/-
Actual Expenditure		Rs.2,405,639,495/-
Saving	(-)	Rs. 114,592,505/-
Percentage		4.55%

16.07.2014 The Department explained item-wise position of savings against various sub-heads and added that excess expenditure against the sub-heads of pay & allowances was due to grant of ad-hoc relief allowance by the Government.

The Committee expressed its displeasure on huge savings under various sub-heads and excess expenditure against others which denoted towards the financial mismanagement of the Department. The Committee therefore, directed the Department to probe into the matter and submit detailed report on account of aforesaid lapses, within 30 days.

The **item was kept pending.**

- (ix) 09 Education Affairs And Services
 093 Tertiary Education Affairs And Services
 0931 Tertiary Education Affairs And Services
 093103 Administration
LQ4510 Grant in Aid to School Councils in Punjab

Final Grant		Rs.1,270,520,000/-
Actual Expenditure		Rs.1,118,210,000/-
Saving	(-)	Rs. 152,310,000/-
Percentage		11.99%

16.07.2014 The Department explained that funds had been allocated for up-gradation of schools but the same could not be utilized because framework and selection parameters were not timely materialized.

The Committee **settled the item** with the directions to ensure timely utilization of such funds in future.

- (x) 09 Education Affairs And Services
 093 Tertiary Education Affairs And Services
 0931 Tertiary Education Affairs And Services
 093103 Administration
LQ5255 Punjab Education Assessment System (PEAS)

Final Grant		Rs.11,609,000/-
Actual Expenditure		Rs.11,004,530/-
Saving	(-)	Rs. 604,470/-
Percentage		5.21%

16.07.2014 The Department explained that saving had occurred mainly under the sub-heads of Pay & Allowances because certain posts were lying vacant and posting against those was expected in near future.

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

- (xi) 09 Education Affairs And Services
 095 Subsidiary Services to Education
 0951 Subsidiary Services to Education
 095101 Archives Library and Museums
LQ4418 Children Library Complex Lahore

Final Grant		Rs.21,402,000/-
Actual Expenditure		Rs.13,716,660/-
Saving	(-)	Rs. 7,685,340/-
Percentage		35.91%

16.07.2014 The Department explained that saving had occurred mainly under the sub-heads of Pay & Allowances because recruitment of staff for Children's Library Complex and its allied offices could not be made due to ban.

The Committee **settled the item** with the directions that surplus funds should be timely surrendered in future.

- (xii) 09 Education Affairs And Services
 097 Education Affairs, Services Not Elsewhere
 0971 Education Affairs, Services Not Elsewhere
 097120 Others
BO4007 Sadiq Public High School Bahawalpur

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.9,320,000/-	Rs.9,320,000
Actual Expenditure	<i>Nil</i>	Rs.9,320,000
Saving (-)	Rs.9,320,000/-	<i>Nil</i>
Percentage	100%	0.00%

16.07.2014 The Department explained that figures had been reconciled with the District Accounts Office and all the allocated funds had been fully utilized.

The **item was accordingly settled.**

- (xiii) 09 Education Affairs And Services
 097 Education Affairs, Services Not Elsewhere
 0971 Education Affairs, Services Not Elsewhere
 097120 Others
LQ4414 Punjab Examination Commission Lahore

Final Grant	Rs.425,580,000/-
Actual Expenditure	Rs.366,819,741/-
Saving (-)	Rs. 58,760,259/-
Percentage	13.81%

16.07.2014 The Department explained that saving had occurred because certain posts were lying vacant whereas physical assets could not be purchased due to ban.

The Committee **settled the item** with the directions that surplus funds should be timely surrendered in future.

- (xiv) 09 Education Affairs And Services
 097 Education Affairs, Services Not Elsewhere
 0971 Education Affairs, Services Not Elsewhere
 097120 Others
LQ4420 Govt. Central Model School Lahore

Final Grant		Rs.44,731,000/-
Actual Expenditure		Rs.44,730,969/-
Saving	(-)	Rs. 31/-
Percentage		0.00%

16.07.2014 Saving being nominal, **the item was settled.**

- (xv) 09 Education Affairs And Services
097 Education Affairs, Services Not Elsewhere
0971 Education Affairs, Services Not Elsewhere
097120 Others
LQ5318 Miscellaneous Grants

Final Grant		Rs.4,439,497,000/-
Actual Expenditure		Rs.4,545,631,575/-
Excess	(+)	Rs. 106,134,575/-
Percentage		2.39%

16.07.2014 The Committee was informed that there was some wrong booking against various sub-heads.

The **item was kept pending** for reconciliation with the directions that an inquiry should also be conducted to fix responsibility for excess expenditure and report be submitted to the PAC within 30 days.

- (xvi) 09 Education Affairs And Services
097 Education Affairs, Services Not Elsewhere
0971 Education Affairs, Services Not Elsewhere
097120 Others
LQ5319 In Service Teachers Training

Final Grant		Rs.949,434,000/-
Actual Expenditure		Rs.656,631,099/-
Saving	(-)	Rs.292,802,901/-
Percentage		30.84%

16.07.2014 The Department explained that funds had been allocated for Continuous Professional Development Project but training on Basic Foundation Module could not be carried out in 12 Districts due to torrential rains and floods.

The Committee **settled the item** with the directions that surplus funds should be timely surrendered, practice be avoided in future strictly and warning be issued to the concerned DAO.

- (xvii) 09 Education Affairs And Services
097 Education Affairs, Services Not Elsewhere
0971 Education Affairs, Services Not Elsewhere
097120 Others
RA4003 Govt. Degree College Kahuta

Final Grant	Rs.5,520,000/-
Actual Expenditure	Rs.5,520,000/-
Excess/Saving	<i>Nil</i>
Percentage	0.00%

17.07.2014 The Department explained that the funds had been fully utilized.

The **item was accordingly settled.**

- (xviii) 09 Education Affairs & Services
097 Education Affairs, Services Not Elsewhere
0971 Education Affairs, Services Not Elsewhere
097120 Others

LQ4413 Govt. College University Lahore

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.126,144,000/-	Rs.125,917,395/-
Actual Expenditure	Rs.125,885,803/-	Rs.125,917,395/-
Excess/Saving	Rs. 258,197/-	<i>Nil</i>
Percentage	0.20%	0.00%

17.07.2014 The representative of AG Punjab stated that there was saving of Rs.258,197/- which was 0.20 % of the final grant.

The Department explained that all the allocated funds had been fully utilized.

The Committee **settled the item** subject to reconciliation of accounts with the concerned quarters.

- (xix) 09 Education Affairs & Services
097 Education Affairs, Services Not Elsewhere
0971 Education Affairs, Services Not Elsewhere
097120 Others

SQ4002 University of Sargodha

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.51,435,000/-	Rs.51,434,714/-
Actual Expenditure	Rs.51,433,381/-	Rs.51,434,714/-
Saving (-)	Rs. 1,619/-	<i>Nil</i>
Percentage	0.00%	0.00%

17.07.2014 The representative of AG Punjab stated that there was saving of Rs.1,619/- which was 0.00 % of the final grant.

The Department explained that all the allocated funds had been fully utilized.

The Committee **settled the item** subject to reconciliation of accounts with the concerned quarters

- (xx) 09 Education Affairs & Services
 093 Tertiary Education Affairs & Services
 0931 Tertiary Education Affairs & Services
 093101 General Universities Colleges Institution
LE4274 General Universities Colleges Institution

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.1,623,482,000/-		Rs.1,623,482,000/-
Actual Expenditure	Rs.1,433,173,161/-		Rs.1,432,530,838/-
Saving	(-) Rs. 190,308,839/-	(-)	Rs. 190,369,652/-
Percentage	11.72%		11.73%

17.07.2014 The Department explained that there was overall saving of Rs.190,369,652/- which came to 11.73% of the final grant. The Department further stated that some staff could not be recruited timely. Moreover, bulk of the saving was under the sub-heads A03 & A09 because 40 projects of colleges were completed with 5.6% saving whereas 6 projects could not be executed due to change in policy.

The Committee **kept the item pending** with the directions that PAO should inquire the matter to fix responsibility for huge savings under various sub-heads and report be submitted to the PAC within 30 days.

- (xxi) 09 Education Affairs And Services
 093 Tertiary Education Affairs And Services
 0931 Tertiary Education Affairs And Services
 093101 General Universities/Colleges/Institutes
LQ4145 Arts Colleges

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.8,323,760,000/-		Rs.8,323,760,000/-
Actual Expenditure	Rs.8,018,156,496/-		Rs.8,018,156,496/-
Saving	(-) Rs. 305,603,504/-	(-)	Rs. 305,699,924/-
Percentage	3.67%		3.67%

17.07.2014 The representative of AG Punjab stated that accounts had been reconciled and there was saving of Rs.305,699,924/- which was 3.67% of the final grant.

The Department explained that saving against various sub-heads had occurred due to late release of funds i-e on 15.6.2010 which could not be utilized.

The Committee observed that there was excess expenditure against the sub-head A06-transfers whereas explanation for saving had been tendered in working papers against this sub-head.

The Committee **conditionally settled the item** with the directions/recommendations that matter regarding excess expenditure should be thrashed out by the PAO and necessary action be taken accordingly.

- (xxii) 09 Education Affairs And Services
 093 Tertiary Education Affairs And Services
 0931 Tertiary Education Affairs And Services
 093103 Administration
LQ5308 Inspection (Colleges)

Final Grant		Rs.122,479,000/-
Actual Expenditure		Rs.109,013,903/-
Saving	(-)	Rs. 13,465,097/-
Percentage		10.99%

17.07.2014 The Department explained that saving had occurred because several posts were lying vacant and funds against various sub-heads were received very late which could not be utilized.

The Committee **settled the item** with the directions that such lapses should be strictly avoided in future.

- (xxiii) 09 Education Affairs And Services
 093 Tertiary Education Affairs And Services
 0931 Tertiary Education Affairs And Services
 093103 Administration
LQ4140 Direction (Colleges)

		<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant		Rs.38,527,000/-		Rs.38,527,000/-
Actual Expenditure		Rs.63,990,353/-		Rs.33,990,353/-
Excess	(+)	Rs.25,463,353/-	(+)	Rs. 4,536,647/-
Percentage		66.09%		11.77%

- (xxiv) 09 Education Affairs And Services
 097 Education Affairs, Services Not Elsewhere
 0971 Education Affairs, Services Not Elsewhere
 097120 Others

FQ4002 Government College University Faisalabad

		<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant		Rs. 50,768,000/-		Rs. 50,767,884/-
Actual Expenditure		Rs.116,669,534/-		Rs. 50,546,482/-
Excess	(+)	Rs. 65,901,534/-	(-)	Rs. 221,402/-
Percentage		129.81%		0.0044%

- (xxv) 09 Education Affairs And Services
 097 Education Affairs, Services Not Elsewhere
 0971 Education Affairs, Services Not Elsewhere
 097120 Others
LQ4422 Kinnaird College for Women, Lahore

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.14,913,000/-		Rs.14,908,687/-
Actual Expenditure	Rs. 794,801/-		Rs. 579,687/-
Saving	(-) Rs.14,118,199/-	(-)	Rs.14,329,000/-
Percentage	94.67%		96.11%

(xxvi) 09 Education Affairs And Services
097 Education Affairs, Services Not Elsewhere
0971 Education Affairs, Services Not Elsewhere
097120 Others
LQ4421 Queen Mary College Lahore

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.44,157,000/-		Rs.44,158,855/-
Actual Expenditure	Rs.44,216,185/-		Rs.44,158,105/-
Excess	(+) Rs. 59,185/-	(-)	Rs. 750/-
Percentage	0.13%		0.01%

17.07.2014 There was variation of figures between the office of AG Punjab and administrative department regarding the above items.

The **items were kept pending** for reconciliation of accounts within 15 days.

(xxvii) 09 Education Affairs And Services
093 Tertiary Education Affairs And Services
0931 Tertiary Education Affairs And Services
093102 Professional/Technical/Universities/Colleges
LQ4146 Professional Colleges

Final Grant	Rs.78,777,000/-
Actual Expenditure	Rs.68,062,782/-
Saving	(-) Rs.10,714,218/-
Percentage	13.60%

17.07.2014 The Department explained that saving had occurred mainly under the sub-heads of Pay & Allowances which could not be avoided due to computerized pay system.

The Committee was not satisfied with the explanation of the Department and directed/recommended that an inquiry should be conducted into the matter and concerned DDOs should be strictly warned to improve financial discipline.

Subject to above directions, **the item was settled.**

(xxviii)09 Education Affairs And Services
095 Subsidiary Services To Education
0951 Subsidiary Services To Education
095101 Archives Library And Museums
LQ4149 Libraries

Final Grant		Rs.43,695,000/-
Actual Expenditure		Rs.43,549,449/-
Saving	(-)	Rs. 145,551/-
Percentage		0.33%

(xxix) 09 Education Affairs And Services
095 Subsidiary Services To Education
0951 Subsidiary Services To Education
095101 Archives Library And Museums
LQ4424 Quaid-e-Azam Library Lahore

Final Grant		Rs.22,159,000/-
Actual Expenditure		Rs.22,048,822/-
Saving	(-)	Rs. 110,178/-
Percentage		0.50%

17.07.2014 The Department explained that there was nominal saving against various sub-heads and requested for settlement of the items.

The items were accordingly settled.

(xxx) 09 Education Affairs And Services
097 Education Affairs, Services Not Elsewhere
0971 Education Affairs, Services Not Elsewhere
097120 Others
LQ4423 Govt. Fatima Jinnah College for Women Chuna Mandi Lahore

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.46,880,000/-	Rs.46,880,000/-
Actual Expenditure	Rs.46,664,000/-	Rs.46,879,000/-
Saving	(-) Rs. 216,000/-	(-) Rs. 1,000/-
Percentage	0.46%	0.002%

17.07.2014 The Department explained that there was saving of Rs.1,000/- which was only 0.002% of the final grant.

Saving being nominal, the item was settled.

(xxxi) 09 Education Affairs And Services
097 Education Affairs, Services Not Elsewhere
0971 Education Affairs, Services Not Elsewhere
097120 Others
RA4002 Fatima Jinnah Women University Rawalpindi

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.101,657,000/-	Rs.101,655,800/-
Actual Expenditure	Rs.101,655,800/-	Rs.101,655,800/-
Saving	(-) Rs. 1,200/-	Nil
Percentage	0.00%	0.00%

(xxxii) 09 Education Affairs And Services
 097 Education Affairs, Services Not Elsewhere
 0971 Education Affairs, Services Not Elsewhere
 097120 Others
**LQ4416 School of Mathematical Sciences Government College University
 Lahore**

Final Grant		Rs.29,135,000/-
Actual Expenditure		Rs.29,134,999/-
Saving	(-)	Rs. 1/-
Percentage		0.00%

17.07.2014 The Department explained that all the allocated funds had been fully utilized.

The above items were accordingly settled.

(xxxiii)09 Education Affairs And Services
 097 Education Affairs, Services Not Elsewhere
 0971 Education Affairs, Services Not Elsewhere
 097120 Others
LQ4417 Lahore College for Women University Lahore

		<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant		Rs.108,392,000/-	Rs.108,392,300/-
Actual Expenditure		Rs.108,338,587/-	Rs.108,392,300/-
Saving	(-)	Rs. 53,413/-	<i>Nil</i>
Percentage		0.05%	0.00

17.07.2014 The Department explained that all the allocated funds had been fully utilized.

The item was conditionally settled subject to reconciliation of accounts with AG Punjab.

(xxxiv)09 Education Affairs And Services
 097 Education Affairs, Services Not Elsewhere
 0971 Education Affairs, Services Not Elsewhere
 097120 Others
LQ4419 University of Education Lahore

Final Grant		Rs.118,596,000/-
Actual Expenditure		Rs. 88,421,863/-
Saving	(-)	Rs. 30,174,137/-
Percentage		25.44%

17.07.2014 The Department explained that saving had occurred because several posts were lying vacant whereas funds against the sub-head A03-Operating Expenses were allocated very late which could not be utilized due to time constraints.

The Committee observed that inspite of huge savings against various sub-heads, there was excess expenditure of Rs.582,238/- against the sub-head A012-Civil Works.

The Committee therefore, directed/recommended that an inquiry should be conducted into the matter by the PAO and then the excess expenditure should be got regularized from the Finance Department.

The **item was conditionally settled** subject to above directions.

3. Grant No. PC22036 (036) Development Pages 135 to 142 of Appropriation Accounts for the year 2009-10

- (i) 09 Education Affairs And Services
091 Pre. & Primary Education Affairs & Services
0911 Pre. & Primary Education Affairs & Services
091102 Primary
LE4303 Primary

Final Grant		Rs.732,327,000/-
Actual Expenditure		Rs.348,091,498/-
Saving	(-)	Rs.384,235,502/-
Percentage		52.47%

16.07.2014 The Department explained that saving had occurred because vehicles for District authorities could not be purchased and edible oil was also not received in time.

The Committee expressed its displeasure on huge saving and desired that an inquiry should be conducted to thrash out the matter and report be submitted to the PAC within 30 days.

The **item was kept pending**.

- (ii) 09 Education Affairs And Services
092 Secondary Education And Affairs
0921 Secondary Education And Affairs
092101 Secondary Education
LE4299 Secondary Education

Final Grant		Rs.4,213,490,000/-
Actual Expenditure		Rs.3,812,486,702/-
Saving	(-)	Rs. 401,003,298/-
Percentage		9.52%

16.07.2014 The Department explained that saving had occurred because staff could not be recruited and Rural Support Programme was also delayed due to preparatory work of modules and manuals of trainings. Moreover, certain purchases were also delayed due to codal formalities.

The Committee expressed its displeasure on huge savings under various sub-heads and excess expenditure against the sub-heads A011-2 & A012-2 which denoted the financial mismanagement of the Department. The Committee therefore, directed the Department to conduct an inquiry on account of aforesaid lapses, within 30 days.

Subject to above directions, the **item was conditionally settled.**

- (iii) 09 Education Affairs And Services
 097 Education Affairs, Services Not Elsewhere
 0971 Education Affairs, Services Not Elsewhere
 097120 Others
LE4301 Others

Final Grant		Rs.101,556,000/-
Actual Expenditure		<i>Nil</i>
Saving	(-)	Rs.101,556,000/-
Percentage		100%

16.07.2014 The Department explained that funds allocated for furniture/fixtures could not be utilized because the building at Ghora Gali Murree had been damaged by earthquake. Similarly, the project of establishment of Cadet College Khanpur Distt. Rahim Yar Khan could not be executed due to non-availability of land.

The Committee **kept the item pending** with the directions/recommendations that summary should be moved to the Government to resolve the matter of acquisition of land at the earliest.

- (iv) 09 Education Affairs And Services
 093 Tertiary Education Affairs And Services
 0931 Tertiary Education Affairs And Services
 093102 Professional/Technical/Universities/Colleges
LE4302 Professional Technical Universities

		<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant		Rs.102,000,000/-		Rs.102,000,000/-
Actual Expenditure		Rs. 97,496,585/-		Rs. 97,478,280/-
Saving	(-)	Rs. 4,503,415/-	(-)	Rs. 4,521,720/-
Percentage		4.42%		4.43%

17.07.2014 The representative of AG Punjab stated that accounts had been reconciled and there was saving of Rs.4,521,720/- which was 4.43% of the final grant.

The Department explained that bulk of the allocated funds had been utilized and there was minor savings which may be condoned.

The Committee **settled the item** with the directions that proper explanation should be depicted in working papers for each sub-head of account.

Audit Paras (Civil) for the year 2009-2010

1. Para No.2.1 Page 57 of Audit Report for the year 2009-10; Extra expenditure on printing – Rs.427.016 million

27.05.2011 The Department explained that due to change in timing of academic session, double printing of textbooks was carried out to meet the demand of two academic sessions during the same financial year. Therefore, three indents were placed and the books were supplied by the PTBB which had issued the work order to the lowest bidder after observing all the codal formalities.

The Committee desired that para be referred to the Commercial Audit with the directions to incorporate the contents of the subject para in the next Commercial Audit Report pertaining to PTBB.

The Committee **deleted the para.**

2. Para No.2.2 Pages 57 to 59 Audit Report for the year 2009-10; Non-adjustment of advance– Rs.140.478 million

2.2.1 AP No. 7, University of the Punjab, Lahore – Rs.57,861,446/-

2.2.1 AP No. 27, University of the Punjab, Lahore – Rs. 6,175,921/-

2.2.1 AP No. 46, University of the Punjab, Lahore – Rs. 2,896,796/-

2.2.1 AP No. 15, University of the Punjab, Lahore – Rs. 4,946,854/-

2.2.1 AP No. 18, University of the Punjab, Lahore – Rs. 60,150,000/-

2.2.1 AP No. 41, University of the Punjab, Lahore – Rs. 2,492,000/-

25.11.2010 The Department explained that the advances were granted by the competent authority but could not be adjusted due to late receipt of funds from Higher Education Commission. Efforts were being made for adjustment of balance advances.

The Committee was not satisfied with the explanation of the department and directed that an inquiry be initiated and responsibility be fixed for not observing the Government policy.

The items were kept pending.

17.07.2014 The Department explained that out of total advances amounting to Rs.134.523 million, only Rs.10.587 million were actually outstanding because Audit had miscalculated the advances. Moreover, an inquiry had been conducted into the matter and its report had been submitted to the Higher Education Department.

The Committee **reduced the para** to the extent of recovered amount subject to verification of relevant record by Audit and its **remaining part was kept pending** for recovery of outstanding dues at the earliest.

2.2.2 BISE Rawalpindi– Rs.4,626,658/-

2.2.3 BISE Multan– Rs.118,760/-

25.11.2010 The Department explained that the Audit contention had been properly addressed and record had also been got verified by Audit.

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

2.2.4 AIR No. 03, University of Education – Rs. 252,130/-

27.05.2011 The Department explained that all the advances had been adjusted and as per decision of SDAC, sales tax invoices had also been obtained from Pakistan Security Printing Corporation which had also certified, vide its accounts for the year 2008-09, that all the sales/income tax liabilities had been discharged.

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

17.07.2014 The Department explained that actual recoverable amount was 217,379/- instead of Rs.252,130/- for which Sales Tax Return and Income Tax Exemption Certificates had been obtained from Security Printing Corporation (Pvt) Ltd Karachi.

The Committee expressed its concern on absence of concerned Vice Chancellor without prior intimation. However, **the para was conditionally settled** subject to verification of requisite record by Audit.

2.2.5 AIR No. 04 Home Economics College, Lahore– Rs.513,111/-

26.11.2010 The Department explained that out of balance amount of Rs.513,111/- a sum of Rs.203,300/- had been adjusted leaving a balance adjustment of Rs.309,811/-. The remaining amount would be refunded soon after getting clearance of claim from the AG Punjab.

The para was kept pending for adjustment of remaining amount.

27.05.2011 The Department explained that some loans were granted from students fund for payment of Sui Gas bills and POL charges due to non-availability of funds. However, adjustment of bulk account had already been made and remaining amount would also be refunded at the earliest.

The Committee settled the para subject to adjustment of total amount with the directions that such lapses should not be repeated in future.

17.07.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

2.2.6 Government Girls College, Ghulistan Colony, Faisalabad– Rs.224,286/-

26.11.2010 The Department explained that loan was taken for the payment of utility bills to avoid disconnection and surcharge. The same had now been refunded and the record had also been got verified by Audit.

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

2.2.7 Government Girls College, Samnabad, Lahore– Rs.220,671/-

25.11.2010 The Department explained that the Audit contention had been properly addressed and record had also been got verified by Audit.

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

3. Para No.2.3 Pages 59 & 60 Audit Report for the year 2009-10; Irregular payment of the hiring charges– Rs.148.839 million

2.3.1 AP No. 87, University of the Punjab, Lahore - Rs.147,692,000/-

25.11.2010 The Department explained that a summary had already been moved to the Chancellor for regularization of the expenditure.

The item was kept pending.

17.07.2014 The Department explained that statutes of the university had already been approved by the Chancellor and as such, no irregularity had been committed.

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

2.3.2 AP No. 92, University of the Punjab Lahore - Rs.593,630/-

25.11.2010 The Department explained that this para was duplication of para No.87. The SDAC deleted the para in its meeting held on 7-9 September 2009 and minutes were available for verification.

The Committee kept the item pending for reconciliation with Audit within 60 days.

17.07.2014 The Department explained that statutes of the university had already been approved by the Chancellor and as such, no irregularity had been committed.

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

2.3.3 AIR No. 02, Abdus-Salam School of Mathematical Sciences, Lahore – Rs.554,336/-

26.11.2010 The Department explained that a case for approval of house rent ceiling/hiring/requisition had already been submitted to the Governor/Chancellor which was under process.

The Committee kept the para pending with the direction/recommendation that a fresh summary should be moved to obtain the approval from the competent authority.

27.05.2011 The Department explained that in compliance with the directions of the PAC, a fresh summary was being moved through the administrative department for approval of the Chancellor.

The para was kept pending till the decision of the Chancellor.

17.07.2014 The Department explained that as per directions of PAC-II dated 27.5.2011, a fresh summary was being moved for approval of the Chancellor.

The Committee **kept the para pending** with the directions that a list of all such summaries should be submitted to the PAC by the administrative department.

4. Para No.2.4 Pages 60 to 61 Audit Report for the year 2009-10; Non-deposit of tuition/admission fees– Rs.134.459 million

2.4.1 Govt. College of Science, Faisalabad– Rs.7,629,471/-

25.11.2010 Audit pointed out that the tuition fee/admission fee was realized from the students but not deposited into the government treasury in contravention of Government rules.

The Department explained that the tuition/admission fee was deposited in the commercial banks by the orders of DCO, Faisalabad and now the amount had been withdrawn from the commercial banks and deposited into the Govt. Treasury.

The Committee kept the paras pending with the directions that an inquiry be initiated and responsibility be fixed within 30 days.

27.05.2011 The Department explained that as per directions of PAC, an inquiry was conducted into the matter whereby it was concluded that tuition/admission fee was deposited in the commercial bank on the directions of the District Co-ordination Officer. Subsequently, DPI (Colleges) Lahore had issued instructions to stop this practice. Accordingly, the funds had been transferred into the government treasury alongwith interest.

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

2.4.2 Govt. College Samanabad, Faisalabad– Rs.12,566,106/-

25.11.2010 Audit pointed out that the tuition fee/admission fee was realized from the students but not deposited into the government treasury in contravention of Government rules.

The Department explained that the tuition/admission fee was deposited in the commercial banks by the orders of DCO, Faisalabad and now the amount had been withdrawn from the commercial banks and deposited into the Govt. Treasury.

The Committee kept the paras pending with the directions that an inquiry be initiated and responsibility be fixed within 30 days.

26.05.2011 The Department explained that as per directions of PAC, an inquiry was conducted into the matter whereby it was concluded that tuition/admission fee was deposited in the commercial bank on the directions of the District Co-ordination Officer. Subsequently, DPI (Colleges) Lahore had issued instructions to stop this practice. Accordingly, the funds had been transferred into government treasury along with interest.

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

- 2.4.3 Govt. College Satiana Road, Faisalabad – Rs. 1,011,201/-**
- 2.4.4 Govt. College (VV) Peoples Colony No.2, Faisalabad – Rs. 6,189,132/-**
- 2.4.5 Govt. College (W) D-Type Colony, Faisalabad – Rs. 5,486,176/-**
- 2.4.6 Govt. College of Commerce, Faisalabad – Rs. 18,263,030/-**
- 2.4.7 Govt. M.D. College, Faisalabad – Rs. 9,808,244/-**
- 2.4.8 Govt. College (W) Madina Town, Faisalabad – Rs. 40,560,539/-**
- 2.4.9 Govt. College (W) K.B., Faisalabad – Rs. 20,499,514/-**
- 2.4.10 Govt. College G.M. Abad, Faisalabad – Rs. 6,321,938/-**
- 2.4.11 Govt. College (W) Gulshan Colony, Faisalabad – Rs. 1,707,478/-**
- 2.4.12 Govt. College (W) Gulistan Colony, Faisalabad – Rs. 4,416,975/-**

25.11.2010 Audit pointed out that the tuition fee/admission fee was realized from the students but not deposited into the government treasury in contravention of Government rules.

The Department explained that the tuition/admission fee was deposited in the commercial banks by the orders of DCO, Faisalabad and now the amount had been withdrawn from the commercial banks and deposited into the Govt. Treasury.

The Committee kept the paras pending with the directions that an inquiry be initiated and responsibility be fixed within 30 days.

17.07.2014 The Department explained that as per directions of PAC-II dated 25.11.2010, an inquiry was conducted into the matter whereby it was concluded that fee had been deposited in a special account in pursuance of the letter issued by DCO Faisalabad. It was also recommended by the Inquiry Committee that practice of depositing fee in commercial banks should be discontinued immediately. Resultantly, the entire amount had been deposited into government treasury.

The Committee directed/recommended that Chief Secretary, Punjab should be requested to get the matter inquired through Member (Inquiries) S& GAD and all aspects

of the case including mark up on the amount deposited in commercial banks, should be taken into consideration and report be submitted to PAC within 60 days.

The paras were kept pending.

5. Para No.2.5 Pages 61 to 63 of Audit Report for the year 2009-10; Expenditure over and above budget allocation– Rs.86.970 million

2.5.1 AP No.74, University of the Punjab, Lahore - Rs. 29,454,000/-

25.11.2010 The Department explained that the estimates were technically sanctioned within the permissible limit and the items of civil works, internal and external services were also included in the provision of PC-I.

The items were kept pending for verification by Audit.

17.07.2014 The Department explained that expenditure was incurred within the permissible limits of technically sanctioned estimate and no overpayment was made.

The Committee **reduced the para** to the extent of items within the permissible limits subject to verification of relevant record by Audit whereas its **remaining part was kept pending**.

2.5.1 AP No.78, University of the Punjab, Lahore - Rs. 26,485,919/-

25.11.2010 The Department explained that the estimates were technically sanctioned within the permissible limit and the items of civil works, internal and external services were also included in the provision of PC-I.

The items were kept pending for verification by Audit.

17.07.2014 The Department explained that expenditure was incurred within the permissible limits of technically sanctioned estimate and no overpayment was made.

The Committee **reduced the para** to the extent of items within the permissible limits subject to verification of relevant record by Audit whereas its **remaining part was kept pending**.

2.5.2 AIR No. 01.,University of Education Lhr.– Rs.11,192,801/-

27.05.2011 The Department explained that excess expenditure was incurred under the head of pay and allowances due to non-receipt of sufficient grant in aid from the government. As such the expenditure was inevitable.

The Committee settled the para subject to settlement of the relevant Appropriation Accounts of the department.

17.07.2014 The Department explained that excess expenditure was inevitable for payment of salaries to the employees.

The **para was conditionally settled** subject to decision of the relevant appropriation accounts.

2.5.3 Home Economics College, Lahore– Rs.6,001,282/-

2.5.4 Govt. Post Graduate College, Asghar Mall, Rawalpindi– Rs.4,560,582/- + Rs.88,738/- + Rs. 95,993/-

2.5.6 Government Islamia College, Sambrial, Sialkot– Rs.1,815,525/-

2.5.7 District Education Officer (Colleges), Bahawalpur– Rs.628,808/-

2.5.8 Government College (boys) Lodhran– Rs.285,057/-

2.5.10 Govt. Vigar-un-Nisa College (W), Rawalpindi– Rs.1,260,347/- + Rs.77,636/-

2.5.11 Govt. P.G. College (W), Satellite Town, Rawalpindi–Rs.630,735/-+ Rs.385,498/-

2.5.13 Director Public Instructions (Colleges) Lahore– Rs.58,407/-

26.11.2010 The Department explained that the above mentioned items were related to the Appropriation of Accounts and requested that these should be considered while discussing the relevant year of Appropriation Accounts.

The Committee acceded of the request to the Department and **the above mentioned items were deleted.**

2.5.5 Government College (Boys) Jhang– Rs.1,957,704/-

26.11.2010 The Department explained that the excess payment was made on account of salaries of the employees of the college which was inevitable and the same had now been adjusted.

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

2.5.9 Chief Ministers Monitoring Force, Lahore – Rs. 101,316/- + Rs. 26,456/- + Rs.1,412,319/-

26.05.2011 The Department explained that the expenditure was incurred within the budgetary allocation as the additional funds were provided during the two years to meet the deficit.

The Committee kept the para pending till the submission of relevant Appropriation Accounts.

16.07.2014 The para related to Appropriation Accounts and its discussion was deferred till the decision of relevant Appropriation Accounts.

The **para was kept pending.**

2.5.14 Directorate of Public Instructions (EE) Punjab – Rs.54,717/-

27.05.2011 The Department explained that excess expenditure over the allocated budget was incurred under the heads of regular allowances due to the fact that dearness allowance @ 15% was granted by the government w.e.f 1.7.2006. However, there was saving in the overall budget of the relevant financial year.

The Committee **settled the para** subject to settlement of appropriation accounts of the relevant financial year.

6. Para No.2.6 Pages 63 to 65 Audit Report for the year 2009-10; Non-deduction/ less deduction of income tax – Rs.3.921 million

2.6.1 BISE, Faisalabad (AP No. 7) Rent to Agriculture University - Rs.54,000/- + Printing Charges to Supplier – Rs.762,596/-

26.11.2010 The Department explained that necessary action on the audit observation had been taken and record had also been got verified by Audit.

On the recommendation of Audit, **these two parts were settled.**

2.6.1 BISE, Faisalabad (AP No.14) Salaries of Teachers – Rs. 262,347/-

26.11.2010 The Department explained that the matter was discussed in the SDAC meeting in which the department was directed to get clarification from the Income Tax Department. As per clarification, the recovery of income tax from the salaries of the visiting teachers had been started.

The Committee kept the part pending for recovery within 90 days.

26.05.2011 The Department explained that notice for recovery had been issued to the concerned officers. Two of them had filed a petition in Lahore High Court against the recovery imposed on them. In case of Mr. Khadim Hussain, the matter had also been brought to the notice of Secretary Schools as the aforesaid officer was awaiting posting.

Being *sub-judice*, the para was kept pending with the directions that Mr.Khadim Hussain should not be appointed on an administrative post.

17.07.2014 The Department explained that matter contained in above paras was subjudice in Lahore High Court.

Being subjudice, **the para was kept pending.**

2.6.2 BISE, D.G. Khan– Rs.927,890/-

26.11.2010 The Department explained that the matter was *sub-judice* in a court of law.

The Committee kept the item pending with the direction to pursue all the court cases vigorously.

26.05.2011 The Department explained that as per previous directions of PAC, the matter was being pursued vigorously with the Lahore High Court for an early decision.

Being *sub-judice*, the para was kept pending.

17.07.2014 The Department explained that matter contained in above para was *sub-judice* in Lahore High Court.

Being *sub-judice*, **the para was kept pending.**

2.6.3 AIR No. 10, Govt. College of Science, Lhr.– Rs.349,786/-

25.11.2010 The Department explained that the audit comments were not related to the para.

The Committee showed its displeasure and directed that the audit and department should sit together and reconcile the matter within 30 days.

The item was kept pending.

17.07.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

2.6.4 Government College Shalimar, Baghbanpura, Lahore (AP No. 4) – Rs.26,380/-

25.11.2010 The Department explained that the Audit contention had been properly addressed and record had also been got verified by Audit.

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

2.6.4 Govt. College Shalimar, Baghbanpura, Lahore (AIR No. 08) – Rs.59,672/-

27.05.2011 The Department explained that necessary action had been taken in respect of above para and complete record in support of departmental contention had been got verified by Audit.

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

2.6.5 Abdus-Salam School of Mathematical Sciences, Lahore– Rs.7,174,500/-

25.11.2010 The D.G audit stated that total recoverable amount was Rs.174,000/- instead of Rs.7,174,000/- whereas according to the department actual recoverable amount was Rs.69,500/- and the recovery of the same had been started.

The Committee kept this item pending for reconciliation and recovery within 90 days.

27.05.2011 The Department explained that necessary action had been taken in respect of above para and complete record in support of departmental contention had been got verified by Audit.

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

2.6.6 AIR No. 17, University of Education – Rs.7,815/-

27.05.2011 The Department explained that both the professors pointed out in the Audit observation, were also performing teaching assignments besides working as Principals of their institutions. So they were entitled for 75% rebate of payable tax.

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

17.07.2014 The Department explained that 75% rebate was allowed to the employees mentioned in the Audit observation and no recovery was outstanding against them.

Audit contended that rebate was allowed only to the full time teachers/researchers and not to the principals.

The Committee directed/recommended that a clarification in the matter be sought from the Finance Department within 15 days.

The **para was kept pending.**

2.6.7 AIR Para No. 09, Central Modal School, Lhr. - Rs. 117,471/-

16.07.2014 The Department explained that total recovery of income tax had been effected and deposited into Government treasury.

Audit contended that deposited amount was required to be got verified by the Income Tax treasury.

The **para was conditionally settled** subject to requisite verification by the IT treasury.

2.6.8 AIR No. 15, Govt. Township College, Lhr. – Rs. 95,409/-

26.11.2010 Audit pointed out that income tax was not deducted from the supplier on account of purchase of stationery and other miscellaneous items.

The Department assured that all the recovery would be effected within 60 days.

The Committee kept the para pending with the direction that if the recovery was not made within the time, the same would be effected from the concerned officer.

27.05.2011 The Department explained that in compliance with the directions of PAC, entire outstanding amount had been recovered which could be verified by Audit.

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

17.07.2014 The Department explained that total outstanding amount had been recovered and deposited into government treasury.

Audit contended that credit verification by Income Tax department was required in the matter.

The **para was conditionally settled** subject to credit verification by the Income Tax Department.

2.6.9 AIR No. 10, BISE, Multan– Rs.58,952/-

26.11.2010 The Committee observed that the para reflected in the working paper was different from the Audit para printed in the Audit Report for the year 2009-10 and directed that an inquiry be initiated in the matter and report be submitted to the PAC in its next meeting.

The item was kept pending.

27.05.2011 The Department explained that hectic efforts were made to settle the issue and resultantly, total recovery had been effected which could be verified by Audit.

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

17.07.2014 The Department explained that total amount of Rs.58,952/- on account of income tax, had been recovered and deposited into government treasury which had also been got verified by Audit.

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

2.6.10 Chief Ministers Monitoring Force, Lahore – Rs. 31,608/-

26.05.2011 The Department explained that the concerned firms had repeatedly been directed to deposit the outstanding dues on account of income tax and the matter was being pursued vigorously.

The Committee directed the department to take up the matter with Federal Board of Revenue alongwith all the requisite record/particulars of the concerned firms. The Committee further directed that the concerned DDOs be warned to strictly avoid such lapses in future.

The para was kept pending.

16.07.2014 The Department explained that letter had been written to the concerned firms for deposit of income tax and their response was still awaited.

The Committee directed/recommended that concerned DDOs should be held responsible for non/less deduction of income tax and recovery be effected within 60 days.

The **para was kept pending.**

2.6.11 Government College University, Lahore – Rs.469,895/-

25.11.2010 The Department explained that the matter was discussed in the SDAC meeting held on 14.12.2009 and it was decided to get clarification from the Income Tax Department. As per clarification the University Management had started recovery of income tax from the salaries of the visiting teachers.

The Committee kept the para pending for recovery within 90 days.

27.05.2011 The Department explained that partial recovery had been effected whereas the remaining professors had been repeatedly directed to deposit the outstanding dues on account of income tax and their cases had also been forwarded to the concerned Commissioner Income Tax.

The Committee directed/recommended that the matter of recovery be referred to the Federal Board of Revenue alongwith all the requisite particulars of the concerned persons.

Subject to above directions, the **para was settled.**

7. Para No.2.7 Pages 65 to 67 of Audit Report for the year 2009-10; Non-utilization of funds for intended purposes - Rs.60.163 million

2.7.a(1) Kinnaird College (W), Lahore– Rs.21,051,833/-

2.7.a(2) Govt. PG College (W), Satellite Town, Rawalpindi– Rs.16,277,330/-

2.7.a(3) Vigar-un-Nisa College (W), Rawalpindi– Rs.12,496,181/-

26.11.2010 The Department explained that the funds could not be utilized due to non-circulation of the relevant rules.

The Committee observed that as there was no embezzlement and the funds were available in the relevant head of account, therefore, directed that the relevant rules should be followed in letter and spirit.

The **paras were settled.**

2.7.a(4) AIR No. 7, Govt. Post Graduate College, Asghar Mall, Rwp. – Rs.9,865,268/-

26.05.2011 The Department explained that audit observation was raised due to non-existence of the relevant rules. Afterwards, the rules had been framed and the funds were being utilized for the intended purposes.

The Committee settled the para subject to condonation of the irregularity by the Administrative Secretary.

17.07.2014 The Department explained that funds had been utilized to fulfill dire needs of the students after observing all the codal formalities and matter had also been condoned by the Competent Authority.

The para was accordingly settled.

2.7.a(5) Government Girls College, Ghulistan Colony, Faisalabad– Rs.289,591/-

26.11.2010 The Department explained that the rules had been framed for utilization of funds for intended purposes but could not be followed due to non-circulation of the same. It was further stated that there was no prescribed library or library room but a class room was being utilized for the purpose. The Department also apprised the committee that a sum of Rs.40,921/- and 25,785/- was utilized for distribution of prizes to the eligible students and on account of salary of a lady Doctor and purchase of medicine for the students respectively.

The Committee directed that the rules for utilization of the funds be followed in letter and spirit in future.

The para was settled.

2.7(b) AIR No. 9 Viqar-un-Nisa College, Rawalpindi

26.05.2011 The Department explained that necessary action in respect of Audit observation had been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the para was settled.

8. Para No.2.8 Pages 67 to 68 Audit Report for the year 2009-10; Irregular payment of computer fee/charges– Rs.2.096 million

2.8.1 Government College Shalimar, Baghbanpura, Lahore– Rs.1,087,973/-

25.11.2010 The Department explained that the Audit contention had been properly addressed and record had also been got verified by Audit.

On the recommendation of Audit, the para was settled.

2.8.2 AIR No. 5, Govt. Township College, Lahore – Rs. 391,716/-

17.07.2014 The Department explained that fee was collected bi-annually for the whole academic session and it was liability of the private firm to complete the course for which payment was made even during the summer vacations.

Audit was of the view that payment to the firm during the summer vacations was not covered under the notifications dated 2.9.2004 and 15.10.2009.

The Committee **kept the para pending** with the directions that clarification in the matter be sought from the Finance Department.

2.8.3 AIR No. 8, Govt. College of Science, Wahdat Road Lahore – Rs. 616,518/-

17.07.2014 The Department explained that remuneration had been paid to the concerned employees as per Education Department's letter dated 8.9.2004 and no irregularity was committed.

Audit contended that payment had been made to the non-teaching staff and principal when 2nd shift was off and no services were rendered to the students.

The Committee directed/recommended that clarification in the matter be sought from the Finance Department within 60 days and factual position should be got verified by Audit.

The **para was kept pending**.

9. Para No.2.9 Pages 68 to 70 of Audit Report for the year 2009-10; Irregular appointments

26.11.2010 The Department explained that the entire record of recruitment had been produced and got verified by Audit.

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

10. Para No.2.10 Page 70 of Audit Report for the year 2009-10; Non-transfer of funds - Rs.3.583 million

AIR No. 7, Government Vigar-un-Nisa College (W) Rwpj

26.11.2010 The Department explained that the case for condonation of irregularity had been moved to the Finance Department.

The representative of Finance Department was of the view that the irregularity could be condoned by the administrative Secretary.

The para was kept pending.

26.05.2011 The Department explained that funds had been transferred to the relevant head of accounts and relevant rules had also been framed with approval of the competent authority for utilization of such funds.

The Committee settled the para subject to the condonation of the irregularity by the competent authority and verification of requisite record by Audit.

17.07.2014 The Department explained that as per directions of PAC-II given in its meeting held on 26.5.2011, the matter had been condoned by the Competent Authority.

The para was accordingly settled.

11. Para No.2.11 Pages 70 & 71 of Audit Report for the year 2009-10; Loss due to snatching/theft of 20 motorcycles – Rs.1,460,000/-

26.05.2011 The Department explained that out of total 21 motorcycles pointed out by Audit, 3 motorcycles had been traced out whereas the cases of remaining motorcycles had been taken up with the concerned District Monitoring Officers and DPOs.

The Committee was not satisfied with the explanation of the department and observed that concerned officers were not aptly prepared for the meeting of PAC. The Committee therefore, adjourned the consideration of business relating to School Education department with the directions that complete facts of the case be furnished on the next day.

On 27.5.2011, after detailed deliberations, the Committee directed/recommended that if the motorcycles were declared untraceable by the Police Department, the loss be got written off by the competent authority.

Subject to above directions, the para was settled.

16.07.2014 The Department explained that motorcycles had been declared untraceable by the Police authorities and Finance Department had regularized the matter.

Audit contended that loss ought to be written off rather than being regularized.

The para was kept pending with the direction that the matter should be referred to the Finance Department and decision thereon be made within 15 days under intimation to the PAC.

12. Para No.2.12 Pages 71 to 73 of Audit Report for the year 2009-10; Irregular expenditure on purchase of machinery and equipment – Rs.3.225 million

27.05.2011 The Department explained that necessary action had been taken in respect of above para and complete record in support of departmental contention had been got verified by Audit.

On the recommendation of Audit, the para was settled.

13. Para No.2.13 Pages 73 & 74 Audit Report for the year 2009-10; Loss due to non deposit of rent of rest houses, executive club and foreign faculty– Rs.960,500/-

AIR No. 14, University of the Punjab, Lahore

25.11.2010 The Department explained that the rest houses were being utilized by the different delegates and visiting faculties. It was also stated that the rent was charged as per rules of the University.

The para was kept pending for verification by Audit.

17.07.2014 The Department explained that actual recoverable amount was Rs.746,700/- instead of Rs.938,500/- out of which partial recovery had been made leaving a balance of Rs.207,900/-. This outstanding amount included an amount of Rs.142,000/- recoverable from an Ex-Official of Executive Club who had been removed from service and legal proceedings were under process against him. It was added that hectic efforts were being made for balance recovery.

The Committee **conditionally settled the para** subject to complete recovery and its verification by Audit.

14. Para No.2.14 Page 74 of Audit Report for the year 2009-10; Irregular expenditure without pre-audit - Rs.5.160 million

27.05.2011 The Department explained that the Central Model School was an autonomous institution headed by its Board of Governors. Keeping in view, the contention of Audit, a Resident Auditor had been appointed in the school with the approval of the competent authority.

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

16.07.2014 The Department explained that expenditure had been got regularized from the BOG which was competent for the purpose.

Audit contended that expenditure ought to be regularized from the Finance Department.

The **para was kept pending** with the directions that expenditure should be got regularized by the Finance Department as per contention of Audit within 30 days.

15. Para No.2.15 Pages 74 & 75 Audit Report for the year 2009-10; Irregular payment due to defective contract agreements– Rs.425,427/-

AIR No. 61, University of the Punjab, Lahore

25.11.2010 The Department explained that the escalation/de-escalation was admissible after 11.01.2007 whereas the work was executed in second quarter of 2006.

The Committee kept the para pending for verification by Audit.

17.07.2014 The Department explained that Audit observation was not justified in view of Finance Department's notification dated 11.01.2007. As such, price variation was not adjustable in the subject case.

The Committee desired that an advice in the matter be sought from the Finance Department at the earliest.

The para was kept pending.

16. Para No.2.16 Pages 75 & 76 Audit Report for the year 2009-10; Non-deposit of printing charges and sale proceeds - Rs.178.341 million

AIR No. 13, University of the Punjab, Lahore

25.11.2010 The Department explained that the actual quantity of printing of prospectus and diaries was 30018 and 1200 respectively, whereas audit contended the quantity of prospectus was 346651 and diaries 20940. It was also stated that the diaries were distributed to the VIPs and Foreign Delegates free of cost for promotion of University image.

The Committee kept the para pending for reconciliation of record by audit and also desired the matter may be re-examined in the light of policy of Government.

17.07.2014 The Department explained that no allocation was made by the University to its departments for printing of prospectus, paper setting etc. and the sale proceeds of prospectus were utilized for said purposes. It was added that all the relevant record had already been produced to Audit but verification report was awaited.

The Committee directed/recommended that an inquiry should be conducted by the Administrative Department to thrash out the matter and report be submitted to the PAC at the earliest.

The para was kept pending.

17. Para No.2.17 Pages 76 & 77 Audit Report for the year 2009-10; Irregular payment of orderly allowance– Rs.3.117 million

AIR No. 24, University of the Punjab, Lahore

25.11.2010 The Department explained that a summary had already been submitted to the Chancellor for approval of payment of orderly allowance.

The Committee observed that payment of orderly allowance without approval of the competent authority was a severe violation of the financial rules and it should be stopped immediately. Meanwhile the department should pursue the matter vigorously for decision of the Chancellor at the earliest.

The para was kept pending.

17.07.2014 The Department explained that a summary had been moved to the Chancellor and decision thereon was still awaited.

The **para was kept pending** till the decision of the Chancellor.

18. Para No.2.18 Pages 77 & 78 of Audit Report for the year 2009-10, Irregular payment of Remuneration of 2nd Shift - Rs.385,784/-

2.18(a & b) AIR No. 14 & 16, Punjab Education Department

17.07.2014 The Department explained that remuneration had been paid to the concerned employees as per Education Department's letter dated 8.9.2004 and no irregularity was committed.

Audit contended that payment had been made to the non-teaching staff and principal when 2nd shift was off and no services were rendered to the students.

The Committee directed/recommended that clarification in the matter be sought from the Finance Department within 60 days and factual position should be got verified by Audit.

The **para was kept pending**.

19. Para No.2.19 Pages 78 & 79 of Audit Report for the year 2009-10; Irregular / unjustified expenditure on printing of free text books - Rs. 48.958 million

27.05.2011 The Department explained that distribution of textbooks was a continuous process and the left over stock of books could be utilized in the subsequent year. The department added that six lac text books were distributed free in flood affected districts. As such all the stock had been issued as per requirements.

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

20. Para No.2.20 Page 79 of Audit Report for the year 2009-10; Irregular Payment of 50% additional pay– Rs.14.353 million

AIR No. 1, Fatima Jinnah Women University, Rawalpindi

26.11.2010 Audit pointed out that without the approval of the Chancellor 50% additional salary and incentives were paid to the employees of the university.

The Department explained that at the time when Fatima Jinnah Women University, Rawalpindi was established, the then Chief Minister Punjab had announced that faculty of FJWU would get 50% additional pay so the best potential be attracted for the faculty. It was further stated that a summary for regularization of the additional payment under reference had already been submitted to the Education Department for obtaining approval of the Chancellor.

The Committee directed/recommended that a fresh summary should be moved for obtaining necessary approval and in the meantime the university should stop this practice.

The para was kept pending.

26.05.2011 The Department explained that the payment of additional pay had been stopped to the newly inducted employees and a Special Committee had been appointed to inquire into the matter which had submitted its recommendations to the Administrative Secretary and a fresh summary had been moved for approval of the Chancellors.

The Committee expressed its displeasure on non-compliance of its directions to stop the un-authorized payment of additional pay and directed/recommended that responsibility be fixed for this lapse and disciplinary action be taken against the concerned officers/officials. Meanwhile the fresh summary be pursued vigorously for obtaining the decision of the Chancellor.

The para was kept pending.

17.07.2014 The Department explained that expenditure had been condoned by the syndicate in its meeting held on 20.06.2012.

Audit contended that irregular expenditure was to be got regularized from the Chancellor.

The **para was kept pending** for decision of the Chancellor.

21. Para No.2.21 Pages 79 & 80 of Audit Report for the year 2009-10; Non-recovery / deposit of lease money of agricultural farm– Rs.2.462 million

26.11.2010 The Department explained that recovery had been effected and got verified by Audit.

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

22. Para No.2.22 Pages 80 & 81 of Audit Report for the year 2009-10; Irregular / undue provisional payments made– Rs.7.268 million

AIR No. 02, Bahauddin Zakariya University, Multan

26.11.2010 Audit pointed out that enhancement of scales/promotion in higher scales had been given to the staff without obtaining approval of the statues from the Chancellor.

The Department assured that the concerned DDO who had made such payments would be proceeded against under the relevant law / rules and report would be submitted to the Committee.

The Committee kept the para pending with the direction that the report of the action taken against the DDO be submitted within 60 days and a summary be moved to obtain ex-post facto sanction from the competent authority.

26.05.2011 The Department explained that disciplinary action was being taken against the concerned DDO and a fresh summary had been forwarded for approval of the Chancellor.

The para was kept pending with the directions that the matter be pursued vigorously.

17.07.2014 The Department contended that approval of Chancellor was not required in the subject para.

Audit stated that departmental contention was not justified.

The Committee directed the department to pursue the summary to the Chancellor vigorously for an early decision and the **para was kept pending**.

23. Para No.2.23 Pages 81 & 82 of Audit Report for the year 2009-10; Non-realization/ deposit of utility charges– Rs.2.646 million

AIR No. 06, Bahauddin Zakariya University, Multan

26.11.2010 The Department explained that partial recovery had been made and the balance recovery would be effected soon.

The Committee kept the para pending with the direction that the balance recovery be effected within 90 days under intimation to PAC.

26.05.2011 The Department explained that a sum of Rs.2,246,932/- had already been recovered and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery effected with the directions that balance recovery be expedited.

The para was kept pending.

17.07.2014 The Department explained that partial recovery had been effected and hectic efforts were being made for balance recovery of Rs.175,502/-.

The Committee **reduced the para** to the extent of recovered amount subject to verification of record by Audit and its **remaining portion was kept pending** for recovery of outstanding dues at the earliest.

24. Para No.2.24 Pages 82 & 83 of Audit Report for the year 2009-10; Non-realization of rent– Rs.1.050 million

AP.No.13, Bahauddin Zakariya University, Multan - Rs.988,339/-

26.11.2010 The Department explained that out of total recovery of Rs.988,339/- a sum of Rs.975,258/- had been recovered on account of room rent leaving a balance recovery of Rs.13,085/-

The part was settled subject to balance recovery.

26.05.2011 The Department explained that total recovery involved in the above advance paras had been effected and relevant record was available for verification.

The items were conditionally settled subject to verification of relevant record by Audit.

17.07.2014 The Department explained that total recovery had been effected in case of AIR No. 13 & 33 whereas AIR No.15 was subjudice in the court.

The Committee **reduced the para** to the extent of recovered amount subject to verification of record and **its remaining part was kept pending**.

AP.No.15, Bahauddin Zakariya University, Multan -Rs.506,426/-

26.11.2010 The Department explained that matter was *sub-judice* in the court of law.

The Committee kept the part pending with the direction/recommendation to pursue the case vigorously.

26.05.2011 The Department explained that the case regarding recovery from the contractors was still under trial in the court of law.

Being *sub-judice*, the item was kept pending.

17.07.2014 The Department explained that total recovery had been effected in case of AIR No. 13 & 33 whereas AIR No.15 was subjudice in the court.

The Committee **reduced the para** to the extent of recovered amount subject to verification of record and **its remaining part was kept pending**.

AP.No.33, Bahauddin Zakariya University, Multan -Rs.103,781/-

26.11.2010 The Department explained that Rs.22,500/- had been recovered from the contractor and the final notice had also been served to the contractor for balance recovery.

The Committee kept the part of para pending for balance recovery of Rs.31,500/- within 60 days.

26.05.2011 The Department explained that total recovery involved in the above advance paras had been effected and relevant record was available for verification.

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

17.07.2014 The Department explained that total recovery had been effected in case of AIR No. 13 & 33 whereas AIR No.15 was subjudice in the court.

The Committee **reduced the para** to the extent of recovered amount subject to verification of record and **its remaining part was kept pending**.

25. Para No.2.25 Pages 83 to 84 Audit Report for the year 2009-10; Non-deposit of fee/fund into government treasury– Rs.47.271 million

(i) 2.25.1 Govt. Girls College, Madina Town, Faisalabad – Rs. 42,787,511/- + Rs. 163,000/-

26.05.2011 The Department explained that as per directions of PAC, an inquiry was conducted into the matter whereby it was concluded that tuition/admission fee was deposited in the commercial bank on the directions of the District Co-ordination Officer. Subsequently, DPI (Colleges) Lahore had issued instructions to stop this practice. Accordingly, the funds had been transferred into government treasury along with interest.

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

(ii) 2.25.2 Govt. Girls College, Gulistan Colony, Faisalabad– Rs.4,321,120/-

25.11.2010 Audit pointed out that the tuition fee/admission fee was realized from the students but not deposited into the government treasury in contravention of Government rules.

The Department explained that the tuition/admission fee was deposited in the commercial banks by the orders of DCO, Faisalabad and now the amount had been withdrawn from the commercial banks and deposited into the Govt. Treasury.

The Committee kept the para pending with the directions that an inquiry be initiated and responsibility be fixed within 30 days.

26.05.2011 The Department explained that as per directions of PAC, an inquiry was conducted into the matter whereby it was concluded that tuition/admission fee was deposited in the commercial bank on the directions of the District Co-ordination Officer. Subsequently, DPI (Colleges) Lahore had issued instructions to stop this practice. Accordingly, the funds had been transferred into government treasury along with interest.

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

26. Para No.2.26 Pages 84 to 86 Audit Report for the year 2009-10; Non-production of record– Rs.849.695 million

2.26.1 AIR No. 29, University of the Punjab, Lahore – Rs.811,241,000/-

25.11.2010 The Department explained that entire record relating to the above para was available for verification.

The Committee expressed its displeasure on non-production of record and directed the department to get the record verified by audit at the earliest.

The para was kept pending.

17.07.2014 The Department explained that all the relevant record was available for verification.

The Committee **conditionally settled the para** subject to verification of requisite record by Audit within 30 days.

2.26.2 AIR No. 4, University of Education, Lahore – Rs.23,632,412/-

27.05.2011 The Department explained that an inquiry had already been ordered to thrash out the matter which was still under process.

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

17.07.2014 The Department explained that an inquiry had been conducted into the matter but report was still awaited.

The **para was conditionally settled** subject to decision of competent authority on the inquiry report and its verification by Audit.

2.26.3 Fatima Jinnah Women University, Rawalpindi– Rs.9,443,000/-

26.11.2010 The Department explained that required documents for the construction of works were available for verification.

The Committee directed/recommended that the Vice Chancellor should coordinate with the Audit and get all the record verified within 30 days.

The para was kept pending.

26.05.2011 The Department explained that in compliance with the directions of PAC, all the relevant record in support of departmental contention had been got verified by Audit.

Audit contented that during scrutiny of the record, some new observations had been raised.

The Committee **settled the para** with the directions that new Audit Observations be incorporated in the next Audit Report.

2.26.4 University of Education, Lahore – Rs.5,379,391/-

27.05.2011 The Department explained that an inquiry had already been ordered to thrash out the matter which was still under process.

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

17.07.2014 The Department explained that an inquiry had been conducted into the matter but report was still awaited.

The **para was conditionally settled** subject to decision of competent authority on the inquiry report and its verification by Audit.

2.26.5 AIR No. 38, University of the Punjab, Lahore

25.11.2010 The Department explained that entire record relating to the above para was available for verification.

The Committee expressed its displeasure on non-production of record and directed the department to get the record verified by audit at the earliest.

The para was kept pending.

17.07.2014 The Department explained that all the relevant record was available for verification.

The Committee **conditionally settled the para** subject to verification of requisite record by Audit within 30 days.

2.26.6 BZU, Multan– NIL

26.11.2010 Audit pointed out that the para was relating to non-production of record.

The Department explained that the para was *sub-judice* but all the relevant record was available for verification.

Audit reported that all the record had been seen and verified.

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

2.26.7 AIR No.7, DPI (C), Lhr.

17.07.2014 The Department explained that all the relevant record was available for verification.

The **para was conditionally settled** subject to verification of relevant record by Audit within 30 days.

2.26.8 AIR No.2, Government College (W) Baghbanpura, Lahore

26.11.2010 The Department explained that all the relevant record regarding ESCROW account of Computer Centre, second shift and vouchers of transport fund were available for verification.

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

27.05.2011 The Department explained that all the relevant record and voucher were available which would be produced to Audit for verification.

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

17.07.2014 The Department explained that all the relevant record was available for verification.

Audit stated that no compliance had been made in respect of PAC-II directions dated 27.5.2011.

The Committee expressed its displeasure on non-production of record since long and directed that responsible officers//DDOs should be deputed in black and white for verification of record from Audit. Moreover, Audit should also facilitate the Department and ensure verification of record at the appointed date & time. Furthermore, PAOs should resolve such issues in Pre-PAC meetings. The Committee added that instructions for the purpose should be circulated by the Government to all the administrative departments and Audit formations.

The **para was kept pending** with the directions that all the record be got verified by Audit within 7 days.

2.26.9 AIR No. 6, Government Islamia College of Commerce, Allama Iqbal Town, Lahore– Nil

26.11.2010 The Department explained that all the relevant record regarding the collection of fee was available for verification.

The Committee kept the item pending for verification of record by Audit within 60 days.

27.05.2011 The Department explained that all the relevant record in support of departmental contention was available for verification.

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

17.07.2014 The Department explained that all the record was available for verification.

Audit contended that record had not been produced despite directions of PAC-II given in its meetings held on 26.11.2010 and 27.5.2011.

The Committee expressed its displeasure on non-production of record since long and directed that concerned Secretariat Staff should perform its duties more efficiently and ensure compliance of PAC directives positively. The Committee further directed that record should be got verified by Audit within 7 days.

The **para was kept pending**.

AUDIT PARAS (COMMERCIAL) FOR THE YEAR 2009-10

1. Para No.22.1 Pages 35 & 36 of Audit Report for the year 2009-10, Punjab Teachers Foundation, Lahore

16.07.2014 The Department explained that main objective of the Foundation was the welfare of the teacher's community and expenditure had increased due to cash award of Rs.2.134 million to the best teachers. It was also added that Foundation was suffering from lack of resources due to insufficient donations/grants and all these facts had been got verified by Audit.

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

2. Para No.22.2 Page 36 of Audit Report for the year 2009-10, Punjab Teachers Foundation, Lahore

16.07.2014 Audit had pointed out that cash awards were paid during the year 2005-06 and 2007-08 but no cash awards were paid during 2006-07. As such there was no uniformity in Foundation's policy.

The Department explained that Punjab Teacher Foundation was only a donor agency for distribution of awards which were distributed on the recommendations of Director Public Instruction. However, the distribution was delayed due to some codal formalities and payment was made on 05.12.2007. As such, no lapse had occurred and facts had been got verified by Audit.

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

GENERAL DIRECTIONS/RECOMMENDATIONS

25.11.2010 The Committee observed that financial transparency was lacking in the affairs of the University of the Punjab and relevant rules were not being followed strictly. The Committee therefore directed/recommended that the Director General Audit may conduct special audit of the University of the Punjab for the year 2009-10 and submit his report the PAC by 31 January 2011.

ENVIRONMENT PROTECTION

The paras were discussed in the meeting of PAC-II held on 30.04.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Pages 315 & 316 of Appropriation Accounts for the year 2009-10

06 Housing & Community Amenities
061 Housing Development
0611 Housing Development
061101 Administration

LQ4077 Environment Protection Department

Final Grant		Rs.11,765,000/-
Actual Expenditure		Rs.11,794,000/-
Excess	(+)	Rs. 29,000/-
Percentage		0.25%

30.04.2014 The Department explained that there was a nominal overall excess of 0.25 % and requested for the settlement of the item.

The **item was conditionally settled** subject to condonation of the expenditure by the Finance Department within 30 days.

2. Grant No. PC21017 (017) Public Health Pages 317 to 321 of Appropriation Accounts for the year 2009-10

05 Environment Protection
053 Pollution Abatement
0531 Pollution Abatement
053101 Environment Protection

LQ4186 Environmental Protection Agency

Final Grant		Rs.43,012,000/-
Actual Expenditure		Rs.42,015,427/-
Saving	(-)	Rs. 996,573/-
Percentage		2.32%

30.04.2014 The Department explained that Second Statement of Excess and Surrender was received very late from Finance Department on 04th of June 2010 and the submission of contingency bills were restricted up to 15th of June 2010, resultantly the saving was occurred.

The Committee **settled the item** subject to reconciliation of accounts by A.G Office and Finance Department.

3. Grant No. PC22036 (036) Development (All Voted) Pages 325 to 328 of Appropriation Accounts for the year 2009-10

05 Environment Protection
055 Administration of Environment Protection
0551 Administration of Environment Protection
055101 Administration
LE4275 Administration

Final Grant		Rs.133,100,000/-
Actual Expenditure		Rs. 76,539,979/-
Saving	(-)	Rs. 56,560,021/-
Percentage		42.49%

30.04.2014 The representative of AG office apprised the Committee that above item needs reconciliation from Finance Department, his office and the Department.

The item was therefore, **kept pending** with the directions that the accounts be reconciled with AG office and Finance Department within 30 days.

Audit Paras (Works) for the Year 2009-2010

1. Para No. 6.1 Page 269 of Audit Report for the year 2009-10; Non-recovery of tanners share – Rs. 7.7 million

30.04.2014 The Department explained that an amount of Rs. 20 million on account of Capital Cost share from the owner of the tanneries had been recovered. A mechanism to collect the said share was devised on 571 drums which were operational in 1995 but the project was delayed for various reasons and in 2001 the number of operational drums increased up to 715, the share comes to Rs. 28,000/- drum and all the recoveries had been effected at the rate of Rs. 28,000/- drum.

The Committee **reduced the para** to the extent of recovery and **kept pending** for balance recovery and verification of relevant record by Audit within 90 days.

2. Para No. 6.2 Pages 269 & 270 of Audit Report for the year 2009-10; Non-recovery on account of effluent water charges – Rs. 4.8 million

30.04.2014 The Department explained that recovery of Rs. 1.71 million had been made and hectic efforts were being made to effect the balance recovery of Rs. 3.09 million.

The Committee **reduced the para** to the extent of recovery and **kept pending** with the directions that recovery should be effected as per rules under intimation to the PAC within 90 days.

3. Para No. 6.3 Page 270 of Audit Report for the year 2009-10; Non-recovery on account of sale of chromium – Ra. 179,765/-

30.04.2014 The Department explained that total recovery involved in the para had been effected and all the relevant record was also available for verification.

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

**EXCISE
&
TAXATION**

The paras were discussed in the meetings of PAC-II held on 16.08.2011 & 18.01.2012.

Audit Paras (Revenue Receipts) for the Year 2009-2010

- 1. Para No. 1.1 Pages 1 & 2 and 20 & 21 of Audit Report for the year 2009-2010; Non-recovery of property tax due to non-issuance of demand notices to the state owned organizations – Rs.36.300 million**

DP No. 12980, Zone-VIII, Lahore – Rs.4,441,832/-

18.01.2012 The Department explained that a sum of Rs.215,824/-had been recovered whereas an amount of Rs.3,410,347/- was outstanding against LDA. In this connection, a summary regarding levy and collection of Property Tax from LDA/WASA had been moved for approval of the Chief Minister Punjab and decision thereon was still awaited. Similarly, a petition for revision, involving an amount of Rs.735,661/-, had been filed by Immamia Technical Education which was pending with the EDO (F&P).

The Committee **kept the para pending** with the directions that matter should be pursued vigorously.

DP No. 12989, Zone-IX, Lahore – Rs. 652,791/-

18.01.2012 The Department explained that total amount of Rs.652,791/- related to WAPDA which was exempted by the Government of the Punjab vide notification dated 15.7.2009.

Audit contented that amount of the para had been reduced erroneously and as per factual position, a sum of Rs.3.956 million was also involved in the para which was outstanding against LDA.

The **para was kept pending** for balance recovery and verification of relevant record by Audit.

DP No. 13087, Sharqpur - Rs. 665,335/-

18.01.2012 The Department explained that total recovery involved in the para had been effected and relevant record was also available for verification.

The **para was conditionally settled** subject to verification of credit certificate by Audit.

DP No. 13170, Zone-VI, Lahore - Rs. 16,659,380/- **DP No. 13177, Zone-V, Lahore - Rs. 185,816/-**

18.01.2012 The Department explained that partial recovery had been effected/adjusted in the above paras whereas balance amount was pending against LDA for which a summary had already been moved for approval of the Chief Minister Punjab.

The **paras were kept pending** with the directions that matter should be pursued vigorously.

DP No. 13371, Zone-VIII, Lahore - Rs. 998,873/-

18.01.2012 The Department explained that an amount of Rs.247,938/-had been recovered and an amount of Rs.17,000/- approximately was outstanding against Post Office whereas balance amount was recoverable from LDA/WASA. It was added that dues against Post Office were pertaining to the short period when it was assigned the status of the corporation. However, the decision was withdrawn shortly and afterwards GPO was exempted again.

The Committee recommended that outstanding dues against GPO should be waived off and **the para was kept pending** for balance recovery.

- DP No. 13002, Zone-X, Lahore – Rs. 57,516/-
- DP No. 13014, Zone-XI, Lahore – Rs. 23,172/-
- DP No. 13029, Zone-II, Lahore – Rs. 240,537/-
- DP No. 13030, Zone-II, Lahore – Rs. 129,220/-
- DP No. 13032, Zone-I, Lahore – Rs. 624,347/-
- DP No. 13040, ETO-Rawalpindi – Rs. 507,671/-
- DP No. 13047, Zone-I, Faisalabad - Rs. 37,941/-
- DP No. 13057, Zone-II, Faisalabad - Rs. 462,156/-
- DP No. 13068, Nankana Sahib - Rs. 29,731/-
- DP No. 13084, Sharqpur - Rs. 27,432/-
- DP No. 13092, Rahim Yar Khan - Rs. 379,833/-
- DP No. 13101, Bahawalpur - Rs. 413,392/-
- DP No. 13114, Chakwal - Rs. 213,947/-
- DP No. 13140, Rawalpindi - Rs. 174,821/-
- DP No. 13352, Attock - Rs. 57,303/-
- DP No. 13361, Zone-I, Multan - Rs. 751,503/-
- DP No. 13362, Zone-I, Multan - Rs. 862,163/-
- DP No. 13384, Vehari - Rs. 140,679/-
- DP No. 13411, Jhang - Rs. 209,339/-
- DP No. 13432, Zone-II, Multan - Rs. 59,048/-
- DP No. 13463, Zone-I, Gujranwala - Rs. 190,620/-
- DP No. 13466, Zone-I, Gujranwala - Rs. 12,632/-
- DP No. 13472, Zone-II, Gujranwala - Rs. 90,066/-
- DP No. 13473, Zone-II, Gujranwala - Rs. 13,620/-
- DP No. 13476, Toba Take Singh - Rs. 292,445/-
- DP No. 13498, Multan - Rs. 4,912,315/-
- DP No. 13502, Multan - Rs. 745,909/-
- DP No. 13512, Jhelum - Rs. 412,170/-

DP No. 13556, Zone-XII, Lahore - Rs. 18,900/-
DP No. 13602, Zone-XI, Lahore - Rs. 19,825/-
DP No. 13609, Bahawalnagar - Rs. 319,794/-
DP No. 13610, Bahawalnagar - Rs. 239,135/-
DP No. 13645, Zone-X, Lahore - Rs. 26,460/-

18.01.2012 The Department explained that total amount involved in the above paras had been recovered/adjusted and relevant record had also been got verified by Audit.

On the recommendations of Audit, **the above paras were settled.**

2. Para No. 1.2 Page 2 and 22 & 23 of Audit Report for the year 2009-2010; Arrears of property tax – Rs.38.622 million

DP No. 13055, Zone-II, Faisalabad - Rs. 549,505/-

18.01.2012 The Department explained that a sum of Rs.488,282/- had been recovered and remission had been granted by the competent authority for Rs.38,327/-. As such, an amount of Rs.22,896/- was outstanding for which stay order had been granted by the Civil Court but efforts were being for recovery of outstanding dues.

The Committee reduced the para to the extent of recovery subject to credit verification by Audit and remaining portion of **the para was kept pending** for balance recovery.

DP No. 13178, Zone-V, Lahore - Rs. 2,215,970/-

18.01.2012 The Department explained that total amount involved in the para had been recovered/adjusted which could be verified by Audit.

The **para was conditionally settled** subject to credit verification by Audit.

DP No. 13359, Zone-I, Multan - Rs. 2,760,388/-

18.01.2012 The Department explained that a sum of Rs.2,000,011/- had been recovered and remission of Rs.338,165/- had been granted by the competent authority. It was assured the balance amount would be recovered within 60 days.

The Committee reduced the para to the extent of recovery and remaining portion of **the para was kept pending** for recovery.

DP No. 13500, Multan - Rs. 665,885/-
DP No. 13501, Multan - Rs. 1,133,428/-
DP No. 13511, Jhelum - Rs. 379,003/-

18.01.2012 The Department explained that total outstanding amount involved in the paras had been recovered which could be verified by Audit.

The **paras were conditionally settled** subject to verification of requisite record by Audit.

DP No. 12981, Zone-VIII, Lahore – Rs.1,072,010/-
DP No. 12990, Zone-IX, Lahore – Rs. 456,836/-
DP No. 13000, Zone-X, Lahore – Rs. 332,236/-
DP No. 13001, Zone-X, Lahore – Rs. 335,946/-
DP No. 13007, Zone-XI, Lahore – Rs. 970,704/-
DP No. 13008, Zone-XI, Lahore – Rs. 313,506/-
DP No. 13025, Zone-II, Lahore – Rs. 3,756,699/-
DP No. 13031, Zone-I-Lahore – Rs. 4,557,039/-
DP No. 13035, Zone-I, Lahore - Rs. 63,984/-
DP No. 13037, Prof.Tax, Rawalpindi - Rs. 1,717,261/-
DP No. 13039, Excise-Rawalpindi - Rs. 32,408/-
DP No. 13046, Zone-I, Rawalpindi - Rs. 1,202,143/-
DP No. 13067, Nankana Sahib - Rs. 18,569/-
DP No. 13089, Sheikhpura - Rs. 47,273/-
DP No. 13094, Rahim Yar Khan - Rs. 94,664/-
DP No. 13099, Bahawalpur - Rs. 430,706/-
DP No. 13115, Chakwal - Rs. 299,255/-
DP No. 13139, Rawalpindi - Rs. 1,177,089/-
DP No. 13169, Zone-VI, Lahore - Rs. 622,943/-
DP No. 13349, Attock - Rs. 494,337/-
DP No. 13363, Zone-I, Multan - Rs. 367,882/-
DP No. 13372, Zone-VIII, Lahore - Rs. 1,122,048/-
DP No. 13386, Vehari - Rs. 188,501/-
DP No. 13412, Jhang - Rs. 753,763/-
DP No. 13424, Zone-II, Multan - Rs. 2,589,108/-
DP No. 13425, Zone-II, Multan - Rs. 1,134,577/-
DP No. 13426, Zone-II, Multan - Rs. 292,542/-
DP No. 13429, Zone-II, Multan - Rs. 182,103/-
DP No. 13461, Zone-I, Gujranwala - Rs. 723,224/-
DP No. 13469, Zone-II, Gujranwala - Rs. 1,046,086/-
DP No. 13477, Toba Take Singh - Rs. 325,964/-
DP No. 13506, Multan - Rs. 86,259/-,
DP No. 13521, Khanewal - Rs. 989,642/-
DP No. 13550, Zone-XII, Lahore - Rs. 486,950/-
DP No. 13551, Zone-XII, Lahore - Rs. 423,286/-
DP No. 13607, Zone-XI, Lahore - Rs. 762,590/-
DP No. 13629, Zone-X, Lahore - Rs. 836,061/-
DP No. 13630, Zone-X, Lahore - Rs. 611,555/-

18.01.2012 The Department explained that total amount involved in the above paras had been recovered/adjusted and relevant record had also been got verified by Audit.

On the recommendations of Audit, **the above paras were settled.**

3. Para No. 1.3 Pages 2 & 3 and 24 & 25 of Audit Report for the year 2009-2010; Non-realization of arrears of property tax relating to 5 marla houses– Rs.4.489 million

DP No. 12992, Zone-IX, Lahore – Rs. 114,832/-

18.01.2012 The Department explained that a sum of Rs.31,710/- had been recovered whereas a sum of Rs.83,122/- was not due because 9 property units were exempted in view of the factual position.

The Committee recommended that a briefing should be arranged by the Department to highlight the practical difficulties in recovering the arrears of property tax relating to 5-Marla Houses and furnish recommendations to resolve the matter of arrears because the 5-Marla houses had been exempted from property tax.

With the above directions, **the para was conditionally settled** subject to verification of relevant record by Audit.

DP No. 13373, Zone-VIII, Lahore - Rs. 719,460/-

18.01.2012 The Department explained that partial recovery had already been effected and only an amount of Rs.194,070/- was outstanding for which efforts were being made to recover at the earliest.

The **para was kept pending** with the directions to pursue the matter vigorously.

- DP No. 12983, Zone-VIII, Lahore – Rs.406,807/-
- DP No. 12994, Zone-IX, Lahore – Rs. 85,084/-
- DP No. 13004, Zone-X, Lahore – Rs. 79,652/-
- DP No. 13010, Zone-XI, Lahore – Rs. 124,154/-
- DP No. 13027, Zone-II, Lahore – Rs. 178,988/-
- DP No. 13033, Zone-I, Lahore – Rs. 184,728/-
- DP No. 13043, Excise, Rawalpindi – Rs. 164,479/-
- DP No. 13045, Zone-I, Faisalabad - Rs. 28,484/-
- DP No. 13049, Zone-I, Faisalabad - Rs. 85,518/-
- DP No. 13059, Zone-II, Faisalabad - Rs. 189,538/-
- DP No. 13062, Zone-II, Faisalabad - Rs. 60,598/-
- DP No. 13088, Sheikhpura - Rs. 8,031/-
- DP No. 13097, Rahim Yar Khan - Rs. 18,868/-
- DP No. 13103, Bahawalpur - Rs. 82,109/-
- DP No. 13112, Chakwal - Rs. 59,188/-
- DP No. 13138, Rawalpindi - Rs. 205,083/-
- DP No. 13150, Zone-IV, Lahore - Rs. 23,126/-
- DP No. 13173, Zone-VI, Lahore - Rs. 142,849/-
- DP No. 13356, Attock - Rs. 106,620/-
- DP No. 13366, Zone-I, Multan - Rs. 113,224/-
- DP No. 13374, Zone-VIII, Lahore - Rs. 450,147/-

DP No. 13391, Vehari - Rs. 25,684/-
DP No. 13414, Jhang - Rs. 74,978/-
DP No. 13430, Zone-II, Multan - Rs. 155,748/-
DP No. 13464, Zone-I, Gujranwala - Rs. 60,445/-
DP No. 13471, Zone-II, Gujranwala - Rs. 58,584/-
DP No. 13479, Toba Take Singh - Rs. 77,439/-
DP No. 13507, Multan - Rs. 93,477/-
DP No. 13520, Jhelum - Rs. 26,315/-
DP No. 13524, Khanewal - Rs. 68,586/-
DP No. 13552, Zone-XII, Lahore - Rs. 76,378/-
DP No. 13603, Zone-XI, Lahore - Rs. 114,602/-
DP No. 13633, Zone-X, Lahore - Rs. 25,440/-

18.01.2012 The Department explained that total amount involved in the above paras had been recovered/adjusted and relevant record had also been got verified by Audit.

On the recommendations of Audit, **the above paras were settled.**

4. **Para No. 1.4 Pages 3 & 4 and 26 & 27 of Audit Report for the year 2009-2010; Non-realization of property tax due to short/non carry forward of arrears – Rs.4.104 million**
-

DP No. 12984, Zone-VIII, Lahore – Rs.274,522/-

18.01.2012 The Department explained that a sum of Rs.92,648/-had been recovered and an amount of Rs.124,321/- was not due. It was added that hectic efforts were being made for recovery of balance amount of Rs.57,553/-.

The **para was kept pending** for balance recovery within 60 days.

5. **Para No. 1.4 Pages 3 & 4 and 26 & 27 of Audit Report for the year 2009-2010; Non-realization of property tax due to short/non carry forward of arrears – Rs.4.104 million**
-

DP No. 12985, Zone-VIII, Lahore – Rs. 202,644/-
DP No. 12988, Zone-VIII, Lahore – Rs. 6,363/-
DP No. 12995, Zone-IX, Lahore – Rs. 59,693/-
DP No. 13003, Zone-X, Lahore – Rs. 134,562/-
DP No. 13012, Zone-XI, Lahore – Rs. 27,099/-
DP No. 13036, Zone-I, Lahore – Rs. 19,640/-
DP No. 13066, Nankana Sahib – Rs. 14,110/-
DP No. 13085, Sheikhpura - Rs. 46,746/-
DP No. 13096, Rahim Yar Khan - Rs. 54,818/-
DP No. 13116, Chakwal - Rs. 156,524/-
DP No. 13133, Rawalpindi - Rs. 228,435/-

DP No. 13155, Zone-I, Lahore - Rs. 80,038/-
DP No. 13172, Zone-VI, Lahore - Rs. 142,349/-
DP No. 13176, Zone-V, Lahore - Rs. 41,131/-
DP No. 13351, Attock - Rs. 192,673/-
DP No. 13365, Zone-I, Multan - Rs. 165,045/-
DP No. 13376, Zone-VIII, Lahore - Rs. 305,012/-
DP No. 13390, Vehari - Rs. 58,877/-
DP No. 13413, Jhang - Rs. 182,972/-
DP No. 13427, Zone-II, Multan - Rs. 554,161/-
DP No. 13474, Zone-II, Gujranwala - Rs. 67,483/-
DP No. 13478, Toba Tak Singh - Rs. 79,252/-
DP No. 13505, Multan - Rs. 121,543/-
DP No. 13515, Jhelum - Rs. 44,132/-
DP No. 13555, Zone-XII, Lahore - Rs. 28,815/-
DP No. 13604, Zone-XI, Lahore - Rs. 139,163/-
DP No. 13632, Zone-X, Lahore - Rs. 24,862/-

6. **Para No. 1.5 Pages 4 & 5 of Audit Report for the year 2009-2010; Short-realization of property tax due to grant of inadmissible exemptions – Rs.3.998 million**
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DP No. 13171, Zone-VI, Lahore – Rs.2,804,929/-
DP No. 13174, Zone-V, Lahore – Rs. 651,750/-
DP No. 13416, Jhang – Rs. 541,051/-

7. **Para No. 1.6 Pages 5 & 6 and 27 of Audit Report for the year 2009-2010; Short-realization of property tax due non-consolidation of property units owned by same persons – Rs.2.196 million**
-

DP No. 12982, Zone-VIII, Lahore – Rs.654,167/-
DP No. 12993, Zone-IX, Lahore – Rs. 171,207/-
DP No. 13009, Zone-XI, Lahore – Rs. 344,193/-
DP No. 13026, Zone-II, Lahore – Rs. 219,630/-
DP No. 13034, Zone-I, Lahore – Rs. 131,102/-
DP No. 13050, Zone-I, Faisalabad – Rs. 33,762/-
DP No. 13056, Zone-I, Faisalabad – Rs. 96,230/-
DP No. 13179, Zone-V, Lahore – Rs. 3,255/-
DP No. 13375, Zone-VIII, Lahore – Rs. 291,277/-
DP No. 13517, Jhelum – Rs. 65,828/-
DP No. 13525, Khanewal – Rs. 43,700/-
DP No. 13553, Zone-XII, Lahore – Rs. 36,826/-
DP No. 13601, Zone-XI, Lahore – Rs. 68,778/-
DP No. 13634, Zone-X, Lahore – Rs. 21,318/-

8. **Para No. 1.7 Pages 6 & 7 of Audit Report for the year 2009-2010; Short-realization of property tax due to application of incorrect rate – Rs.3.323 million**
-

DP No. 13141, Rawalpindi – Rs.1,749,499/-

DP No. 13350, Attock – Rs. 656,656/-
DP No. 13510, Jhelum – Rs. 357,336/-
DP No. 13606, Zone-XI, Lahore – Rs. 559,924/-

9. **Para No. 1.8 Pages 7 & 8 and 28 of Audit Report for the year 2009-2010; Non-realization of 15 per cent provincial government share of property tax from Cantonment Board – Rs.95.348 million**
-

DP No. 13105, Bahawalpur – Rs.1,807,262/-
DP No. 13354, Attock – Rs. 250,000/-
DP No. 13360, Zone-I, Multan – Rs. 2,422,837/-
DP No. 13468, Zone-II, Gujranwala – Rs. 1,785,588/-

18.01.2012 The Department explained that total amount involved in the above paras had been recovered/adjusted and relevant record had also been got verified by Audit.

On the recommendations of Audit, **the above paras were settled.**

10. **Para No. 1.8 Pages 7 & 8 and 28 of Audit Report for the year 2009-2010; Non-realization of 15 per cent provincial government share of property tax from Cantonment Board – Rs.95.348 million**
-

DP No. 13137, Rawalpindi – Rs. 36,905,250/-

18.01.2012 The Department explained that amount involved in the para was outstanding against Cantonment Board and collection of this amount on accounts property tax was being made through at source deduction/adjustment from Cantonment Board share in GST.

The Committee **kept the para pending** with the directions/recommendations that Finance Department should facilitate the recovery of outstanding dues from the cantonment boards.

DP No. 13509, Jhelum – Rs. 918,861/-
DP No. 13646, Entt.Lahore – Rs. 51,258,023/-

18.01.2012 The Department explained that total outstanding amount involved in the above paras had been recovered and relevant record in support of departmental contention was also available for verification.

The Committee **settled the paras** subject to credit verification by Audit.

11. **Para No. 1.9 Page 8 of Audit Report for the year 2009-2010; Non-realization of property tax after expiry of stay orders – Rs.174,735/-**
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DP No. 13011, ETO, Zone-XI, Lahore – Rs.174,735/-

12. **Para No. 1.10 Page 9 and 28 & 29 of Audit Report for the year 2009-2010; Non transfer of taxable units from PT-I to PT-8 register – Rs.1.351 million**
-

DP No. 12986, Zone-VIII, Lahore – Rs.82,844/-
DP No. 12991, Zone-IX, Lahore – Rs. 179,996/-
DP No. 13048, Zone-I, Faisalabad – Rs. 133,415/-
DP No. 13052, Zone-I, Faisalabad – Rs. 27,059/-
DP No. 13060, Zone-II, Lahore – Rs. 89,110/-
DP No. 13113, Chakwal – Rs. 62,849/-
DP No. 13175, Zone-V, Lahore – Rs. 93,996/-
DP No. 13353, Attock – Rs. 105,110/-
DP No. 13431, Zone-II, Multan – Rs. 76,446/-
DP No. 13516, Jhelum – Rs. 57,337/-
DP No. 13526, Khanewal – Rs. 126,576/-
DP No. 13554, Zone-XII, Lahore – Rs. 50,215/-
DP No. 13605, Zone-XI, Lahore – Rs. 164,536/-
DP No. 13631, Zone-X, Lahore – Rs. 101,044/-

13. **Para No. 1.11 Pages 9 & 10 of Audit Report for the year 2009-2010; Non-realization of property tax on ground of stay orders by courts and disputed amount – Rs.172.732 million**
-

DP No. 13377, Zone-VIII, Lahore – Rs. 62,320,746/-

14. **Para No. 1.12 Pages 10, 11 & 12 of Audit Report for the year 2009-2010; Short-realization of property tax by giving incorrect effect of orders passed by assessing authorities – Rs.166,574/-**
-

DP No. 12987, Zone-VIII, Lahore – Rs.77,092/-
DP No. 13053, Zone-I, Faisalabad – Rs. 64,260/-
DP No. 13527, Khanewal – Rs. 25,222/-

15. **Para No. 1.13 Page 12 and 29 of Audit Report for the year 2009-2010; Non-realization of property tax in excess of admissible limits to widows – Rs.379,941/-**
-

DP No. 13090, Sheikhpura – Rs.33,573/-
DP No. 13180, Zone-V, Lahore – Rs. 4,453/-
DP No. 13357, Attock – Rs. 36,018/-
DP No. 13415, Jhang – Rs. 97,595/-
DP No. 13480, Toba tak singh – Rs. 156,494/-
DP No. 13518, Jhelum – Rs. 51,808/-

16. **Para No. 1.15 Pages 13 & 14 and 30 of Audit Report for the year 2009-2010; Non-recovery of professional tax – Rs.6.864 million**
-

DP No. 13016, (MRA) Rawalpindi – Rs.19,600/-
DP No. 13038, Excise, Rawalpindi – Rs. 418,600/-

DP No. 13063, Zone-II, Faisalabad – Rs. 41,000/-
DP No. 13065, Nankana Sahib – Rs. 75,000/-
DP No. 13083, Sheikhpura – Rs. 154,000/-
DP No. 13095, Rahim Yar Khan – Rs. 38,500/-
DP No. 13102, Bahawalpur – Rs. 172,000/-
DP No. 13110, Chakwal – Rs. 61,400/-
DP No. 13142, Rahim Yar Khan – Rs. 226,711/-
DP No. 13143, Rahim Yar Khan – Rs. 783,000/-
DP No. 13355, Attock – Rs. 121,000/-
DP No. 13389, Vehari – Rs. 85,000/-
DP No. 13401, Prof. Tax, Lahore – Rs. 1,189,000/-
DP No. 13402, Prof. Tax, Lahore – Rs. 401,000/-
DP No. 13403, Prof. Tax, Lahore – Rs. 86,000/-
DP No. 13418, Jhang – Rs. 62,000/-
DP No. 13482, Toba tak singh – Rs. 134,500/-
DP No. 13508, Multan – Rs. 15,600/-
DP No. 13514, Jhelum – Rs. 83,000/-
DP No. 13522, Khanewal – Rs. 427,000/-

17. **Para No. 1.16 Pages 14 & 15 of Audit Report for the year 2009-2010; Non-realization of hotel tax – Rs.875,450/-**
-

DP No. 13042, Rawalpindi (Excise) – Rs.252,308/-
DP No. 13106, Bahawalpur – Rs. 10,700/-
DP No. 13364, Zone-I, Multan – Rs. 212,551/-

18. **Para No. 1.17 Pages 15 & 16 and 31 of Audit Report for the year 2009-2010; Non-realization of token tax – Rs.3.643 million**
-

DP No. 13020, MRA, Rawalpindi – Rs.201,119/-
DP No. 13069, Nankana Sahib – Rs. 8,820/-
DP No. 13107, Bahawalpur – Rs. 190,287/-
DP No. 13181, MRA, Faisalabad – Rs. 11,595/-
DP No. 13182, MRA, Faisalabad – Rs. 462,398/-
DP No. 13358, Attock – Rs. 9,740/-
DP No. 13388, Vehari – Rs. 136,519/-
DP No. 13397, (MRA), Tie Up, Lahore – Rs. 803,725/-
DP No. 13417, Jhang – Rs. 472,572/-
DP No. 13462, Zone-I, Gujranwala – Rs. 97,420/-
DP No. 13481, Toba tak singh – Rs. 138,460/-
DP No. 13513, Jhelum – Rs. 158,528/-
DP No. 13523, Khanewal – Rs. 154,318/-
DP No. 13612, Bahawalnagar – Rs. 146,420/-

19. **Para No. 1.18 Pages 16 & 17 of Audit Report for the year 2009-2010; Non-realization of luxury tax on imported luxury motor vehicles – Rs.3.600 million**
-

DP No. 13093, Rahim Yar Khan – Rs.400,000/-

DP No. 13100, Bahawalpur – Rs. 300,000/-
DP No. 13499, Multan – Rs. 2,600,000/-
DP No. 13611, Bahawalpur – Rs. 300,000/-

20. Para No. 1.19 Pages 17 & 18 of Audit Report for the year 2009-2010; Non-forfeiture of reserve/auction money – Rs.50,000/-

21. Para No. 1.20 Pages 18 & 19 of Audit Report for the year 2009-2010; Non-realization of cotton fee – Rs.185,609/-

DP No. 13104, Bahawalpur – Rs.98,891/-

18.01.2012 The Department explained that total amount involved in the above paras had been recovered/adjusted and relevant record had also been got verified by Audit.

On the recommendations of Audit, **the above paras were settled.**

Audit Paras (Commercial) for the Year 2009-2010

1. Para No.23.1 Page 37 of Audit Report for the year 2009-10; Working Results

16.08.2011 The Department explained that interest on capital was not charged during the fiscal year 2008-09 because excess amount had been deposited in the government treasury in the relevant head sales of opium which resulted in increase of profit as compared to the previous financial year and all the relevant record in support of departmental contention had been got verified by Audit.

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

2. Para No.23.2 Page 37 of Audit Report for the year 2009-10; Working Results

16.08.2011 The Department explained that there was no deliberate delay at the end of the formation, however the issue of reconciliation of accounts with Accountant General Punjab had been resolved and factual position had also been got verified by the office of Accountant General Punjab.

The Committee **settled that para** with the directions that such lapses should not be repeated in future.

GENERAL DIRECTIONS / RECOMMENDATIONS

16.08.2011 The Committee observed with great concern that the working papers had been submitted just a day before the meeting and the presentation of working papers was also far from satisfactory.

Moreover, the observations of Audit contained in the Draft paras had not been adequately explained and necessary details were also missing.

The Administrative Secretary admitted that overall performance of his department in dealing with PAC business was unsatisfactory. He submitted to the Committee that he had taken over the charge of the Department only a few days ago and requested that some suitable time be granted for proper preparation of the PAC business.

In view of the above departmental request, the Committee deferred the consideration of the Audit Report 2009-10 pertaining to Excise & Taxation Department with the directions that comprehensive and *up-to-date* working papers as per prescribed format should be submitted to the Committee well before the commencement of next meeting, as and when fixed.

18.01.2012 The Committee appreciated the efforts of the Department which resulted in recovery of bulk of the amount involved in the Audit Observations. Meanwhile, the Committee desired that a briefing should be arranged for the PAC as to what measures were being taken for strengthening the internal controls and computerization of Property Tax accounts.

FINANCE

The paras were discussed in the meeting of PAC-II held on 20.04.2011.

Audit Paras (Civil) for the year 2009-2010

1. Para No.3.1 Pages 91 & 92 of Audit Report for the year 2009-10; Cash Shortfall and Payment of Interest - Rs. 1,110.028 Million

20.04.2011 The Department explained that overdraft was provided to bridge the temporary resource gap between receipt and expenditure of the Province which was unavoidable and hard to predict due to inherent volatility in the timing of government income and expenditure. However the Government of the Punjab had initiated various austerity measures to bring down its revenue deficit and improve financial management. Resultantly, the closing balance had turned up in positive during the last few months despite repayment of blocked account to the State Bank of Pakistan and expenditures on rehabilitation of flood affectees.

The Committee accepted the explanation of the department and **settled the para** with the recommendation that notwithstanding the improvement in financial conditions, the Government of Punjab should continue the austerity measures and prudent financial management in future.

2. Para No.3.2 Pages 92 to 94 of Audit Report for the year 2009-10; Non-Reconciliation of Public Debt Figures

20.04.2011 The Department explained that there was variation in the figures of public debt between the department and Accountant General Punjab, which would be reconciled at the earliest.

The **para was kept pending** for reconciliation within 60 days.

3. Para No.3.3 Pages 95 & 96 of Audit Report for the year 2009-10; Non Recovery of Principal Amount and Interest on Loans/Grant of Loans to Financial and Non Financial Institutions during 2008-09 - Rs. 81,051.876 million

20.04.2011 The Department explained that the loans had been given to different institutions such as development authorities, autonomous bodies and district governments etc., and strenuous efforts were being made to recover these loans.

The Committee **kept the para pending** with the directions that the Department should take up the matter with the concerned institutions directing them to furnish their working plan for payment of these loans within 120 days under intimation to the PAC.

4. Para No.3.4 Page 96 of Audit Report for the year 2009-10; Non Reconciliation of Loans Amounting to Rs. 22,299.727/- million

20.04.2011 The Department explained that the matter for reconciliation of loans had been taken up with the Economic Affairs Division, Government of Pakistan which would be completed at the earliest.

The **para was kept pending** for reconciliation within 60 days.

5. Para No.3.5 Page 97 of Audit Report for the year 2009-10; Non Realization of Electricity Profit - Rs. 19,765.00 Million

20.04.2011 The Department explained that after strenuous efforts by the Government of Punjab, the right of Province, to receive net hydel profit had been recognized by the Federal Government and a technical committee constituted for the purpose had accepted a claim of Rs.28,449 million as payable to the Government of Punjab. A sum of Rs. 18,166 million had already been received and as per understanding the balance amount would be received within next two financial years.

The Committee **kept the para pending** with the directions that the department should pursue the matter vigorously.

6. Para No.3.6 Pages 97 to 99 of Audit Report for the year 2009-10; Non Submission of Progress Reports Regarding utilization of Scarp Tube Well Loans - Rs. 16,173.353/- million

20.04.2011 The Department explained that the SCARP Development loans were provided by the Federal Government and received by WAPDA on behalf of the Government of Punjab as it was the executing agency for the concerned projects. After completion of the projects, the tube wells were handed over to the Irrigation & Power Department. A statement showing the incurrence of expenditure for this purpose was available for verification.

Audit contented that there was variation in the total cost of project and record furnished by the department.

The Committee **kept the para pending** for reconciliation of record within 90 days.

7. Para No.3.7 Pages 99 to 100 of Audit Report for the year 2009-10; No Return On Investments - Rs. 5,633.196 Million

20.04.2011 The Department explained that the government of Punjab had invested the money in different financial institutions and agencies after due deliberations keeping in

view the profitability of an organization/enterprise and the profit was generally disbursed in cash or through bonus shares.

The Committee thoroughly examined each investment involved in the para and directed/recommended that a detailed report, regarding investment in a joint venture with M/s TAAVUN (Pvt) Ltd, be submitted to the PAC within 30 days.

The **para was kept pending.**

8. Para No.3.16 Pages 111 & 112 of Audit Report for the year 2009-10; Non Production of Record

20.04.2011 The Department explained the record involved in the para was very old and voluminous. Therefore, spot verification of this record might be conducted by Audit during the next Audit Inspection of the Finance Department.

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

FOOD

The paras were discussed in the meeting of PAC-II held on 16.09.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Pages 165 & 659 of Appropriation Accounts for the year 2009-10

- (i) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry & Fishing
0421 Agriculture
042101 Administration /Land Commission
LQ4082 Food Department

Final Grant		Rs.31,322,000/-
Actual Expenditure		Rs.30,421,137/-
Saving	(-)	Rs. 900,863/-
Percentage		2.88%

16.09.2014 The Department explained that saving had occurred because services of some officers/officials had been requisitioned from S&GAD, therefore, funds were retained in anticipation of the posting against vacancies.

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

- (ii) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry & Fishing
0421 Agriculture
042101 Administration /Land Commission
LW4065 Cane Commissioner Punjab

Final Grant		Rs.6,392,000/-
Actual Expenditure		Rs.5,284,485/-
Saving	(-)	Rs.1,107,515/-
Percentage		17.33%

16.09.2014 The Department explained that saving had mainly occurred due to vacant post of a Director who was required to be posted by the S & GAD.

The Committee **settled the item** with the directions that surplus funds should be timely surrendered in future.

2. Grant No. PC21030 (030) Subsidies (All Voted) Page 166 of Appropriation Accounts for the year 2009-10

- 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry & Fishing
0426 Food
042602 Subsidy
LQ4283 Wheat

Final Grant		Rs.15,000,000,000/-
Actual Expenditure		Rs. 475,681,000/-
Saving	(-)	Rs.14,524,319,000/-
Percentage		96.83%

16.09.2014 The Department explained that Finance Department had released subsidy of Rs.475,681,000/- against the final grant of Rs.15,000,000,000/-. Hence, no lapse was involved on the part of the Administrative Department.

The **item was kept pending** with the directions that an inquiry be conducted by the Finance Department to thrash out the matter and accounts should also be reconciled.

3. Grant No. PC13033/PC16033 (033) State Trading in Food Grain & Sugar Pages 167 to 170 of Appropriation Accounts for the year 2009-10

- (i) 04 Economic Affairs
041 General Economic, Commercial & Labour Affairs
0414 State Trading
041401 Food (wheat)

LQ4388 Directorate of Food (Voted)

Final Grant		Rs.126,340,738,000/-
Actual Expenditure		Rs. 95,000,504,817/-
Saving	(-)	Rs. 31,340,233,183/-
Percentage		24.81%

16.09.2014 The Department explained that payment was made to the wheat sellers through the commercial banks against the quantity actually purchased. As such, less amount was borrowed from banks due to less quantity of wheat purchased. Moreover, funds allocated for repair & maintenance of godowns, could not be fully utilize by PASSCO due to non-completion of relevant schemes.

The Committee **settled the item** with the directions that surplus funds should be timely surrendered in future.

- (ii) 04 Economic Affairs
041 General Economic, Commercial & Labour Affairs
0414 State Trading
041401 Food (wheat)

LQ4389 District Food Establishment

Final Grant		Rs.490,229,000/-
Actual Expenditure		Rs.496,226,440/-
Excess	(+)	Rs. 5,997,440/-
Percentage		1.22%

16.09.2014 The Department explained that excess expenditure had been incurred due to provision of lesser funds by the Finance Department as compared to demand for payment of salaries. As such, expenditure was inevitable.

The Committee **conditionally settled the item** subject to condonation of excess expenditure by the Finance Department.

- (iii) 04 Economic Affairs
041 General Economic, Commercial & Labour Affairs
0414 State Trading
041401 Food (wheat)
LQ4387 Directorate of Food (Charged Expenditure)

Final Grant		Rs.19,032,000,000/-
Actual Expenditure		Rs.19,028,710,556/-
Saving	(-)	Rs. 3,289,444/-
Percentage		0.02%

16.09.2014 The Department explained that saving had occurred because lesser amount of mark up was claimed by some banks than the estimated mark up which was calculated by the commercial banks on quarterly basis.

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

4. Grant No. PC22036 (036) Development (All Voted) Pages 171 & 172 of Appropriation Accounts for the year 2009-10

- 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry & Fishing
0426 Food
042650 Others
LE4304 Others

Final Grant		Rs.48,985,000/-
Actual Expenditure		Rs.20,510,572/-
Saving	(-)	Rs.28,474,428/-
Percentage		58.13%

16.09.2014 The Department explained that saving had occurred because several posts were lying vacant while the recruitment process had been initiated.

The Committee **settled the item** with the directions that surplus funds should be timely surrendered in future.

5. Grant No. PC16047 (D) Floating Debt: (Discharged) Page 173 of Appropriation Accounts for the year 2009-10

01 General Public Services
011 Executive & Legislative Organs, Financial
0115 Domestic Debt Management
11504 Repayment of Principal Domestic Debt-Floating

LQ4435 Cash Credit Accommodation Advances from Commercial Bank A/C No. 2 (LQ4325) (Charged)

Final Grant		Rs.54,806,858,000/-
Actual Expenditure		Rs.47,376,267,725/-
Saving	(-)	Rs. 7,430,590,275/-
Percentage		13.56%

16.09.2014 The Department explained that saving had been occurred due to less receipt of funds from the Finance Department.

The **item was kept pending** with the directions that accounts should be reconciled with the Finance Department.

Audit Paras (Civil) for the year 2009-2010

1. **Para No.4.3 Pages 128 to 130 of Audit Report for the year 2009-10, Sale of surplus wheat of 2.8 million MT - Rs. 66,500.00 million**
-

AIR No. 3 Director Food Punjab

16.09.2014 The Department explained that wheat was procured as per targets fixed by the Federal Government and incidental charges for reserved stocks were also borne by the Federal Government. It was added that total incidental charges for the scheme year 2010-11 were Rs.12,500 million, out of which Rs.1000 million had been received from Federal Government and balance amount was still awaited.

The para was conditionally settled subject to complete recovery and its verification by Audit.

2. **Para No.4.5 Pages 131 & 132 of Audit Report for the year 2009-10, Incomplete record of borrowings from banks - Rs. 3,942.008 million**
-

AIR No. 5 Director Food Punjab

3. **Para No.4.7 Pages 134 & 135 of Audit Report for the year 2009-10, Non comparison of supply payments in schedule of payments with budget register - Rs. 3,253.00 million**
-

AIR No. 7 Director Food Punjab

4. **Para No.4.8 Pages 135 to 137 of Audit Report for the year 2009-10, Expenditure over and above the budget allocation - Rs. 1,634.636 million**
-

4.8.1 Director Food Punjab Lahore – Rs. 1,603,372,737/-

4.8.2 District Food Controller Jhang – Rs. 5,820,173/-

4.8.3 District Food Controller Gujranwala – Rs. 5,287,675/-

4.8.5 District Food Controller Layyah – Rs. 2,623,359/-

4.8.6 District Food Controller Shekhupura – Rs. 2,243,911/-

4.8.7 District Food Controller Bahawalpur – Rs. 1,810,039/-

4.8.9 District Food Controller Bahawalnagar – Rs. 1,460,886/-

4.8.10 District Food Controller Attock – Rs. 1,424,432/-

4.8.12 District Food Controller Gujrat – Rs. 1,076,534/-

4.8.13 District Food Controller Muzaffar Garh – Rs. 1,030,957/-

4.8.14 District Food Controller Jehlum – Rs. 881,243/-

4.8.15 District Food Controller Rajanpur – Rs. 806,244/-

4.8.17 District Food Controller Pakpattan – Rs. 548,279/-

16.09.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5. **Para No.4.9 Pages 137 to 140 of Audit Report for the year 2009-10, Irregular expenditure more than 1,078.116 million incurred on transportation of imported wheat and recovery of Rs.18.725 million on account of enroute shortage**
-

AIR No. 11 Director Food Punjab

6. **Para No.4.16 Pages 152 & 153 of Audit Report for the year 2009-10, Loss to Government due to transportation of wheat at higher rate – Rs.163.590 million**
-

AIR No. 19 Director Food Punjab

16.09.2014 The Department explained that the cases for regularization of the expenditure had been submitted to the Finance Department and decision thereon was still awaited.

The **paras were kept pending** with the directions that Finance Department should decide the matter within 60 days.

7. **Para No.4.20.3 Pages 161 & 162 of Audit Report for the year 2009-10, Loss to government due to shortage of wheat and theft of vehicles - Rs. 37.472 million**
-

District Food Controller Sheikhpura – Rs. 250,000/-

16.09.2014 The Department explained that concerned driver had been found responsible for theft of vehicle and major penalty was imposed upon him. Meanwhile, the case was under investigation with the Police.

The **para was kept pending** with the directions that case with the Police should be pursued vigorously.

8. **Para No.4.22 Pages 164 & 165 of Audit Report for the year 2009-10, Loss due to late retiring of loan - Rs. 20.410 million**
-

AIR No. 26 Director Food Punjab

9. **Para No.4.23 Pages 166 & 167 of Audit Report for the year 2009-10, Irregular de-classification of bardana, tarpaulins and stock articles - Rs.18.294 million**
-

4.23.1 District Food Controller Sahiwal – Rs. 10,639,000/-

4.23.3 District Food Controller Sargodha – Rs. 180,000/-

4.23.5 District Food Controller Bhakkar – Rs. 1,952,460/-

10. **Para No.4.24 Pages 167 & 168 of Audit Report for the year 2009-10, Irregular/un-justified declassification of tarpaulins and non disposal of un-serviceable articles - Rs. 8.985 million**
-

4.24.1 DFC Sahiwal – Rs. 2,625,765/-

4.24.4 DFC Okara – Rs. 996,000/-

4.24.7 DFC Gujranwala – Rs. 291,850/-

16.09.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

11. **Para No.4.25.3 Pages 168 & 169 of Audit Report for the year 2009-10, Irregular payment of transportation charges - Rs. 5.891 million**
-

District Food Controller Attock – Rs. 928,675/-

16.09.2014 The Department explained that payment of transportation charges was made as per instructions of DCO, Attock and subsequently, the matter had been submitted to the competent authority for condonation.

The **para was conditionally settled** subject to decision of the competent authority.

12. **Para No.4.26.2 Pages 169 & 170 of Audit Report for the year 2009-10, Enroute shortage of wheat - Rs.4.801 million**
-

District Food Controller Bhakkar – Rs. 2,251,735/-

16.09.2014 The Department explained that actual outstanding amount on account of enroute shortage of wheat had been recovered at the rate notified by the competent authority after due considering of the matter.

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

13. **Para No.4.27.2 Pages 171 & 172 of Audit Report for the year 2009-10, Non-accountal of stores & bardana due to non transfer of charge - Rs. 2.112 million**
-

DFC Muzaffar Garh – Rs. 927,721/-

16.09.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

- 14. Para No.4.28 Pages 172 to 174 of Audit Report for the year 2009-10, Non reconciliation of departmental figures of wheat procurement with cash payments by banks - Rs. 822,272/-**
-

AIR No. 32 Director Food Punjab

16.09.2014 The Department explained that all the District Food Controllers had been directed to ensure strict compliance of accounting procedures to avoid excess payments to the growers from the purchase centers.

The Committee **settled the para** with the directions that aforesaid instruction should be complied within letter & spirit.

AUDIT PARAS (REVENUE RECEIPTS) FOR THE YEAR 2009-10

- 15. Para No.5.1 Page 76 of Audit Report for the year 2009-10, Non-realization of penalty due to delayed payment of sugarcane (Dev) cess - Rs. 18.517 million**
-

PDP No. 13627 Sugarcane Commissioner Punjab

16.09.2014 The Department explained that partial recovery had been effected whereas balance amount was subjudice in the court.

The **para was kept pending** with the directions that matter should be pursued vigorously.

- 16. Para No.5.2 Page 77 of Audit Report for the year 2009-10, Non-realization of sugarcane (Dev) cess plus penalty - Rs. 6.704 million**
-

PDP No. 13628 Sugarcane Commissioner Punjab

16.09.2014 The Department explained that total outstanding amount had been recovered which had also been got verified by Audit.

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

**FORESTRY,
WILDLIFE
&
FISHERIES**

The paras were discussed in the meetings of PAC-II held on 24.02.2011, 25.02.2011, 26.02.2011, 19.03.2012, 20.03.2012, 21.03.2012 & 20.08.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC-21005(005) Forest (Non-Development) Pages 10 to 13 of Appropriation Accounts for the year 2009-10

Final Grant		Rs.1,144,074,000/-
Actual Expenditure		Rs.1,128,649,898/-
Saving	(-)	Rs. 15,424,102/-
Percentage		1.35%

19.03.2012 The representative of AG Punjab apprised the Committee that accounts had been reconciled and there was a saving of 1.35% of the final grant.

The Department explained that there was saving of Rs.15,424,102/- which came to 1.35% of the final grant. It was added that saving occurred mainly under the heads of Pay & Allowances due to the fact that certain posts remained vacant as there was ban on fresh recruitments. As such funds could not be utilized.

The Committee **settled the grant** with the directions that surplus funds should be surrendered at the time of submission of 2nd statement of Excesses & Surrenders and no such lapse should recur in future.

2. Grant No. PC21010 (General Administration) Page 460 of Appropriation Accounts for the year 2009-10

04	Economic Affairs
042	Agri, Food, Irrigation, Forestry & Fishing
0421	Agriculture
<u>042101</u>	<u>Administration/Land Commission</u>
<u>LQ4084</u>	<u>Forestry Wildlife Fisheries & Tourism Department</u>

Final Grant		Rs.21,597,000/-
Actual Expenditure		Rs.19,474,781/-
Saving	(-)	Rs. 2,122,219/-
Percentage		9.83%

19.03.2012 The representative of AG Punjab apprised the Committee that accounts had been reconciled and there was saving of 9.83% of the final grant.

The Department explained that saving had occurred due to the reason that most of secretariat posts remained vacant during the financial year as S&GAD did not post the requisite number of officers/officials. Moreover, saving under certain sub-heads occurred due to strict austerity measures and heavy load-shedding of electricity.

The Committee accepted the explanation of the Department and **settled the item** with the directions that surplus funds should be surrendered well in time.

3. Grant No. PC21019 (019) Fisheries: Pages 461 & 462 of Appropriation Accounts for the year 2009-10

Final Grant		Rs.258,148,000/-
Actual Expenditure		Rs.250,921,598/-
Saving	(-)	Rs. 7,226,402/-
Percentage		2.80%

4. Grant No. PC 21023 (Misc.) Pages 698 to 700 of Appropriation Accounts for the year 2009-10

- (i) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry & Fishing
 0424 Forestry
 042401 Preservation of Wild Life Control of Hunting
 LQ4242 Preservation of Wild Life Control of Hunting

Final Grant		Rs.269,212,000/-
Actual Expenditure		Rs.260,743,462/-
Saving	(-)	Rs. 8,468,538/-
Percentage		3.15%

- (ii) 08 Recreational, Culture and Religion
 081 Recreational & Sporting Services
 0811 Recreational & Sporting Services
 081103 Zoo & Other Entertainment Services
 LQ4240 Zoo & Other Entertainment Places

Final Grant		Rs.16,610,000/-
Actual Expenditure		Rs.16,449,971/-
Saving	(-)	Rs. 160,029/-
Percentage		0.96%

- (iii) 08 Recreational, Culture and Religion
 081 Recreational & Sporting Services
 0811 Recreational & Sporting Services
 081103 Zoo & Other Entertainment Services
 BO4055 Zoological Garden Bahawalpur Museum

Final Grant		Rs.554,000/-
Actual Expenditure		Rs.516,911/-
Saving	(-)	Rs. 37,089/-
Percentage		6.69%

19.03.2012 The Department explained that accounts had been reconciled and the saving had occurred mainly under the sub-heads of pay & allowances due to the fact that certain posts remained vacant and less expenditure occurred under the sub-head of operating expenses.

The Committee accepted the explanation of the Department and **settled the above items/Grants.**

5. Grant No. PC22036 Development Pages 15, 486, 764 & 765 of Appropriation Accounts for the year 2009-10

- (i) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry & Fishing
 0424 Forestry
 042402 Administration
LE4219 Administration

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.570,785,000/-		Rs.570,785,000/-
Actual Expenditure	Rs.542,695,900/-		Rs.541,388,900/-
Saving	(-) Rs. 28,089,100/-	(-)	Rs. 29,396,100/-
Percentage	4.92%		5.15%

19.03.2012 The representative of AG Punjab apprised the Committee that accounts had been reconciled and there was saving of Rs. 28,089,100/- which came to 4.92% of the final grant.

The Department explained that saving occurred due to the fact that funds amounting to Rs.35,810,000/- for a Development scheme were released by the Finance Department on 25.5.2010. Due to late receipt of funds only an amount of Rs.6,193,000/- could be utilized and the remaining funds were revalidated/released by the Finance Department in the subsequent financial year 2011-12.

The Committee **settled the grant subject to the verification** of requisite record by the office of the Accountant General Punjab.

- (ii) 04 Economic Affairs
 042 Agri, Food, Irrigation, Forestry & Fishing
 0425 Forestry
 042501 Administration
LE4221 Administration

Final Grant	Rs.161,434,000/-
Actual Expenditure	Rs.159,008,081/-
Saving	(-) Rs. 2,425,919/-
Percentage	1.50%

19.03.2012 The Department explained that accounts had been reconciled and the saving had occurred mainly under the sub-heads of Pay & Allowances due to the fact that

certain posts remained vacant and less expenditure occurred under the sub-head of operating expenses.

The Committee accepted the explanation of the Department and **settled the above item/Grant.**

(iii)	04	Economic Affairs
	042	Agri, Food, Irrigation, Forestry & Fishing
	0424	Forestry
	042401	<u>Preservation of Wildlife and Hunting Control</u>
	LE4217	<u>Preservation of Wildlife & Control of Hunting</u>

Final Grant		Rs.60,846,000/-
Actual Expenditure		Rs.53,790,516/-
Saving	(-)	Rs. 7,055,484/-
Percentage		11.60%

19.03.2012 The Department explained that accounts had been reconciled and the saving was due to non-purchase of furniture, machinery and equipments and some posts also remained vacant during the financial year.

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

(iv)	04	Economic Affairs
	042	Agriculture, Food, Irrigation, Forestry & Fishing
	042402	<u>Forestry (Dev.)</u>

		<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant		Rs.570,785,000/-		Rs.570,785,000/-
Actual Expenditure		Rs.541,388,900/-		Rs.541,388,000/-
Saving	(-)	Rs. 29,396,100/-	(-)	Rs. 29,396,100/-
Percentage		5.15%		Rs. 5.15

20.08.2014 The representative of Accountant General Punjab stated that accounts had been reconciled and there was saving of Rs.29,396,100/- which was 5.15% of the final grant.

The Department explained that saving had been occurred due to release of supplementary funds during the month of June which could not be utilized due to time constraints and the facts had been got verified by Audit.

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

Audit Paras (Civil) for the year 2009-2010

1. Para 5.1 Pages 185 & 186 of Audit Report for the year 2009-10, Non-recovery of outstanding dues against officials – Rs. 181.918 million

5.1.1 Divisional Forest Officer , Muzaffar Garh – Rs. 82,003,059/-

24.02.2011 The Department explained that these paras were discussed in the SDAC meeting and were kept pending for recovery. Accordingly, recovery had been depicted in Form-11 and outstanding amount was being recovered regularly.

The Committee reduced these paras to the extent of recovery effected and directed that balance recovery be expedited and forest offence cases be pursued vigorously. The Committee further directed that department should strengthen its internal controls to avoid such lapses in future.

The para was kept pending.

20.08.2014 The Department explained that in compliance with previous directions of PAC, further recovery of Rs.1, 057,992/- had been effected and *denovo* inquiry cases for Rs.6,731,250/- had also been finalized. Meanwhile, balance recovery was being effected from the salaries of concerned employees.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be pursued vigorously.

The **para was kept pending.**

5.1.2 Divisional Forest Officer , Rajanpur – Rs. 36,821,181/-

24.02.2011 The Department explained that these paras were discussed in the SDAC meeting and were kept pending for recovery. Accordingly, recovery had been depicted in Form-11 and outstanding amount was being recovered regularly.

The Committee reduced these paras to the extent of recovery effected and directed that balance recovery be expedited and forest offence cases be pursued vigorously. The Committee further directed that department should strengthen its internal controls to avoid such lapses in future.

The para was kept pending.

20.08.2014 The Department explained that in compliance with previous directions of PAC, further recovery of Rs.1,283,117/- had been effected and balance recovery was being effected from the salaries of concerned employees.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be pursued vigorously.

The **para was kept pending.**

5.1.3 Divisional Forest Officer , Rahim Yar Khan – Rs. 20,988,181/-

24.02.2011 The Department explained that these paras were discussed in the SDAC meeting and were kept pending for recovery. Accordingly, recovery had been depicted in Form-11 and outstanding amount was being recovered regularly.

The Committee reduced these paras to the extent of recovery effected and directed that balance recovery be expedited and forest offence cases be pursued vigorously. The Committee further directed that department should strengthen its internal controls to avoid such lapses in future.

The para was kept pending.

20.08.2014 The Department explained that partial recovery had been effected in subject cases and efforts were being made for balance recovery.

The Committee reduced the paras to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The above **para was kept pending.**

5.1.4 Divisional Forest Officer , D.G. Khan – Rs. 15,874,121/-

24.02.2011 The Department explained that these paras were discussed in the SDAC meeting and were kept pending for recovery. Accordingly, recovery had been depicted in Form-11 and outstanding amount was being recovered regularly.

The Committee reduced these paras to the extent of recovery effected and directed that balance recovery be expedited and forest offence cases be pursued vigorously. The Committee further directed that department should strengthen its internal controls to avoid such lapses in future.

The para was kept pending.

20.08.2014 The Department explained that a sum of Rs.1,308,638/ had been recovered and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery subject to verification of record and directed/recommended that its earlier direction regarding strengthening the internal controls should be complied with in letter and spirit and recovery should be pursued vigorously.

The **para was kept pending.**

5.1.5 Divisional Forest Officer , Multan – Rs. 10,962,645/-

24.02.2011 The Department explained that these paras were discussed in the SDAC meeting and were kept pending for recovery. Accordingly, recovery had been depicted in Form-11 and outstanding amount was being recovered regularly.

The Committee reduced these paras to the extent of recovery effected and directed that balance recovery be expedited and forest offence cases be pursued vigorously. The Committee further directed that department should strengthen its internal controls to avoid such lapses in future.

The para was kept pending.

20.08.2014 The Department explained that in compliance with previous directions of PAC, further recovery of Rs.407,583/- had been effected whereas a sum of Rs.2,752,560/- had been deleted due to exoneration of the officials and balance recovery was being effected from the salaries of concerned employees.

The Committee reduced the para to the extent of recovered amount subject to verification of record by Audit and directed that balance recovery should be pursued vigorously.

The para was kept pending.

5.1.6 Divisional Forest Officer, Jhang – Rs. 9,107,555/-

24.02.2011 The Department explained that in case of two retired Foresters namely Mr. Allah Bakhsh and Mr. Liaqat Ali Toor, the outstanding amount had been incorporated in their NDC whereas Haji Manzoor Ahmad, Forest Guard had died on 06.01.2007 and case for write off sanction of the amount outstanding against him, had been referred to the competent authority. It was added that necessary action was being taken to recover the outstanding amount from Mr. Ghulam Haider, Forester and Mr. Muhammad Akram, Forest Guard who had already been dismissed from service.

The Committee kept the para pending with the directions that recovery of the balance outstanding amount be expedited.

20.08.2014 The Department explained case-wise position of the officials involved in Audit observation depicting partial recovery.

The Committee **reduced the para** to the extent of recovered amount and **remaining portion of para was kept pending** with the directions to expedite the balance recovery.

5.1.7 Divisional Forest Officer, Mianwali – Rs. 2,713,807/-

24.02.2011 The Department explained that the para was discussed in the SDAC meeting held on 26.10.2009 wherein the outstanding amount was reduced to

Rs.2,713,807/- out of which a sum of Rs.674,975/- had already been recovered and efforts were being made for balance recovery.

The Committee kept the para pending with the directions that recovery of balance outstanding amount be expedited.

20.08.2014 The Department explained that partial recovery had been effected in subject cases and efforts were being made for balance recovery.

The Committee reduced the paras to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The above **para was kept pending**.

5.1.8 Divisional Forest Officer , Chichawatni – Rs. 1,908,228/-

24.02.2011 The Department explained that in case of two retired Foresters namely Mr. Allah Bakhsh and Mr. Liaqat Ali Toor, the outstanding amount had been incorporated in their NDC whereas Haji Manzoor Ahmad, Forest Guard had died on 06.01.2007 and case for write off sanction of the amount outstanding against him, had been referred to the competent authority. It was added that necessary action was being taken to recover the outstanding amount from Mr. Ghulam Haider, Forester and Mr. Muhammad Akram, Forest Guard who had already been dismissed from service.

The Committee kept the para pending with the directions that recovery of the balance outstanding amount be expedited.

20.08.2014 The Department explained that in compliance with previous direction of PAC, further recovery of Rs.349,150 had been effected and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovered amount subject to verification of record by Audit and directed that balance recovery should be pursued vigorously.

The **para was kept pending** for balance recovery.

5.1.9 Divisional Forest Officer , Lahore/SKP – Rs. 969,565/-

5.1.10 Divisional Forest Officer , Sargodha – Rs. 569,282/-

24.02.2011 The Department explained that these paras were discussed in the SDAC meeting and were kept pending for recovery. Accordingly, recovery had been depicted in Form-11 and outstanding amount was being recovered regularly.

The Committee reduced these paras to the extent of recovery effected and directed that balance recovery be expedited and forest offence cases be pursued vigorously. The Committee further directed that department should strengthen its internal controls to avoid such lapses in future.

The paras were kept pending.

20.08.2014 The Department explained that partial recovery had been effected in subject cases and efforts were being made for balance recovery.

The Committee reduced the paras to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The above **paras were kept pending.**

2. Para 5.2 Pages 186 & 187 of Audit Report for the year 2009-10, Non-disposal of timber, fire wood and potted plants – Rs. 16.625 million

5.2.1 AIR Nos.6&7, Divisional Forest Officer, (TED) Rawalpindi – Rs. 8,924,800/-

25.02.2011 The Department explained that necessary action in the light of Audit observations had been taken and record had also been got verified by Audit.

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

5.2.2 Divisional Forest Officer, Faisalabad – Rs. 1,634,026/-

25.02.2011 The Department explained that partial recovery involved in the para had already been verified and auction process of the balance quantity of timber was also under way which would be completed at the earliest after fulfillment of the codal formalities.

The Committee settled the para subject to auction of the timber and verification of requisite record by Audit.

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.2.3 Divisional Forest Officer, Jhang – Rs. 3,485,633/-

5.2.4 Divisional Forest Officer, Gujrat – Rs. 910,418/-

25.02.2011 The Department explained that total timber had been auctioned and auction money had been deposited into govt. treasury. Only a small quantity of timber was required to be disposed off for which necessary action was already underway

The Committee conditionally settled the paras subject to auction of the balance timber and verification of requisite record by Audit.

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.2.5 AIR No.19, Divisional Forest Officer, Kasur at Changa Manga – Rs. 1,289,431/-

25.02.2011 The Department explained that auction process of the timber had been completed and recovery on account of overpayment due to re-measurement had also been effected. Moreover, in case of 3524 Mds firewood and 215Cft timber, Mr. Ghulam Hussain, Forester was found guilty but he had expired, therefore, a case of write off sanction had been submitted for approval of the Competent Authority.

The Committee **conditionally settled the para** subject to write off sanction and verification of requisite record by Audit.

5.2.5 AIR No.17, Divisional Forest Officer, Kasur at Changa Manga – Rs. 90,090/-

25.02.2011 The Department explained that necessary action in the light of audit observations had been taken and record had also been got verified by Audit.

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

5.2.5 AIR No. 19, Divisional Forest Officer, Kasur at Changa Manga – Rs.1,289,431/-

20.08.2014 The Department explained that the accused had died and loss had been written off by the Chief Conservator of Forests, Lahore.

Audit contended that write off sanction from Administrative Department was required in the matter.

The Committee directed/recommended that write off sanction of the loss should be sought from the Administrative Secretary.

The **para was conditionally settled** subject to above directions.

5.2.6 AIR No.2, Divisional Forest Officer, Murree – Rs. 149,918/-

25.02.2011 The Department explained that all the plants involved in the para had already been disposed off and relevant record was available for verification.

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

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.2.6 AP No. 15, Divisional Forest Officer, Murree – Rs. 35,466/-

26.02.2011 The Department explained that all the plants involved in Audit observation had been disposed off with prior approval of the competent authority and relevant record was available for verification.

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

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.2.7 Divisional Forest Officer , Lahore/SKP – Rs. 105,676/-

26.02.2011 The Department explained that in case of Shahdra Forest Range, some quantity of timber had been auctioned and recovery on account of shortage of timber had also been imposed on the responsible officials/officers. It was added that remaining timber would be auctioned at the earliest. In case of Sheikhpura Forest Sub-Division, necessary action had been taken and relevant record had been got verified by Audit.

The Committee settled the para to the extent of Sheikhpura Sub-Division whereas the remaining portion of para relating to Shahadra Forest Range was conditionally settled subject to balance recovery and verification of relevant record by Audit.

20.08.2014 The Department explained that a sum of Rs.44,015/- and amount of Rs.171,599/- had already been recovered and got verified by Audit. Thereafter, further recovery of Rs.24,100/- had been effected and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The above **para was kept pending.**

3. Para 5.3 Pages 188 & 189 of Audit Report for the year 2009-10, Loss to Government due to damage of forest trees – Rs. 24.737 million

5.3.1 Divisional Forest Officer , Rahim Yar Khan – Rs. 13,821,792/-

26.02.2011 The Department explained that the para was kept pending for recovery in the SDAC meeting held on 23.12.09. Accordingly, a sum of Rs. 255,158/- had been recovered and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery verified by Audit and was kept pending with the directions that recovery of the balance amount be expedited.

20.08.2014 The Department explained that in compliance with previous directions of PAC, further recovery of Rs.396,008/- had been effected whereas FIR respecting a sum of Rs.1,170,800/- had been lodged and an amount of Rs.70,775/- was required to be deleted. It was added that balance recovery was being effected regularly from the concerned employees.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be reconciled with Audit.

The para was kept pending.

5.3.2 AIR No.6 Divisional Forest Officer , Jhang – Rs. 5,392,466/-

26.02.2011 The Department explained that the para was earlier discussed in the SDAC meeting held on 23-01-2010 and kept pending for inquiry. Accordingly, an inquiry was conducted into the matter and in the light of findings thereon, penalty of stoppage of one annual increment had been imposed on the concerned officials and recovery had also been imposed on M/s Dilmeer and Mushtaq Ahmad (FGs) which had been entered in Form-11. It was added that an FIR had also been lodged in the Police Station on account of missing Diesel, Engine parts and building material.

The para was kept pending with the directions that recovery be expedited and FIR be pursued vigorously.

20.08.2014 The Department explained that the case of Mr. Muhammad Dilmeer Ex-FG, who had died, was under for process for write off sanction whereas Mr. Muhammad Mushtaq, FG and Mr. Ghulam Haider, Ex- Forester had been dismissed from service and their case had been referred to Anti Corruption Establishment. Meanwhile, outstanding amount was being recovered from concerned employees.

The Committee reduced the paras to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The para was kept pending.

5.3.2 AIR No 9 Divisional Forest Officer , Jhang – Rs. 3,060,589/-

26.02.2011 The Department explained that an amount of Rs.127,920/- had been recovered from the salary of the concerned officials whereas Mr. Ghulam Haider, Forester had been dismissed from service and District Officer (Rev) Jhang, had been requested for recovery as arrears of land revenue. The remaining cases were already under process and recovery was being effected regularly.

The para was kept pending with the directions that pace of recovery be expedited.

20.08.2014 The Department explained that the case of Mr. Muhammad Dilmeer Ex-FG, who had died, was under for process for write off sanction whereas Mr. Muhammad Mushtaq, FG and Mr. Ghulam Haider, Ex- Forester had been dismissed from service and their casse had been referred to Anti Corruption Establishment. Meanwhile, outstanding amount was being recovered from concerned employees.

The Committee reduced the paras to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The **para was kept pending.**

5.3.3 Divisional Forest Officer , Lahore/SKP. – Rs. 3,692,356/-

26.02.2011 The Department explained that all the inquiry cases against the delinquent officials had been finalized and recoveries had been entered in Form.11. Meanwhile efforts were being made to recover the balance amount.

The para was kept pending for balance recovery.

20.08.2014 The Department explained that partial recovery had been effected in subject cases and efforts were being made for balance recovery.

The Committee reduced the amount of paras to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The above **para was kept pending.**

5.3.4 AIR No. 1 Divisional Forest Officer, Chichawatni – Rs. 2,302,640/-

26.02.2011 The Department explained that an amount of Rs.29, 000/- had been recovered and inquiry reports on account of damage of 176 and 153 trees had been finalized and recovery had been imposed on the culprits which would be effected through monthly installments.

The Committee kept the paras pending with the directions that pace of recovery be expedited.

20.08.2014 The Department explained that in compliance with previous directions of PAC, further recovery of Rs.215,510/- had been effected whereas efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The **para was kept pending.**

5.3.4 AIR No. 10 Divisional Forest Officer, Chichawatni – Rs. 111,900/-

26.02.2011 The Department explained that an amount of Rs.29, 000/- had been recovered and inquiry reports on account of damage of 176 and 153 trees had been finalized and recovery had been imposed on the culprits which would be effected through monthly installments.

The Committee kept the paras pending with the directions that pace of recovery be expedited.

20.08.2014 The Department explained that total outstanding amount of Rs.100,000/- had been recovered which could be verified by Audit.

The Committee directed that actual recoverable amount should be reconciled and record be produced to Audit for verification.

The **para was conditionally settled** subject to verification of complete recovery by Audit.

5.3.5 Divisional Forest Officer, Kasure at Changa Manga – Rs. 355,460/-

26.02.2011 The Department explained that all the inquiry cases against the delinquent officials had been finalized and recoveries had been entered in Form.11. Meanwhile efforts were being made to recover the balance amount.

The para was kept pending for balance recovery.

20.08.2014 The Department explained that a sum of Rs.100,777/- had been recovered and efforts were being made for balance recovery.-

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The **para was kept pending**.

4. Para 5.4 Pages 189 & 190 of Audit Report for the year 2009-10, Loss due to non-finalization of forest offence cases – Rs. 16.317 million

5.4.1 Divisional Forest Officer, Sargodha – Rs. 4,202,670/-

5.4.3 Divisional Forest Officer, Rahim Yar Khan – Rs. 2,564,230/-

5.4.4 Divisional Forest Officer, Muzaffar Garh – Rs. 2,360,175/-

5.4.5 Divisional Forest Officer, Rajan Pur – Rs. 2,022,085/-

5.4.6 Divisional Forest Officer, Lahore/SKP – Rs. 1,050,535/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the paras pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that partial recovery had been effected in subject cases and efforts were being made for balance recovery.

The Committee reduced the amount of paras to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The above **paras were kept pending.**

5.4.2 Divisional Forest Officer, Faisal Abad – Rs. 2,525,140/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the para pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that partial recovery had been effected in subject cases and efforts were being made for balance recovery.

The Committee reduced the paras to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The above **para was kept pending.**

5.4.7 Divisional Forest Officer, Chichawatni – Rs. 209,340/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the para pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that three cases of outstanding amount had been decided by the court and accused had been declared as proclaimed offenders.

The Committee directed/recommended that Administrative Department should write a letter to the concerned DPO requesting him to pursue the matter vigorously.

The **para was kept pending.**

5.4.8 AIR No. 4 Divisional Forest Officer, Kasur at Changa Manga – Rs.462,950/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the para pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.4.8 AIR No.10, Divisional Forest Officer, Kasur at Changa Manga – Rs. 131,140/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the para pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that partial recovery had been effected in subject cases and efforts were being made for balance recovery.

The Committee reduced the paras to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The above **para was kept pending.**

5.4.9 Divisional Forest Officer, Multan– Rs. 334,450/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the para pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that a sum of Rs.84,120/- had been recovered and cases of remaining amount were subjudice in the court.

The **para was kept pending.**

5.4.10 Divisional Forest Officer, Jhang – Rs. 101,050/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the paras pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that outstanding amount had already been recovered and balance recovery was outstanding against Mr. Muhammad Dilmeer, Ex-FG who had died and the loss had already been written off by the competent authority.

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

5.4.11 Divisional Forest Officer, (RM) D.G. Khan– Rs. 165,000/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the para pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that partial recovery had been effected in subject cases and efforts were being made for balance recovery.

The Committee reduced the paras to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The above **para was kept pending**.

5.4.12 AIR No. 6, Divisional Forest Officer, Bhakhar – Rs. 158,400/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the paras pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

21.03.2012 The Department explained that necessary action in respect of above Audit observations had already been taken and relevant record had also been got verified by Audit.

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

5.4.13 Divisional Forest Officer, D.G. Khan – Rs. 29,810/-

25.02.2011 The Department explained that necessary action in the light of audit observations had been taken and record had also been got verified by Audit.

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

5. Para 5.5 Pages 190 & 191 of Audit Report for the year 2009-10, Outstanding government dues against contractors – Rs. 12.382 millions

5.5.1 Divisional Forest Officer, Muzaffar Garh – Rs. 8,949,120/-

24.02.2011 The Department explained that 19 lots were initially canceled by Chief Conservator of Forests on 11.06.2009 and the amount of Rs.5,545,646/- was deleted from the Form-II. Meanwhile, the Contractors filed a case in the court of law and the court set aside the cancellation orders of the Department. Thereby the department had filed an appeal in the Supreme Court which was under trial.

The Committee settled the para subject to decision of the court.

20.08.2014 The Department explained that as per decision of the court, contractors were directed to remit the outstanding amount and remove the material sold to them. However, two lots were removed whereas four lots were cancelled because contractors failed to respond and earnest money/call deposit of cancelled lots had been forfeited. It was added that disciplinary action had also been initiated against the responsables on account of missing trees.

The Committee **kept the para pending** with the directions that disciplinary action should be completed within 60 days under intimation to the PAC.

5.5.2 Divisional Forest Officer , Rajanpur – Rs. 1,829,870/-

25.02.2011 The Department explained that the para was discussed in the SDAC meeting held on 24.12.2009 and was kept pending for recovery. Accordingly, a sum of Rs.933,131/- had been recovered and efforts were being made to recover the balance amount.

On different queries of the Committee, the Department could not justify as to why the auction could not be cancelled on non-payment of dues by the contractor within stipulated time.

The Committee therefore directed/recommended that an inquiry be conducted into the matter taking into consideration all aspects of the case and report be submitted to the PAC within one week.

The para was kept pending.

20.08.2014 The Department explained that a sum of Rs.1,659,252/- and Rs.226,347/- had been recovered and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The **para was kept pending**.

5.5.3 Divisional Forest Officer , Multan – Rs. 911,525/-

25.02.2011 The Department explained that in certain cases, recovery had been imposed on the responsible officials and entered in Form-11. Consequently partial recovery had been effected and balance amount would be recovered in due course whereas the remaining cases were under process in the court of law.

The Committee kept the para pending with the directions that court cases be pursued vigorously.

20.08.2014 The Department explained that recovery was being effected regularly in the cases decided by the court and remaining court cases were being pursued vigorously.

The **para was kept pending** for balance recovery.

5.5.4 Divisional Forest Officer , Chichawatni – Rs. 585,704/-

25.02.2011 The Department explained that certain lots were cancelled by the Conservator Forest due to non-payment of sale price and earnest money of the contractor was forfeited. Later, these lots were resold fetching better price and relevant record in support of departmental contention was available for verification.

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

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.5.5 Divisional Forest Officer , Mianwali – Rs. 106,042/-

25.02.2011 The Department explained that all cases involved in the para were relating to the year 1968-69 and it was hardly possible to recover these dues outstanding since long. Therefore, the cases to write off these recoveries had been submitted for approval of the competent authority.

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

20.08.2014 The Department explained that loss had been written off by the competent authority which had also been verified by Audit.

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

6. Para 5.6 Page 192 of Audit Report for the year 2009-10, Expenditure exceeding budget allocation – Rs.303,375/-

19.03.2012 The Department explained that a case had been submitted to Finance Department for regularization of the expenditure but the Finance Department advised that actual position should be explained before PAC at the time of consideration of the Appropriation Accounts of the relevant fiscal year.

The Committee settled the para subject to settlement of the relevant Appropriation Accounts.

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

7. Para 5.7 Pages 192 & 193 of Audit Report for the year 2009-10, Irregular expenditure – Rs. 10.794 million

5.7.1 AIR No. 17, Divisional Forest Officer, Gujrat – Rs. 4,683,056/-

21.03.2012 The Department explained that necessary action in respect of above Audit observations had already been taken and relevant record had also been got verified by Audit.

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

5.7.2 Divisional Forest Officer, Lahore/SKP – Rs. 6,110,650/-

20.08.2014 The Department explained that evaluation of nurseries had been carried out by the DFO Gujrat and an inquiry was also conducted into the matter whereby it was concluded that position of nurseries was good and afforestation was also found successful.

The Committee **kept the para pending** with the directions that complete record in support of its contention should be got verified by Audit within 30 days.

8. Para 5.8 Pages 194 & 195 of Audit Report for the year 2009-10, Loss due to non-finalization of forest prosecuted cases – Rs. 9.946 millions

5.8.1 Divisional Forest Officer, Gujrat – Rs. 3,666,684/-

25.02.2011 The Department explained that the para was discussed in the meeting of SDAC held on 19.12.2009 and was kept pending till the decision of the court. Thereafter, the Court had imposed fine amounting to Rs.22,400/- whereas for the balance amount of

Rs.3,644,284/- the case for write off sanction had been referred to competent authority which would be decided at the earliest.

The Committee accepted the explanation of the Department and settled the para subject to verification of requisite record by Audit.

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.8.2 Divisional Forest Officer, Sargodha – Rs. 2,089,870/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the para pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that an amount of Rs.3,000/- had been written off by the competent authority whereas in 29 cases valuing of Rs.1,092,610/-, the accused had been declared proclaimed offenders by the court and 23 cases were still were under trial.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The above **para was kept pending.**

5.8.3 Divisional Forest Officer, Rajanpur – Rs. 1,826,383/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the para pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that efforts were being made for recovery of outstanding dues and court cases were also being pursued.

The Committee reduced the paras to the extent of amount written off/recovered subject to verification of record by Audit and desired that departmental efforts in remaining cases should be expedited.

The above **para was kept pending.**

5.8.4 Divisional Forest Officer, Lahore/SKP – Rs. 619,931/-

25.02.2011 The Department explained that total amount involved in the para had been written off by the Competent Authority and relevant record in support of departmental contention was available for verification by Audit.

The Committee accepted the explanation of the Department and the para was conditionally settled subject to verification of requisite record.

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.8.5 Divisional Forest Officer, Bhakhar – Rs. 367,590/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the paras pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.8.6 Divisional Forest Officer, Jhang – Rs. 339,350/-

25.02.2011 The Department explained that the para was discussed in the SDAC meeting held on 23.01.2010 and was kept pending for write off sanction of the loss. Accordingly, actual loss had been written off by the competent authority and relevant record was available for verification.

The Committee accepted the explanation of the Department and **settled the para** subject to verification of requisite record by Audit.

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.8.7 Divisional Forest Officer, Faisalabad – Rs. 562,103/-

5.8.9 Divisional Forest Officer, D.G. Khan – Rs. 19,600/-

25.02.2011 The Department explained that necessary action in the light of audit observations had been taken and record had also been got verified by Audit.

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

5.8.8 Divisional Forest Officer, Chichawatni – Rs. 289,633/-

5.8.10 Divisional Forest Officer, Murree – Rs. 138,350/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the paras pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that efforts were being made for recovery of outstanding dues and court cases were also being pursued.

The Committee reduced the paras to the extent of amount written off/recovered subject to verification of record by Audit and desired that departmental efforts in remaining cases should be expedited.

The above **paras were kept pending.**

5.8.11 Divisional Forest Officer, Multan– Rs. 26,020/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the paras pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that as per decision of the court, actual outstanding amount had been recovered whereas balance amount had been written off by the competent authority.

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

9. Para 5.9 Pages 195 & 196 of Audit Report for the year 2009-10, Non pursuance of forest offence cases registered with police – Rs. 7.826 million

5.9.1 Divisional Forest Officer, Rahim Yar Khan – Rs. 6,638,070/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee **kept the paras pending** with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that a sum of Rs.254,190/- and Rs.465,884 had been recovered and efforts were being made for balance recovery as well as finalization of remaining FIRs.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The **para was kept pending.**

5.9.2 Divisional Forest Officer, Chichawatni – Rs. 1,188,500/-

25.02.2011 The Department explained that the above paras related to the forest offence cases which were being pursued vigorously in the courts and efforts were being made to effect the outstanding dues.

The Committee kept the para pending with the direction/recommendation that department should expedite its efforts for early disposal of these cases and expeditious recovery of outstanding dues.

20.08.2014 The Department explained that 8 cases were under trial in the court while in one case, court had declared the accused as proclaimed offenders but no progress was made by the Police Department.

The Committee **kept the para pending** with the directions that PAO should take up the matter with the Inspector General of Police and displeasure of the Committee should be conveyed to the concerned Police formation on account of poor performance in forest offence cases.

10. Para 5.10 Pages 196 to 198 of Audit Report for the year 2009-10, Loss to Government due to irregular charges – Rs. 6.344 million

5.10.1 Divisional Forest Officer, Gujrat – Rs. 1,630,723/-

26.02.2011 The Department explained that para was earlier discussed in the SDAC meeting held on 19-12-2009 and was kept pending for inquiry. Resultantly, the matter was got inquired into by CF, Gujranwala who had concluded that bulk quantity of POL

was procured to save time and to & fro fuel cost. All the entries were made in the log books accordingly and record was available for verification.

The Committee directed/recommended that administrative secretary may examine the inquiry report minutely and submit his recommendations to the PAC at the earliest.

The para was kept pending.

20.08.2014 The Department explained that an inquiry was conducted into the matter whereby it was concluded that no loss had been sustained by the Government and the inquiry report had been vetted by the Administrative Department.

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

5.10.2 Divisional Forest Officer, Gujrat – Rs. 1,137,360/-

5.10.3 Divisional Forest Officer, Gujrat – Rs. 972,738/-

26.02.2011 The Department explained that necessary action in the light of Audit observation had been taken and relevant record had also been verified by Audit.

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

5.10.4 Divisional Forest Officer, Gujrat – Rs. 828,627/-

26.02.2011 The Department explained that as per decision of the SDAC meeting held on 19.12.2009, an inquiry was conducted into the matter by the Conservator Forest, Gujranwala, who concluded that a profuse growth of root suckers coupled with good growth of plantings stock was giving an impact of old growth but no shisham nursery was ever raised at the site mentioned in the Audit observation.

Audit contented that observation was based on the information rendered by a departmental officer who accompanied the Audit team at the time of site verification.

The Committee directed/recommended that Administrative Secretary may thrash out the matter as to why the Audit Team was misled by a departmental officer and take necessary action in the matter accordingly.

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

5.10.5 Divisional Forest Officer, Gujrat – Rs. 688,410/-

26.02.2011 The Department explained that weeding operation was necessary to control and assist the growth of plants and stumps and a latest evaluation report furnished by CF, Extension & Publicity revealed that this plantation was successful to the tune of 90 to 95%. The department further contented that its contention could be verified from the inquiry report which had been conducted to thrash out the matter.

The Committee conditionally settled the para subject to verification of inquiry report and relevant record by Audit.

20.08.2014 The Department explained that an inquiry was conducted into the matter and report thereon, had been duly vetted by the Administrative Secretary which revealed that Daphar plantation/restocking had been carried out as per requirements.

The Committee **settled the para** with the directions that remedial measures should be taken for improvement of Daphar plantation.

5.10.6 Divisional Forest Officer, Gujrat – Rs. 495,000/-

26.02.2011 The Department explained that RFO, Kharian had erroneously written reopening of trenches instead of digging of trenches in the cash book due to which a warning was issued to him. It was added that all the record in support of departmental contention was available for verification.

The Committee accepted the explanation of the Department and settled the para subject to verification of relevant record by Audit.

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.10.7 Divisional Forest Officer, Gujrat – Rs. 391,385/-

5.10.8 Divisional Forest Officer, Kasure at Changa Manga – Rs. 200,000/-

26.02.2011 The Department explained that necessary action in the light of Audit observation had been taken and relevant record had also been verified by audit.

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

11. Para 5.11 Pages 198 & 199 of Audit Report for the year 2009-10, Loss to Government due to excess charging on account of forest operations – Rs.2.292 million

5.11.1 Divisional Forest Officer, Jhang – Rs. 1,406,250/-

26.02.2011 The Department explained that necessary action in the light of Audit observation had been taken and relevant record had also been verified by audit.

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

5.11.2 AIR No. 8, Divisional Forest Officer, Gujrat – Rs. 327,900/-

20.03.2012 The Department explained that the name of Development scheme as mentioned in the Audit observation was not correct and actually the afforestation was carried

out along RQ link canal under Development Scheme “Afforestation of blank reaches along Canals in Central Zone”. It was added that original vouchers of the exact location were available for verification and successful plantation existed at site which had also been got verified by CF Extension & Publicity and duly vetted by the Administrative Secretary.

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

20.08.2014 The Department explained that evaluation of the afforestation had been carried out which had been vetted by Administrative Department and successful plantation still existed at site.

The Committee **settled the para subject to verification** of evaluation report by Audit

5.11.2 AIR No. 9, Divisional Forest Officer, Gujrat – Rs. 270,000/-

5.11.2 AIR No. 10, Divisional Forest Officer, Gujrat – Rs. 206,250/-

20.03.2012 The Department explained that irrigations were done in accordance with the scheme provisions and keeping in view the climatic conditions. The adjustment in number of irrigations was made keeping in view of the needs of the hour. It was added that successful forest crop had been got verified by CF Extension & Publicity.

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

5.11.3 Divisional Forest Officer, Chakwal – Rs. 82,500/-

19.03.2012 The Department explained that necessary action in the matter had already been taken and relevant record had also been got verified by Audit.

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

12. Para No.5.12 Page 200 of Audit Report for the year 2009-10, Overpayment Rs.353,859/- due to award of contract at higher rates

20.08.2014 The Department explained that as per PC-I, 18 quarters were to be constructed for which the scheme was bifurcated into two lots. The tenders of two different contractors were accepted on merit and work was executed as per advertisement. Moreover, CF, Lahore imposed recovery on account of overpayment due to award of contract at higher rate but the concerned officers/officials filed an appeal and Chief Conservator of Forests, Lahore set aside the orders of recovery. As such, no irregularity was committed.

The Committee was not satisfied with the explanation of the Department and directed/recommended that PAO should hold inquiry into the matter and seek an advice from the Finance Department to resolve the issue.

The **para was kept pending.**

13. Para 5.13 Pages 200 & 201 of Audit Report for the year 2009-10, Non disposal of wood lying in custody of private persons – Rs.2.683 million

5.13.1 AIR No. 1, Divisional Forest Officer, Bhakhar– Rs. 1,442,000/-

21.03.2012 The Department explained that all the *superdari* material involved in the Audit observation had been disposed off and the amount received had been adjusted in the monthly accounts till August 2011.

Audit contended that department did not produce any record in support its contention.

The Committee kept the para pending for early disposal of material and its verification by Audit.

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.13.2 Divisional Forest Officer, Rahim Yar Khan – Rs. 630,575/-

20.08.2014 The Department explained that partial recovery had been effected and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The **para was kept pending.**

5.13.3 AIR No. 11, Divisional Forest Officer, Muzaffar Garh – Rs. 353,420/-

21.03.2012 The Department explained that the matter had already been probed by conservator of Forest Dera Ghazi Khan and resultantly, disciplinary action had also been taken against the responsible officials/officers. It was added that an amount of Rs.24,424/- had been recovered and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovered amount with the directions that balance recovery should be effected at the earliest and relevant record be produced to Audit for verification.

The para was kept pending.

20.08.2014 The Department explained that actual recoverable amount was Rs.1,321,894/-, out of which a sum of Rs.81,412/- had been recovered and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The **para was kept pending.**

5.13.4 AIR No. 11, Divisional Forest Officer, Sargodha – Rs. 136,750/-

21.03.2012 The Department explained that necessary action in respect of above Audit observations had already been taken and relevant record had also been got verified by Audit.

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

5.13.5 AIR No. 12, Divisional Forest Officer, Rajanpur – Rs. 75,960/-

21.03.2012 The Department explained that all the material involved in the para had been disposed off through auction in different lots on different dates and all the bid sheets and treasury challans in this respect were available for verification.

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

20.08.2014 The Department explained that total outstanding amount had been recovered and income tax had also been deducted which could be verified by Audit.

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

5.13.6 (AIR para No. 18) Divisional Forest Officer, Faisalabad

21.03.2012 The Department explained that out of total 63 items of 808.83 cft involved in the para, 06 items measuring 22.82 cft valuing Rs, 2,900/- had been sold and sale price had been adjusted in the accounts, whereas price of one tree had been compounded and in case of 7 trees FIRs had been registered against the offenders. The matter of remaining 49 trees had been included in lotwara for auction and efforts were being made for early disposal of this material.

The para was kept pending for disposal of material and verification of relevant record by Audit.

20.08.2014 The Department explained that total outstanding amount had been recovered which could be verified by Audit.

The **para was conditionally settled** subject to verification of complete recovery by Audit.

5.13.7 (AIR para No. 24) Divisional Forest Officer, Kasur at Changa Manga – Rs. 44,925/-

21.03.2012 The Department explained that timber/ fire wood had been auctioned and an amount of Rs.30,591/- had been deposited into Government Treasury which could be verified by Audit.

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

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

14. Para 5.14 Pages 202 & 203 of Audit Report for the year 2009-10, Loss to government due to failure of plantation – Rs. 2.487 million

5.14.1 AIR No. 6, Divisional Forest Officer, Lahore/SKP – Rs. 477,300/-

20.08.2014 The Department explained that evaluation of afforestation had been carried out by Conservator of Forests, Sargodha which transpired that it was quite successful.

The Committee directed/recommended that departmental contention should be certified by the CCF and PAO.

The **para was conditionally settled** subject to verification of requisite certificate by Audit.

5.14.1 AIR No. 7, Divisional Forest Officer, Lahore/SKP – Rs. 167,836/-

20.08.2014 The Department explained that evaluation of nurseries had been carried out by the CF Sargodha and recovery had been imposed on concerned official on account of failure of 2 acres bed nursery which had been included Form 11

The **para was kept pending** for recovery of outstanding dues.

5.14.2 AIR No. 5, Divisional Forest Officer, Multan – Rs. 597,000/-

20.03.2012 The Department explained that the contractor responsible for non-fulfillment of agreement had been declared a proclaimed offender by the Court and proceedings against him would be resumed on his arrest.

The Committee directed/recommended that the matter may be re-examined/thrashed out by the Administrative Secretary and responsibility should be fixed for the lapse under intimation to the PAC with 60 days.

The para was kept pending.

20.08.2014 The Department explained that accused had been declared as proclaimed offender and revenue authorities were being pursued for recovery of outstanding dues from the contractor.

The **para was kept pending** for recovery of outstanding dues.

5.14.3 AIR No. 2, Divisional Forest Officer, Jhang – Rs. 433,170/-

5.14.3 AIR No. 3, Divisional Forest Officer, Jhang – Rs. 283,500/-

5.14.3 AIR No. 5, Divisional Forest Officer, Jhang – Rs. 128,210/-

21.03.2012 The above paras related to fake drawal of maintenance charges and the Department explained item-wise position in each case stating that disciplinary action was being taken against the responsables under the relevant law/rules.

The Committee was not satisfied with the explanation of the Department and directed/recommended that an inquiry should be conducted into the matter and responsibility be fixed for the lapse within 60 days under intimation to the PAC.

The paras were kept pending.

20.08.2014 The Department explained that an inquiry was conducted into the matter whereby it was concluded that lands owner was responsible for the loss and there was no contractual obligation on him for payment of any loss. As such, the concerned officials could not be held responsables.

The Committee directed/recommended that inquiry report as well as relevant record in support of departmental contention should be got verified by Audit.

The above **paras were conditionally settled** subject to above directions.

5.14.4 AIR No. 2, Divisional Forest Officer, Faisalabad – Rs. 400,524/-

21.03.2012 The Department explained that partial recovery amounting Rs.3,300/- had been effected and strenuous efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovered amount with the directions that balance recovery should be effected at the earliest.

The para was kept pending.

20.08.2014 The Department explained that out of balance recovery amounting to Rs.590,586/-, further recovery of Rs.236,000/- had also been effected and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The **para was kept pending**.

15. Para 5.15 Pages 203 & 204 of Audit Report for the year 2009-10, Misappropriation of earnest money – Rs. 555,310/-

AIR No. 1, DFO, Faisalabad

20.03.2012 The Department explained that after conducting a high level inquiry, the Administrative Secretary had imposed recovery upon the accused SDFO Mr. Israr-ul-Haq and dismissed him from service. However, criminal proceedings could not be initiated against him because he was reinstated in service by the Punjab Service Tribunal. It was added that an intra department Committee had been constituted to probe the matter again and charge sheet was being framed against the accused.

The para was kept pending with the directions that departmental action should be expedited.

20.08.2014 The Department explained that recovery had been imposed upon the accused officer and revenue authorities had been requested for recovery of outstanding dues as arrears of land revenue. Meanwhile, Anti Corruption Establishment had also been approached for proceeding against the accused person.

The para was kept pending with the directions that matter should be pursued vigorously.

16. Para 5.16 Pages 204 & 205 of Audit Report for the year 2009-10, Irregular and unauthorized expenditure on account of afforestation/maintenance charges – Rs. 1.896 million

AIR No. 3, DFO, Kasur at Changa Manga

20.03.2012 The Department explained that matter had been probed and the report thereon revealed that area along Depalpur canal was not fit for afforestation whereas a wide strip of land was available along MBL canal which had perennial water supply from BRB canal. As such the location was changed on the directions of senior Officers keeping in view the availability of better site conditions and the crops so raised had been found very successful with a survival rate of more than 75%.

Audit contented that the Department had not yet fixed responsibility as per decision of the SDAC nor the PC-I had been revised.

The Committee recommended/directed that an inquiry should be conducted into the matter by the Administrative Secretary and responsibility be fixed for the lapse within 60 days under intimation to the PAC.

The para was kept pending.

20.08.2014 The Department explained that as per directions of PAC, an inquiry was conducted into the matter and thereafter, the matter was placed before the DDSC which approved the change of site and DDSC was fully competent for the purpose.

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

17. Para 5.17 Pages 205 & 206 of Audit Report for the year 2009-10, Issuance of plants/stumps free of cost – Rs. 1.627 millions

5.17.1 Divisional Forest Officer, Kasur at Changa Manga – Rs. 221,380/-

19.03.2012 The Department explained that plants/stumps were provided free of cost to the Government Departments to encourage new plantation in the best environmental interest and the case for *ex-post facto* sanction had already been submitted to Finance Department.

The Committee settled the para subject to the condonation of the irregularity by the Finance Department and verification of requisite record by Audit.

20.08.2014 The Department explained that free of cost plants had been provided with due approval of the competent authority and approval of the Chief Minister Punjab had also been obtained in the matter.

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

5.17.2 AIR No. 11 Divisional Forest Officer, Lahore/SKP – Rs. 549,400/-

5.17.2 AIR No. 17 Divisional Forest Officer, Lahore/SKP – Rs. 116,540/-

20.08.2014 The Department explained that plants had been provided to Pak Army and Educational Institutions and a case for regularization of the matter had already been moved for approval of the competent authority.

Audit stated that regularization was not required in the matter, only acknowledgments of the recipient formations were sufficient to satisfy the Audit observation.

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

5.17.3 Divisional Forest Officer, Bahawalpur – Rs. 192,144/-

19.03.2012 The Department explained that plants/stumps were provided free of cost to the Government Departments to encourage new plantation in the best environmental interest and the case for *ex-post facto* sanction had already been submitted to Finance Department.

The Committee settled the para subject to the condonation of the irregularity by the Finance Department and verification of requisite record by Audit.

20.08.2014 The Department explained that plants had been provided free of cost to different Government formations and a case for regularization of the matter had already been moved for approval of the competent authority.

The Committee **settled the above para** with the directions that a case for necessary amendments in relevant rules should be moved to the Finance Department at the earliest and acknowledgments of the recipient formations should be ensured and produced to Audit for verification. The Committee further directed that in all such cases, if the issuance was made beyond competency of an officer, the matter should be got regularized from the competent authority.

5.17.4 Divisional Forest Officer, Jhang – Rs. 149,000/-

19.03.2012 The Department explained that plants/stumps were provided free of cost to the Government Departments to encourage new plantation in the best environmental interest and the case for *ex-post facto* sanction had already been submitted to Finance Department.

The Committee settled the paras subject to the condonation of the irregularity by the Finance Department and verification of requisite record by Audit.

20.08.2014 The Department explained that the matter for condonation of irregularity had been referred to the Finance Department which was still under process.

The **para was conditionally settled** subject to decision of the Finance Department within 30 days.

5.17.5 Divisional Forest Officer, D.G. Khan – Rs. 134,966/-

5.17.6 Divisional Forest Officer, Chakwal – Rs. 102,400/-

5.17.7 Divisional Forest Officer, Faisalabad – Rs. 65,000/-

19.03.2012 The Department explained that plants/stumps were provided free of cost to the Government Departments to encourage new plantation in the best environmental interest and the case for *ex-post facto* sanction had already been submitted to Finance Department.

The Committee settled the paras subject to the condonation of the irregularity by the Finance Department and verification of requisite record by Audit.

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.17.8 Divisional Forest Officer, Gujrat – Rs. 51,100/-

19.03.2012 The Department explained that plants/stumps were provided free of cost to the Government Departments to encourage new plantation in the best environmental interest and the case for *ex-post facto* sanction had already been submitted to Finance Department.

The Committee settled the paras subject to the condonation of the irregularity by the Finance Department and verification of requisite record by Audit.

20.08.2014 The Department explained that plants had been provided free of cost to different Government formations and a case for regularization of the matter had already been moved for approval of the competent authority.

The Committee **settled the above para** with the directions that a case for necessary amendments in relevant rules should be moved to the Finance Department at the earliest and acknowledgments of the recipient formations should be ensured and produced to Audit for verification. The Committee further directed that in all such cases, if the issuance was made beyond competency of an officer, the matter should be got regularized from the competent authority.

5.17.9 Divisional Forest Officer, R.Y.Khan – Rs. 45,700/-

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

18. Para No.5.18 Pages 206 & 207 of Audit Report for the year 2009-10, Non-recovery of electricity and water charges from the contractors – Rs.1.476 million

20.08.2014 The Administrative Secretary admitted that there was huge fluctuation in units consumed and resolved that matter would be thrashed out at the level of Administrative Department.

The Committee directed/recommended that an inquiry should be conducted into the matter within 60 days and further actions should be taken by PAO accordingly.

The **para was kept pending.**

19. Para No.5.19 Pages 207 & 208 of Audit Report for the year 2009-10, Overpayment due to charging of excess quantities and award of work order at higher rate than approved rates – Rs.1.130 million

20.08.2014 The Department explained that the an inquiry was conducted into the matter whereby it was concluded that amount charged in excess was due to an arithmetic error in calculation and not due to excessive rates.

Audit contended that during verification of record, excess quantities of work had also been noticed.

The Committee directed/recommended that error should be rectified and matter should be reconciled with Audit and excess quantities of work should be got regularized from the competent forum.

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

20. Para 5.20 Pages 208 & 209 of Audit Report for the year 2009-10, Irregular and fake drawal on account of construction/renovation of walking track – Rs.639,000/-

19.03.2012 The Department explained that the matter had already been thrashed out and the Administrative Secretary contented in the meeting that he was satisfied that no loss to the government was involved in the matter.

In view of above assurance of the Administrative Secretary, the Committee **settled the para.**

21. Para 5.21 Pages 209 & 210 of Audit Report for the year 2009-10, Less recovery/non-deposit on account of forest compounded cases – Rs. 201,700/-

5.21.1 AIR No.6, Divisional Forest Officer, Faisalabad – Rs. 53,200/-

21.03.2012 The Department explained that necessary action in respect of above Audit observations had already been taken and relevant record had also been got verified by Audit.

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

5.21.2 Divisional Forest Officer, Rahim Yar Khan – Rs. 77,000/-

5.21.3 Divisional Forest Officer, Muzaffar Garh – Rs. 48,500/-

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.21.4 AIR No.11, Divisional Forest Officer, Rajan Pur – Rs. 23,000/-

20.03.2012 The Department explained that the total recovery had been effected and deposited into the Government Treasury. Moreover, the relevant record had also been verified by Audit. It was added that concerned incumbent of the para had passed away in recent past.

The Committee expressed its concern on the fact that government receipts were deposited into Govt. treasury after lapse of several years and supervisory internal controls seemed to be non-existent in the Department.

The Committee therefore directed /recommended that an enquiry should be conducted into the matter by the Administrative Secretary and responsibility be fixed for the lapse and internal controls should also be strengthened.

The para was kept pending.

20.08.2014 The Department explained that in compliance with the directions of PAC, an inquiry was conducted into the matter and recovery was imposed on the concerned official. It was added that an amount of Rs.23,000/- had been recovered and the accused has died, therefore, no further action was possible in the matter.

The Committee directed/recommended that outstanding dues against the deceased should be set aside by the competent authority and relevant record should be got verified by Audit.

Subject to above directions, the **para was conditionally settled.**

22. Para 5.22 Pages 210 & 211 of Audit Report for the year 2009-10, Irregular Expenditure due to Deviation to PC-I – Rs. 819,825/-

5.22.1 AIR No. 7, Divisional Forest Officer, Gujrat – Rs. 491,825/-

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

5.22.1 AIR No. 25, Divisional Forest Officer, Gujrat – Rs. 491,825/-

20.08.2014 The Department explained that PC-I of "Environmental Afforestation of Degraded Lands along Canals of Sargodha and Gujrat Forest Division" had been got revised from DDSC which could be verified by Audit.

The Director (Monitoring) Finance Department opined that revision of PC-I was not required to be vetted by the Planning & Development Department after approval of DDSC.

The Committee **settled the para** with the directions that decision of the subject para would not be applicable on any other autonomous institution/universities.

5.22.2 AIR para No. 4, Divisional Forest Officer, Faisalabad – Rs.168,250/-

5.22.2 AIR para No. 16, Divisional Forest Officer, Faisalabad – Rs.87,750/-

20.03.2012 The Department explained that the matter had been inquired by the Chief Conservator of Forest, Lahore Zone who concluded that no over payment and excess charges had been made.

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

5.22.3 Divisional Forest Officer, Lahore/SKP. – Rs.72,000/-

20.03.2012 The Department explained that a rough cost estimate was prepared for model plantation but the ornamental plants were not available at low rate of Rs.5/-. Since all the plants were ornamental, therefore revised estimate was approved by the competent authority. It was added that all the purchases were made at economical rates after observing all the codal formalities.

The Committee expressed its concern on the huge difference between rough cost and actual cost of the plants. However, taking a lenient view, the Committee **settled the para** with the directions that such lapses should be strictly avoided in future.

23. Para No.5.23 Pages 211 & 212 of Audit Report for the year 2009-10, Loss due to theft of trees – Rs.430,761/-

5.23.1 Divisional Forest Officer, Bhakhar – Rs. 303,200/-

20.08.2014 The Department explained that a *denovo* inquiry was conducted into the matter and resultantly actual recovery was worked out to Rs.399,600/- out of which an amount of Rs.89,000/- had been recovered and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The **para was kept pending.**

5.23.2 Divisional Forest Officer, Muzaffar Garh – Rs. 127,561/-

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

24. Para 5.24 Pages 212 to 214 of Audit Report for the year 2009-10, Excess drawal – Rs.352,658/-

(A) AIR No.12, DFO, Lahore – Sheikhpura

19.03.2012 The Department explained that 05 nos of Electric Water Coolers were installed on the directions of Chief Secretary, Punjab at Jallo Forest Park under approved PC-I Scheme. Electric Water Coolers were installed with accessories i.e. Motor box, G.I Sheet, Iron frame with concrete fitting, Water donkey pump with bore 200 feet, Water gallons etc. The expenditure was incurred according to the site conditions after observing the codal formalities. Moreover, the matter was got inquired and inquiry report had duly

been got vetted by the Administrative Secretary which has also been produced to Audit for verification.

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

(B) AIR No. 28, DFO, Lahore – Sheikhpura

19.03.2012 The Department explained that ornamental plants had been planted and more irrigation than rough cost estimate was required due to conditions at site. Therefore, the revised estimate/APO had also been got approved by the competent authority.

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

20.08.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

25. Para 5.25 Page 214 of Audit Report for the year 2009-10, Illegal occupation of government property and non-recovery of lease money – Rs. 287,950/-

AIR No. 11, DFO, Lahore - Sheikhpura

20.03.2012 The Department explained that an amount of Rs.287,950/- was standing against M/s. Khawaja Oil Company and the matter was subjudice in Lahore High Court and civil court Lahore.

The Committee **kept the para pending** with the directions that the matter should be pursued vigorously.

20.08.2014 The Department explained that an amount of Rs.150,000/- had been recovered and matter regarding balance recovery was *sub-judice* in the court.

Being *sub-judice*, the **para was kept pending.**

26. Para 5.26 Pages 214 & 215 of Audit Report for the year 2009-10, Loss due to misappropriation of auction amount – Rs. 84,588/-

AIR No. 7, DFO, Faisalabad

21.03.2012 The Department explained that after conducting a high level inquiry, the Administrative Secretary had imposed recovery of Rs. 5,226,967/- upon the accused SDFO Mr. Israr-ul-Haq and dismissed him from service. The criminal proceedings couldn't be initiated against because he was reinstated by the Punjab Service Tribunal with the directions that a *de-novo* inquiry should be conducted against him. Accordingly, an intra Departmental Committee had been constituted and further action in the matter would be taken accordingly.

The **para was kept pending.**

20.08.2014 The Department explained that the case for recovery of outstanding dues against Mr. Israr-ul-Haq, Ex-SDFO had referred to District Collector and Anti-Corruption Establishment had also been approached to proceed against the said official. As such, efforts were being made for recovery as arrears of land revenue.

The **para was kept pending** with the directions that matter should be pursued vigorously.

27. Para 5.27 Pages 215 & 216 of Audit Report for the year 2009-10, Loss due to shortage of timber and firewood – Rs. 494,526/-

(a) AIR No. 3, DFO, Faisalabad

21.03.2012 The Department explained that a sum of Rs. 51,000/- had been recovered and strenuous efforts were being made for balance recovery. It was added that disciplinary action had also been taken against responsible officers/officials.

The para was reduced to the extent of recovered amount with the directions that balance recovery should be expedited.

The para was kept pending.

20.08.2014 The Department explained that DFO Faisalabad had decided the matter on 6.3.2014 and efforts were being made for recovery of outstanding dues.

The Committee reduced the para to the extent of recovery verified by Audit and directed that balance recovery should be expedited.

The **para was kept pending.**

(b) AIR No. 13, DFO, Chichawatni

21.03.2012 The Department explained that necessary action in respect of above Audit observations had already been taken and relevant record had also been got verified by Audit.

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

HEALTH

The paras were discussed in the meetings of PAC-II held on 20.12.2010, 21.12.2010, 22.12.2010, 25.08.2011, 26.08.2011, 27.08.2011, 17.02.2014, 18.02.2014, 19.02.2014 & 26.02.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Page 210 of Appropriation Accounts for the year 2009-10

07 Health
 076 Health Administration
 0761 Administration
 076101 Administration
LQ4074 Health Department

Final Grant		Rs.94,454,000/-
Actual Expenditure		Rs.90,938,488/-
Saving	(-)	Rs. 3,515,512/-
Percentage		3.72%

2. Grant No. PC21016 (016) Health Services Pages 212 to 258 of Appropriation Accounts for the year 2009-10

(i) 07 Health
 073 Hospital Services
 0731 General Hospital Services
 073101 General Hospital Services
FQ4001 DHQ Hospital/Allied Hospitals Punjab Medical Colleges Hospital Faisalabad

Final Grant		Rs.1,726,789,000/-
Actual Expenditure		Rs.1,612,450,105/-
Saving	(-)	Rs. 114,338,895/-
Percentage		6.62%

(ii) 07 Health
 073 Hospital Services
 0731 General Hospital Services
 073101 General Hospital Services
FQ4551 Faisalabad Institute of Cardiology, Faisalabad

Final Grant		Rs.333,525,000/-
Actual Expenditure		Rs.300,798,863/-
Saving	(-)	Rs. 32,726,137/-
Percentage		9.81%

(iii) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
LQ4166 Model Chest Clinic Lahore

Final Grant		Rs.3,862,000/-
Actual Expenditure		Rs.3,325,711/-
Saving	(-)	Rs. 536,289/-
Percentage		13.89%

(iv) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
LQ4173 Punjab Institute of Cardiology

Final Grant		Rs.1,116,775,000/-
Actual Expenditure		Rs.1,007,719,640/-
Saving	(-)	Rs. 109,055,360/-
Percentage		9.77%

(v) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
LQ4176 Services Hospital/SIMS Lahore

Final Grant		Rs.1,429,095,000/-
Actual Expenditure		Rs.1,414,509,154/-
Saving	(-)	Rs. 14,585,846/-
Percentage		1.02%

(vi) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
LQ4471 Nishtar Institute of Dentistry Multan

Final Grant		Rs.56,951,000/-
Actual Expenditure		Rs.50,585,478/-
Saving	(-)	Rs. 6,365,522/-
Percentage		11.18%

(vii) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
LQ5883 Lady Aitcheson Hospital Lahore

Final Grant		Rs.126,134,000/-
Actual Expenditure		Rs.123,621,256/-
Saving	(-)	Rs. 2,512,744/-
Percentage		1.99%

(viii) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
MP4009 Multan Institute of Cardiology Multan

Final Grant		Rs.359,437,000/-
Actual Expenditure		Rs.317,714,437/-
Saving	(-)	Rs. 41,722,563/-
Percentage		11.61%

(ix) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
MP4010 Children Complex Multan PH-II

Final Grant		Rs.208,087,000/-
Actual Expenditure		Rs.192,257,973/-
Saving	(-)	Rs. 15,829,027/-
Percentage		7.61%

(x) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
RA4004 Tuberculosis Sanatorium Sami

Final Grant		Rs.52,108,000/-
Actual Expenditure		Rs.49,858,615/-
Saving	(-)	Rs. 2,249,385/-
Percentage		4.32%

- (xi) 07 Health
073 Hospital Services
0732 General Hospital Services
073201 Special Hospital Services (Mental Hospital)
LQ4181 Mental Hospital

Final Grant		Rs.320,703,000/-
Actual Expenditure		Rs.266,160,393/-
Saving	(-)	Rs. 54,542,607/-
Percentage		17.01%

- (xii) 07 Health
074 Public Health Services
0741 Public Health Services
074104 Chemical Examiner & Laboratories
LQ4183 Bacteriological Laboratory

Final Grant		Rs.7,847,000/-
Actual Expenditure		Rs.6,745,314/-
Saving	(-)	Rs.1,101,686/-
Percentage		14.04%

- (xiii) 07 Health
074 Public Health Services
0741 Public Health Services
074104 Chemical Examiner & Laboratories
LQ4184 Food Laboratory

Final Grant		Rs.14,735,000/-
Actual Expenditure		Rs.11,408,510/-
Saving	(-)	Rs. 3,326,490/-
Percentage		22.58%

- (xiv) 07 Health
074 Public Health Services
0741 Public Health Services
074104 Chemical Examiner & Laboratories
LQ4185 Drug Laboratory

Final Grant		Rs.25,200,000/-
Actual Expenditure		Rs.24,203,760/-
Saving	(-)	Rs. 996,240/-
Percentage		3.95%

- (xv) 07 Health
 076 Hospital Administration
 0761 Administration
 076101 Administration
LQ4163 Provincial Blood Transfusion

Final Grant		Rs.184,200,000/-
Actual Expenditure		Rs.103,911,123/-
Saving	(-)	Rs. 80,288,877/-
Percentage		43.59%

- (xvi) 09 Education Affairs & Services
 093 Tertiary Education Affairs & Services
 0931 Tertiary Education Affairs & Services
 093102 Professional / Technical / Universities / Colleges
LQ4155 College of Nursing Punjab

Final Grant		Rs.24,542,000/-
Actual Expenditure		Rs.20,762,699/-
Saving	(-)	Rs. 3,779,301/-
Percentage		15.40%

- (xvii) 09 Education Affairs & Services
 093 Tertiary Education Affairs & Services
 0931 Tertiary Education Affairs & Services
 093102 Professional / Technical / Universities / Colleges
LQ5878 School Nursing at Mayo Hospital Lahore

Final Grant		Rs.32,151,000/-
Actual Expenditure		Rs.31,900,372/-
Saving	(-)	Rs. 250,628/-
Percentage		0.78%

19.02.2014 The Department explained that saving had occurred because numerous posts were lying vacant and in certain cases payment of bills could not be made till the closure of financial year which resulted in lapse of funds.

The **above items were settled** with the directions that in future, un-utilized funds pertaining to the sub-heads of Pay & Allowances should be surrendered at the time of 2nd statement of excesses & surrenders after retaining funds for remaining 3 months.

- (xviii) 07 Health
 073 Hospital Services
 0731 General Hospital Services
 073101 General Hospital Services
BO4002 BV Hospital/QAMC Bahawalpur

Final Grant		Rs.1,571,565,000/-
Actual Expenditure		Rs.1,403,157,154/-
Saving	(-)	Rs. 168,407,846/-
Percentage		10.72%

19.02.2014 The Department explained that saving under the sub-heads of Pay & Allowances was due to vacant posts whereas bulk of the saving under the other sub-heads was owing to release of funds on 11th June. As such the funds could not be utilized.

The Committee expressed its displeasure on the lapse that proper explanation had not been depicted in the working papers in violation of the instructions of the PAC circulated to all the concerned departments after intervals.

The **item was conditionally settled** subject to verification of departmental contention by AG office, regarding late receipt of funds.

- (xix) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
LQ4167 Dental Hospital Lahore

Final Grant		Rs.87,632,000/-
Actual Expenditure		Rs.81,160,647/-
Saving	(-)	Rs. 6,471,353/-
Percentage		7.38%

19.02.2014 The Department explained that bulk of the saving was under the sub-head of Operating Expenses due to non-finalization of purchase process of some important items and non-receipt of utility bills for the month of June.

On various queries of the Committee, the representative of concerned hospital could not explain the factual position adequately.

The Committee noticed with concern that there was huge saving under the sub-head of operating expenses, as per departmental contention only due to non-receipt of one month's bill and the departmental representatives were not well-prepared for the PAC business.

The Committee **kept the item pending** with the directions that complete facts and figures along with details of previous bills should be furnished whether funds lapsed due to negligence of concerned authorities.

- (xx) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
LQ4168 Pediatric Hospital /Institute Lahore Nursing School–Cum-Hostel

Final Grant		Rs.807,629,000/-
Actual Expenditure		Rs.813,743,077/-
Excess	(+)	Rs. 6,114,077/-
Percentage		0.76%

19.02.2014 The Department explained that AG office had wrongly depicted the excess expenditure of Rs.39.653 million under the sub-head of Repair & Maintenance whereas as per factual position, supplementary funds amounting to Rs.40.944 million had been allocated by the Finance Department vide a letter dated 1.2.2010. As such, there was overall saving in the above item.

The Committee **settled the item** subject to reconciliation/verification of departmental contention by AG office.

(xxi)	07	Health
	073	Hospital Services
	0731	General Hospital Services
	073101	General Hospital Services

LQ4169 Other Hospitals & Dispensaries Mufassil Hospitals & Dispensaries

Final Grant		Rs.539,579,000/-
Actual Expenditure		Rs.508,537,231/-
Saving	(-)	Rs. 31,041,769/-
Percentage		5.75%

19.02.2014 The Department explained that saving was mainly due to late receipt of bills for purchase of medicines and certain institutions did not receive utility bills for the months of June. Moreover, funds allocated for purchase of dialysis machines could not be utilized due to some codal formalities.

The Committee accepted the contention of Department and **settled the item**.

(xxii)	07	Health
	073	Hospital Services
	0731	General Hospital Services
	073101	General Hospital Services

LQ4171 Lahore General Hospital PGMI Lahore

Final Grant		Rs.1,007,605,000/-
Actual Expenditure		Rs. 948,021,799/-
Saving	(-)	Rs. 59,583,201/-
Percentage		5.91%

19.02.2014 The Department explained that bulk of the funds had been utilized and there was meager saving against various sub-heads.

On various queries of the Committee, the departmental representative could not render proper justification for the saving.

The Committee expressed its displeasure on concerned officers for not being well-prepared for PAC meeting and directed the Administrative Department to examine the matter thoroughly whether funds were actually lapsed due to negligence of concerned officers and take further action accordingly.

Subject to commitment of the Administrative Secretary, **the item was settled.**

(xxiii) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
LQ4172 Jinnah Hospital AIMC Lahore

Final Grant		Rs.1,439,740,000/-
Actual Expenditure		Rs.1,354,707,652/-
Saving	(-)	Rs. 85,032,348/-
Percentage		5.91%

19.02.2014 The Department explained that bulk of the funds had been utilized and there was minor saving under various sub-heads because re-imbusement cases could not be finalized, utility bills for the month of June were not received as well as bills for repair and maintenance works were not timely received and in certain cases, the purchase process could not be timely completed which resulted in lapse of funds.

The Committee directed the Administrative Department to examine the matter thoroughly whether funds were actually lapsed due to negligence of concerned officers and take further action accordingly.

Subject to commitment of the Administrative Secretary, **the item was settled.**

(xxiv) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
LQ4179 Punjab Rural Support Program

Final Grant		Rs.47,773,000/-
Actual Expenditure		Rs.47,773,000/-
Excess/Saving		<i>Nil</i>
Percentage		0.00%

19.02.2014 The Department explained that all the allocated funds were fully utilized for the intended purposes.

The item was accordingly settled.

(xxv) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
LQ5879 Mayo Hospital Lahore

Final Grant		Rs.1,574,024,000/-
Actual Expenditure		Rs.1,315,812,225/-
Saving	(-)	Rs. 258,211,775/-
Percentage		16.40%

19.02.2014 The Department explained that saving was mainly due to vacant posts and non-finalization of some reimbursement claims. Moreover, the amount of bills was reduced after reconciliation with SNGPL.

The Committee settled the item with the directions that un-utilized funds should be surrendered well in time.

(xxvi) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
LQ5882 Lady Willington Hospital Lahore

Final Grant		Rs.262,840,000/-
Actual Expenditure		Rs.238,223,160/-
Saving	(-)	Rs. 24,616,840/-
Percentage		9.37%

19.02.2014 The Department explained that saving was mainly due to vacant posts and receipt of supplementary funds under various sub-heads on 14 June which could not be utilized. Moreover, funds under the sub-head of operating expenses were surrendered but the same was not approved by the Finance Department thus resulting in saving.

The Committee directed that Administrative Department should probe into the matter regarding late receipt and failure in surrender of funds and factual position be got verified by AG under intimation to the PAC.

Subject to above directions, the item was conditionally settled.

- (xxvii) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services

LW4096 Punjab Institute of Preventive Ophthalmology Lahore

Final Grant		Rs.39,086,000/-
Actual Expenditure		Rs.22,058,340/-
Saving	(-)	Rs.17,027,660/-
Percentage		43.56%

19.02.2014 The Department explained that minor saving was mainly due to vacant posts and non-finalization of some medical re-imburement claims. Moreover, funds allocated for purchase of two coaches could not be utilized due to non-clearance of proposal by the austerity committee.

The Committee **settled the item** with the directions that in future, proper explanation for each item should be furnished in the working papers.

- (xxviii)07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services

MP4005 Nishtar Hospital /NMC Multan

Final Grant		Rs.1,581,638,000/-
Actual Expenditure		Rs.1,252,829,708/-
Saving	(-)	Rs. 328,808,292/-
Percentage		20.79%

19.02.2014 The Department explained that numerous posts were lying vacant and excess funds were allocated under the sub-head of Operating Expenses than demanded. Moreover, a sum of Rs.50 million and 7.5 million was released by the Finance Department in the months of May & June 2010 which could not be utilized due to some codal formalities.

The Committee **settled the item** with the directions that such lapses should be avoided in future.

- (xxix) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services

RA4005 DHQ/RGH/Holy Family Hospital /RMC Rawalpindi

Final Grant		Rs.1,904,036,000/-
Actual Expenditure		Rs.1,714,170,900/-
Saving	(-)	Rs. 189,865,100/-
Percentage		9.97%

19.02.2014 The Department explained that saving was mainly due to vacant posts and strict controls over honoraria, contingent paid staff and reimbursement of medical claims. Moreover, some procurement cases could not be finalized due to some codal formalities.

On various queries of the Committee, the concerned authorities could not render proper explanation.

The Committee directed that administrative department should probe into the matter whether lapse of funds were actually occurred due to negligence of concerned authorities and report be submitted to the PAC.

The item was kept pending.

(xxx) 07 Health
073 Hospital Services
0731 General Hospital Services
073101 General Hospital Services
RP4001 Sheikh Zaved Hospital R.Y.Khan

Final Grant		Rs.651,770,000/-
Actual Expenditure		Rs.598,280,007/-
Saving	(-)	Rs. 53,489,993/-
Percentage		8.21%

19.02.2014 The Department explained that there was some mis-classification in the sub-heads of regular and other allowances whereas saving under the sub-heads A05 & A06 was due to authentication of requisite audit copy during the month of June 2010. As such funds could not be utilized.

The item was kept pending for reconciliation of accounts with AG.

(xxxi) 07 Health
076 Hospital Administration
0761 Administration
076101 Administration
LQ4160 Directorate of Nursing Services Punjab

Final Grant		Rs.10,267,000/-
Actual Expenditure		Rs. 9,641,436/-
Saving	(-)	Rs. 625,564/-
Percentage		6.09%

19.02.2014 The Department explained that saving occurred because no medical imbursement claim was received and some cases for purchase of miscellaneous items and repair of machinery could not be finalized due to codal formalities.

On various queries of the Committee, the representative of concerned hospital could not explain the factual position adequately.

The Committee expressed its displeasure on concerned officers for not being well-prepared for PAC meeting and **the item was kept pending.**

(xxxii) 07 Health
 076 Hospital Administration
 0761 Administration
 076101 Administration
LQ4164 Central Medical Equipment Repair Workshop Lahore

Final Grant		Rs.5,085,000/-
Actual Expenditure		Rs.3,923,295/-
Saving	(-)	Rs.1,161,705/-
Percentage		22.85%

(xxxiii)07 Health
 076 Hospital Administration
 0761 Administration
 076101 Administration
MP4004 Central Medical Equipment Repair Workshop Multan

Final Grant		Rs.4,382,000/-
Actual Expenditure		Rs.4,014,988/-
Saving	(-)	Rs. 367,012/-
Percentage		8.38%

(xxxiv)07 Health
 076 Hospital Administration
 0761 Administration
 076101 Administration
SQ4001 Central Medical Equipment Repair Workshop Sargodha

		<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant		Rs.3,502,000/-		Rs.3,502,000/-
Actual Expenditure		Rs.3,181,041/-		Rs.3,176,041/-
Saving	(-)	Rs. 320,959/-	(-)	Rs. 325,959/-
Percentage		9.17%		9.17%

(xxxv) 09 Education Affairs & Services
 093 Tertiary Education Affairs & Services
 0931 Tertiary Education Affairs & Services
 093102 Professional / Technical / Universities / Colleges
LQ5242 Public Health Nursing School in Punjab

Final Grant		Rs.157,397,000/-
Actual Expenditure		Rs.139,374,975/-
Saving	(-)	Rs. 18,022,025/-
Percentage		11.45%

19.02.2014 The representative of Accountant General Punjab stated that accounts of above items had been reconciled.

The Department explained that besides minor saving under the sub-heads of pay & allowances, bulk of the saving was under the sub-head of Repair & Maintenance because rough cost estimates for various buildings were not provided by the Building Department.

The Committee **settled the above items** with the directions that Finance Department should seek a report regarding delay in repair estimates from Communication & Works Department within 30 days and instructions be issued by the Government for aforesaid department to dispose of such matters expeditiously.

(xxxvi)07 Health
076 Hospital Administration
0761 Administration
076101 Administration
LQ4165 Audit Cell

Final Grant		Rs.6,354,000/-
Actual Expenditure		Rs.5,105,454/-
Saving	(-)	Rs.1,248,546/-
Percentage		19.65%

19.02.2014 The Department explained that saving occurred because payment to the newly recruited employees could not be made up till August 2010 due to procedural formalities. Moreover, the funds under the sub-head of operating expenses could not be surrendered in view of fluctuations in the rates of POL, utilities, store items and printing.

The **item was settled** with the directions that in future, un-utilized funds should be surrendered well in time.

(xxxvii)09 Education Affairs & Services
093 Tertiary Education Affairs & Services
0931 Tertiary Education Affairs & Services
093102 Professional / Technical / Universities / Colleges
LQ4157 De-Montmorency College of Dentistry Lahore

Final Grant		Rs.44,732,000/-
Actual Expenditure		Rs.49,917,590/-
Excess	(+)	Rs. 5,185,590/-
Percentage		11.59%

19.02.2014 The Department explained that saving occurred because numerous posts were lying vacant and funds for purchase of security cameras were released in June 2010. Moreover, rough cost estimates for repair of building were not provided by the Building Department.

The **item was kept pending** with the directions that accounts be reconciled with AG and detailed explanation be furnished for saving against each sub-head.

(xxxviii) 09 Education Affairs & Services
093 Tertiary Education Affairs & Services
0931 Tertiary Education Affairs & Services
093102 Professional / Technical / Universities / Colleges
LQ4158 Provincial Health Development Center

Final Grant		Rs.15,448,000/-
Actual Expenditure		Rs.12,791,940/-
Saving	(-)	Rs. 2,656,060/-
Percentage		17.19%

19.02.2014 The Department explained that saving had occurred because reimbursement claims were not submitted by the staff and funds allocated for Honoraria and repair & maintenance were not fully utilized following the austerity measures.

The Committee **settled the item.**

(xxxix)09 Education Affairs & Services
093 Tertiary Education Affairs & Services
0931 Tertiary Education Affairs & Services
093102 Professional / Technical / Universities / Colleges
LQ4394 School of Allied Health Sciences Children

Final Grant		Rs.2,600,000/-
Actual Expenditure		Rs.1,845,731/-
Saving	(-)	Rs. 754,269/-
Percentage		29.01%

19.02.2014 The Department explained that saving had occurred because visiting faculty was not engaged and requirements were made from the existing faculty. Moreover, saving under the sub-head of Repair & Maintenance was due to strict financial control.

The Committee **settled the item.**

(xl) 09 Education Affairs & Services
093 Tertiary Education Affairs & Services
0931 Tertiary Education Affairs & Services
093102 Professional / Technical / Universities / Colleges
LQ4505 University of Health Services

Final Grant		Rs.82,150,000/-
Actual Expenditure		Rs.81,604,780/-
Saving	(-)	Rs. 545,220/-
Percentage		0.66%

19.02.2014 The Department explained that there was minor saving against the funds allocated for entry test and requested for settlement of the item.

The Committee **settled the item** with the directions that in future, proper justification for saving should be depicted in the working papers.

(xli) 09 Education Affairs & Services
093 Tertiary Education Affairs & Services
0931 Tertiary Education Affairs & Services
093102 Professional / Technical / Universities / Colleges
LQ5877 Chief Minister Task Force on Medical Education

Final Grant		Rs.5,483,000/-
Actual Expenditure		<i>Nil</i>
Saving	(-)	Rs.5,483,000/-
Percentage		100%

19.02.2014 The Department explained that saving had occurred because the institution could not be made functional by the government. As such, funds could not be utilized.

The Committee **settled the item**.

(xlii) 09 Education Affairs & Services
093 Tertiary Education Affairs & Services
0931 Tertiary Education Affairs & Services
093102 Professional / Technical / Universities / Colleges
LW4113 King Edward Medical University Lahore

Final Grant		Rs.368,875,000/-
Actual Expenditure		Rs.350,787,299/-
Saving	(-)	Rs. 18,087,701/-
Percentage		4.90%

19.02.2014 The Department explained that saving had occurred mainly due to allocation of funds against the sub-head of Transfers in May 2010 and codal formalities for filling the newly created posts of PG trainees could not be completed. As such funds could not be utilized.

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

4. Grant No. PC13034 (034) State Trading in Medical Stores & Coal: (All Voted)
Page 259 of Appropriation Accounts for the year 2009-10

04 Economic Affairs
041 General Economic, Commercial & Labour Affairs
0414 State Trading
041403 Medical Stores
LQ4390 Medical Stores Depot

Final Grant		Rs.16,556,000/-
Actual Expenditure		Rs.15,975,595/-
Saving	(-)	Rs. 580,405/-
Percentage		3.51%

19.02.2014 The Department explained that saving had occurred because numerous posts were lying vacant and in certain cases payment of bills could not be made till the closure of financial year which resulted in lapse of funds.

The **above item was settled** with the directions that in future, un-utilized funds pertaining to the sub-heads of pay & allowances should be surrendered at the time of 2nd statement of excesses & surrenders after retaining funds for remaining 3 months.

Audit Paras (Civil) for the Year 2009-10

1. Para No.6.1 Pages 224 to 227 of Audit Report for the year 2009-10; Less realization/non deposit of hospital receipt – Rs.663.035 million

6.1.1 SGRH/FJMC, Lahore – Rs.586,550/-

18.02.2014 The Department explained that four admission receipts books were issued/utilized for raising funds for Swat IDPs and record regarding handing over from DCO Lahore to DCO Swabi was available for verification.

Audit contended that the Department was required to justify the un-authorized issuance of official receipt books.

The Committee directed/recommended that Administrative Department should conduct an inquiry to fix responsibility for the lapse under intimation to the PAC within 30 days.

The **para was kept pending.**

6.1.2 P.I.C Lahore – Rs. 817,380/-

22.12.2010 The Department explained that BOM had decided that purchee fee should not be charged from patients visiting emergency wards.

The Committee accepted the explanation and **settled the para** with the direction that the Govt. may formulate a uniform policy regarding exemption of purchee fee across the province.

6.1.3 K.E.M.C/University, Lahore – Rs. 168,088/-

17.02.2014 The Department explained that an amount of Rs.11,671/- had been recovered whereas 13 defaulting students had been struck off from the university roll due to non-payment.

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

6.1.4 K.E.M.C/University, Lahore – Rs.500,000/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

6.1.5 Principal, Rawalpindi Medical College and Allied Institutions, Rawalpindi – Rs.5,299,800/-

26.08.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had also been got verified by Audit.

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

6.1.6 University of Health Sciences, Lahore – Rs.4,984,269/-

17.02.2014 The Department explained that there was always difference between actual and estimated receipts and a sum of Rs.9 million, pointed out by Audit was not recoverable whereas partial recovery had already been got verified by Audit.

The para kept pending for reconciliation of outstanding dues by 19.02.2014.

On 19.02.2014, the Department apprised the Committee that out of total recoverable amount, only 0.2 million approximately, was outstanding.

The **para was kept pending** for balance recovery and verification of requisite record by Audit within 30 days.

6.1.7 Services Hospital, Lahore – Rs.1,640,000/-

22.12.2010 The Department explained that all receipts had now been deposited into PLA and challans were available for verification. However, some students had gone into litigation on the issue of charging higher fee and the court had decided the case in their favour. As per decision of the Court, the amount deposited by the students was to be adjusted in the subsequent terms.

The Committee **settled the para** subject to verification of decision of the court and transfer of money from private bank account to PLA of the hospital.

6.1.8 Services Hospital, Lahore – Rs.65,532,000/-

22.12.2010 The Department explained that Lahore High Court Lahore had ordered that normal fee should be charged from the students admitted on self-finance till the final decision of the case. Meanwhile, a sum of Rs.19,558,268/- had already been recovered.

Audit contented that the Court had ordered to decide the matter of self-finance fee on case to case basis.

The Committee desired that department should recover the outstanding amount within six months and **the para was kept pending**.

6.1.9 Principal, Rawalpindi Medical College, Rawalpindi, (M.S Benazir Bhutto Hospital, Rawalpindi) – Rs.1,825,687/-

26.08.2011 The Department explained that out of the hospital receipts 45% was deposited into Government treasury and the remaining 55% was distributed among the entitled doctors and paramedical staff and relevant record was available for verification.

The Committee directed/recommended that relevant rules for distribution of the hospital receipts should be framed with approval of competent authority within 90 days.

The **para was kept pending.**

6.1.10 Principal, Rawalpindi Medical College, Rawalpindi, (M.S Holy Family Hospital, Rawalpindi) – Rs.665,000/-

26.08.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had also been got verified by Audit.

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

6.1.12 Principal, Rawalpindi Medical College, Rawalpindi (M.S District Headquarter Hospital, Rawalpindi) – Rs.385,525/-

18.02.2014 The Department explained that total amount on account of government share had been deposited into government treasury and credit challans duly vetted by DAO were available for verification.

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

6.1.13 Principal, SIMS and Allied Hospital, Lahore – Rs.204,101/-

22.12.2010 The Department explained that a summary regarding approval of user charges had already been moved to Chief Minister Punjab.

The Committee directed the Department to pursue the matter vigorously for decision of the Chief Minister Punjab and **the para was kept pending.**

6.1.14 Quid-e-Azam Medical College, Bahawalpur – Rs.148,988,382/-

21.12.2010 The para consisted of the following advance paras:-

AP No.5

The Department explained that total receipts were not required to be deposited in PLA because it also included the amount of share collected from the patients, deduction of income tax and utility bills which was paid to concerned. However, the remaining amount was deposited in the PLA.

Audit contented that the department had not yet complied with the directions of the SDAC whereby it was directed to get the matter regularized by the Finance Department.

The Committee **kept the item pending** with the directions to get the matter regularized by the Finance Department.

AP No.18

The Department explained that total amount of receipts had been transferred to PLA and relevant record was available for verification.

The Committee directed that Department should probe the matter and fix responsibility for not complying with the directions of SDAC and **conditionally settled the item** subject to verification of requisite record by Audit.

AP No.26

The Department explained that in compliance with the directions of SDAC i all the documentation had been done to make the account co-signatories with the Director Finance which could be verified by Audit.

The **item was conditionally settled** subject to verification of record.

AP No.30

The Department explained that all the dues collected from the students on account of hostel electricity charges had been deposited into the PLA.

The **item was conditionally settled** subject to verification of record.

AP No.37

The Department explained that tuition/admission fee collected from the local and foreign students was deposited in the HBL account. The amount was not shifted to the PLA as the government had decided to open endowment fund in foreign currency to pay scholarship to the talented students.

The Committee recommended/directed the department to deposit the fee in PLA. The Committee directed the department that instructions regarding deposit of receipts in PLA be reiterated.

Subject to above directions, **the para was settled.**

AP No.49

The Department explained that total amount collected from college receipt of previous year had been deposited into PLA in compliance with the Audit observation.

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

6.1.15 Principal, Rawalpindi Medical College and Allied Institutions, Rawalpindi – Rs.26,361,000/-

26.08.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had also been got verified by Audit.

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

6.1.20 Lahore General Hospital, PGMI and Allied Institution, Lahore – Rs.46,653,844/-

27.08.2011 The Department explained that due to shortage of funds under different heads such as salary, electricity, POL etc., the hospital receipts were utilized to meet the inevitable expenditure and as per Finance Department's letter dated 19.5.2003 all autonomous institutions were allowed to retain their receipts upto 8% of their annual budget.

Finance Department contented that the department should produce record regarding approval of revised budget estimates.

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

17.02.2014 The Department explained that matter regarding regularization of the expenditure had already been referred to the Finance Department and decision thereon was still awaited.

The **para was kept pending** for decision of the Finance Department within 30 days.

6.1.21 Principal, Allama Iqbal Medical College, Lahore – Rs.769,455/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

6.1.22 Multan Institute of Cardiology, Multan – Rs.136,063,488/-

20.12.2010 The representative of MIC contented that there was no PLA of the institution, therefore all the money was being deposited in Bank of Punjab. However, Audit was of the view that MIC did have a PLA which was seen by Audit in past.

The Committee kept the para pending till 21.12.2010 with the direction that Department should re-examine the matter and factual position be intimated to the Committee.

On 21.12.2010, the Department admitted the existence of PLA in the MIC, Multan and resolved that all the receipts would be transferred to the PLA immediately.

The Committee **conditionally settled the para** subject to deposit of funds in the PLA and its verification by Audit.

2. Para No.6.2 Pages 227 to 229 of Audit Report for the year 2009-10; Irregular/unauthorized payment of share from Hospital Receipt – Rs.6.253 million, Non recovery of income tax – Rs.18,147/-

6.2(a) AIR No. 21 PMC & Allied Institutions (DHQ Hospital), Faisalabad

25.08.2011 The Department explained that as per directions of the SDAC, the Principal PMC had been requested for recovery of shared money from the concerned officers and further action would be taken accordingly.

The Committee recommended/directed that Administrative Secretary should look into the matter and take necessary steps for recovery of outstanding dues within 90 days.

The para was kept pending.

18.02.2014 The Department explained that letters were written to the concerned employees for recovery of share amount but no progress could be made. The Administrative Secretary added that a new summary for distribution of share amount had been moved for approval to the Chief Minister and further action would be taken accordingly.

The para was kept pending.

6.2(c) AIR No. 6 Lahore General Hospital, PGMI & School of Nursing, Lahore

27.08.2011 The Department explained that share from receipts was distributed in accordance with Health Department Notification dated 03.9.2008 whereas Dr. Nazir Ahmad had voluntarily donated Rs.780,590/- out of his share. It was added that share was paid after obtaining necessary approval of BoM.

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

17.02.2014 The Department explained that huge record was involved in Audit observation which could be verified by Audit.

The Committee directed/recommended that an inquiry be conducted to fix responsibility for non-compliance of PAC-II directions dated 27.8.2011 and record be got verified by Audit within 15 days.

The para was kept pending.

3. Para No.6.3 Pages 229 to 231 of Audit Report for the year 2009-10; Irregular local purchase of medicines — Rs.79.457 million

6.3.1 Principal, Rawalpindi Medical College & Allied Institutions, Rawalpindi (M.S District Headquarter Hospital, Rawalpindi) – Rs.344,798/-

18.02.2014 The Department explained that local purchase of life saving medicine was made in emergency and total amount pointed out by Audit, had been recovered from the concerned contractors. Moreover, the concerned Pharmacist and Store keeper had been issued warning.

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

6.3.2 Principal, Rawalpindi Medical College & Allied Institutions, Rawalpindi (M.S District Headquarter Hospital, Rawalpindi – Rs.46,041,978/-

26.08.2011 The Department explained that dialysis machines were purchased in compliance with the orders of the Chief Minister and free medicines were provided to all the indoor as well as emergency patients. It was added that local purchase of medicines was made to meet the emergency requirements of the patients.

The Committee was not satisfied with the explanation of the department and directed/recommended that Administrative Secretary should order an inquiry and fix responsibility for the lapse under intimation to the PAC.

The **para was kept pending**.

6.3.4 Principal, Rawalpindi Medical College & Allied Institutions, Rawalpindi (M.S Benazir Bhatto Hospital, Rawalpindi) – Rs.32,320,982/-

18.02.2014 The Department explained that medicines were locally purchased from the contractors to whom annual rate contract was awarded through open tender after fulfilling all the codal formalities. Moreover, the rates of day to day purchases were different from bulk purchases and these rates could not be compared. As such no loss was sustained by the Government.

The **para was kept pending** for reconciliation and verification of relevant record by Audit.

4. Para No.6.5 Pages 233 to 235 of Audit Report for the year 2009-10; Irregular expenditure and non-realization of L.D. charges – Rs.5.282 million

6.5.1 Mayo Hospital, Lahore – Rs.285,498/-

22.12.2010 The MS, Mayo Hospital assured the committee that balance recovery would be effected soon from the bills of the contractors.

The Committee kept the para pending for recovery within 60 days.

18.02.2014 The Department explained that actual recoverable amount was Rs.249,163/- instead of Rs.285,498/- which had been verified by Audit and an amount of Rs.238,257/- had been recovered whereas efforts were being made for balance recovery.

The **para was kept pending** for balance recovery within 30 days.

6.5.2 Punjab Institute of Cardiology, Lahore – Rs.1,098,411/-

22.12.2010 There was a difference between audit and departmental figures as the Department contented that Audit had wrongly calculated the L.D. charges.

The Committee **kept the para pending** for reconciliation and recovery within 60 days under intimation to PAC.

6.5.4 QAMC & B.V Hospital, Bahawalpur– Rs.244,993/-

21.12.2010 The Department explained that Audit had wrongly calculated the L.D charges whereas the department had deducted the charges as per actual date of receiving the stores.

Audit contented that the Department had not yet implemented the directions of SDAC dated 16.6.2009.

The **para was kept pending** with the directions that balance recovery be effected within 60 days. Moreover, Internal Audit Wing, Health Department should conduct special audit of the QAMC & B.V. Hospital Bahawalpur to scrutinize the financial matter of the institution.

6.5.5 Nishter Hospital, Multan – Rs.175,041/-

21.12.2010 The Department explained that Rs.15,072/- had been recovered from M/s Western Scientific on account of 2% L.D. charges whereas the remaining amount was not justified because deliveries were made well in time by the said contractors.

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

6.5.6 Nishter Dental College, Multan – Rs.767,058/-

20.12.2010 The Department explained that contention of the Audit in above para had been addressed and all the relevant record had been got verified by Audit.

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

6.5.7 P.I.C. Lahore – Rs.648,834/-

17.02.2014 The Department explained that actual recoverable amount was Rs.303,031/- instead of Rs.648,834/- out of which a sum of Rs.56,441/- had been recovered and efforts were being made for balance recovery.

The **para was kept pending** for balance recovery and reconciliation of recoverable amount with Audit within 90 days.

6.5.8 Principal, Rawalpindi Medical College, Rawalpindi – Rs.547,360/-

6.5.9 Principal, Rawalpindi Medical College, Rawalpindi (MS DHQ) – Rs.130,074/-

6.5.12 Sir Ganga Ram Hospital, Lahore – Rs.80,649/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

6.5.13 LGH, PGMI & Allied Institutions, Lahore – Rs. 284,069/-

27.08.2011 The Department explained that a sum of Rs.190,109/- and Rs.14,295/- had been recovered and efforts were being made for balance recovery.

The Committee kept the para pending with the directions that it should be reduced to the extent of recovery effected and balance recovery be expedited.

17.02.2014 The Department explained that bulk of the outstanding amount had been recovered and efforts were being made for balance recovery.

The **para was kept pending** for balance recovery and its verification by Audit.

5. Para No.6.6 Pages 235 to 237 of Audit Report for the year 2009-10; Irregular payment of GST to the firms – Rs.6.092 million

6.6.2 PMC & Allied Institutions (DHQ), Faisalabad – Rs.548,272/-

26.08.2011 The Department explained that total outstanding amount on account of GST had been recovered and deposited into the Hospital Receipt Account and all the relevant record in support of its contention was also available for verification.

The para was kept pending with the directions that complete record be got verified by Audit within 30 days under intimation to the PAC.

18.02.2014 The Department explained that actual amount of the para was Rs.525,553/- instead of Rs.548,272/- out of which Rs.493,175/- had been recovered remaining amount had been deducted from the bills of the firm.

The **para was kept pending** with the directions that relevant record in support of departmental contention should be got verified by Audit within 7 days.

6.6.4 Multan Institute of Cardiology, Multan – Rs.1,738,449/-

20.12.2010 The Department explained that MIC was a specialized cardiac 201 bedded hospital and the section 52(a) of the sales tax act 1990 was not applicable. It was added that sale tax amount was not paid to contractors and was directly deposited in FBR through cheques.

The Committee directed that the department should get the requisite amount reimbursed from the Federal Board of Revenue.

The **para was conditionally settled** subject to recovery of outstanding amount from FBR.

6.6.5 Lahore General Hospital, PGMI & School of Nursing, Lahore – Rs.273,022/-

27.08.2011 The Department explained that rate contract was awarded after fulfilling all the codal formalities but the rates for all the items were higher due to fluctuations in the dollar exchange rates. The rates offered by M/s AGFA Pakistan inclusive of GST were approved and all the challans regarding deposit of Sales Tax by the concerned firm were available for verification.

The Committee was not satisfied with the explanation of the department and directed that a fact-finding inquiry should be conducted into the matter under intimation to the PAC.

The **para was kept pending**.

6. Para No.6.7 Pages 237 & 238 of Audit Report for the year 2009-10; Unauthorized retention of balances in non functional LC accounts – Rs. 1.892 million

25.08.2011 The Department explained that unspent balance of Rs.1,892,473/- had been deposited into Govt. Treasury in compliance with decision of SDAC meeting held on 13.10.2009.

The Committee observed that government instructions/rules had not been followed properly and recommended/directed that an inquiry be conducted into the matter within 90 days under intimation to the PAC.

The para was kept pending.

7. Para No.6.9 Pages 239 & 240 of Audit Report for the year 2009-10; Non-deposit of endowment fund - Rs.4.4 million (approx.)

6.9.1 KEMU, Lahore – Rs.400,000/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

6.9.2 University of Health Sciences, Lahore – Rs.4,000,000/-

17.02.2014 The Department explained that efforts were being made for recovery of outstanding dues from Faisalabad Medical College whereas the case regarding College of Medicine and Dentistry, University of Lahore was pending in the court and the matter regarding Saida Waheed, FMH College of Nursing was pending for decision of the syndicate. Meanwhile, recovery from Munawar Memorial Hospital Chakwal was being effected through yearly installments.

The Committee **kept the para pending** with the directions/recommendations that recovery be pursued vigorously.

8. Para No.6.10 Pages 240 to 242 of Audit Report for the year 2009-10; Irregular purchase/issuance of L.P. medicines – Rs. 1.465 million

6.10.1 Lahore General Hospital, PGMI & School of Nursing, Lahore – Rs.1,199,650/-

27.08.2011 The Department explained that local purchase of medicines was made to provide free medicines to the poor and deserving patients in compliance with the orders of the government and a case for regularization of the expenditure had already been moved to the Finance Department.

The Committee was not satisfied with the explanation of the department and directed that a fact-finding inquiry should be conducted into the matter by the Administrative Secretary under intimation to the PAC within 90 days.

The para was kept pending.

9. Para No.6.11 Pages 242 to 244 of Audit Report for the year 2009-10; Irregular award of work - Rs.18.166 million

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

10. Para No.6.13 Pages 245 & 246 of Audit Report for the year 2009-10; Illegal withdrawals – Rs.6.020 million

21.12.2010 The Department explained that an inquiry was conducted into the matter which concluded that no financial loss had occurred to the hospital and cheques of refund were issued by the Almoner & Accounts Officer in the public interest.

Audit contented that Department could not issue cheques without pre-audit scrutiny by the Director Finance.

The Committee was not satisfied with the explanation of the Department and directed to hold a fact finding probe into the matter and fix responsibility for the lapse within 60 days under intimation to PAC.

The **para was kept pending.**

11. Para No.6.15 Pages 247 to 249 of Audit Report for the year 2009-10; Unauthorized opening of LCs – Rs. 780.206 million

6.15.1 Faisalabad Institute of Cardiology, Faisalabad – Rs.429,501,042/-

25.08.2011 The Department explained that only Electro Medical equipment was purchased through letter of credit and as per Finance Department letter No.SO(TT)6-2/2004 dated 28.10.2006, the autonomous institutions were allowed to open LC at their own. It was added that Insurance Premium was paid by the supplier.

The Committee desired that Administrative Secretary should verify the facts of case and examine the matter in the light of relevant rules.

Subject to decision of the Administrative Secretary, **the para was settled.**

6.15.2 Multan Institute of Cardiology, Multan – Rs.259,028,664/-

20.12.2010 The Department explained that the matter had already been discussed in SDACs in which it was directed to refer the case to Finance Department for clarification. As per advice of the Finance Department, the BoG was competent to award a rate contract/ running contract in the light of clause 9/B of Medical & Health Institutions Rules 2003.

In the light of the clarification of the Finance Department, **the para was settled.**

6.15.4 Lahore General Hospital, PGMI & School of Nursing, Lahore – Rs.970,000/-

27.08.2011 The Department explained that after the autonomy, BOM was authorized to run the affairs of the Institution and open LCs. It was added that according to agreement, the supplier was responsible for safe transaction as well as insurance of the machinery. However the machines were safely delivered by the contractor.

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

17.02.2014 The Department explained that as per directions of PAC-II, relevant record had been got verified by Audit.

The para was accordingly settled.

6.15.5 Lahore General Hospital, PGMI & School of Nursing, Lahore – Rs.52,471,680/-

27.08.2011 The Department explained that after the autonomy, BOM was authorized to run the affairs of the Institution and open LCs. It was added that according to agreement, the supplier was responsible for safe transaction as well as insurance of the machinery. However the machines were safely delivered by the contractor.

The paras were conditionally settled subject to verification of relevant record by Audit.

6.15.6 Punjab Institute of Cardiology, Lahore – Rs.32,975,000/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the para was settled.

12. Para No.6.16 Pages 249 to 251 of Audit Report for the year 2009-10; Irregular expenditure on purchases without open tender - Rs.12.087 million

6.16.1 Punjab Medical College and Allied Institutions, Faisalabad – Rs.5,858,628/-

26.08.2011 The Department explained that generators were purchased through Purchase Committee headed by the Principal PMC/Allied Institutions after advertisement in the press with due approval of the BOM. As such no irregularity was committed and facts could be verified from the relevant record.

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

6.16.2 Punjab Medical College and Allied Institutions, Faisalabad – Rs.5,407,320/-

26.08.2011 The Department explained that an inquiry was already under process to thrash out the matter of purchase of air conditioners and the findings thereon were still awaited.

The **para was kept pending** with the directions that inquiry should be finalized at the earliest under intimation to the PAC.

6.16.3 Fatima Jinnah Medical College/Ganga Ram Hospital, Lahore– Rs.650,000/-

18.02.2014 The Department explained that miscellaneous lab items were purchased from sole distributor for teaching purpose and the certificate regarding price reasonability was also obtained. Moreover, the BOM had also accorded sanction of the expenditure.

Audit contended that irregularities involving violation of rules and procedures were required to be regularized by the Finance Department.

The Committee directed/recommended that an inquiry be conducted to fix responsibility for the lapse and then, the expenditure be got regularized from the Finance Department.

The **para was kept pending**.

13. Para No.6.17 Pages 251 & 252 of Audit Report for the year 2009-10; Defective purchase of laundry system – Rs.23.335 million

20.12.2010 The Department explained that after noticing that the laundry system provided was not according to the specification, the concerned firm was asked to replace it. The firm pledged in writing that the defective parts would be replaced. Further the BOM of the institution had written to the Health Department to take legal action against the firm. It was also stated that as per directions of the SDAC, the CDR amounting to Rs.2,333,504/- had also been forfeited. However, the laundry system had not yet been replaced therefore and the security of the contractor had been forfeited.

The Committee was not satisfied with the explanation of the Department and directed that a fact finding inquiry be conducted and responsibility be fixed within 60 days under intimation to PAC.

The **para was kept pending**.

14. Para No.6.19 Pages 254 & 255 of Audit Report for the year 2009-10; Non-installation of PCR analyzer - Rs.9.862 million Non-receipt of computer, printer and UPS

18.02.2014 The Department explained that funds for relevant ADP scheme were released on 25.8.2008 and thereafter, the PCR analyzer was installed which was fully functional and providing facilities to the patients.

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

15. Para No.6.20 Pages 255 & 256 of Audit Report for the year 2009-10; Irregular appointment during ban - Rs.2.194 million

22.12.2010 The department explained that as per Audit contention, a case for regularization had already been submitted to the Finance Department.

The Committee directed the management to pursue the case for regularization vigorously. Subject to regularization, the para was conditionally settled.

18.02.2014 The Department explained that the case for regularization of the matter was under process in the Finance Department and decision thereon was still awaited.

The **para was conditionally settled** subject to decision of the Finance Department.

16. Para No.6.21 Pages 256 & 257 of Audit Report for the year 2009-10; Less/non-recovery of outstanding dues from contractors - Rs.9.860 million

6.21.1 PMC Faisalabad – Rs.4,996,565/-

25.08.2011 The Department explained that as per terms and conditions of lease contract, ¼ of the contract amount was deposited in advance and remaining amount pointed out by Audit had also been recovered.

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

6.21.2 QMC and Allied, Bahawalpur – Rs.3,317,970/-

27.08.2011 The Department explained that the matter regarding recovery from contractors on account of cycle stand, fruit shop and canteen was *subjudice* whereas a sum of Rs.873,620/- was not due from the contractor of canteen No.1 as the contract was cancelled.

The **para was kept pending** with directions that responsibility should be fixed for delay in case of recovery against canteen No.1. Meanwhile, court cases should be pursued vigorously.

6.21.3 Rawalpindi Medical College and Allied (Holy Family Hospital), Rawalpindi – Rs.617,646/-

6.21.5 Rawalpindi Medical College and Allied (Holy Family Hospital), Rawalpindi – Rs.54,000/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

6.21.4 MS, Mayo Hospital, Lahore – Rs.670,000/-

22.12.2010 The MS, Mayo Hospital explained that demand had been created by the revenue authorities for recovery. He assured that he would make personal efforts in collaboration with the Police to recover all the outstanding dues at the earliest.

The Committee directed to hold inquiry, fix responsibility and take action against those responsible for the lapse. The para was kept pending for recovery within 60 days under intimation to PAC.

18.02.2014 The Department explained that concerned contractor failed to deposit the contract money and therefore, possession was got vacated from him and case for recovery was referred to the Revenue and Police authorities which was being pursued vigorously.

The Committee directed/recommended that responsibility should be fixed for the loss and recovery be effected under intimation to the PAC within 30 days.

The **para was kept pending.**

6.21.7 Nishter Medical College, Multan – Rs.171,000/-

20.12.2010 The Department explained that a sum of Rs.66,000/- had been recovered and efforts were being made for balance recovery of Rs.105,000/- On a query whether the security of the contractor was forfeited or not, the Department could not advance definite reply.

The Committee kept the para pending till 21.12.2010 with the direction to come up with full preparation and complete facts of the case.

On 21.12.2010, after due consideration of the matter, the Committee directed the department to recover the outstanding dues within 90 days otherwise recovery should be imposed on the officer who were found responsible for negligence.

The **para was kept pending.**

17. Para No.6.23 Pages 258 & 259 of Audit Report for the year 2009-10; Unauthorized retention of hospital receipts - Rs.21.148 million

26.08.2011 The Department explained that all the expenditures on construction of building, furniture, machinery & equipments were borne by the donors/NGOs and all the procedures of Angiography/Angioplasty were performed free of cost and no charges whatsoever were collected from the patients.

The Committee **settled the para** with the directions that Standard Operating Procedures should be devised with approval of the competent authority for proper documentation and accounting of all the procedures.

18. Para No.6.24 Pages 259 to 261 of Audit Report for the year 2009-10; Purchase without immediate requirement – Rs.93.498 million

6.24.2 Punjab Institute of Cardiology, Lahore – Rs.40,744,493/-

6.24.3 Punjab Institute of Cardiology, Lahore – Rs. 1,495,000/-

6.24.5 Punjab Institute of Cardiology, Lahore – Rs. 999,800/-

22.12.2010 The Department explained that furniture and crockery were purchased for new OPD block and for doctors / nurses hostel. According to the department all the purchases were part of PC-I. The Department further contented that actual amount of para had also been wrongly depicted in the Audit observation.

The Committee kept the paras pending for reconciliation and verification of record within 60 days under intimation to PAC.

17.02.2014 The Department explained that all the requisite record as desired by Audit, was available for verification.

The Committee expressed its displeasure on non-production of record despite directions of PAC-II and desired that Administrative Secretary should probe into the matter to fix responsibility for non-compliance of PAC directions and relevant record be got verified by Audit by 19.02.2014.

On 19.02.2014, it was stated that complete record had been got verified by Audit.

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

6.24.4 Punjab Institute of Mental Health, Lahore – Rs.1,023,700/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

6.24.6 Punjab SIMS & Allied Hospital, Lahore – Rs.765,840/-

25.08.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

6.24.7 MS Lady Willington Hospital, Lahore – Rs. 700,000/-

18.02.2014 The Department explained that a fact-finding inquiry was conducted into the matter whereby it was concluded that no embezzlement was occurred in the matter but the expenditure was required to be regularized by the Finance Department and these recommendations had been vetted by the competent authority.

The **para was conditionally settled** subject to regularization of the expenditure.

6.24.8 Punjab Institute of Cardiology, Lahore – Rs. 660,703/-

22.12.2010 The Department explained that furniture and crockery were purchased for new OPD block and for doctors / nurses hostel. According to the department all the purchases were part of PC-I. The Department further contented that actual amount of para had also been wrongly depicted in the Audit observation.

The Committee kept the para pending for reconciliation and verification of record within 60 days under intimation to PAC.

17.02.2014 The Department explained that all the requisite record as desired by Audit, was available for verification.

The para was kept pending for verification of record by 19.2.2014.

On 19.2.2014, it was stated that voluminous record was involved in Audit observation and the same would be got verified at the earliest.

The **para was conditionally settled** subject to verification of requisite record by Audit within 10 days.

6.24.9 MS Lady Willington Hospital, Lahore – Rs. 212,773/-

18.02.2014 The Department explained that an inquiry was conducted to thrash out the matter whereby it was concluded that non-expiry items had been purchased as per requirements of the store. As such, no irregularity was committed.

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

6.24.10 MS Lady Willington Hospital, Lahore – Rs. 40,000/-

18.02.2014 The Department explained that medicines were purchased through rate contract and an injection could not utilized because it was to be mixed with another

injection but its supply was not received. Moreover, Deputy Secretary (General) Health Department had probed into the matter and as per his recommendations, the requisite medicine had been got replaced and a warning was issued to the concerned officer.

The Committee **conditionally settled the para** subject to verification of relevant record by Audit with the directions that administrative secretary should examine the matter and take necessary action accordingly.

19. Para No.6.25 Pages 261 to 264 of Audit Report for the year 2009-10; Irregular purchase at higher rates – Rs.23.324 million

6.25.4 Principal, SIMS & Allied Hospital, Lahore – Rs.461,036

25.08.2011 The Department explained that medicines were purchased from different firms as compared to Mayo Hospital Lahore except in case of Suxamethonium Chloride injection which was supplied by M/s Elite Pharma in both hospitals and therefore, differential amount of Rs.2,000/- had been recovered from the firm and relevant record had also been got verified by Audit.

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

6.25.7 Principal, Rawalpindi Medical College & Allied Institutions, Rawalpindi (DHQ Hospital) – Rs.123,975/-

18.02.2014 The Department explained that total amount as per Audit observation, had been recovered from the concerned contractors and the price reasonability certificate had also been obtained which would also be produce to Audit. The para was kept pending till next day for verification of said certificate by Audit.

On 19.02.2014, the Department stated that the requisite certificate had been got verified by Audit.

The **para was accordingly settled.**

6.25.9 Multan Institute of Cardiology, Multan –Rs. 554,606

20.12.2010 The Department explained that contention of the Audit in above para had been addressed and all the relevant record had been got verified by Audit.

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

6.25.11 Nishter Dental College, Multan – Rs.1,355,000/-

21.12.2010 The Department explained that tenders were invited for the purchase of equipment/machinery including central compressor and three firms viz. M/s Glowpak, M/s. Western Scientific and M/s. Bio Star had quoted the rates of central compressor. Two firms were rejected due to some technical reasons and the machinery was purchased from M/s. Western Scientific, Lahore.

Finance Department was of the view that the management ought to have gone for re-tendering after rejecting the tenders of two firms.

The Committee directed that an inquiry be conducted into the matter and responsibility be fixed for lapse within 60 days under intimation to the PAC.

The para was kept pending.

6.25.12 Nishtar Dental College, Multan – Rs. 69,000/-

20.12.2010 The Department explained that outstanding recovery was amounting to Rs.32,850/- and efforts were being made to recover the balance amount.

The Committee **kept the para pending** with the direction to effect recovery within 60 days failing which disciplinary action should be taken against the responsible officers.

6.25.13 Nishtar Hospital, Multan – Rs. 269,979/-

20.12.2010 The Administrative Secretary apprised the Committee that he had already issued orders for a fact finding probe to thrash out the facts of the case.

The **para was kept pending** with the directions to submit inquiry report within 60 days. The Committee also noticed that the officers representing Nishtar Medical Institution, Multan and Nishtar Dental College, Multan were not well-prepared for the meeting of PAC. Therefore, the Committee deferred the consideration of paras relating to aforesaid institution for 21.12.2010 with the direction that concerned officers should come up with full preparation.

6.25.14 Nishtar Hospital, Multan – Rs.2,317,391/-

21.12.2010 The Department explained item-wise position of the contents of advance para and stated that medicines were purchased from different firms/manufactures whereas in certain cases no rate contract was awarded by the Purchase Committee. However, case of certain medicines, concerned supplying firms had been requested to refund the excess charges.

The Committee was not satisfied with the explanation of the department and directed that inquiry be conducted and disciplinary action be taken against the responsible who had purchased medicines and other items at higher rates within 90 days.

The Committee also observed that financial discipline was lacking in the Nishtar Medical Hospital Multan and instructions of government were not being followed properly. Therefore, the Committee directed that Internal Audit Wing, Health Department should conduct special audit of Nishtar Medical Institution, Multan and submit report to the PAC within 60 days.

The para was kept pending.

6.25.15 Nishtar Hospital, Multan – Rs.3,880,771/-

21.12.2010 The Department explained that M/s BOC was the only manufacturing company for the supply of Liquid Oxygen Gas and due to its monopoly, the institution

had to purchase the life saving items like liquid oxygen gas and other items from the same firm. However, recovery process had been started in the light of SDAC directions.

The Committee **kept the para pending** for recovery with the direction that the purchase of liquid oxygen gas should be made through central rate contract. The Committee further directed that a comparative study regarding rates of liquid oxygen gas by the autonomous health institutions across the province, should be conducted and report thereon be submitted to the PAC.

6.25.16 Services Hospital, Lahore – Rs.10,304,136/-

18.02.2014 The Department explained that as a result of fact-finding inquiry, recovery of Rs.2,626,034/- had been effected from the concerned firm and deposited into government treasury.

The Committee **conditionally settled the para** with the directions/recommendations that disciplinary action should also be taken against the responsible officers/officials under intimation to the PAC within 30 days.

20. Para No.6.26 Pages 264 to 266 of Audit Report for the year 2009-10; Embezzlement/ Suspected misappropriation in hospital receipts - Rs.1.137 million

6.26.1 MS Allied Hospital, Faisalabad – Rs.942,710/-

25.08.2011 The Department explained that a fact finding inquiry had been ordered into the matter at secretariat level and its findings were still awaited.

The **para was kept pending** with the directions that necessary action should be taken as per findings of Inquiry Report under intimation to PAC.

6.26.2 MS Allied Hospital, Faisalabad – Rs.194,750/-

25.08.2011 The Department explained that recovery had been effected and deposited into the hospital receipts and relevant record had also been got verified by Audit. However, Department admitted that there was delay in deposit of money into hospital receipts.

The Committee was not satisfied with the explanation of the department and recommended/directed that an inquiry be conducted into the matter and responsibility be fixed for delay in depositing the money into govt. receipts.

The para was kept pending.

21. Para No.6.27 Pages 266 to 268 of Audit Report for the year 2009-10; Non-deduction of income/withholding tax – Rs. 10.931 million

6.27.2 Services Institute of Medical Sciences, Lahore – Rs.206,012/-

22.12.2010 The Department explained that matter regarding deposit of income tax had been taken up with the concerned officers and a policy decision had also been taken for deduction of income tax at source from salaries.

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

6.27.3 Lady Aitchison Hospital, Lahore – Rs.932,548/-

25.08.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

6.27.4 Punjab Institute of Cardiology, Lahore – Rs. 6,437,637/-

22.12.2010 The Department explained that recoverable amount had wrongly been depicted in Audit observation as Rs.6,437,637/- whereas actual outstanding amount was to Rs.4,543,355/- which had already been recovered.

The Committee **kept the para pending** for reconciliation and verification of record within 60 days under report to PAC.

6.27.5 PMC & Allied Institution, Faisalabad – Rs.516,043/-

18.02.2014 The Department explained that total outstanding amount had been recovered which could be verified by Audit.

The **para was conditionally settled** subject to reconciliation and verification of recovery by Audit.

6.27.7 Nishter Hospital, Multan – Rs.309,090/-

21.12.2010 The Department explained that in the light of the directions of the SDAC, all the concerned doctors were directed to provide the copies of income tax return for the year 2007-08 in support of deposit of income tax as per slab rates otherwise deposit the balance income tax as pointed out by Audit.

The Committee **kept the para pending** with the directions to recover the balance amount and get the requisite record verified by Audit within 30 days.

6.27.8 Nishter Medical College, Multan – Rs.1,012,730/-

6.27.9 Nishter Nursing School, Multan – Rs.28,552/-

21.12.2010 The Department explained that in compliance with the directions of the SDAC, 25% income tax had been recovered from the concerned teachers/researchers whereas remaining 75% income tax was not recoverable from them being a full time employees working in a non-profit educational/research institution.

The Committee accepted the explanation of the department and **settled the paras** subject to verification of record by Audit.

22. Para No.6.28 Pages 268 & 269 of Audit Report for the year 2009-10; Non-recovery of hospital charges for provision of health facilities – Rs. 8.140 million

6.28.1 Punjab Institute of Cardiology, Lahore – Rs. 2,699,325/-

6.28.2 Punjab Institute of Cardiology, Lahore – Rs. 5,440,530/-

22.12.2010 The Department explained that recovery from various institutions on account of provision of medical facilities to their employees was being made through a continuous process.

The Committee directed the Department to effect complete recovery within 60 days under intimation to PAC and the paras were kept pending.

17.02.2014 The Department explained that as per directions of PAC-II, total outstanding amount had been recovered which could be verified by Audit.

Audit contended that as per relevant record, an amount of Rs.14,000/- was still outstanding.

The **paras were conditionally settled** subject to balance recovery and verification of relevant record by Audit.

23. Para No.6.29 Pages 269 & 270 of Audit Report for the year 2009-10; Irregular receipt of user charges – Rs.359.997 million

6.29.1 Principal, SIMS & Allied Institution, Lahore – Rs.45,478,573/-

25.08.2011 The Department explained that user charges had been revised with the concurrence of BOM on 12.12.2009. It was further stated that in the light of decision of BOM, a summary had already been moved for approval the Chief Minister Punjab.

The Finance Department was of the view that user charges could not be revised without the approval of the Government. Therefore, the receipts and expenditure of this account were illegitimate.

The Committee expressed its concern on enhancement of user charges and distribution of the share without approval of the competent authority and directed/recommended that share of profit to the hospital employees should be distributed on the previous rates and meanwhile the summary be pursued vigorously for early decision of the Chief Minister Punjab.

The para was kept pending.

6.29.3 Rawalpindi General Hospital Rawalpindi – Rs.6,491,654/-

18.02.2014 The Department explained that user charges were collected as per rate approved by the BOM which was competent forum for the purpose having representation of the Health and Finance Departments.

The Administrative Secretary opined that user charges were required to be got approved by the Government.

The **para was kept pending** till approval of user charges by the competent authority.

6.29.4 Punjab Institute of Cardiology, Lahore – Rs. 229,008,195/-

22.12.2010 The Department explained that list of user charges and other fees determined by the management of the institution had been forwarded to the Secretary Health for approval. However, Audit contented that user charges being collected without approval of the government were irregular. On certain queries, Department could not render any appropriate justification.

The Committee desired that Administrative Secretary may look into the matter personally to thrash out the facts and a comprehensive report be submitted in the next meeting.

The **para was kept pending**.

6.29.5 Lahore General Hospital, Lahore – Rs.38,735,530/-

27.08.2011 The Department explained that the rates of user charges had not been revised since 1985-86 until approval of new rates by the BOM in its meetings held on 07.08.2004 and 12.4.2005 and a summary had already been moved by the Health Department for approval of the Chief Minister Punjab and the decision thereon was still pending.

The Committee re-iterated its recommendations/directions that distribution of share to the employees should be frozen at previous rates and the summary be pursued vigorously for early decision of the Chief Minister Punjab.

The **para was kept pending**.

6.29.6 SGRH/ FJMC and Allied Institutions, Lahore – Rs.19,899,154/-

6.29.7 Faisalabad Institute of Cardiology, Faisalabad –

18.02.2014 The Department explained that user charges were collected as per rate approved by the BOM which was competent forum for the purpose having representation of the Health and Finance Departments.

The Administrative Secretary opined that user charges were required to be got approved by the Government.

The **paras were kept pending** till approval of user charges by the competent authority.

6.29.8 Lahore General Hospital/PGMI/School of Nursing, Lahore – Rs.2,611,475/-

27.08.2011 The Department explained that free treatment was being provided to the poor and deserving patients and proper procedure had been adopted on prescribed forms of Zakat entitlement for granting subsidy to the deserving patients on X-Ray, MRI, CT Scan and Lab Tests etc.

The Committee **settled the para** with the directions that prescribed procedures should be strictly followed in future.

6.29.9 Services Hospital, Lahore – Rs.7,836,585/-

22.12.2010 The Department explained that a summary regarding approval of user charges had already been moved to Chief Minister Punjab.

The Committee directed the Department to pursue the matter vigorously for decision of the Chief Minister Punjab and **the para was kept pending.**

24. Para No.6.30 Pages 270 & 271 of Audit Report for the year 2009-10; Irregular payments in cash - Rs.20.93 million

6.30.1 Punjab Institute of Mental Health, Lahore – Rs.10,730,397/-

18.02.2014 The Department admitted that payments were made in cash and stated that instructions of Finance Department were being implemented now.

The Committee directed/recommended that an inquiry should be conducted to fix responsibility for the lapse and expenditure be got regularized by the Finance Department.

The **para was conditionally settled** subject to regularization by Finance Department.

6.30.2 Secretary Health Government of Punjab, Lahore – Rs.10,201,246/-

18.02.2014 The Department explained that a case for regularization of the expenditure had already been moved to the Finance Department and decision thereon was still awaited.

The Committee directed/recommended that an inquiry be conducted to fix responsibility for the lapse and then, the expenditure be got regularized from the Finance Department.

Subject to above directions, the **para was conditionally settled.**

25. Para No.6.31 Pages 271 to 274 of Audit Report for the year 2009-10; Irregular expenditure without approval of the competent authority – Rs.1742.114 million

6.31.1 Principal Punjab Medical College and Allied Institutions, Faisalabad– Rs.126,946,727/-

25.08.2011 The Department explained that BOG was fully competent to award a rate contract/running contract in the light of Medical and Health Institution Rules 2003.

Finance Department also supported the contention of the Department.

In the light of the clarification of the Finance Department, **the para was settled.**

6.31.2 Quid-e-Azam Medical College and Allied Institutions, Bahawalpur – Rs.199,459,227/-

6.31.3 Quid-e-Azam Medical College and Allied Institutions, Bahawalpur – Rs.9,226,424/-

27.08.2011 The Department explained that after the autonomy, the rate contract could be executed by the Institution itself in the light of Medical and Health Institutions Act 2003 and a clarification had also been sought in the matter from the Finance Department which also endorsed the contention of the department.

In view of the clarification of the Finance Department, **the paras were settled.**

6.31.4 Principal, Allama Iqbal Medical College and Allied Institution, Lahore – Rs.4,370,670/-

20.12.2010 The Department explained that the matter had already been discussed in SDACs in which it was directed to refer the case to Finance Department for clarification. As per advice of the Finance Department, the BoG was competent to award a rate contract/running contract in the light of clause 9/B of Medical & Health Institutions Rules 2003.

In the light of the clarification of the Finance Department, **the para was settled.**

6.31.5 Principal, SIMS and Allied Institutions, Lahore – Rs.6,354,431/-

6.31.6 Principal, SIMS and Allied Institutions, Lahore – Rs.262,265,355/-

6.31.9 Punjab Institute of Cardiology, Lahore – Rs. 261,560,298/-

22.12.2010 The Department explained that the matter had already been discussed in SDACs in which it was directed to refer the case to Finance Department for clarification.

As per advice of the Finance Department, the BoG was competent to award a rate contract/running contract in the light of clause 9/B of Medical & Health Institutions Rules 2003.

In the light of the FD clarification, **the paras were settled.**

6.31.7 Secretary Health Punjab, Lahore – Rs.10,011,842/-

18.02.2014 The Department explained that all the relevant record as desired by Audit, was available for verification.

The **para was conditionally settled** subject to verification of relevant record by Audit within 7 days.

6.31.13 Multan Institute of Cardiology, Multan – Rs.7,911,000/-

20.12.2010 The Department explained that the matter had already been discussed in SDACs in which it was directed to refer the case to Finance Department for clarification. As per advice of the Finance Department, the BoG was competent to award a rate contract/running contract in the light of clause 9/B of Medical & Health Institutions Rules 2003.

In the light of the clarification of the Finance Department, **the para was settled.**

6.31.14 SGRH/ FJMC, Lahore – Rs.306,415,000/-

18.02.2014 The Department explained that the institution was competent to award the rate contract and case regarding amendment in rules was also under process in the Administrative Department.

The Committee directed that Administrative Secretary should examine the matter and get the expenditure regularized by the competent authority.

Subject to above directions, **the para was conditionally settled.**

6.31.15 Lahore General Hospital/PGMI/School of Nursing, Lahore – Rs.138,570,000/-

27.08.2011 The Department explained that after the autonomy, the rate contract could be executed by the Institution itself in the light of Medical and Health Institutions Act 2003 and a clarification had also been sought in the matter from the Finance Department which also endorsed the contention of the department.

In view of the clarification of the Finance Department, **the para was settled.**

6.31.16 Nishter Medical College/Hospital, Multan – Rs.3,328,000/-

6.31.17 Nishter Hospital, Multan – Rs.163,993,000/-

21.12.2010 The Department explained that the matter had already been discussed in SDACs in which it was directed to refer the case to Finance Department for clarification. As per advice of the Finance Department, the BoG was competent to award a rate contract/running contract in the light of clause 9/B of Medical & Health Institutions Rules 2003.

In the light of the clarification of the Finance Department, the **paras were settled.**

6.31.18 Punjab Institute of Cardiology, Lahore – Rs. 124,369,233/-

6.31.19 Services Hospital, Lahore – Rs.93,994,655/-

22.12.2010 The Department explained that the matter had already been discussed in SDACs in which it was directed to refer the case to Finance Department for clarification. As per advice of the Finance Department, the BoG was competent to award a rate contract/running contract in the light of clause 9/B of Medical & Health Institutions Rules 2003.

In the light of the FD clarification, **the paras were settled.**

26. Para No.6.32 Pages 274 to 276 of Audit Report for the year 2009-10; Recovery of house rent allowance – Rs.6.652 million

6.32.1 Principal SIMS & Allied Hospital, Lahore – Rs.927,809/-

18.02.2014 The Department explained that an amount of Rs.134,989/- had been recovered whereas a sum of Rs.76,821/- was not recoverable because concerned officers were not drawing house rent allowance. It was further stated that 3 officers had deposited an amount of Rs.76,637/- and efforts were being made for recovery of Rs.341,846/- from 16 officers/officials.

The para was reduced to the extent of recovered amount and remaining portion of **para was kept pending** with the directions that recovery be pursued vigorously.

6.32.2 Services Hospital, Lahore – Rs.306,900/-

22.12.2010 The Department explained that recovery had been started from the salaries of the concerned Staff Nurses and a sum of Rs.19,532/- had been recovered so far.

The para was reduced to the extent of recovery effected and kept pending for balance recovery.

25.08.2011 The Department explained that a sum of Rs.46,000/- had been recovered so far from the salaries of concerned staff nurses and efforts were being made for balance recovery.

The **para was** reduced to the extent of recovery effected and **kept pending** for balance recovery at the earliest.

6.32.4 Principal SIMS Allied Hospital, Lahore – Rs.82,654/-

25.08.2011 The Department explained that actual recovery was amounting to Rs.502,183/- instead of Rs.497,183/- out of which a sum of Rs.23,127/- had been recovered whereas deductions were being made from the salaries of 49 concerned officers/officials on account of government accommodation. It was added that a sum of Rs.19,496/- was not recoverable as no accommodation was provided to the concerned officers/officials.

The **para was kept pending** for balance recovery and verification of relevant record by Audit.

27. Para No.6.33 Pages 276 & 277 of Audit Report for the year 2009-10; Irregular payment of non-practicing allowance – Rs. 6.23 million

6.33.1 Punjab Institute of Cardiology, Lahore – Rs. 2,184,000/-

17.02.2014 The Department explained that non-practicing allowance was given only to those doctors who were not doing private practice and they had submitted undertaking in this regard.

The Administrative Secretary endorsed the contention of Audit that payment of Non-practicing Allowance was irregular and it should be recovered.

However, the Head of PIC requested that departmental contention regarding payment of non-practicing allowance called for consideration by the Finance Department.

The Committee acceded to the request of the Department that a reference regarding the above matter be moved to the Finance Department through the Administrative Secretary before proceeding for recovery of the alleged irregular payment.

The **para was kept pending**.

6.33.2 Multan Institute of Cardiology, Multan – Rs.3,216,000/-

20.12.2010 The Department explained that Non Practicing Allowance was being paid to the doctors, MOs and other para-medical staff and payment was made out of the hospital share. It was added that this allowance was a kind of honorarium given to the medical officers and other staff who work all around the clock and approval for the purpose had also been obtained from the Board.

The Finance Department opined that hospital share could not be distributed among the employees of the institution unless and until it was part of the budget approved by the competent authority.

The Committee directed the department to frame uniform rules regarding payment of NPA to the employees of the health institutions across the board within 90 days

Subject to above directions, **the para was settled.**

6.33.3 Lahore General Hospital, PGMI & School of Nursing, Lahore – Rs.830,000/-

27.08.2011 The Department explained that Non Practicing Allowance was being paid to the entitled doctors, MOs and other para-medical staff. It was added that this allowance was a kind of honorarium given to the medical officers and other staff who work all around the clock and approval for the purpose had also been obtained from the BoM.

The Committee directed the department to frame uniform rules/policy for payment of NPA to the employees of autonomous institutions across the Province.

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

28. Para No.6.34 Pages 277 to 279 of Audit Report for the year 2009-10; Purchase of medicines at exorbitant rates/risk & cost of contractor – Rs.3.650 million

6.34.1 PMC & Allied Institutions, Faisalabad – Rs.2,082,330/-

25.08.2011 The Department explained that an inquiry was being conducted into the matter and the report thereon was still awaited.

The **para was kept pending** with the directions that inquiry proceedings be finalized within 30 days under intimation to the PAC.

6.34.3 PMC & Allied Institutions, Faisalabad – Rs.294,000/-

25.08.2011 The Department explained that rate contract was awarded after observing all the codal formalities keeping in view the prevailing market rates and relevant record was also available for verification.

The Committee **kept the para pending** with the directions that complete record be got verified by Audit within 30 days.

6.34.4 MS, Mayo Hospital, Lahore – Rs.124,875/-

22.12.2010 The Department explained that a sum of Rs. 78,000/- had been recovered and efforts were being made for balance recovery.

The para was kept pending with the directions that balance recovery be effected within 60 days.

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

6.34.5 Principal, Rawalpindi Medical College, Rawalpindi (DHQ Hospital Rawalpindi) – Rs.293,000/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

29. Para No.6.36 Pages 280 & 281 of Audit Report for the year 2009-10; Irregular expenditure without approval of budget - Rs.746.641 million

27.08.2011 The Department explained that in compliance with the decision of SDAC a fact finding Inquiry was conducted into the matter which concluded that expenditure was incurred without approval of the BoM, therefore, it ought to be got regularized by the Finance Department.

The para was kept pending for regularization of the expenditure by the competent authority.

17.02.2014 The Department explained that matter regarding regularization of the expenditure had already been referred to the Finance Department and decision thereon was still awaited.

The **para was kept pending** for decision of the Finance Department within 30 days.

30. Para No.6.37 Pages 281 & 282 of Audit Report for the year 2009-10; Irregular purchases of drugs/medicine at higher rates – Rs.14.492 million – Loss to government – Rs. 2.300 million

25.08.2011 The Department explained that the rate contract for medicines was awarded after fulfilling all the codal formalities. It was also stated that the medicines were purchased on cheaper rates than the rate contract awarded by the government.

The Committee recommended/directed that expenditure be got regularized by the Finance Department.

Subject to above directions, **the para was settled.**

31. Para No.6.38 Pages 282 to 284 of Audit Report for the year 2009-10; Irregular expenditure on work charged/contingent establishment – Rs.33.623 million

6.38.1 MS, Mayo Hospital, Lahore – Rs. 5,032,666/-

22.12.2010 The Department explained that on withdrawal of services by Building Department, the hospital had to engage labour on daily wages and payment was made on the approved rates.

The Committee directed/recommended that Department should get the expenditure regularized by the competent authority.

The para was conditionally settled subject to regularization.

18.02.2014 The Department explained that as per previous directions of PAC, a case for regularization of the expenditure had been moved to the Finance Department.

The **para was conditionally settled** subject to decision of the Finance Department.

6.38.3 Principal SIMS & Allied Hospital, Lahore – Rs.1,610,247/-

18.02.2014 The Department explained that work charge/contingent paid staff was recruited for Repair & Maintenance of hospital building because Communication & Works Department withdrew its staff. As such, the expenditure was inevitable.

The Committee **settled the para** with the direction/recommendations that requisite reference as required under austerity measures of the government, be moved for approval of the Finance Department.

6.38.4 Principal, Rawalpindi Medical College & Allied Hospital, Rawalpindi (DHQ Hospital) – Rs.1,562,410/-

26.08.2011 The Department explained that PWD employees were withdrawn on declaration of autonomy of the hospital. Subsequently work charge employees were engaged for repair & maintenance work and their salaries were paid out of the available budget.

The Committee directed/recommended that an inquiry should be conducted into the matter by the Administrative Secretary and report be submitted to the PAC at the earliest.

The **para was kept pending.**

6.38.7 Nishter Medical College, Multan – Rs.538,968/-

20.12.2010 The Department explained that contention of the Audit in above para had been addressed and all the relevant record had been got verified by Audit.

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

6.38.8 Principal PMC & Allied Institutions, Faisalabad – Rs.143,727/-

18.02.2014 The Department explained that appointments of contingent paid staff were made against the allocated budget with due approval of the competent authority and advertisement was not required for these temporary posts.

Audit contended that the Department had not yet complied with the decision of SDAC to get the matter regularized.

The Committee **conditionally settled the para** subject to regularization of the matter by the Finance Department.

32. Para No.6.39 Pages 284 & 286 of Audit Report for the year 2009-10; Expenditure exceeding budget allocation – Rs.253.958 million

6.39.1 MS R.G. Hospital, Rawalpindi – Rs.75,635,000/-

6.39.3 Punjab Institute of Mental Health, Lahore – Rs.3,402,587/-

6.39.5 Principal, Holy Family Hospital, Rawalpindi – Rs.77,718,000/-

6.39.6 Institute of Public Health, Lahore – Rs.10,778,385/-

6.39.7 Children Hospital, Lahore – Rs.1,509,231/-

6.39.10 Fatima Jinnah Medical College & Allied Institutions, Lahore – Rs.165,880/-

6.39.11 Lady Willington Hospital, Lahore – Rs. 142,561/-

6.39.12 DG Health Services, Punjab, Lahore – Rs.1,209,203/-

6.39.15 Secretary Health Government of Punjab, Lahore – Rs.73,889/-

6.39.16 Govt. Muhammad Nawaz Sharif Hospital, Lahore – Rs.2,070,807/-

6.39.18 Punjab Institute of Mental Health, Lahore – Rs.2,237,833/-

6.39.19 Dental Hospital, Lahore – Rs.2,896,454/-

18.02.2014 The Department explained that excess expenditure was incurred on account of Pay & Allowances which was unavoidable.

The above **paras were settled** subject to decision of relevant appropriation accounts.

6.39.2 MS DHQ Hospital, Rawalpindi – Rs.54,166,095/-

26.08.2011 The Department explained that an inquiry had already been ordered into the matter and the report thereon was still awaited.

The Committee noticed with the concern that gross irregularities and financial mismanagement had been committed in the DHQ Hospital Rawalpindi and huge sum of public money was incurred in violation of rules.

The Committee therefore directed that Auditor General of Pakistan should be requested to conduct Special Audit of the Rawalpindi Medical College & Hospital and its Allied Institutions in the public interest.

The **para was kept pending**.

6.39.4 Principal Nursing School Holy Family Hospital, Rawalpindi – Rs.338,103/-

26.08.2011 The Department explained that stipend was paid to the student nurses after provision of additional budget in the 2nd statement of Excesses & Surrenders.

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

6.39.8 Principal School of Nursing Rawalpindi General Hospital, Rawalpindi – Rs.1,448,972/-

26.08.2011 The Department explained that excess expenditure was mainly under the heads of Pay & Allowances due to revision of pay scales and this expenditure was inevitable.

The **para was kept pending** till the submission of relevant Appropriation Accounts.

6.39.9 Chemical Examiner, Multan – Rs.165,994/-

20.12.2010 The Department explained that the matter was relating to the Appropriation of Accounts and requested the Committee to take up the para after the Appropriation of Accounts of the respective year were discussed.

The Committee accepted the request of the Department and **the para was kept pending**.

6.39.13 DG Nursing Punjab, Lahore – Rs.312,281/-

26.08.2011 The Department explained that excess expenditure was mainly under the heads of Pay & Allowances due to revision of pay scales and this expenditure was inevitable.

The para was kept pending till the submission of relevant Appropriation Accounts.

18.02.2014 The Department explained that excess expenditure was incurred on account of Pay & Allowances which was unavoidable.

The above **para was settled** subject to decision of relevant appropriation accounts.

6.39.14 Lady Aitchison Hospital, Lahore – Rs.1,292,785/-

25.08.2011 The Department explained that excess expenditure was incurred under the heads of Pay and Allowances and a case had already been moved to the Finance Department for regularization of the expenditure.

The Committee kept the para pending till the submission of relevant Appropriation Accounts.

18.02.2014 The Department explained that excess expenditure was incurred on account of Pay & Allowances which was unavoidable.

The above **para was settled** subject to decision of relevant appropriation accounts.

6.39.20 Lahore General Hospital, PGMI & School of Nursing, Lahore – Rs.17,544,124/-

27.08.2011 The Department explained that a case for regularization of the expenditure had already been moved to the Finance Department which was still pending.

The **para was conditionally settled** subject to regularization of the expenditure by the competent authority.

33. Para No.6.40 Pages 286 to 288 of Audit Report for the year 2009-10; Unauthorized expenditure out of hospital receipts – Rs.362.068 Million

6.40.1 Principal, SIMS and Allied Institution, Lahore – Rs.19,776,677/-

6.40.2 Principal, SIMS and Allied Institution, Lahore – Rs.11,994,106/-

22.12.2010 The Department explained that the matter had already been referred to the Finance Department for condonation and decision thereon was still awaited.

The **paras were conditionally settled** subject to condonation by the Finance Department.

6.40.3 Punjab Institute of Mental Health, Lahore – Rs.147,975/-

18.02.2014 The Department admitted that expenditure was incurred out of hospital receipts on emergent basis due to default of contractors.

The Committee directed/recommended that responsibility should be fixed for the lapse and expenditure be got regularized by the Finance Department.

The **para was conditionally settled** subject to regularization.

6.40.4 Multan Institute of Cardiology of Multan – Rs.127,089,447/-

21.12.2010 The Department explained that the Administrative Committee/BOM was fully authorized to make the institutional receipts a part of budget and make expenditure out of it in accordance with the Punjab Medical and Health Institution Act 2003.

Finance Department was of the view that the receipts should be included in the budget estimates and then expenditure could be made with approval of the competent authority.

The **para was conditionally settled** subject to verification of departmental contention.

6.40.6 Lahore General Hospital, Lahore – Rs.12,804,333/-

27.08.2011 The Department explained that due to shortage of funds under different heads such as salary, electricity, POL etc., the hospital receipts were utilized to meet the inevitable expenditure and as per Finance Department's letter dated 19.5.2003 all autonomous institutions were allowed to retain their receipts upto 8% of their annual budget.

Finance Department contented that the department should produce record regarding approval of revised budget estimates.

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

17.02.2014 The Department explained that matter regarding regularization of the expenditure had already been referred to the Finance Department and decision thereon was still awaited.

The **para was kept pending** for decision of the Finance Department within 30 days.

6.40.7 Lahore General Hospital, PGMI & School of Nursing, Lahore – Rs.33,513,249/-

27.08.2011 The Department explained that a case for regularization of the expenditure had already been moved to the Finance Department which was still pending.

The **para was conditionally settled** subject to regularization of the expenditure by the competent authority.

6.40.8 Services Hospital, Lahore – Rs.6,742,333/-

22.12.2010 The Department explained that the working capital was within 8% of the budget approved by the Board of Management.

The **para was settled** with the directions that in future 8% working capital should be separately determined by the Director Finance whosoever maintained PLA account.

34. Para No.6.41 Pages 288 & 289 of Audit Report for the year 2009-10; Inadmissible payment of 20% special pay – Rs.259,056/-

6.41.1 Principal, SIMS and Allied Hospital, Lahore – Rs.241,608/-

22.12.2010 The Department explained that recovery process had been started and Rs.197,132/- had been recovered so far leaving a balance recovery of Rs.44,476/- The department added that balance recovery would be effected at the earliest.

The **para was conditionally settled** subject to balance recovery.

6.41.2 Secretary Health Punjab, Lahore – Rs.17,448/-

18.02.2014 The Department explained that an amount of Rs.14,533/- had been recovered whereas balance amount was not due.

The **para was conditionally settled** subject to reconciliation and verification of recovery by Audit.

35. Para No.6.42 Pages 289 & 290 of Audit Report for the year 2009-10; Purchase at higher rate by ignoring the lowest offers – Rs. 877,760 million

6.42.1 Lahore General Hospital, PGMI & School of Nursing, Lahore – Rs.539,460/-

27.08.2011 The Department explained that lowest bid was rejected by the Technical Evaluation Committee due to technical reasons as the items were to be utilized in the operation theater in emergency and no compromise could be allowed in case of surgery items.

The Committee **conditionally settled the para** subject of verification of the Technical Committee Report by Audit.

6.42.2 Principal, Rawalpindi Medical College & Allied Institutions, Rawalpindi – Rs.338,300/-

18.02.2014 The Department explained that overpayment, pointed out by Audit, had been recovered from the concerned firms and deposited into PLA.

The Committee directed/recommended that Administrative Department should refer the matter to Chief Minister's Inspection Team to conduct an inquiry and fix responsibility for overpayment under intimation to the PAC within 30 days.

Subject to above directions, **the para was conditionally settled.**

36. Para No.6.43 Pages 290 & 291 of Audit Report for the year 2009-10; Non deduction of cost of x-ray films - Rs.288,044/-

18.02.2014 The Department explained that all the relevant record as desired by Audit, was available for verification.

The Committee expressed its displeasure on non-production of record since long and directed the Administrative Secretary to ensure verification of record within 30 days failing which action should be taken against the responsible officers/officials.

The **para was conditionally settled** subject to above directions.

37. Para No.6.44 Pages 291 & 292 of Audit Report for the year 2009-10; Irregular expenditure on advertisement - Rs.260,085/-

6.44.1 Principal PMC, and Allied Institutions Faisalabad (Allied Hospital) – Rs.169,609/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

6.44.2 Multan Institute of Cardiology of Multan – Rs.90,476/-

21.12.2010 The Department explained that in compliance with the directions of SDAC, a case for regularization had already been sent to the BOM which was under process.

The Committee referred the para to FD for regularization and subject to that **para was settled**.

38. Para No.6.45 Pages 292 & 293 of Audit Report for the year 2009-10; Irregular expenditure on purchase of transformers - Rs.1.305 million and Non deduction of LD charges Rs.78,300/-

27.08.2011 The Department explained that entire recovery on account of L.D. charges had been effected and deposited into Government Treasury and relevant record was available for verification.

Audit contented that recovered amount ought to have been deposited in the PLA.

The Committee conditionally settled the para with the directions that recovery should be deposited in the PLA and relevant record be got verified by Audit.

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

39. Para No.6.46 Pages 293 to 295 of Audit Report for the year 2009-10; Misclassification of expenditure - Rs.2.353 million

6.46.2 Institute of Public Health, Lahore – Rs.188,600/-

18.02.2014 The Department explained that as per decision of SDAC dated 02.11.2009, a case for regularization of the expenditure had been referred to the Finance Department.

The **para was conditionally settled** subject to regularization of the expenditure by the competent authority.

6.46.3 Children Hospital, Lahore – Rs.122,135/-

18.02.2014 The Department explained that no budget was available for registration of vehicles, therefore payment for registration of newly purchased vehicle was made out of another head of account.

The Committee **conditionally settled the para** subject to regularization of the expenditure by the competent authority.

40. Para No.6.47 Pages 295 & 296 of Audit Report for the year 2009-10; Irregular appointment on contract without work/ assignment – Rs.550,069/-

6.47.2 Multan Institute of Cardiology of Multan – Rs.265,632/-

21.12.2010 The Department explained that the services of the concerned staff were being utilized for the cardiac patients. The staff was hired for CSSD and before it's functioning their services were utilized for sterilization of equipment.

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

41. Para No.6.48 Pages 296 & 297 of Audit Report for the year 2009-10; Non-accountal of cheques in the cash book - Rs.236.975 million

18.02.2014 The Department explained that all the relevant record as desired by Audit, was available for verification.

The **para was conditionally settled** subject to verification of relevant record by Audit within 7 days.

42. Para No.6.49 Pages 297 & 298 of Audit Report for the year 2009-10; Irregular purchase of “3S Sector Phase Array Sector Probe” – Rs. 842,400/-

22.12.2010 The Department explained that M/S GE Health was the sole manufacturer of the Echocardiography machine therefore its part “3S sector phase array sector probe” was purchased from the same firm being a proprietary item. The Department further explained that the reason M/S Raditech International was the sole agent of GE Health manufacturer for the said machine.

The Committee accepted the explanation of the department and **settled the para** subject to verification of the requisite record by Audit.

17.02.2014 The Department explained that all the requisite record as desired by Audit, was available for verification.

The Committee expressed its displeasure on non-production of record despite directions of PAC-II and desired that Administrative Secretary should probe into the matter to fix responsibility for non-compliance of PAC directions and relevant record be got verified by Audit by 19.02.2014.

On 19.02.2014, it was stated that complete record had been got verified by Audit.

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

43. Para No.6.50 Pages 298 & 299 of Audit Report for the year 2009-10; Purchase of furniture by splitting up the indent – Rs. 2.754 million

17.02.2014 The Department explained that expenditure had been incurred on establishment/development of different labs and academic departments and the case of each purchase was processed independently. Moreover, the expenditure had been regularized by the BOG.

The Committee was not satisfied with the explanation of the Department and directed/recommended that administrative secretary should hold an inquiry to thrash out the matter of splitting up the expenditure and whether BOG was competent to regularize it.

The **para was kept pending.**

44. Para No.6.51 Pages 299 & 300 of Audit Report for the year 2009-10; Irregular investment – loss of – Rs. 1.540 million

17.02.2014 The Department explained that all the investments were made on competitive profit rate after observing codal formalities as per rules.

The Committee **settled the para** subject to verification of departmental contention regarding competitive profit rate, by Audit within 30 days.

45. Para No.6.52 Pages 300 & 301 of Audit Report for the year 2009-10; Missing probes (medical equipments) and injections – costing - Rs. 944,813/-

6.52.1 MS Allied Hospital, Faisalabad – Rs.800,000/-

25.08.2011 The Department explained that a fact finding inquiry had been ordered under the Chairmanship of Project Director, PIC Faisalabad to thrash out the matter and report thereon was still awaited.

The **para was kept pending** with the directions that inquiry report be finalized within 30 days under intimation to the PAC.

6.52.2 Punjab Institute of Mental Health, Lahore – Rs.144,813/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

46. Para No.6.53 Pages 301 to 304 of Audit Report for the year 2009-10; Irregular payment of pay and allowances – Rs.23.391 Million

6.53.2 Govt. Nawaz Sharif Hospital, Lahore – Rs.183,150/-

18.02.2014 The Department explained that recovery had not been calculated correctly by Audit as the name of Mr. M. Ashfaq, Ward Attendant had been mentioned twice. Moreover, an amount of Rs.160,350/- had been recovered whereas Mr. Sarwar Shah, Ward Attendant had expired and recovery was not possible. The balance recovery was outstanding against three retired employees.

The Committee reduced the para to the extent of recovered amount with the directions that recovery against deceased official be got condoned by the competent authority and balance recovery be pursued vigorously.

The **para was kept pending.**

6.53.4 Govt. Nawaz Sharif Hospital, Lahore – Rs.55,800/-

6.53.5 Dental Hospital, Lahore – Rs.64,800/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

6.53.7 Principal SIMS & Allied Institutions, Lahore (Services Hospital) – Rs.714,720/-

25.08.2011 The Department explained that a sum of Rs.14,840/- and Rs. 12,400/- had been recovered from the concerned officers/officials whereas in case of Dr. Alvena Mansoor (deceased), a case for write off sanction had been submitted for approval of the competent authority.

The Committee recommended/directed the Department to get write off sanction of the outstanding amount against the deceased officer and recovery of outstanding amount be got verified by Audit.

Subject to above directions, **the para was settled.**

6.53.8 Quid-e-Azam Medical College and Allied Institutions, Bahawalpur – Rs.3,139,680/-

27.08.2011 The Department explained that residential colony of the employees was not situated within the boundaries of the hospital & college. The Campus of College and Hospital covered a vast area measuring 201 acres. Hence the conveyance allowance was admissible to the employees.

The Committee was not satisfied with the explanation of the department and directed/ recommended that conveyance allowance should be recovered from the concerned employees through deduction from their salaries at source.

The **para was kept pending**.

6.53.9 Services Hospital, Lahore – Rs.1,140,800/-

22.12.2010 The Department explained that entire amount involved in AP No. 45 had been recovered and in case of AP No. 53, efforts were being made to recover the outstanding amount.

The **para was kept pending** for balance recovery at the earliest.

6.53.10 Principal PMC & Allied Institution, Faisalabad – Rs.1,062,772/-

25.08.2011 The Department explained that during the summer vacations the allowances were admissible to the concerned employees as per advice of the Finance Department

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

6.53.11 Principal PMC & Allied Institution, Faisalabad – Rs.268,600/-

26.08.2011 The Department explained that a sum of Rs.156,688/- had already been recovered and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovered amount with the directions that balance recovery be expedited.

The **para was conditionally settled** subject to balance recovery.

6.53.12 Institute of Public Health, Lahore – Rs.263,567/-

18.02.2014 The Department explained that an amount of Rs.119,238/- had been recovered whereas a sum of Rs.144,329/- pointed out by Audit, was not recoverable.

The **para was conditionally settled** subject to reconciliation and verification of total recovery by Audit.

6.53.13 Holy Family Hospital, Rawalpindi– Rs.94,810/-

26.08.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had also been got verified by Audit.

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

6.53.14 University of Health Sciences, Lahore – Rs.11,466,570/-

17.02.2014 The Department explained that four retired members of faculty had been re-appointed with approval of the BOG because their substitutes were hard to be traced out and BOG was fully empowered for the purpose.

Audit contended that re-employment of retired employees was violation of the Government's instructions. Moreover, the Department did not comply with the directions of the SDAC to get the matter regularized.

The Committee directed/recommended that administrative department should inquire the matter to fix responsibility for the lapse within 60 days under intimation to the PAC.

The para was kept pending.

6.53.15 Principal, Nishter Medical Institution, Multan – Rs.110,557/-

21.12.2010 The Department explained that only two doctors were residing inside the premises of NMI Multan from whom recovery of conveyance allowance and 5% house rent allowance had been recovered whereas in the remaining cases, recovery was not due as either they were residing outside the premises of NMI Multan or were entitled to rent free accommodation.

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

6.53.16 Principal, Nishter Medical Institution, Multan – Rs.178,631/-

21.12.2010 The Department explained that some of the incumbents of the para were working in Admn Wing/ as Registrar/Assistant Wardens who were entitled for rent free accommodation. However, recovery of Rs.68,192/- had been effected from the non-entitled doctors. In certain cases, recovery was not due because the concerned lady doctors were living with their husbands and the house rent was being deducted from the salaries of their husbands. In case of Dr. Tanveer-ul-Haq, no recovery was due because he was not provided any accommodation.

The Committee **conditionally settled the para** subject to reconciliation/ verification of record within 30 days.

47. Para No.6.54 Pages 304 to 306 of Audit Report for the year 2009-10; Purchase of equipment at exorbitant rates – Rs. 4.000 million

25.08.2011 The Department explained that equipment was purchased through open tender after fulfilling all the codal formalities. The lowest bid was rejected as the firm was not registered. Moreover, the concerned supplier reduced the rate from Rs.7 million to 4 million after negotiations.

The Committee was not satisfied with the departmental explanation and recommended/ directed that Administrative Secretary should thrash out the matter and submit his report to the PAC at the earliest.

The **para was kept pending.**

48. Para No.6.55 Pages 306 & 307 of Audit Report for the year 2009-10; Loss to the institution – Rs. 801,625/-

25.08.2011 The Department explained that the Canteen was closed on the advice of BOM and the contractor was directed to re-construct the canteen to refine and improve its condition and standard. Therefore, rebate was allowed to the contractor only for the period of construction when the canteen was not in running position.

The Committee was not satisfied with the explanation of the Department and directed that an inquiry should be conducted into the matter to fix responsibility for the lapse under intimation to the PAC within 90 days.

The **para was kept pending.**

49. Para No.6.56 Pages 307 & 308 of Audit Report for the year 2009-10; Irregular drawl of SEMS allowance – Rs.1.587 million

6.56.1 M.S District Headquarter Hospital, Rawalpindi – Rs.435,468/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

6.56.3 Principal, Rawalpindi Medical College & Allied Institutions, Rawalpindi – Rs.321,944/-

18.02.2014 The Department explained that an amount of Rs.321,944/- had already been recovered and deposited into PLA. Moreover, the responsible officers had also been sentenced by the Anti-Corruption Establishment.

The Committee directed/recommended that Administrative Department should also probe into the matter and take strict departmental actions against the responsables under intimation to the PAC.

The **para was kept pending.**

6.56.5 Principal, SIMS and Allied Hospital, Lahore – Rs.240,930/-

22.12.2010 The Department explained that extra 50% allowance (SEMS) paid to the employees working in Accident and Emergency Wards was in accordance with the

Health Department's instructions. It was granted only to the sanctioned strength. However, in certain cases where the post was lying vacant due to non-availability of the corresponding grade officer, higher grade officer were allowed to work against the lower grade post and they were being paid extra 50% allowance of the lower post.

The Committee directed that if the expenditure was incurred within the sanctioned strength, the same may be got verified by Audit.

Subject to above directions, the **para was conditionally settled.**

50. Para No.6.57 Pages 308 & 309 of Audit Report for the year 2009-10; Less recovery of outstanding dues from students – Rs.2.015 million

6.57.1 Quid-e-Azam Medical College and Allied Institutions, Bahawalpur– Rs.662,954/-

27.08.2011 The Department explained that total recovery had been effected and relevant record had also been got verified by Audit.

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

6.57.3 Principal, SIMS and Allied Institutions, Lahore – Rs.1,250,000/-

22.12.2010 The Department explained that para had already been discussed in SDAC meeting wherein it was settled.

The Committee **settled the para** subject to verification of minutes of SDAC meeting.

51. Para No.6.58 Pages 309 to 311 of Audit Report for the year 2009-10; Irregular establishment of retail pharmacy – Rs. 1.00 million

25.08.2011 The Department explained that retail pharmacy had been established with approval of the BoM on no profit no loss basis. The pharmacist and dispenser were working there in addition to their own duties in hospital and the medicines were being purchased from the pharmacy of the PIC Lahore.

The Committee was not satisfied with the explanation of the department and directed/recommended that an inquiry be conducted into the matter by the Administrative Secretary and report be submitted to the PAC within 90 days.

The **para was kept pending.**

52. Para No.6.59 Page 312 of Audit Report for the year 2009-10; Less realization of utility charges - Rs.1.542 million

27.08.2011 The Department explained that separate meters were being installed at several residences and efforts were being made to install the same at the remaining residences.

The Committee settled the para with the directions that separate meters should be installed at all residences and outstanding dues be recovered regularly.

The Committee **conditionally settled the para** subject to installation of all meters.

53. Para No.6.60 Pages 312 & 313 of Audit Report for the year 2009-10; Unauthorized payment of share money to doctors / consultants etc - Rs.3.224 million

AIR Nos. 2 & 34 Quid-e-Azam Medical College and Allied Institutions, Bhawalpur

27.08.2011 The Department explained that in case of AP No.2, actual difference between government and hospital share was Rs.1,339,545/- instead of Rs.3,000,913/- and the recovery on account of 10% excess payment of share was being effected from the concerned employees. In case of AP No.34, it was stated that concerned employee was entitled for payment out of the administrative staff share.

The Committee recommended/directed that recovery of outstanding dues should be effected within 90 days and the matter regarding entitlement for payment of share be examined/decided by the Administrative Secretary.

Subject to above directions, **the para was settled.**

54. Para No.6.61 Pages 314 to 318 of Audit Report for the year 2009-10; Non-production of record – Rs.754.308 Million

6.61.1 Chief Executive, Punjab Institute of Cardiology, Lahore – Rs. 235,558,334/-

22.12.2010 The Department contented that Audit of the Pharmacy working in PIC was not under preview of Accountant General Pakistan because it was running under its own resources and management. It was only meant for facilitating the patients and no funds were provided to the Pharmacy.

The Committee desired that Secretary Health and Finance Department should examine the matter and devise some mechanism and rules for transparent working of the Pharmacy within 90 days under intimation to PAC.

The **para was kept pending.**

6.61.2 Chief Executive, Punjab Institute of Cardiology, Lahore – Rs. 2,689,895/-

17.02.2014 The Department explained that matter regarding rules for transparent working of pharmacy was under process with the Health and Finance Department whereas relevant record had been produced to Audit for verification.

Audit stated that proper tendering process as per Government rules was not being followed in the Institution and suggested that record of pharmacy for last three years was required to be scrutinized.

The Committee directed/recommended that matter regarding rules should be finalized by the Finance Department within 10 days and also desired that Audit of last three years accounts of the pharmacy be conducted.

The para was kept pending.

6.61.3 Quid-e-Azam Medical College and Allied Institutions, Lahore – Rs.43,710,586/-

27.08.2011 The Department explained that an amount of Rs.43,710,586/- was deposited with the XEN Building to execute the work of repair of office/residential building on deposit work basis and entire record in respect of subject para was lying with the C&W Department.

On request of the department, the para was deleted with the directions that Director General Audit Punjab should refer the matter to the Director General Audit (Works).

26.02.2014 The Department explained that subject para was referred to Director General Audit (Works) Lahore during the meeting of PAC-II held on 27.08.2011. Resultantly, all the relevant record had been produced to Audit by the Communication & Works Department.

The **para was settled** with the warning that in future, non-production of record would be taken as mis-appropriation.

6.61.4 Quid-e-Azam Medical College and Allied Institutions, Lahore – Rs.2,656,952/-

27.08.2011 The Department explained that actual expenditure involved in the para was Rs.2,019,952/- instead of Rs.2,656,952/- and all the requisite details regarding movement of vehicles etc. had been incorporated in the relevant log books duly attested by the Transport Officer and were available for verification.

The **para was kept pending** with the directions that complete record be got verified by Audit within 90 days.

6.61.5 Principal, SIMS and Allied Institutions, Lahore – Rs.14,363,943/-

22.12.2010 The Department explained that entire record in support of departmental contention was available for verification.

The **para was kept pending** for verification of record within 90 days.

6.61.6 Principal, Allama Iqbal Medical College and Allied Institution, Lahore – Rs.9,474,737/-

6.61.7 Principal, Allama Iqbal Medical College and Allied Institution, Lahore – Rs.1,228,957/-

20.12.2010 The Department explained that all the record was available for verification which would be produced to Audit at the earliest.

The Committee **settled the paras** with the directions that the record be got verified within 15 days.

6.61.10 University of Health Sciences, Lahore –

6.61.11 University of Health Sciences, Lahore –

17.02.2014 The Department explained that all the relevant record as desired by Audit, was available for verification.

The Committee expressed its displeasure on non-production of record since long and directed the Administrative Secretary to ensure verification of record within 30 days failing which action should be taken against the responsible officials/officers.

The **paras were kept pending.**

6.61.12 Punjab Institute of Mental Health, Lahore – Rs.3,613,500/-

6.61.15 Secretary Health Government of Punjab, Lahore – Rs.2,546,576/-

6.61.21 Services Hospital, Lahore – Rs.15,435,529/-

18.02.2014 The Department explained that all the relevant record as desired by Audit, was available for verification.

The Committee expressed its displeasure on non-production of record since long and directed the Administrative Secretary to ensure verification of record within 30 days failing which action should be taken against the responsible officers/officials.

The **paras were conditionally settled** subject to above directions.

6.61.13 Principal Punjab Medical College and Allied Institution, Faisalabad– Rs.3,189,446/-

26.08.2011 The Department explained that record relating to medicines received in the CCU Ward and issued from the main store was quite voluminous which required spot verification.

The Committee kept the para pending with the directions that complete record be got verified by Audit within 90 days.

18.02.2014 The Department explained that all the relevant record as desired by Audit, was available for verification.

The **para was conditionally settled** subject to verification of relevant record by Audit within 7 days.

6.61.14 Sheikh Zaid Medical College and Hospital, R.Y. Khan – Rs.2,977,817/-

22.12.2010 The Department explained that entire record was available for verification.

The **para was kept pending** for verification of record within 90 days under intimation to PAC.

18.02.2014 The Department explained that all the relevant record, as desired by Audit was available for verification.

The **para was kept pending** for verification of relevant record by Audit within 10 days.

6.61.16 Punjab Dental Hospital, Lahore – Rs.1,579,550/-

6.61.17 Punjab Dental Hospital, Lahore – Rs.678,100/-

6.61.18 Principal, Rawalpindi Medical College and Allied Institution, Rawalpindi – Rs.504,000/-

17.02.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

6.61.19 Nishter Hospital, Multan – Rs.64,705,000/-

21.12.2010 The Department explained that recovery was being affected from the salaries of the concerned employees according to sub-meter readings and efforts were being made to recover the balance amount.

The representative of Finance Department contented that previous PACs had already given directions for installation of separate meters to avoid any further loss to the government.

The Department stated that WAPDA authorities had been requested several times to install separate meters but they was not responding to official correspondence.

The Committee directed that separate meters should be installed for gas, water and electricity connections within 6 months at each residence and health institutions must allocate separate budget in ADP for this purpose.

The **para was kept pending** with the directions to effect complete recovery at the earliest.

6.61.20 Services Hospital, Lahore – Rs.37,439,547/-

20.12.2010 The Department explained that contention of the Audit in above para had been addressed and all the relevant record had been got verified by Audit.

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

6.61.22 Services Hospital, Lahore – Rs.299,770,000/-

22.12.2010 The Department explained that entire record in support of departmental contention was available for verification.

The **para was kept pending** for verification of record within 90 days.

55. Para No.6.62 Pages 318 & 319 of Audit Report for the year 2009-10; Irregular re-appropriation – Rs.1.945 million

6.62.1 Nishter Dental College, Multan – Rs.104,600/-

21.12.2010 The Department explained that the audit contention had been addressed and record had been got verified by Audit.

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

56. Para No.6.63 Page 319 of Audit Report for the year 2009-10; Loss due to theft of Ultrasound machine - Rs.397,500/-

22.12.2010 The Department explained that responsibility for theft of ultra-sound machine was fixed on a staff nurse and recovery was started but she had preferred an appeal to Punjab Services Tribunal against the decision.

Being *sub-judice*, **the para was kept pending.**

**57. Para No.6.64 Pages 320 & 321 of Audit Report for the year 2009-10;
Irregular purchase of furniture – Rs.1.300 million**

22.12.2010 The Department explained that entire recovery had been effected from the security of the lowest bidder.

The **para was settled.**

Audit Paras (Commercial) for the year 2009-10

1. Para No.24.1 Page 38 of Audit Report for the year 2009-10; Working Results

20.12.2010 Audit contented that Punjab Health Foundation did not submit its accounts timely as per schedule.

The Departmental explained that the accounts could not be submitted in time because the concerned Accounts Officer was transferred and his successor could not arrange the timely production of record for verification causing a delay of about 4 months.

The Committee directed the department to hold a fact finding inquiry for late submission of accounts and take disciplinary action against the responsible officers under intimation to PAC.

The para was conditionally settled subject to above directions.

17.02.2014 The Department explained that as per directions of PAC-II dated 20.12.2010, a fact-finding inquiry had been conducted to thrash out the matter regarding late submission of accounts. As per findings, a warning letter was issued to the responsible officer.

The Committee **settled the para** with the warning that such lapses should be avoided in future.

2. Para No.25 Pages 38 to 39 of Audit Report for the year 2009-10; Non-recovery of loan – Rs.1.656 million

20.12.2010 Audit had pointed out that a loan of Rs.1.019 million was granted to a doctor for purchase of medical equipment against mortgaged land as collateral who later on did not submit any proof of its utilization.

The Department explained that District Officer Revenue Lahore had issued orders for recovery of outstanding amount as arrears of land revenue and the department was pursuing the matter vigorously with the revenue authorities.

The Committee kept the para pending for recovery with the directions to pursue the case more actively.

17.02.2014 The Department explained that a sum of Rs.1,440,172/- had been recovered from the concerned doctor on account of loan along with penalty. As the principal amount had been recovered, the recovery of interest pointed out by Audit was not possible.

The Committee directed/recommended that either the balance amount should be recovered or got waived off by the competent authority.

Subject to above directions, the **para was conditionally settled.**

3. **Para No.26 Page 40 of Audit Report for the year 2009-10; Government Medical Store Depot, Lahore**

4. **Para No.26.1 Pages 40 & 41 of Audit Report for the year 2009-10; Working Result**

20.12.2010 Audit had pointed out that net loss sustained by Medical Store Depot was increasing consistently.

The Department explained that the MSD was not a commercial organization. It took only services charges for the storage and disbursement of medicines which was deposited into the Treasury. It was also stated that medicines worth Rs.70 crore approximately were still lying with the MSD for disbursement and soon after the medicines were disbursed and the godowns were cleared, the department would hand over the land to Govt. for auction.

The Committee directed that only those employees should be retained in MSD who were necessarily required to work there.

With the above observation, **the paras were settled.**

GENERAL DIRECTIONS/RECOMMENDATIONS

21.12.2010 The Committee directed that the meetings of SDACs should be held regularly by all the departments and Finance Department should ensure that SDACs and Pre-PAC meetings were being held well in time and decisions therein should be incorporated in the working papers for the meetings of PAC in future.

HOME

The paras were discussed in the meetings of PAC-II held on 18.07.2011, 19.07.2011, 20.07.2011, 25.04.2012, 26.04.2012, 27.04.2012, 29.01.2014, 30.01.2014 & 31.01.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Page 277 of Appropriation Accounts for the year 2009-10

- (i) 03 Public Order & Safety Affairs
036 Administration Public Order
0361 Administration
036101 Secretariat/Administration
LQ5362 Child Protection

Final Grant		Rs.139,260,000/-
Actual Expenditure		Rs.111,272,783/-
Saving	(-)	Rs. 27,987,217/-
Percentage		20.10%

29.01.2014 The Department explained that funds could not be utilized because various posts remained vacant due to ban imposed by the Government. Moreover, the posts, which were to be filled through deputation, also remained vacant as requisite officers/officials were not posted despite repeated requests by the Child Protection & Welfare Bureau, Punjab.

The Committee directed/recommended that requisite staff should be deputed at the earliest otherwise posts be abolished and necessary instructions for the purpose, be circulated by the Finance Department.

With above directions, **the item was settled.**

- (ii) 03 Public Order & Safety Affairs
036 Administration Public Order
0361 Administration
036101 Secretariat/ Administration
LQ5363 Project Management Unit (Home)

Final Grant		Rs.57,273,000/-
Actual Expenditure		Rs.48,483,240/-
Saving	(-)	Rs. 8,789,760/-
Percentage		15.35%

29.01.2014 The Department explained that saving had occurred due to number of vacant posts whereas the process of recruitment had already been started in Aug 2009 but it could not be completed within the financial year due to some codal formalities. However, an amount of Rs.15.387 million was surrendered in the 2nd statement of Excesses and Surrenders after retaining funds for three months which ultimately lapsed and resulted in saving.

The Committee **settled the item** with the directions that surplus funds should be surrendered well in time.

- (iii) 03 Public Order and Safety Affairs
- 036 Administration of Public Order
- 0361 Administration
- 036101 Secretariat/ Administration

LQ4064 Home Department

Final Grant		Rs.313,227,000/-
Actual Expenditure		Rs.280,241,967/-
Saving	(-)	Rs. 32,985,033/-
Percentage		10.53%

31.01.2014 The Department explained that saving had occurred due to vacant posts and slight delay in submission of bills to the AG office on account of purchase of vehicles which were not entertained at the closing fortnight of financial year and thus, resulted in lapse of funds.

The Committee **settled the item** with the directions that in future, surplus funds should be surrendered well in time.

- (iv) 03 Public Order and Safety Affairs
- 036 Administration of Public Order
- 0361 Administration
- 036101 Secretariat/ Administration

LQ4095 Crises Management & Control Centre

Final Grant		Rs.2,728,000/-
Actual Expenditure		Rs.2,181,342/-
Saving	(-)	Rs. 546,658/-
Percentage		20.04%

31.01.2014 The Department explained that certain posts remained vacant and requisite officers were not posted in the Crisis Management & Control Centre which resulted in saving.

The Committee **settled the item** with the directions that surplus funds should be surrendered at the time of 2nd statement of excesses and surrenders.

- (v) 03 Public Order and Safety Affairs
- 036 Administration of Public Order
- 0361 Administration
- 036101 Secretariat/ Administration

LQ4096 District Public Safety Commission

Final Grant		Rs.5,462,000/-
Actual Expenditure		Rs.4,544,299/-
Saving	(-)	Rs. 917,701/-
Percentage		16.80%

31.01.2014 The Department explained that saving was mainly under the head of Pay & Allowances because no staff had been posted in any office of District Public Safety Commission. However, employees from DCO/District Government offices were working there on loan basis and very few of them drew their salaries from DPSC. As such, the funds could not be utilized.

The Committee **settled the item** with the directions that surplus funds should be surrendered at the time of 2nd statement of excesses and surrenders

- (vi) 03 Public Order and Safety Affairs
034 Prison Administration & Operation
0341 Prison Administration & Operation
034120 Others (Other Places of Detention & Co)
LQ4103 Reclamation & Probation Department

Final Grant		Rs.50,155,000/-
Actual Expenditure		Rs.45,932,645/-
Saving	(-)	Rs. 4,222,355/-
Percentage		8.42%

31.01.2014 The Department explained that certain posts were lying vacant and recruitment process was started but it could not be completed within the financial year. Resultantly, saving occurred under the head of Pay & Allowances. Moreover, bulk of the saving was under the sub-head of Physical Assets because funds allocated for purchase of IT equipments could not be utilized due to some technical formalities/certification.

The Committee was not satisfied with the explanation of the Department and recommended/ directed that a fact-finding inquiry should be conducted and responsibility be fixed.

Subject to above directions, **the item was settled.**

2. Grant No. PC21012 (012) Jails and Convict Settlements (All Voted) Pages 279 to 285 of Appropriation Accounts for the year 2009-10

- (i) 03 Public Order and Safety Affairs
034 Prison Administration and Operation
0341 Prison Administration and Operation
034101 Jails and Convict Settlement
LQ4118 Direction

Final Grant		Rs.40,501,000/-
Actual Expenditure		Rs.39,855,945/-
Saving	(-)	Rs. 645,055/-
Percentage		1.59%

29.01.2014 The representative of AG office contended that there was variation of figures between his office and the Department in case of above item.

The **item was kept pending** for reconciliation of accounts.

- (ii) 03 Public Order and Safety Affairs
034 Prison Administration and Operation
0341 Prison Administration and Operation
034101 Jails and Convict Settlement

LQ4119 Central Jails

Final Grant		Rs.1,643,939,000/-
Actual Expenditure		Rs.1,600,154,770/-
Saving	(-)	Rs. 43,784,230/-
Percentage		2.66%

29.01.2014 The Department explained that saving was mainly under the sub-head, Physical Assets due to the reason that funds were allocated for installation of Cellular Jammers in three Jails, i.e. Central Jail, Lahore, Faisalabad, & Multan. However, the Jammers were installed only in Central Jail Lahore while the Contractor could not deliver remaining supply till the end of financial year. However, the lapsed amount was re-allocated in the next financial year.

The Committee **settled the item** as a special case with the directions that necessary measures should be taken to improve the financial discipline.

- (iii) 03 Public Order and Safety Affairs
034 Prison Administration and Operation
0341 Prison Administration and Operation
034101 Jails and Convict Settlement

LQ4120 District Jail

Final Grant		Rs.1,704,966,000/-
Actual Expenditure		Rs.1,655,354,274/-
Saving	(-)	Rs. 49,611,726/-
Percentage		2.91%

29.01.2014 The Department explained that saving occurred mainly under the sub-head, Operating Expenses due to late receipt of utility bills.

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

- (iv) 03 Public Order and Safety Affairs
 034 Prison Administration and Operation
 0341 Prison Administration and Operation
 034101 Jails and Convict Settlement
LQ4121 Lock Ups

Final Grant		Rs.34,461,000/-
Actual Expenditure		Rs.32,760,674/-
Saving	(-)	Rs. 1,700,326/-
Percentage		4.93%

29.01.2014 The Department explained that funds allocated for Prison Allowance could not be fully utilized due to some codal formalities while some utility bills were also received very late which resulted in lapse of funds.

The Committee **settled the item** with the directions/recommendations that prompt co-ordination be ensured within the Department to avoid such lapses in future.

- (v) 03 Public Order and Safety Affairs
 034 Prison Administration and Operation
 0341 Prison Administration and Operation
LQ4122 Jails (Manufactures) Central Jails

Final Grant		Rs.46,747,000/-
Actual Expenditure		Rs.46,269,617/-
Saving	(-)	Rs. 477,383/-
Percentage		1.02%

29.01.2014 The Department explained that saving occurred due to vacant posts and massive transfer/posting under the Judicial Policy.

The Committee **settled the item** with the directions that fruitful utilization of funds should be ensured in future.

- (vi) 03 Public Order and Safety Affairs
 034 Prison Administration and Operation
 0341 Prison Administration and Operation
 034101 Jails and Convict Settlement
LQ4123 Jails (Manufactures) District Jails

Final Grant		Rs.631,000/-
Actual Expenditure		Rs.607,919/-
Saving	(-)	Rs. 23,081/-
Percentage		3.66%

29.01.2014 The Department explained that out of total allocation, only a meager amount could not be utilized and requested for settlement of the grant.

The item was accordingly settled.

- (vii) 03 Public Order and Safety Affairs
 034 Prison Administration and Operation
 0341 Prison Administration and Operation
 034101 Jails and Convict Settlement

LQ4124 Works

Final Grant		Rs.5,000,000/-
Actual Expenditure		Rs.4,781,334/-
Saving	(-)	Rs. 218,666/-
Percentage		4.37%

29.01.2014 The Department explained that the grant was distributed among various field formations but they could not fully utilize the same which resulted in saving.

The Committee settled the item with the directions that such lapses should be avoided in future.

3. Grant No. PC21013 (013) Police (All Voted) Pages 286 to 301 of Appropriation Accounts for the year 2009-10

- (i) 03 Public Order and Safety Affairs
 032 Police
 0321 Police
 032102 Provincial Police

LQ4125 Direction

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.2,218,311,000/-	Rs.2,218,311,000/-
Actual Expenditure	Rs.2,112,208,398/-	Rs.2,112,208,398/-
Saving	(-) Rs. 106,102,602/-	(-) Rs. 218,748,271/-
Percentage	4.78%	9.86%

29.01.2014 The representative of AG office stated that accounts had been reconciled and there was saving of Rs. 218,748,271/- which was 9.86% of the final grant.

The Department explained that saving was mainly under the sub-head-operating expenses because the supply against various contracts of protective clothing was delayed due to heavy load shedding of electricity and gas. Therefore, bills were submitted after 18.06.2010 which could not be entertained by AG office.

The Committee **settled the item** with the directions that such lapses should be avoided in future.

- (ii) 03 Public Order and Safety Affairs
 032 Police
 0321 Police
 032102 Provincial Police
LQ4126 Superintendence

Final Grant		Rs.200,913,000/-
Actual Expenditure		Rs.202,788,253/-
Excess	(+)	Rs. 1,875,253/-
Percentage		0.93%

29.01.2014 The Department explained that funds of some vacant posts were surrendered in the 2nd statement of Excesses and Surrender but the said posts were got filled later. As such, the excess expenditure was incurred on account of Pay & Allowances which was unavoidable.

The **item was conditionally settled** subject to condonation of the expenditure by the competent authority within 30 days.

- (iii) 03 Public Order and Safety Affairs
 032 Police
 0321 Police
 032102 Provincial Police
LQ4127 District Police

	<u>AG Figures</u>		<u>Departmental Figures</u>	
Final Grant		Rs.37,625,887,000/-		Rs.37,625,887,000/-
Actual Expenditure		Rs.38,101,850,684/-		Rs.38,143,006,686/-
Excess	(+)	Rs. 475,963,684/-	(+)	Rs. 517,119,686/-
Percentage		1.26%		1.37%

29.01.2014 The representative of AG office stated that accounts had been reconciled and there was excess expenditure of Rs. 517,119,686/- which was 1.37% of the final grant.

The Department explained that excess expenditure was incurred under the sub-head-Regular Allowances because the Finance Department did not allocate sufficient funds against this head as per demand. Since the regular allowances of concerned employees could not be stopped, therefore, expenditure was inevitable.

The **item was conditionally settled** subject to condonation of excess expenditure by the competent authority.

- (iv) 03 Public Order and Safety Affairs
 032 Police
 0321 Police
 032102 Provincial Police
LQ4128 Crime Investigation

Final Grant		Rs.284,324,000/-
Actual Expenditure		Rs.283,751,975/-
Saving	(-)	Rs. 572,025/-
Percentage		0.20%

29.01.2014 Saving being nominal, the Committee **settled the item**. However, proper reasoning be given in future.

- (v) 03 Public Order and Safety Affairs
 032 Police
 0321 Police
 032102 Provincial Police
LQ4129 Special Branch

	<u>AG Figures</u>		<u>Departmental Figures</u>	
Final Grant		Rs.1,419,122,000/-		Rs.1,419,122,000/-
Actual Expenditure		Rs.1,334,101,912/-		Rs.1,334,101,912/-
Saving	(-)	Rs. 85,020,088/-	(-)	Rs. 52,366,781/-
Percentage		5.99%		3.69%

29.01.2014 The representative of AG office stated that accounts had been reconciled and there was saving of Rs. 52,366,781/- which was 3.69% of the final grant.

The Department explained that funds allocated for purchase of Sniffer Dogs and their feed & medicine could not be utilized due to non-completion of Canine Unit. Moreover, an amount of Rs.19,539,000/- was surrendered vide letter dated 15.6.2010 but the same could not be withdrawn by the Finance Department. As such, the funds lapsed inadvertently.

The Committee was not satisfied with the explanation of the Department and directed/ recommended that responsibility should be fixed for non-utilization of funds/delay in surrendering surplus amount and report be submitted to PAC within 30 days.

Subject to above directions, **the item was settled.**

- (vi) 03 Public Order and Safety Affairs
 032 Police
 0321 Police
 032102 Provincial Police
LW4120 Elite Police Force

Final Grant		Rs.470,025,000/-
Actual Expenditure		Rs.395,376,631/-
Saving	(-)	Rs. 74,648,369/-
Percentage		15.88%

29.01.2014 The Department explained that saving under the sub-head of pay & allowances occurred due to non-utilization of funds allocated against vacant posts. Moreover, funds for certain schemes were released very late which could not be utilized and therefore, got re-validated in the next financial year.

The Committee directed that recruitments should be made against vacant posts subject to approval of the Government and excess funds be surrendered well in time. The Committee also desired that Finance Department should streamline the systems for timely release of allocated funds.

With the above directions, **the item was settled.**

- (vii) 03 Public Order and Safety Affairs
032 Police
0321 Police
032111 Training
LQ4136 Police Training Institute

Final Grant		Rs.1,113,097,000/-
Actual Expenditure		Rs.1,048,387,407/-
Saving	(-)	Rs. 64,709,593/-
Percentage		5.81%

29.01.2014 The Department explained that saving occurred mainly under the sub-head of Operating Expenses because appropriate funds on account of Free Ration for trainees, could not be utilized due to some codal formalities. Moreover, less number of students attended the scheduled courses which resulted in lapse of funds.

The Committee **settled the item** with the directions that SOPs should be devised to avoid such lapses in future.

- (viii) 03 Public Order and Safety Affairs
032 Police
0321 Police
032113 Other Civil Armed Forces
LQ4131 Punjab Constabulary

Final Grant		Rs.3,022,580,000/-
Actual Expenditure		Rs.2,977,065,982/-
Saving	(-)	Rs. 45,514,018/-
Percentage		1.51%

29.01.2014 The Department explained that saving was due to vacant posts and transfer/posting of certain employees who could not draw their salaries.

The Committee accepted the explanation of the Department and **settled the item** with the directions that surplus funds should be surrendered well in time.

- (ix) 03 Public Order and Safety Affairs
 032 Police
 0321 Police
 032150 Others

LQ4132 Police Employed for Agency Function

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.109,923,000/-	Rs.109,923,000/-
Actual Expenditure	Rs.117,545,394/-	Rs.117,545,394/-
Saving (-)	Rs. 7,622,394/-	(-) Rs. 455,571/-
Percentage	6.93%	0.41%

29.01.2014 The representative of AG stated that accounts had been reconciled and there was saving of Rs. 455,571/- which was 0.41% of final grant.

Saving being nominal, **the item was settled.**

- (x) 03 Public Order and Safety Affairs
 032 Police
 0321 Police
 032150 Others

LQ4133 Police Supplied to Public Departments Private Bodies and Persons

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.204,926,000/-	Rs.204,926,000/-
Actual Expenditure	Rs.184,725,891/-	Rs.184,725,891/-
Saving (-)	Rs. 20,200,109/-	(-) Rs. 2,616,994/-
Percentage	9.86%	1.27%

- (xi) 03 Public Order and Safety Affairs
 032 Police
 0321 Police
 032150 Others

LQ4134 Qaumi Razakar Organization

	<u>AG Figures</u>	<u>Department Figures</u>
Final Grant	Rs.290,443,000/-	Rs.290,443,000/-
Actual Expenditure	Rs.256,587,819/-	Rs.256,587,819/-
Saving (-)	Rs. 33,855,181/-	(-) Rs. 7,095,371/-
Percentage	11.66%	2.44%

29.01.2014 The representative of AG stated that accounts had been reconciled and there were savings of Rs. 2,616,994/- and Rs. 7,095,371/- in case of above items which were 1.27% and 2.44% of the final grants respectively.

The Department explained that saving had occurred due to vacant posts and transfer/posting of certain employees who could not draw their salaries.

The Committee accepted the explanation of the Department and **settled the above items** with the directions that surplus funds should be surrendered well in time.

(xii) 03 Public Order and Safety Affairs
 032 Police
 0321 Police
 032150 Others
LQ4135 Works

		<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant		Rs.59,780,000/-		Rs.59,780,000/-
Actual Expenditure		Rs.57,004,707/-		Rs.57,004,707/-
Saving	(-)	Rs. 2,775,293/-	(-)	Rs. 203,893/-
Percentage		4.64%		0.34%

29.01.2014 The representative of AG office stated that accounts had been reconciled and there was saving of Rs. 203,893/- which was 0.34% of final grant.

The Committee observed that no explanation whatsoever had been tendered in working papers on account of saving. It was therefore, directed that proper justification for each item should be provided in future.

With the above directions, **the item was settled.**

(xiii) 03 Public Order And Safety Affairs
 032 Police
 0321 Police
 032103 Local Police
RQ4002 Border Military Police (Rajanpur)

Final Grant		Rs.70,947,000/-
Actual Expenditure		Rs.50,807,805/-
Saving	(-)	Rs.20,139,195/-
Percentage		28.39%

(xiv) 03 Public Order And Safety Affairs
 032 Police
 0321 Police
 032103 Local Police
DQ4006 Baluch Levy DG Khan

Final Grant		Rs.55,063,000/-
Actual Expenditure		Rs.52,423,072/-
Saving	(-)	Rs. 2,639,928/-
Percentage		4.79%

- (xv) 03 Public Order And Safety Affairs
032 Police
0321 Police
032103 Local Police

DQ4005 Border Military Police (DG Khan)

Final Grant		Rs.114,464,000/-
Actual Expenditure		Rs. 95,737,117/-
Saving	(-)	Rs. 18,726,883/-
Percentage		16.36%

29.01.2014 There was variation of figures between AG office and the Department in case of above items.

The items were therefore, kept pending with the directions that accounts be reconciled within 30 days under intimation to the PAC.

4. Grant No. PC21031 (031) Miscellaneous (All Voted) Page 304 of Appropriation Accounts for the year 2009-10

- 03 Public Order and Safety Affairs
034 Prison Administration and Operation
0341 Prison Administration and Operation
034120 Others (Other Places of Detention and)

LQ4287 State Prisoners and Detenues

Final Grant		Rs.100,000/-
Actual Expenditure		Rs. 40,143/-
Saving	(-)	Rs. 59,857/-
Percentage		59.86%

29.01.2014 The Department explained that expenditure out of this grant was of unforeseen nature which entirely depended upon law and order situation. As such, unspent amount was not surrendered in view of any emergency.

The Committee settled the item.

5. Grant No. PC21032 (032) Civil Defence (All Voted) Pages 306 & 307 of Appropriation Accounts for the year 2009-10

- (i) 03 Public Order & Safety Affairs
033 Fire Protection
0331 Fire Protection
033101 Administration

LQ4301 Administration

Final Grant		Rs.29,719,000/-
Actual Expenditure		Rs.30,292,112/-
Excess	(+)	Rs. 573,112/-
Percentage		1.93%

29.01.2014 The Department explained that excess expenditure was incurred under the heads of Pay & Allowances which was inevitable as less budget was sanctioned for the purpose than actually required.

The **item was conditionally settled** subject to condonation of the excess expenditure by the competent authority within 30 days.

- (ii) 03 Public Order & Safety Affairs
033 Fire Protection
0331 Fire Protection
033102 Operations

LQ4302 Medical Establishment

Final Grant		Rs.3,398,000/-
Actual Expenditure		Rs.3,146,775/-
Saving	(-)	Rs. 251,225/-
Percentage		7.39%

29.01.2014 The Department explained that recruitment against various posts was under process but the same could not be finalized till the close of financial year which resulted in saving.

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

6. Grant No. PC22036 (036) Development (All Voted) Pages 308 & 309 of Appropriation Accounts for the year 2009-10

- (i) 01 Public Order and Safety Affairs
032 Police
0321 Police
032102 Provincial Police

LE4207 Provincial Police

Final Grant		Rs.13,792,000/-
Actual Expenditure		Rs.5,792,800/-
Saving	(-)	Rs. 7,999,200/-
Percentage		58.00%

29.01.2014 The Department explained that funds under the above sub-heads were received through supplementary grant vide Finance Department's sanction dated 24.6.2010. As such, the funds could not be utilized.

The Committee deferred the consideration of the item till 31.1.2014 with the directions that Finance Department should probe into the matter regarding late release of funds.

On 31.1.2014, the Finance Department contended that funds in question had been allocated in October and December 2009.

The Committee **settled the item** with the directions that such lapses should be avoided in future.

- (ii) 01 Public Order and Safety Affairs
- 036 Administration of Public Order
- 0361 Administration
- 036101 Secretariat
- LE4278 Secretariat Administration**

Final Grant		Rs.2,359,911,000/-
Actual Expenditure		Rs.2,169,109,016/-
Saving	(-)	Rs. 190,801,984/-
Percentage		8.09%

29.01.2014 There was variation of figures between AG office and the Department in case of above item.

The **item was therefore, kept pending** with the directions that accounts be reconciled within 30 days.

Audit Paras (Civil) for the year 2009-2010

1. Para No.7.1(A) Pages 327 to 329 of Audit Report for the year 2009-10, Expenditure over and above budget Rs. 506.127 million

- 7.1 (A-1) CCPO, Lahore – Rs. 85,631,176/-
- 7.1 (A-2) CPO, Faisalabad – Rs. 85,603,188/-
- 7.1 (A-3) SP PC-1 Abbas Line, Lahore – Rs. 26,334,995/-
- 7.1 (A-4) DPO, Rajanpur – Rs. 19,859,862/-
- 7.1 (A-5) CPO, Gujranwala – Rs. 16,618,818/-
- 7.1 (A-6) CTO, Faisalabad – Rs. 15,316,706/-
- 7.1 (A-7) Commandant PC Battalion-3, Multan – Rs. 14,408,694/-
- 7.1 (A-8) DPO, Okara – Rs. 10,655,618/-
- 7.1 (A-9) DPO, Attock – Rs. 10,219,298/-
- 7.1 (A-10) DPO, TT Singh – Rs. 10,117,952/-
- 7.1 (A-11) SP MT, Lahore – Rs. 10,029,712/-
- 7.1 (A-12) DPO, Jhang – Rs. 5,383,059/-
- 7.1 (A-13) CTO, Multan – Rs. 5,158,704/-
- 7.1 (A-14) Add: IG Investigation, Lahore – Rs. 4,977,672/-
- 7.1 (A-15) SP PHP, Multan – Rs. 4,408,070/-
- 7.1 (A-16) Commandant PC Battalion-4, Faisalabad – Rs. 4,337,649/-
- 7.1 (A-17) DPO, Muzaffar Garh – Rs. 3,081,688/-
- 7.1 (A-18) SSP Battalion-7, Lahore – Rs. 2,087,664/-
- 7.1 (A-19) SP PHP, Faisalabad – Rs. 1,197,146/-

19.07.2011 The Department explained that all the above paras related to the expenditure incurred above the budgetary allocations which would be depicted in the Appropriation Accounts of the relevant fiscal year and requested that these paras should be settled subject to settlement of the relevant grants.

The Committee acceded to the request of the department and **settled the paras** subject to settlement of the relevant Appropriation Accounts.

7.1(A-20) Superintendent District Jail, Lahore – Rs. 658,152/-

27.04.2012 The Department explained that Dietary and Hospital charges were wrongly booked by AG Office and no excess expenditure was involved, rather there was saving under the relevant sub-head and all the relevant record in support of departmental contention was available for verification.

The Committee **settled the para** subject to settlement of relevant Appropriation Accounts.

2. Para No.7.1(A) Pages 327 to 329 of Audit Report for the year 2009-10, Expenditure over and above budget Rs. 506.127 million

- 7.1 (A-21) Add: IG CID, Lahore – Rs. 551,868/-

- 7.1 (A-22) SSP Spl: Branch, Lahore – Rs. 473,661/-**
7.1 (A-23) CTO, Rawalpindi – Rs. 328,663/-
7.1 (A-24) DPO, Jhelum– Rs. 325,229/-
7.1 (A-25) DPO, DG Khan – Rs. 212,787/-
7.1 (A-26) SSP PHP, Rawalpindi – Rs. 45,366/-
7.1 (A-27) DPO, Bahawal Nagar – Rs. 35,031/-

19.07.2011 The Department explained that all the above paras related to the expenditure incurred above the budgetary allocations which would be depicted in the Appropriation Accounts of the relevant fiscal year and requested that these paras should be settled subject to settlement of the relevant grants.

The Committee acceded to the request of the department and **settled the paras** subject to settlement of the relevant Appropriation Accounts.

- 7.1 (B-1) SP Tele Punjab, Lahore – Rs. 120,061,991/-**
7.1 (B-2) C.T.O, Lahore – Rs. 23,270,000/-
7.1 (B-3) Principal P.T.S, Lahore – Rs. 8,262,195/-
7.1 (B-4) SP PC Battalion 3, Multan– Rs. 2,645,633/-
7.1 (B-5) SP Special Br, Sheikhpura – Rs. 2,530,259/-
7.1 (B-6) SP PHP, Faisalabad– Rs. 2,273,830/-
7.1 (B-7) SP PHP, Bhawalpur – Rs. 2,064,921/-
7.1 (B-8) SP PC Battalion 4, Faisalabad– Rs. 1,966,382/-
7.1 (B-10) SP Special Br., Lahore – Rs. 1,061,000/-
7.1 (B-13) SP PC Battalion 7, Lahore – Rs. 541,763/-
7.1 (B-14) SP PHP, Gujranwala – Rs. 196,546/-

19.07.2011 The Department explained that all the above paras related to the expenditure incurred above the budgetary allocations which would be depicted in the Appropriation Accounts of the relevant fiscal year and requested that these paras should be settled subject to settlement of the relevant grants.

The Committee acceded to the request of the department and **settled the paras** subject to settlement of the relevant Appropriation Accounts.

- 7.1(B-9) B.M.P, Rajanpur – Rs. 1,374,245/-**

19.07.2011 The Department explained that excess expenditure was mainly under the heads of Pay & Allowances which was inevitable.

The Committee **kept the para pending** till the settlement of relevant Appropriation Accounts.

- 7.1(B-11) District Jail, Muzzafar Garh – Rs. 1,008,576/-**

27.04.2012 The Department explained that excess expenditure was incurred mainly under the sub-head of Pay & Allowances due to unavoidable circumstances. However, the overall expenditure under the head of Pay & Allowances was within the budget allocation.

The Committee **settled the para** subject to the settlement of relevant Appropriation Accounts.

7.1(B-12) Commandant Bloch Levy, DG Khan – Rs. 810,114/-

19.07.2011 The Department explained that excess expenditure was mainly under the heads of Pay & Allowances which was inevitable.

The Committee **kept the para pending** till the settlement of relevant Appropriation Accounts.

3. Para No.7.2 Pages 329 to 333 of Audit Report for the year 2009-10; Unauthorized payment of pay and allowances – Rs. 408.077 million

7.2 (A-1) CTO, Faisalabad – Rs. 2,752,000/-

30.01.2014 The Department explained that special allowance had been discontinued and the matter was subjudice in the court of law.

The **para was kept pending.**

7.2(A-3) CTO, Faisalabad – Rs. 368,676/-

7.2(A-5) CTO, Faisalabad – Rs. 103,169/-

30.01.2014 The Department explained that partial recovery had been effected whereas strenuous efforts were being made for recovery of outstanding amount which would also be recovered with in 8 weeks.

On assurance of the Department, the **paras were conditionally settled** subject to recovery of outstanding amount and its verification by Audit.

7.2(A-9)AIR No. 9 CTO, Rawalpindi – Rs. 500,000/-

19.07.2011 The Department explained that necessary action had been taken in respect of above para and relevant record in support of departmental contention had already been got verified by Audit.

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

7.2(A-13) DPO, Attock – Rs. 119,020/-

26.04.2012 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

7.2(A-14) CPO, Faisalabad – Rs. 8,284,085/-

30.01.2014 The Department explained that there were no restrictions for payment of TA/DA to the lower staff and letter quoted in audit observation related to the payment of

10 days TA/DA to GOs/Inspectors only. Hence, the payments were made as per standing instructions and no irregularity was committed.

Audit contended that Daily Allowance beyond a continuous halt of more than 10 days was not admissible as per TA rules.

The **para was kept pending** with the directions to the department that matter be reconciled with Audit at the earliest.

7.2(A-15) CPO, Faisalabad – Rs. 4,218,600/-

30.01.2014 The Department explained that actual outstanding amount was Rs.2,603,000/- instead of Rs.4,218,600/- out of which a sum of Rs. 707,600/- had already been recovered. Moreover, efforts were being made for recovery of outstanding amount.

The **para was kept pending** with the directions/recommendations that outstanding dues be recovered within 6 weeks.

7.2(A-16) SP, PHP, Rawalpindi – Rs. 160,515/-

26.04.2012 The Department explained that total recovery as pointed out by Audit, had been effected and all the relevant record had also been got verified by Audit.

The Committee **settled the para** with the recommendations/directions that Standard Operating Procedures should be devised with approval of the competent authority within 90 days under intimation to PAC and internal financial control should also be strengthened to avoid such lapses in future.

7.2(A-17)PHP/Rawalpindi – Rs. 124,000/-

26.04.2012 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

7.2(A-22) Ration Allowance – Rs. 169,070,976/-

27.04.2012 The Department explained that Ration Allowance, Conveyance Allowance and fixed TA/DA were admissible to the constables/Head-constables and a consolidated amount of Rs.1,390/- on account of these three allowances was paid to the entitled employees which had wrongly been mentioned as a new allowance by the Audit Officer. The Department added that no excess payment had been made and record in support of departmental contention was also available for verification.

The Committee **kept the para pending** with the directions that the matter should be inquired into and excess payment, if any, should be recovered within 60 days.

7.2(A-23) CCPO, Lahore– Rs. 137,748,000/-

31.01.2014 The Department explained that excess amount of Rs.131,166,000/- had been sanctioned by the AG office according to sanctioned strength. However, the entire excess amount was deposited into government treasury which could be verified from the relevant record.

The Committee recommended/directed that matter should be reconciled with AG/Audit within 7 days and responsibility be fixed for the lapse under intimation to the PAC within 30 days.

The **para was kept pending.**

7.2(A-24) CCPO, Lahore– Rs. 4,532,034/-

31.01.2014 The Department explained that arrears of ration & risk allowance had been paid according to the sanctioned strength and all the relevant record was available for verification. However, a fact-finding inquiry was under process.

The **para was kept pending** for finalization of inquiry proceedings and verification of record within 30 days.

7.2(A-30) DPO, DG Khan – Rs. 12,635,926/-

30.01.2014 The Department explained that necessary action in respect of above paras had already been taken and requisite record had also been got verified by Audit.

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

7.2(A-33) SP, PHP, Faisalabad – Rs. 21,280,000/-

20.07.2011 The Department explained that a letter was written to Finance Department which was of the opinion that Special Allowance Rs.2,000/- was only admissible to the constables of Punjab Police and the officials from the Punjab Highway Police and Traffic Police were not entitled for this Allowance. The Department further stated that the matter would be resolved before the next meeting.

The **para was kept pending.**

7.2(A-34) DPO, Rajanpur – Rs. 9,624,000/-

7.2(A-36) DPO, Jhang – Rs. 882,000/-

19.07.2011 The Department explained that the recovery on account of fixed TA and Special allowances had been effected and deposited into government treasury which had been got verified by Audit.

The Committee directed/recommended that Internal Audit Wing of Police Department should verify that no such irregular payments were being made in any other District.

The **paras were conditionally settled** subject to verification of requisite Internal Audit Wing Certificate by Audit.

7.2(A-39) DPO, Okara – Rs. 208,790/-

26.04.2012 The Department explained that official who had been suspended, posted in Police Line/Headquarter and those who remained on long leave were not entitled to risk allowance and fixed DA. However, the total recovery involved in the para had been effected and also got verified by Audit.

The Committee was not satisfied with the explanation of the Department and directed/recommended that an inquiry should be conducted into the matter and disciplinary action be taken against the officers/officials found responsible for unauthorized payment within 30 days.

The para was kept pending.

7.2(A-40) DPO, Mianwali – Rs. 148,100/-

26.04.2012 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

4. Para No.7.3 Pages 333 to 335 of Audit Report for the year 2009-10, Excess drawl of POL over and above prescribed limit – Rs.295.690 million

7.3(A-1) SSP, Battalian-7, Lahore – Rs. 867,072/-

27.04.2012 The Department explained that the case for regularization of the expenditure had already been referred to the Finance Department which was under process.

The Committee **kept the para pending** for necessary action by the Finance Department at the earliest.

7.3(A-2) SP, PC-1, Ababss Line, Lahore – Rs. 211,493/-

7.3(A-3) CTO, Faisalabad – Rs. 1,442,125/-

7.3(A-4) CTO, Rawalpindi – Rs. 1,656,301/-

7.3(A-5)(03) DPO, Attock – Rs. 16,098,306/-

7.3(A-6) CPO, Faisalabad – Rs. 4,116,489/-

7.3(A-8) DPO, Jhang – Rs. 2,122,393/-

7.3(A-9) DPO, TT Singh – Rs. 1,108,317/-

7.3(A-10) CPO, Gujranwala – Rs. 1,874,851/-

7.3(A-13) DPO, Muzaffar Garh – Rs. 11,236,420/-

7.3(A-14)(09) DPO, DG Khan – Rs. 11,305,012/-

7.3(A-14)(11) DPO, DG Khan – Rs. 354,322/-

7.3(A-16) DPO, Jhelum – Rs. 1,492,694/-

7.3(A-17) DPO, Okara – Rs. 895,678/-

7.3(A-18) DPO, Mianwali – Rs. 17,473,508/-

30.01.2014 The Department explained that cases for regularization of the expenditure involved in above paras had already been referred to the Finance Department in 2011 but the decision thereon was still awaited.

The Committee **kept the paras pending** with the directions that Finance Department should decide the cases within 7 weeks and the Department should pursue the matter vigorously.

7.3(A-12) CCPO, Lahore – Rs. 206,416,000/-

20.07.2011 The Department explained that a case for regularization of the expenditure had been moved to the Finance Department and the decision thereon was still awaited.

The Committee **kept the para pending** with the directions that expenditure be got regularized within 120 days.

7.3(B-2) SP, Special Br, Sheikhpura – Rs. 330,772/-

7.3(B-3) SP, PC Battalion 7, Lahore – Rs. 458,255/-

30.01.2014 The Department explained that cases for regularization of the expenditure involved in above paras had already been referred to the Finance Department in 2011 but the decision thereon was still awaited.

The Committee **kept the paras pending** with the directions that Finance Department should decide the cases within 7 weeks and the Department should pursue the matter vigorously.

5. Para No.7.4 Pages 335 to 337 of Audit Report for the year 2009-10; Discrepancies in Malkhana - Rs. 209.835 million

7.4.5 CPO, Faisalabad – Rs. 19,825,000/-

30.01.2014 The Department explained that registers of the seized vehicles were being maintained properly and matter for their disposal was under process with the District & Session Judge. It was added that custodian of these vehicles was actually the court rather than Police. The Department added that documents of confiscated vehicles were handed over to the court due to which recovery could not be expedited.

The Committee desired that a comprehensive summary on departmental contention regarding possession/custody of seized vehicles and their documents be sent to the Law Department under intimation to the PAC.

The **para was kept pending.**

7.4.14 CPO, Gujranwala –

31.01.2014 The Department explained that registers of the seized vehicles were being maintained properly and matter for their disposal was under process with the District & Sessions Judge. It was added that custodian of these vehicles was actually the court rather than Police.

The Committee **kept the para pending** as per its decision dated 30.1.2014 in similar case.

6. Para No.7.5 Pages 337 & 338 of Audit Report for the year 2009-10; Non recovery of services charges on provision of police guards - Rs.83.695 million

7.5.1 SSP, Battalion-7, Lahore – Rs. 25,025,040/-

7.5.2 CCPO, Lahore – Rs. 14,778,389/-

30.01.2014 The Department explained that a sum of Rs.10,704,228/- had been recovered and efforts were being made for balance recovery on account of police guard provided to banks, PTV, Pakistan Radio etc.

The Committee **kept the paras pending** with the recommendations that matter regarding recovery from federal organizations/departments should be taken up with the Finance Division, Islamabad for at source deduction of outstanding dues within 6 weeks.

7.5.4 CPO, Faisalabad – Rs. 7,209,996/-

30.01.2014 The Department explained that partial recovery had been effected and strenuous efforts were being made for balance recovery.

The **para was kept pending** with the directions that efforts for balance recovery should be expedited.

7.5.7 DPO, DG Khan – Rs. 2,343,416/-

19.07.2011 The Department explained that necessary action had been taken in respect of above para and relevant record in support of departmental contention had already been got verified by Audit.

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

7. Para No.7.6 Pages 339 & 340 of Audit Report for the year 2009-10; Blockage of money - Rs.76.320 million

7.6.1 Addl, IG PHP Lahore – Rs. 28,925,125/-

30.01.2014 The Department explained that most of the purchased items had been consumed whereas remaining articles could not be distributed because 143 PHP Posts had not been completed by the Building Department. These articles were available in stock and duly accounted for in the relevant record.

Audit contended that huge quantity of costly items had been purchased in excess of requirement contrary to the Punjab Financial Rules.

The **para was kept pending** with the recommendations/directions that the irregularity should be got condoned by the competent authority within 7 weeks.

7.6.2 CCPO, Lahore– Rs. 25,300,000/-

31.01.2014 The Department explained that the bank account mentioned in Audit observation was being operated since 15 to 20 years and sanction of the Finance Department was not required at that time as the restrictions were imposed later.

The Committee recommended/directed that matter be got regularized by the competent authority. Meanwhile, Additional IG (Finance) Police should issue instructions to close all such un-authorized accounts across the province and report be submitted to the PAC within 30 days.

The **para was kept pending**.

8. Para No.7.7 Pages 340 to 342 of Audit Report for the year 2009-10; Discrepancies in receipt figures - Rs.61.461 million

7.7 (a) Variation in receipts figures – Rs. 47.355 million

7.7 (a-03) CTO, Multan – Rs. 2,113,855/-

31.01.2014 The Department explained that traffic receipt figures of CTO Multan included the receipts made through all branches of NBP, by courts, Secretary RTA, Railway etc and these figures could not be tallied with the figures of DAO office. As such, figures of the CTO office were in accordance with the record.

The Committee was not satisfied with the explanation of the Department and directed/recommended that a fact-finding inquiry be conducted regarding the matter and record be got verified by Audit within 30 days.

The **para was kept pending**.

7.7 (b) Non-realization of traffic receipts – Rs. 14.106 million

7.7 (b-1) CTO, Multan – Rs. 12,890,000/-

31.01.2014 The Department explained that Parvi Officers had been deployed in courts for speedy trial of traffic fine cases and recovery would be effected as per decision of the court.

On a query by the Committee, the concerned officer could not apprise the Committee regarding latest figures of the case.

The Committee expressed its displeasure on the concerned officer and directed/recommended that a comprehensive note on this issue should be submitted through Additional Inspector General (Finance), Police for consideration of the PAC within 30 days.

The **para was kept pending.**

9. Para No.7.8 Pages 342 & 343 of Audit Report for the year 2009-10; Irregular mode of payment - Rs.54.999 million

7.8.2 CTO, Faisalabad – Rs. 15,856,258/-

7.8.3 SP, PHP Faisalabad – Rs. 5,395,181/-

7.8.5 PC, Battalina 4, Faisalabad – Rs. 4,965,225/-

30.01.2014 The Department explained that cases for regularization of the expenditure involved in above paras had already been referred to the Finance Department in 2011 but the decision thereon was still awaited.

The Committee **kept the paras pending** with the directions that Finance Department should decide the cases within 7 weeks and the Department should pursue the matter vigorously.

10. Para No.7.9 Pages 343 to 345 of Audit Report for the year 2009-10; Irregular expenditure on repair of buildings - Rs.45.049 million

7.9.2 CPO, Faisalabad – Rs. 753,800/-

30.01.2014 The Department explained that cases for regularization of the expenditure involved in above paras had already been referred to the Finance Department in 2011 but the decision thereon was still awaited.

The Committee **kept the para pending** with the directions that Finance Department should decide the cases within 7 weeks and the Department should pursue the matter vigorously.

11. Para No.7.9 Pages 343 to 345 of Audit Report for the year 2009-10; Irregular expenditure on repair of buildings - Rs.45.049 million

7.9.4 PC, Battalion 3, Multan – Rs. 99,800/-

31.01.2014 The Department explained that an inquiry had been conducted regarding the matter to fix responsibility for the lapse and further action would be taken accordingly.

The **para was kept pending.**

12. Para No.7.10 Pages 345 to 347 of Audit Report for the year 2009-10; Irregular expenditure on stationery and printing charges - Rs.20.580 million

7.10.1 CTO, Faisalabad – Rs. 1,715,500/-

30.01.2014 The Department explained that cases for regularization of the expenditure involved in above paras had already been referred to the Finance Department in 2011 but the decision thereon was still awaited.

The Committee **kept the para pending** with the directions that Finance Department should decide the cases within 7 weeks and the Department should pursue the matter vigorously.

7.10.2 CTO, Faisalabad – Rs. 734,527/-

7.10.3 CTO, Faisalabad – Rs. 627,440/-

30.01.2014 The Department explained that as the result of preliminary inquiry, a regular inquiry was under process against those found responsible for the lapse and further action would be taken accordingly.

The **paras were kept pending** for finalization of inquiry proceedings within 6 weeks under intimation to the PAC.

7.10.6 CPO, Faisalabad – Rs. 2,626,037/-

7.10.9 CPO, Gujranwala – Rs. 991,191/-

30.01.2014 The Department explained that necessary action in respect of above paras had already been taken and requisite record had also been got verified by Audit.

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

7.10.7 CPO, Faisalabad – Rs. 242,990/-

30.01.2014 The Department explained that purchases had been made after fulfilling all the codal formalities and advertisement in the newspapers.

Audit contended that advertisement was made irregularly by the Department on its own rather than through DGPR.

The Committee recommended/directed that a fact-finding inquiry should be conducted regarding the matter and responsibility be fixed for the lapse within 4 weeks under intimation to the PAC.

The **para was kept pending.**

7.10.15 Addl: IG CID Lahore – Rs. 2,496,308/-

30.01.2014 The Department explained that all the requisite Machinery & Equipment had been delivered by the supplier and duly accounted for in the stock register.

Audit contended that payment had been made in June 2009 whereas the equipment was entered in stock register in September 2009 and June 2011.

The Department replied that items had been supplied in the central office but delivery to CTD was made later.

The Committee recommended/directed that a fact finding inquiry should be conducted regarding the matter and responsibility be fixed for the lapse within 30 days under intimation to the PAC.

The para was kept pending.

7.10.16 CCPO, Lahore – Rs. 3,130,668/-

20.07.2011 The Department explained that purchases were made to meet the various indents and there was no irregularity involved in the matter and the relevant record was also available for verification.

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

7.10.17 Addl: IG Investigation, Lahore – Rs. 1,386,083/-

7.10.18 Addl: IG PHP, Lahore – Rs. 580,740/-

19.07.2011 The Department explained cases for regularization of the expenditure had been forwarded to the Finance Department. However, the delegation of financial powers for printing and purchase of stationary articles were different in each case.

The Committee decided that preliminary inquiry be conducted to thrash out the matter whether the expenditure incurred was within competency of sanctioning authority or not and a report be submitted to the PAC before the next meeting.

The paras were kept pending.

7.10.19 CTO, Multan – Rs. 538,010/-

31.01.2014 The Department explained that cases for regularization of the expenditure involved in the above paras had already been submitted to the Finance Department in 2011 but the decision thereon was still awaited.

The Committee **kept the para pending** with the directions that Finance Department should decide the cases within 6 weeks and the Department should pursue the matter vigorously.

7.10.20 Addl: IG Spl. Branch, Lahore – Rs. 479,225/-

19.07.2011 The Department explained that the purchases were made to meet the demands of various indents and no misappropriation was involved in the matter. However, the case had been referred to Finance Department for regularization.

The representative of Finance Department contented that in the instant case only verification of record was required rather than regularization of expenditure.

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

7.10.21 DPO, Jhang – Rs. 240,456/-

19.07.2011 The Department explained that necessary action had been taken in respect of above para and relevant record in support of departmental contention had already been got verified by Audit.

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

7.10.22 SSP Battalion-7 Lahore - Rs. 136,741/-

30.01.2014 The Department explained that cases for regularization of the expenditure involved in above paras had already been referred to the Finance Department in 2011 but the decision thereon was still awaited.

The Committee **kept the para pending** with the directions that Finance Department should decide the cases within 7 weeks and the Department should pursue the matter vigorously.

13. Para No.7.11 Pages 347 & 348 of Audit Report for the year 2009-10; Irregular purchase of uniforms - Rs.15.797 million

7.11.1 CCPO, Lahore – Rs. 12,440,054/-

20.07.2011 The Department explained that uniforms were purchased in bulk by the Central Police Office and then issued to various field offices as per requirement.

Audit contented that codal formalities were not observed by the Department at the time of procurement of uniforms.

The Committee directed/recommended that late delivery charges and income tax must be recovered from the defaulters.

The **para was kept pending.**

7.11.2 CPO, Faisalabad – Rs. 1,743,040/-

30.01.2014 The Department explained that tender had been floated in two newspapers after fulfillment of all the codal formalities and expenditure had been incurred with due approval of the competent authority.

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

14. Para No.7.13 Pages 349 & 350 of Audit Report for the year 2009-10; Non-production of record – Rs. 12.070 million

7.13.2 DPO, Rajanpur– Rs. 155,755/-

30.01.2014 The Department explained that all the payments had been made after pre-audit scrutiny and relevant record in support of departmental contention had been got verified by Audit.

The Committee observed that such issues ought to have been resolved at the level of DAC/SDAC.

The Additional IG (Finance), Police Department contended that several DAC meetings had been conducted in past but minutes had not yet been issued by the Home Department.

The Committee **settled the para** with the directions that in future, non-production of record would be treated as misappropriation. Police and Home Departments must coordinate and decide the financial issues properly.

7.13.4 CCPO, Lahore --Misc.record

30.01.2014 The Department explained that personal files relating to Gazetted Officers and their income tax statements were not available as they were DDO themselves and remaining record was available for verification.

Audit contended that concerned staff failed to produce the requisite record at the appointed date & time of verification.

The Additional IG (Finance), Police Department assured that he would look into the matter and action would be taken against the responsible employees.

The **para was kept pending** with the directions that progress report be submitted to the PAC within 6 weeks and internal systems be strengthened to avoid such lapses in future.

15. Para No.7.14 Pages 351 & 352 of Audit Report for the year 2009-10; Irregular /doubtful repair of vehicles of Rs.9.471 million

7.14.1 PC, Battalian 4, Faisalabad – Rs. 2,420,509/-

7.14.3 SP, PHP Faisalabad – Rs. 1,143,413/-

7.14.7 CTO, Multan – Rs. 617,757/-

31.01.2014 The Department explained that cases for regularization of the expenditure involved in the above paras had already been submitted to the Finance Department in 2011 but the decision thereon was still awaited.

The Committee **kept the paras pending** with the directions that Finance Department should decide the cases within 6 weeks and the Department should pursue the matter vigorously.

7.14.2 SP MT, Lahore – Rs. 1,944,277/-

20.07.2011 The Department explained that the vehicles were got repaired after obtaining necessary approval of the competent authority and relevant record in support of departmental contention was available for verification.

The Committee directed the Department to reconcile the matter with Audit and take necessary action accordingly within 120 days.

The **para was kept pending**.

16. Para No.7.14 Pages 351 & 352 of Audit Report for the year 2009-10; Irregular/ doubtful repair of vehicles - Rs.9.471 million

7.14.4 PC, Battalion 3, Multan – Rs. 1,033,879/-

31.01.2014 The Department explained that different kinds of repair work of various vehicles was got done at different times after observing all the codal formalities and all selected firms were registered for the purpose of GST.

The **para was kept pending** for verification of requisite record by Audit.

7.14.6 CTO, Faisalabad – Rs. 794,855/-

30.01.2014 The Department explained that as the result of preliminary inquiry, a regular inquiry was under process against those found responsible for the lapse and further action would be taken accordingly.

The **para was kept pending** for finalization of inquiry proceedings within 6 weeks under intimation to the PAC.

7.14.9 Addl: IG CID, Lahore – Rs. 142,110/-

19.07.2011 The Department explained that the vehicles were got repaired after obtaining the requisite NOC which was available for verification.

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

17. Para No. 7.15 Pages 352 & 353 of Audit Report for the year 2009-10; Irregular advance payments on account of utility charges - Rs.7.905 million

7.15.3 CPO, Gujranwala – Rs. 771,435/-

31.01.2014 The Department explained that an inquiry had been conducted regarding the matter and the findings thereon were still awaited.

In response to various queries by the Committee, the concerned DSP could not explain the factual position adequately.

The Committee deferred the consideration of all the paras relating to CPO Gujranwala with the directions that all the DDOs should personally attend the meetings of PAC in future.

The **para was kept pending.**

18. Para No.7.16 Pages 353 to 355 of Audit Report for the year 2009-10, Irregular expenditure on cost of investigation – Rs.5.743 million

7.16.5 DPO, Okara – Rs. 126,500/-

26.04.2012 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

19. Para No.7.19 Page 357 of Audit Report for the year 2009-10; Non Deposit of over-paid and undisbursed amount - Rs.4.036 million

AIR No. 13, SP PHP, Gujranwala – Rs. 345,808/-

31.01.2014 The Department explained that a case had been got registered against the defaulters while departmental inquiry had also been conducted regarding the matter and further action would be taken accordingly.

The **para was kept pending** with the directions/recommendations that recovery of government money must be ensured.

20. Para No.7.20 Pages 357 & 358 of Audit Report for the year 2009-10; Misappropriation in government funds – Rs. 3.327 million

31.01.2014 The Department explained that a criminal case had been got registered against the defaulter with Anti-corruption Establishment and a sum of Rs.3,327,298/- had been recovered whereas registration/token fee had also been deposited into government treasury. Meanwhile, an inquiry was being conducted into the matter.

The Committee **kept the para pending** with the directions that inquiry report be finalized within 30 days under intimation to the PAC.

21. Para No.7.21(B) Pages 359 & 360 of Audit Report for the year 2009-10; Wasteful expenditure -- Rs.3.116 million

(AP No.5) CTO, Lahore

19.07.2011 The Department explained that necessary action had been taken in respect of above para and relevant record in support of departmental contention had already been got verified by Audit.

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

22. Para No.7.22 Pages 360 & 361 of Audit Report for the year 2009-10, Irregular and excess payment on account of rented buildings – Rs.2.457 million

7.22.1 SSP, Special Branch, Lahore – Rs. 1,620,000/-

27.04.2012 The Department explained that NAC was obtained from Building Department and in compliance with the directions of SDAC, the case for regularization had also been referred to the Finance Department which was under process.

The Committee **kept the para pending** with the directions that Finance Department should examine the matter and take necessary action within 15 days under intimation to the PAC.

23. Para No.7.23 Pages 361 & 362 of Audit Report for the year 2009-10, Non auction of canteens – Rs. 1.895 million

7.23.1 Superintendent, Dist. Jail, Lahore – Rs. 1,775,003/-

27.04.2012 The Department explained that canteen was auctioned and auction money of Rs.1,775,003/- had been deposited into the account of Prisons Foundation which had been established with due approval of the Chief Minister, Punjab. Moreover the assessed amount of rent @ Rs.1,200/- had already been deposited into Government Treasury.

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

24. Para No.7.24 Pages 362 to 364 of Audit Report for the year 2009-10, Non-deduction of income/sales tax from contractors – Rs.1.532 million

7.24.1 CCPO, Lahore– Rs. 990,491/-

31.01.2014 The Department explained that income tax had already been deducted by the AG office and relevant record was available for verification. Moreover, letters had also been written to the concerned firms for provision of payment challan regarding Income/sales tax.

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

7.24.2 Suptd. District Jail, Lahore – Rs. 376,554/-

27.04.2012 The Department explained that entire outstanding amount had been recovered and sales tax invoices had also been obtained from the contractor which could be verified by Audit.

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

7.24.3 DPO, DG Khan – Rs. 135,491/-

27.04.2012 The Department explained that necessary action in respect of Audit observations in above para had already been taken and relevant record had also been verified by Audit.

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

7.24.4 Addl: IG PHP, Lahore – Rs. 29,243/-

26.04.2012 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

25. Para No.7.25 Page 364 of Audit Report for the year 2009-10, Overpayment of on account of purchase of POL – Rs.1.069 million

AIR No.01, SSP, PHP Multan

27.04.2012 The Department explained that necessary action in respect of Audit observations in above para had already been taken and relevant record had also been verified by Audit.

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

26. Para No.7.26 Pages 364 & 365 of Audit Report for the year 2009-10; Non accountal / consumption of uniform material – Rs. 865,400/-

30.01.2014 The Department explained that uniform articles had actually been purchased from M/s Fits Old Anarkali, Lahore whereas name of M/s Yasir & Brothers was wrongly entered in the stock register. It was added that a letter had already been written to the concerned firm to deposit Rs.130,656/- on account of late delivery charges.

Audit contended that departmental contention was not tenable in view of the relevant record.

The **para was kept pending** with the recommendations/directions that an inquiry be conducted by the Additional IG (Finance) Police, to fix responsibility for the lapse within 30 days under intimation to the PAC.

27. Para No.7.27 Pages 365 & 366 of Audit Report for the year 2009-10, Loss due to theft – Rs. 553,000/-

7.27.2 SSP, Special Branch, Lahore – Rs. 211,000/-

27.04.2012 The Department explained that according to assessment of the SSP/MT, recovery on account of stolen Motorcycles had been effected and deposited into Government Treasury.

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

7.27.3 SP, Special Branch, Sheikhpura – Rs. 142,000/-

26.04.2012 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

28. Para No.7.28 Pages 366 & 367 of Audit Report for the year 2009-10; Irregular expenditure on repair of machinery & equipment - Rs.265,508/-

30.01.2014 The Department explained that expenditure was incurred after fulfillment of all codal formalities and all relevant record i.e. requisite repair registers and history sheets were available for verification by Audit.

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

29. Para No.7.30 Pages 368 & 369 of Audit Report for the year 2009-10; Irregular payment on account of cash reward - Rs.130,000/-

19.07.2011 The Department explained that a case for regularization of the expenditure had already been forwarded to the Finance Department which was being pursued vigorously.

The Committee **conditionally settled the para** subject to regularization of the expenditure by the Competent Authority.

GENERAL OBSERVATIONS/DIRECTIONS/RECOMMENDATIONS

18.07.2011 The Additional Secretary, Home Department informed the Committee that the Secretary, Home Department was not feeling well therefore, he could not attend the meeting.

The Committee observed that the Secretary, Home Department ought to have informed the Committee in black & white well before the commencement of meeting and no business could be transacted in the absence of head of the Department i.e. Principal Accounting Officer. The Committee therefore, desired that Secretary, Home Department might personally attend the meeting of PAC-II on the following day i.e. 19-20/07/2011 and explains the reasons for not attending the meeting.

20.07.2011 The Committee observed that working papers submitted by the Police Department were quite un-satisfactory and same explanation had been incorporated against each Audit Para. The Committee expressed its concern on this lapse of the department and deferred the consideration of remaining Audit Paras with the directions that working papers should be prepared strictly in accordance with Assembly Secretariat letter Nos. PAP/AD HOC PAC(4)/2000/18529 dated 30 December 2000 and PAP/AD HOC PAC(4)/2000/523 dated 10 February 2001 and the instructions issued by the Assembly Secretariat from time to time.

25.04.2012 The Committee was informed that Secretary to Government of the Punjab, Home Department and Inspector General of Police Punjab were not present in the meeting due to some official engagements.

The Committee took serious notice of the casual attitude of the aforesaid officers towards PAC business whereas their presence was necessary in view of the provisions of para 16.23 of Punjab Budget Manual. The Committee therefore deferred the consideration of business relating to Home Department with the directions that Chief Secretary Punjab should be apprised about the absence of the officers and he should ensure the presence of Secretary to Government of the Punjab, Home Department and Provincial Police Officer Punjab in the meeting of PAC-II to be held on the following day i.e. 26.04.2012.

31.01.2014 During consideration of Audit paras, the Committee repeatedly observed that various issues of Police Department were pending since long while the Police Department maintained that delay in certain financial matters was due to dependence of Police on Home Department.

After detailed deliberations, the Committee desired that issue regarding financial autonomy of Police should be expeditiously resolved by Government of the Punjab, as per relevant Laws.

**HOUSING, URBAN
DEVELOPMENT
&
PUBLIC HEALTH
ENGINEERING**

The paras were discussed in the meetings of PAC-II held on 17.02.2011, 18.02.2011, 19.09.2011, 20.09.2011, 21.09.2011, 17.01.2012, 18.05.2012, 30.05.2012, 27.06.2012, 28.06.2012, 29.06.2012, 26.03.2014, 27.03.2014, 28.03.2014, 27.08.2014 and 28.08.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010(010) General Administration Pages 315 & 316 of Appropriation Accounts for the year 2009-10

06 Housing & Community Amenities
061 Housing Development
0611 Housing Development
061101 Administration

LQ4076 Housing & Physical Planning Department

Final Grant		Rs.35,562,000/-
Actual Expenditure		Rs.32,768,385/-
Saving	(-)	Rs. 2,793,615/-
Percentage		7.86%

18.05.2012 The representative of AG Punjab apprised the Committee that the accounts had been reconciled and there was saving of Rs, 2,793,615/- which was 7.86% of the Final Grant.

The Department explained that saving occurred mainly under the Sub-head of Regular Allowances due to the reason that the posts of Deputy Secretary, Section Officer and other Staff remained vacant during the financial year.

The Committee expressed its displeasure on non-compliance of its earlier directions and recommended/directed that Administrative Secretary may probe as to why surplus funds were not surrendered well in time, fix responsibility for the lapse and take disciplinary action accordingly.

The item was kept pending.

27.06.2012 The representative of AG Punjab apprised the Committee that the accounts had been reconciled and there was saving of Rs, 2,793,615/- which was 7.86% of the final grant.

The Department explained that saving had occurred mainly under the Sub-heads of Pay of officers and Regular Allowances due to the reason that some posts remained vacant during the last quarter of the financial year as the requisite staff was not posted by the S&GAD.

The item was conditionally settled subject to verification of requisite record by office of the Accountant General Punjab.

28.03.2014 The Department explained that saving had occurred because numerous posts were lying vacant and certain utility bills for the month of May & June were received very late which could not be paid due to time constraints.

The Committee **settled the item** with the directions that surplus funds should be surrendered in the 2nd statement of Excesses & Surrenders well in time.

2. Grant No. PC21017 (017) Public Health Pages 317 to 321 of Appropriation Accounts for the year 2009-10

- (i) 06 Housing & Community Amenities
 063 Water Supply
 0631 Water Supply
 063101 Administration

LQ4201 Chief Engineer (North Zone)

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.130,102,000/-		Rs.130,102,000/-
Actual Expenditure	Rs.113,015,371/-		Rs.113,024,371/-
Saving	(-) Rs. 17,086,629/-	(-)	Rs. 17,086,629/-
Percentage	13.13%		13.13%

18.05.2012 There was variation of figures between office of the Accountant General and the Administrative Department.

The Committee kept the item pending with the direction that reconciliation of all the accounts should be made within 7 days.

27.06.2012 There was variation of figures between the Administrative Department and the office of the Accountant General Punjab in cases of above accounts.

The Committee kept the items pending with the direction that accounts should be reconciled within 15 days under intimation to the PAC.

28.03.2014 The representative of AG office stated that as per previous directions of PAC, account had been reconciled with Audit and there was saving of Rs.17,086,629/- which was 13.13% of the final grant.

The Department explained saving had occurred mainly under the sub-heads of Pay & Allowances due to large number of vacant posts. Moreover, fewer funds were utilized under the sub-head of Operating Expenses.

The Committee was not satisfied with the explanation of the Department and directed/ recommended that an inquiry should be conducted for not surrendering the un-utilized funds well in time and disciplinary action should be taken against the responsible officers/officials.

The item was kept pending.

27.08.2014 The representative of AG Punjab stated that no progress regarding compliance of previous directions of PAC had been reported by the Administrative Department.

The Department explained that an inquiry had been ordered into the matter.

The Committee expressed its displeasure on non-compliance of its directions dated 28.3.2014 and directed that inquiry proceedings should be finalized at the earliest under intimation to the PAC.

The item was kept pending.

(ii) 06 Housing & Community Amenities

063 Water Supply

0631 Water Supply

063101 Administration

LQ4202 Chief Engineer (South Zone)

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.102,488,000/-		Rs.102,488,000/-
Actual Expenditure	Rs. 95,316,777/-		Rs.101,973,814/-
Saving	(-) Rs. 7,171,223/-	(-)	Rs. 514,186/-
Percentage	7.00%		0.50%

27.06.2012 There was variation of figures between the Administrative Department and the office of the Accountant General Punjab in cases of above accounts.

The Committee kept the items pending with the direction that accounts should be reconciled within 15 days under intimation to the PAC.

28.03.2014 The representative of AG stated that accounts had been reconciled and there was saving of Rs.514,186/- which came to 0.5 % of the final grant.

The Department explained that there was nominal saving mainly under the sub-heads of Pay & Allowances and requested for settlement of the item.

The item was accordingly settled.

(iii) 06 Housing & Community Amenities

063 Water Supply

0631 Water Supply

063103 Grants, Loans & Subsidies

LQ4340 Director General Parks & Horticulture Authority

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.631,199,000/-		Rs.631,199,000/-
Actual Expenditure	Rs.645,977,182/-		Rs.621,837,204/-

Excess	(+)	Rs. 14,778,182/-	(+)	Rs. 9,361,796/-
Percentage		2.34%		1.48%

28.03.2014 There was variation of figures between the Accountant General office and the Administrative Department in case of above items.

The Committee kept the above item pending with the directions that reconciliation of accounts must be ensured by the Administrative Secretary, at the earliest.

27.08.2014 The representative of AG Punjab stated that accounts had been reconciled and there was saving of Rs.9,361,796/- which was 1.48% of the final grant.

The Department explained that saving had occurred due to late release of funds i.e. during June 2010. Thereafter, cheques were issued to the concerned parties but the same were not encashed due to time constraints.

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

- (iv) 06 Housing And Community Amenities
063 Water Supply
0631 Water Supply
063103 Grants, Loans & Subsidies
LQ4901 MD PHA Faisalabad

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.61,346,000/-	Rs.61,346,000/-
Actual Expenditure	<i>Nil</i>	Rs.24,139,978/-
Saving	(-) Rs.61,346,000/-	Rs.37,206,020/-
Percentage	100.00%	60.64%

28.03.2014 There was variation of figures between the Accountant General office and the Administrative Department in case of above items.

The Committee kept the above item pending with the directions that reconciliation of accounts must be ensured by the Administrative Secretary, at the earliest.

27.08.2014 The representative of AG Punjab stated that accounts had been reconciled and there was saving of Rs.37,206,020/- which was 60.46% of the final grant.

The Department explained that funds could not be utilized due to ban on purchase of vehicles and salaries of concerned staff were paid by the respective TMAs. Therefore, surplus funds were surrendered vide letter dated 27.5.2010 which could not be approved by the Finance Department.

The Committee directed/recommended that matter regarding delayed surrender should be got condoned by the Finance Department and such lapses should be strictly avoided in future.

Subject to above directions, **the item was settled.**

3. Grant No. PC21026 (026) Housing & Physical Planning Pages 322 to 324 of Appropriation Accounts for the year 2009-10

- (i) 06 Housing & Community Amenities
062 Community Development
0621 Urban Development
062120 Urban Development

LQ4538 Punjab Land Development Company

Final Grant		Rs.250,000,000/-
Actual Expenditure		Rs.249,900,000/-
Saving	(-)	Rs. 100,000/-
Percentage		0.04%

28.03.2014 The Department explained that bulk of the funds had been utilized and there was minor saving of Rs.100,000/- which came to 0.04% of the final grant.

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

- (ii) 06 Housing & Community Amenities
061 Housing Development
0611 Housing Development
061101 Administration

LQ4275 Headquarter Establishment

Final Grant		Rs.43,943,000/-
Actual Expenditure		Rs.40,236,888/-
Saving	(-)	Rs. 3,706,112/-
Percentage		8.43%

28.03.2014 The Department explained that saving had mainly occurred due to large number of posts lying vacant which were likely to be filled through promotion or withdrawal of employees from Local Government and Community Development Department.

On various queries by the Committee regarding huge savings under the sub-heads of Operating Expenses and Repair & Maintenance, the departmental representative could not render proper explanation.

The Committee expressed its displeasure on the concerned officers for their casual attitude towards PAC business and directed that all facts of the case should be furnished before the PAC in its next meeting.

The item was kept pending.

27.08.2014 The Department explained that saving had occurred because several posts were lying vacant and certain bills could not finalized due to some technical problems in the online system of accounts. Hence, no malafide was involved.

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

- (iii) 06 Housing & Community Amenities
- 061 Housing Development
- 0611 Housing Development
- 061102 Low Cost Housing

LQ4762 Field Formation

Final Grant		Rs.120,816,000/-
Actual Expenditure		Rs. 99,028,658/-
Saving	(-)	Rs. 21,787,342/-
Percentage		18.03%

28.03.2014 There was variation of figures between the Accountant General office and the Administrative Department in case of above items.

The Committee kept the above item pending with the directions that reconciliation of accounts must be ensured by the Administrative Secretary, at the earliest.

27.08.2014 The Department explained that saving had occurred because several posts were lying vacant and certain bills could not finalized due to some technical problems in the online system of accounts. Hence, no malafide was involved.

The Committee accepted the explanation of the Department and **settled the above item.**

4. Grant No. PC22036(036) Development Pages 325 to 328 of Appropriation Accounts for the year 2009-10

- (i) 06 Housing & Community Amenities
- 062 Community Development
- 0621 Urban Development
- 062103 Urban Planning

LE4280 Urban Planning

		<u>AG Figures</u>	<u>Department Figures</u>
Final Grant		Rs.9,325,026,000/-	Rs.9,034,895,000/-
Actual Expenditure		Rs.8,688,343,599/-	Rs.8,239,875,405/-
Saving	(-)	Rs. 636,682,401/-	Rs. 795,019,595/-
Percentage		6.83%	8.80%

28.03.2014 There was variation of figures between the Accountant General office and the Administrative Department in case of above items.

The Committee kept the above item pending with the directions that reconciliation of accounts must be ensured by the Administrative Secretary, at the earliest.

27.08.2014 The representative of AG Punjab stated that accounts were still required to be reconciled by the Administrative Department.

The Committee **kept the item pending** for reconciliation of Accounts at the earliest under intimation to the PAC.

- (ii) 06 Housing & Community Amenities
 063 Water Supply
 0631 Water Supply
 063102 Works (Construction) And Operations
LE4281 Chief Engineer North PHE

	<u>AG Figures</u>		<u>Department Figures</u>	
Final Grant		Rs.5,214,215,000/-		Rs.5,377,988,000/-
Actual Expenditure		Rs.5,505,661,991/-		Rs.4,817,262,747/-
Excess/Saving	(+)	Rs. 291,446,991/-	(-)	Rs. 560,725,253/-
Percentage		5.59%		10.43%

27.06.2012 There was variation of figures between the Administrative Department and the office of the Accountant General Punjab in cases of above accounts.

The Committee kept the items pending with the direction that accounts should be reconciled within 15 days under intimation to the PAC.

28.03.2014 There was variation of figures between the Accountant General office and the Administrative Department in case of above items.

The Committee kept the above item pending with the directions that reconciliation of accounts must be ensured by the Administrative Secretary, at the earliest.

27.08.2014 The Department explained that accounts had been reconciled with the office of AG Punjab and there was saving of Rs.560,725,253/- which was 10.43% of the final grant. The Department further stated that saving mainly due to late release of funds.

However, on various queries by the Committee, the concerned officers failed to submit exact date of demand & receipt of funds.

The Committee directed/recommended that an inquiry should be conducted into the matter by the PAO and report be submitted to the PAC within 60 days.

The item was kept pending.

- (iii) 06 Housing & Community Amenities
 063 Water Supply
 0631 Water Supply
 063102 Works (Construction) And Operations
LE4282 Chief Engineer South PHE

	<u>AG Figures</u>		<u>Department Figures</u>	
Final Grant		Rs.3,755,033,000/-		Rs.3,718,003,000/-
Actual Expenditure		Rs.2,556,900,765/-		Rs.3,456,149,000/-
Saving	(-)	Rs.1,198,132,235/-		Rs. 261,854,000/-
Percentage		31.91%		7%

27.06.2012 There was variation of figures between the Administrative Department and the office of the Accountant General Punjab in cases of above accounts.

The Committee kept the items pending with the direction that accounts should be reconciled within 15 days under intimation to the PAC.

28.03.2014 There was variation of figures between the Accountant General office and the Administrative Department in case of above items.

The Committee kept the above items pending with the directions that reconciliation of accounts must be ensured by the Administrative Secretary, at the earliest.

27.08.2014 The representative of AG Punjab stated that accounts had been reconciled and there was saving of Rs. 261,854,000/- which was 7% of the final grant.

The Department explained that saving had occurred due to late release of funds. However, the concerned officers could not submit exact date to justify the departmental contention.

The Committee directed/recommended that the matter should be examined/inquired by the PAO and report be submitted to the PAC within 60 days.

The item was kept pending.

5. Grant No. PC12040 (040) Town Development (All Voted) Page 329 of Appropriation Accounts for the year 2009-10

06 Housing & Community Amenities
061 Housing Development
0611 Housing Development
061102 Low Cost Housing
LE4200 Low Cost Housing

	<u>AG Figures</u>	<u>Department Figures</u>
Final Grant	Rs.808,209,000/-	Rs.808,209,000/-
Actual Expenditure	Rs.675,322,134/-	Rs.754,589,212/-
Saving (-)	Rs.132,886,866/-	Rs. 53,619,788/-
Percentage	16.44%	6.63%

There was variation of figures between the Accountant General office and the Administrative Department in case of above item.

The Committee kept the item pending with the directions that reconciliation of accounts must be ensured by the Administrative Secretary, at the earliest.

27.06.2012 There was variation of figures between the Administrative Department and the office of the Accountant General Punjab in cases of above accounts.

The Committee kept the items pending with the direction that accounts should be reconciled within 15 days under intimation to the PAC.

28.03.2014 There was variation of figures between the Accountant General office and the Administrative Department in case of above item.

The Committee kept the item pending with the directions that reconciliation of accounts must be ensured by the Administrative Secretary, at the earliest.

27.08.2014 The representative of AG Punjab stated that accounts had been reconciled and there was saving of Rs.53,619,788/- which was 6.63% of the final grant.

The Department explained that saving had occurred because funds were released on 3.6.2010 which could not be utilized due to time constraints.

The Committee **settled the item** with the directions that surplus funds should be timely surrendered in future.

6. Grant No. PC12043(043) Loans to Municipalities /Autonomous Bodies etc. Pages 331 to 333 of Appropriation Accounts for the year 2009-10

01 General Public Service
014 Transfers
0142 Transfers (Others)
014201 Transfer to Financial Institutions

LE4390 Loans to Financial Institutions

Final Grant		Rs.2,500,000/-
Actual Expenditure		Rs.2,500,000/-
Saving	(-)	<i>Nil</i>
Percentage		0.00%

27.06.2012 The representative of AG Punjab apprised the Committee that the accounts had been reconciled and the grant was fully utilized.

The Committee **settled the item**.

Audit Paras (Works) for the year 2009-2010

1. Para No.2.1 Page 111 & 112 of Audit Report for the year 2009-10, Loss due to irregular award of work – Rs.2704.6 million

2.1.1 DP No. 249, Project Director, Avenue-1, Lahore Development Authority, Lahore

18.02.2011 The Department explained that work was awarded to M/s FWO at the rate of 49.49% above cost in the light of the summary approved by the Chief Minister Punjab.

However Audit contented that department did not quote any rules while submitting the case for approval of the Chief Minister.

The Committee kept the para pending with the directions that all the details of the case be furnished in the next meeting.

18.05.2012 The Department explained that work was allotted to M/S FWO at the rate of 49.49 % above estimated cost in the light of summary approved by the Chief Minister Punjab.

Audit contented that Department had not quoted any rules while submitting the case for approval to the Chief Minister.

The Committee observed that complete facts had not been incorporated in the summary and kept the para pending with the directions that all the details of the case should be furnished in the next meeting.

30.05.2012 The Department re-iterated its contention that work was awarded to M/S FWO at the rate of 49.49 % above cost in the light of the summary approved by the Chief Minister Punjab. This estimated cost also included 24-28% cushion allowed as per guidelines of P & D Department. As such there was actually 23.49% extra cost only.

Audit contented that codal formalities had not been observed by the Department.

After detailed deliberations, the Committee desired that Audit should thrash out the matter in detail and comprehensive Audit comments be submitted in the next meeting.

The para was kept pending.

27.06.2012 As per directions of Public Accounts Committee-II dated 30-05-2012, the Director General Audit (Works) had submitted a detailed report vide letter No. PAC/(P-III)/D.P-2.1.1(249) dated 25.06.2012, in respect of the subject para.

The Committee examined the aforesaid report in detail and after detailed deliberations, desired that opinion/comments of Law & Parliamentary Affairs Department may be sought in respect of Para 6 of the aforesaid report. The Committee further directed/recommended that a uniform mechanism should be devised in co-ordination with Planning & Development Department and all the works Department to resolve the issue of awarding contracts over and above permissible limits of estimated cost.

The para was kept pending.

27.03.2014 The Department explained that as per previous directions of PAC, the matter had been referred to the Law & Parliamentary Affairs Department for seeking advice which was still awaited.

The Committee directed/recommended that Finance Department should resolve the matter in co-ordination with Law & PA Department, within 15 days.

The para was kept pending.

27.08.2014 The Department explained that an advice had been sought in the matter from Law & Parliamentary affairs Department as well as Finance Department, according to which the decision of Chief Minister Punjab was in order.

The Committee accordingly **settled the above para.**

2.1.2 DP No. 203, Deputy Director, Sub-region Punjab Housing and Town Planning Agency (PHATA) Rawalpindi

21.09.2011 The Department explained that Chief Minister Punjab had approved the increase in overall cost of the work above MRS but the work could not be finalized due to dispute of rate which was to be decided by the Chief Minister's Inspection Team.

The Committee was not satisfied with the explanation of the department and directed that a fact finding inquiry should be conducted into the matter by the administrative secretary and responsibility be fixed for lapses within **30** days under intimation to the PAC.

The para was kept pending.

29.06.2012 The Department explained that fact finding inquiries had been conducted into the matter by the Chief Minister Inspection Team to thrash out the matters and the report thereon was still awaited.

The para was kept pending.

26.03.2014 The Department explained that requisite inquiry reports had been received from CMIT which had also been produced to Audit for verification.

Audit contended that issues pointed out by Audit had not been addressed to properly in the aforesaid CMIT reports.

The Committee directed/recommended that an inquiry Committee headed by the Administrative Secretary of the Department and comprising representative each from Audit, Finance and Information Culture & Youth Affairs Department, should probe into the matter and fix responsibility for violation of rules and the report be submitted to the PAC within 15 days.

The para was kept pending.

27.08.2014 The Department explained that as per directions of PAC, an inquiry had been conducted into the matter by the Committee headed by the PAO and further action would be taken accordingly.

The Committee **kept the para pending** with the directions that inquiry report should be got vetted by the Finance Department.

2.1.3 DP No. 250, Director, Area Development Scheme-I, Lahore Development Authority, Lahore

2.1.4 DP No. 251, Director, Area Development Scheme-II, Lahore Development Authority, Lahore

18.05.2012 The Department explained that work was allotted to M/S FWO at the rate of 16 % above estimated cost in the light of summary approved by the Chief Minister Punjab.

The Committee expressed its concern on the fact that the Department had resorted to vague stance in the working papers, lacking the requisite details. The Committee therefore kept the paras pending with the directions that comprehensive and coherent explanation of all the audit paras should be furnished in the working papers for the next meetings of PAC.

28.06.2012 The Department explained that the work was awarded with the prior approval of the Chief Minister and as per directions of PAC the opinion of Law & Parliamentary Affairs Department would be sought in case of Para No. 2.1.1(249) for the year 2009-10 on the same subject.

The paras were kept pending till receipt of the requisite opinion of Law & Parliamentary Affairs Department.

27.03.2014 The Department explained that as per previous directions of PAC, the matter had been referred to the Law & Parliamentary Affairs Department for seeking advice which was still awaited.

The Committee directed/recommended that Finance Department should resolve the matter in co-ordination with Law & PA Department, within 15 days.

The paras were kept pending.

27.08.2014 The Department explained that an advice had been sought in the matter from Law & Parliamentary affairs Department as well as Finance Department, according to which the decision of Chief Minister Punjab was in order.

The Committee accordingly **settled the above paras.**

2.1.5 DP No. 243 Director Finqnce Traffic Engineering & Planning Agency (TEPA), LDA, Lahore

18.02.2011 The Department explained that premium of 90% to 146% above the estimates was allowed to M/s Garrison Engineer on the MES schedule of rates and the

Garrison Engineer (Army) had been repeatedly requested to provide the vouched accounts of the expenditure.

The Committee kept the para pending with the directions/recommendation that matter be taken up with the higher army authorities including the Station Commander.

26.03.2014 The Department explained that M/s Garrison Engineer (Army) had been requested to provide vouched accounts and the matter had also been taken up with higher army authorities. However, requisite accounts were still awaited despite hectic efforts by the Department.

The Director (Monitoring) Finance Department added that the Department was also required to obtain equivalence certificate in matter.

The para was kept pending with the directions that matter should be pursued vigorously through the Chief Secretary Punjab and requisite equivalence certificate be obtained at the earliest.

27.08.2014 The Department explained that matter had been taken up with NLC which contended that their accounts were being maintained and audited properly; hence, vouched accounts could not be produced.

The Committee directed/recommended that Director General, Audit (Works) should transfer the para to the Controller Military Accounts/concerned Audit formation

Subject to above direction, **the para was deleted.**

2. Para No.2.2 Pages 112 to 114 of Audit Report for the year 2009-10, Irregular payment beyond revised technical sanctioned estimate – Rs.912.4 million

2.2.1 DP No. 205, Deputy Director, Sub-region Punjab Housing and Town Planning Agency (PHATA) Rawalpindi

21.09.2011 The Department explained that PC-I of the project had been approved by the Secretary Information, Culture & Youth Affairs Department and expenditure had been incurred within the provisions of the revised technical sanction. However Director PHATA, had requested Secretary IC&YA to seek the concurrence of the Finance Department for regularization.

Finance Department apprised the Committee that scope of the work had been changed, therefore, *ex-post facto* sanction was required in this case.

The Committee recommend/directed that a fact finding inquiry should be conducted into the matter and responsibility be fixed for lapses within **30** days under intimation to the PAC.

The para was kept pending.

29.06.2012 The Department explained that fact finding inquiries had been conducted into the matter by the Chief Minister Inspection Team to thrash out the matters and the report thereon was still awaited.

The para was kept pending.

26.03.2014 The Department explained that requisite inquiry reports had been received from CMIT which had also been produced to Audit for verification.

Audit contended that issues pointed out by Audit had not been addressed to properly in the aforesaid CMIT reports.

The Committee directed/recommended that an inquiry Committee headed by the Administrative Secretary of the Department and comprising representative each from Audit, Finance and Information Culture & Youth Affairs Department, should probe into the matter and fix responsibility for violation of rules and the report be submitted to the PAC within 15 days.

The para was kept pending.

27.08.2014 The Department explained that as per directions of PAC, an inquiry had been conducted into the matter by the Committee headed by the PAO and further action would be taken accordingly.

The Committee **kept the para pending** with the directions that inquiry report should be got vetted by the Finance Department.

2.2.2 DP No. 209, Deputy Director, Sub-region Punjab Housing and Town Planning Agency (PHATA) Rawalpindi

2.2.3 DP No. 211, Deputy Director, Sub-region Punjab Housing and Town Planning Agency (PHATA) Jhelum

21.09.2011 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been got verified by Audit.

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

3. Para No.2.3 Pages 114 & 115 of Audit Report for the year 2009-10, Overpayment due to non-recovery of price variation on account of decrease in cost of steel – Rs.107.4 million

2.3.1 DP No. 244, Director Engineering /Project Director TEPA, LDA, Lahore

18.02.2011 The Department explained that as per contract agreement, escalation and de-escalation was not applicable in respect of those items for which the secured advance was paid to the contractor.

Audit contented that bulk of the steel was purchased on the rates based on 3rd quarter of 2008 while the work was awarded to the contractor in January 2009.

The Committee was not satisfied with the explanation of the department and therefore, directed/recommended that an inquiry be conducted into the matter in the light of Audit observation and the report be submitted to the PAC within 60 days.

The para was kept pending.

27.06.2012 The Department explained that as per directions of PAC an inquiry had been conducted into the matter wherein it was concluded that no excess payment was made to the contractor for procurement of steel. The contractor procured total quantity of steel in one go in the month of September 2008 whereas payment to the contractor was made in piece meals w.e.f. 02.4.2009 due to delayed release of funds. As such no recovery was due on account of de-escalation.

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

2.3.2 DP No. 215, Executive Engineer PHE, Rawalpindi

21.09.2011 The Department explained that the para consisted of three advance paras. In case of AP No. 05 & 06, it was stated that Audit had calculated cement prices only whereas other items had not been taken into consideration in the statement of price variation. Actually no recovery was outstanding against the contractor, he had rather submitted a claim for payment after detailed calculation of price variation. In case of AP No. 12, it was stated that price variation had been approved by the competent authority and payment of Rs.300,000/- only was made to the contractor against the variation statement of Rs.387,642/-.

The para was conditionally settled subject to the verification of relevant record by Audit within **07** days.

27.03.2014 Audit stated that despite directions of PAC-II dated 21.9.2011, requisite record such as variation statement and final bill had not yet been produced for verification.

The Committee conditionally settled the para subject to verification of record by Audit with the directions that explanation letters should be issued to the concerned officers for non-production of record since long.

28.08.2014 The Department explained that all the relevant record was available for verification and explanation of concerned employees had been called for delay in non-production of record.

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

2.3.3 DP No. 151, Director Engineering UD-Wing, FDA, Faisalabad

17.02.2011 The Department explained that partial recovery involved in the para had already been effected whereas balance amount would be recovered within 30 days.

The para was reduced to the extent of recovery effected and was kept pending for balance recovery.

19.09.2011 The Department explained that an amount of Rs.36,552/-had already been recovered and final bill of the contractor had also been prepared which could be verified by Audit.

The Committee conditionally settled the para with the directions that complete record be got verified by Audit within 7 days.

28.06.2012 The Department explained that total outstanding amount involved in the subject para had been recovered which could be verified by Audit.

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

4. Para No.2.4 Pages 115 & 116 of Audit Report for the year 2009-10, Irregular payment beyond revised technical sanctioned estimate – Rs.77.5 million

18.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

5. Para No.2.5 Page 116 of Audit Report for the year 2009-10; Non-recovery of commercialization fee – Rs.76.9 million

DP No. 255, Director Commercialization, LDA, Lahore

28.06.2012 The Department explained that approximately a sum of Rs.17 million had been recovered on account of Commercialization fee and the cases for an amount of Rs.14.4 million were subjudice in the court of law whereas strenuous efforts were being made for balance recovery.

The Committee kept the para pending with the directions that Department should pursue the matter vigorously.

27.03.2014 The Department explained that a sum of Rs.15.523 million had been recovered whereas cases involving an amount of Rs.19.273 million were subjudice in the court. Moreover, certain properties were no longer being used for commercial purposes. The Department added that strenuous efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery verified by Audit and desired that cases of balance recovery should be pursued vigorously.

The para was kept pending.

27.08.2014 The Department explained that there was duplication of Rs.13.348 million whereas an amount of Rs.26.359 million related to the properties which were no longer being used for commercial purposes. It was added that efforts were being made for balance recovery.

The Committee reduced the para to extent of recovery verified by Audit with the direction that balance recovery be pursued vigorously.

The **para was kept pending.**

6. Para No.2.6 Pages 116 & 117 of Audit Report for the year 2009-10, Irregular award of work – Rs.56.7 million

DP No. 237, Executive Engineer, PHE Division, Chakwal

21.09.2011 The Department explained that in view of the observation of Audit, the matter had already been referred to the Administrative Secretary for approval and the decision thereon was still awaited.

The para was conditionally settled subject to the approval of the Administrative Secretary.

27.03.2014 The Department explained that matter contained in above paras was pending for consideration of the Technical Committee which was being reconstituted and its report would be submitted at the earliest.

The para was kept pending with the directions that Technical Committee should resolve all such matters within 30 days.

28.08.2014 The Department explained that Technical Committee had finalized its report whereby it was concluded that no irregularity had been committed.

The Committee directed/recommended that report of technical committee should be got vetted by the Finance Department and then, got verified by Audit.

The **para was conditionally settled** subject to above directions.

7. Para No.2.7 Page 117 of Audit Report for the year 2009-10, Wasteful expenditure on account of supervision / consultancy fee – Rs.48.5 million

DP No. 308, Director Engineering, Rawalpindi Development Authority, Rawalpindi

18.02.2011 The Department explained that payment was made to M/s FWO and NESPAK as per agreement on account of designing, consultancy and supervision fee. The said agencies executed the test pile and design work but progress was slow due to insufficient funding by the government.

The Committee expressed its concern on payment to the contractor without proper planning and physical execution of work and directed the department to furnish a comprehensive report regarding agreement and funding of the project within 30 days.

The para was kept pending.

19.09.2011 The Department explained that funds amounting to Rs.681 Million were received from Federal Government as a tide-grant for acquisition of land and this amount could not be utilized for any other purpose as per directives of chairman P&D. Similarly a sum of Rs.170 Million transferred in the PLA of RDA was also non-lapsable. It was added that a sum of Rs.140.169 Million received from Punjab Government, had been surrendered and the expenditure of Rs.48.50 Million had been incurred in accordance with the provisions of the contract agreement.

The Committee kept the para pending with the directions that Administrative Secretary should examine the matter in detail and a comprehensive report regarding the Project be submitted to the PAC with in 30 days.

27.06.2012 The Department explained that in compliance with the directions of PAC, an inquiry was conducted into the matter and findings had been duly approved by the Administrative Secretary whereby it was concluded that implementation of the project was taken up by the RDA, Rawalpindi as per provision of PC-I and payments were made to the consultants within the provisions of contract agreement.

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

8. Para No.2.8 Pages 118 & 119 of Audit Report for the year 2009-10, Non-execution of work at risk & cost of contractor and non-forfeiture of security - Rs.35.5 million (34.5 + 1)

2.8.1 DP No. 236, Executive Engineer, PHE Division, Chakwal

21.09.2011 The Department explained that the competent authority rescinded the work as the original contractor failed to fulfill his contractual obligations. However, a committee was constituted to measure the work done. It was further stated that further action would be taken on receipt of the recommendations of the concerned committee.

The Committee observed that concerned Chief Engineer was not well prepared for the meeting as he could not render proper explanation in response to the queries of the Committee.

The Committee therefore deferred the consideration of the para with the directions that complete facts of the case should be furnished in the next meeting.

27.03.2014 The Department explained that security deposit of the contractor had been forfeited and duly accounted for in the monthly account.

On various queries by the Committee, the concerned officers could not render proper explanation regarding factual position of the case.

The para was kept pending with the warning that concerned officers should avoid such lapses in future.

28.08.2014 The Department explained that all the relevant record was available for verification and explanation of concerned employees had been called for delay in non-production of record.

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

2.8.2 DP No. 187, Executive Engineer, PHE Division, T.T. Singh

21.09.2011 The Department explained that the security deposit of defaulting contractor amounting to Rs.229,050/- had already been forfeited and credited to Government Treasury and the work was awarded to an other contractor on the risk and cost of the original contractor.

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

29.06.2012 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

9. Para No.2.9 Page 119 of Audit Report for the year 2009-10, Irregular grant and non-adjustment of advances – Rs.25.4 million

17.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

10. Para No.2.10 Pages 119 & 120 of Audit Report for the year 2009-10, Irregular payment due to execution of items of work not included in PC-I/tender – Rs.23.8 million

18.02.2011 The Department explained that additional items had been covered in the variation statement and revised estimate. The over all effect of additions and alterations did not cause any excess over the amount of administrative approval and technical sanction.

The Committee was not satisfied with the explanation of the department and directed/recommended the department to hold an inquiry into the matter, fix responsibility

for the lapse and take disciplinary action against the responsible officers/officials within 30 days.

The para was kept pending.

19.09.2011 The Department explained that in compliance with the directions of PAC, an inquiry was conducted into the matter which concluded that payment had been made according to the provisions of the contract agreement.

On assurance of the administrative department that no irregularity was committed, **the para was settled.**

11. Para No.2.11 Page 120 of Audit Report for the year 2009-10, Non-obtaining of performance security - Rs.22 million

DP No. 182, Executive Engineer, PHE Division, D.G. Khan

21.09.2011 The Department explained that as per clause 7 of the contract agreement, cheques amounting to Rs.22.04 million were obtained from the contractors which were still lying with the Department.

Audit contented that aforesaid cheques were not deposited into Government treasury and the same had expired.

The Committee recommended/directed that an inquiry should be conducted into the matter and responsibility be fixed for the lapse within 07 days under intimation to the PAC.

The para was kept pending.

29.06.2012 The Department explained that in compliance with the directions of PAC, an inquiry had been conducted into the matter and responsibility had been fixed. Accordingly, disciplinary proceedings under PEEDA act had also been initiated against the accused officers/officials.

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

27.03.2014 The Department explained that as per directions of PAC, relevant record had been got verified by Audit and disciplinary action had also been taken against the defaulters.

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

12. Para No.2.12 Pages 120 to 125 of Audit Report for the year 2009-10; Non-recovery of advertisement charges on account of bill boards – Rs.20.1 million

2.12.1 DP No. 267, Director Marketing, PHA, Lahore

26.03.2014 The Department explained that amount involved in Audit observation was recoverable from M/s Pakistan State Oil and the matter was subjudice in the court.

The Committee directed the department to pursue the court case vigorously.

Being subjudice, the para was kept pending.

28.08.2014 The Department explained that matter of recovery was subjudice in the court which was being pursued vigorously and efforts were being made for settlement of the issue with PSO outside the court.

The para was kept pending.

2.12.2 DP No. 268, Director Marketing, PHA, Lahore

2.12.3 DP No. 265, Director Marketing, PHA, Lahore

2.12.6 DP No. 266, Director Marketing, PHA, Lahore

26.03.2014 The Department explained that recovery cases of above paras were subjudice in the court which were being followed vigorously.

The Committee kept the paras pending with the directions that contractors involved in above cases, should be blacklisted.

The paras were kept pending with the directions that recovery cases should be pursued vigorously.

28.08.2014 The Department explained that above cases for recovery as arrears of land revenue was pending with the revenue authorities but no progress was made despite hectic efforts of the Department.

The paras were kept pending with the directions that a reference regarding above cases should be submitted to the PAC for necessary directions to the revenue authorities.

2.12.4 DP No. 252, Town Planner, LDA, Lahore

28.06.2012 The Department explained that a sum of Rs,301,343/- had been recovered on account of fee/fines and penalties and an amount of Rs, 778,380/-couldn't be recovered due to litigation in the Courts whereas recovery of Rs.228,442/- was not due. It was added that strenuous efforts were being made for balance recovery of Rs96,332/-.

The para was kept pending for balance recovery and verification of relevant record by Audit within 60 days.

27.03.2014 The Department explained that a sum of Rs.619,243/- had been recovered and got verified by Audit whereas an amount of Rs.552,380/- was involved in litigation. Besides that recovery of Rs.84,912/- was not justified which could be verified by Audit.

The Committee reduced the para to the extent of recovery verified by Audit and desired that cases of balance recovery should be pursued vigorously.

The para was kept pending.

27.08.2014 The Department explained that total outstanding dues had been recovered which could be verified by Audit.

The **para was conditionally settled** subject to verification of complete recovery by Audit.

2.12.5 DP No. 259, Director Circular Gardens, PHA, Lahore

26.03.2014 The Department explained that the contractor had made payments for two canteens but he did not pay the dues for third canteen because PHA was unable to design and construct it. Therefore, the contractor had filed a petition in the civil court which was still pending.

The Committee deferred consideration of the para with the directions that complete facts of the case should be furnished on the following day.

On 27.3.2014, Audit contended that as per agreement, the contractor was responsible for construction of third canteen and Audit Inspection Team had some clues of third canteen working at site.

The Committee decided that Mian Muhammad Aslam Iqbal, MPA may conduct inspection of site and examine the matter in detail to enlighten the Committee regarding factual position of the case within 30 days.

The para was kept pending.

28.08.2014 The Department explained that third canteen was never handed over to the contractor and his case was still pending in the court.

The Committee observed that canteen was awarded to the contractor in 2007 for one year but his contract was extended repeatedly.

The Committee directed/recommended that an officer of the Finance Department, not below the rank of Additional Secretary, should inquire into the matter to thrash out all aspects of the case in consultation with Law & Parliamentary Affairs Department and report be submitted to the PAC within 30 days.

The **para was kept pending**.

2.12.8 DP No. 269, Director Marketing, PHA, Lahore

26.03.2014 The Department explained that recovery cases of above paras were subjudice in the court which were being followed vigorously.

The Committee kept the paras pending with the directions that contractors involved in above cases, should be blacklisted.

The paras were kept pending with the directions that recovery cases should be pursued vigorously.

28.08.2014 The Department explained that in one case, fine amounting to Rs.5,000/- had been imposed while in case of M/s Moon Light School, the prosecutor failed to establish the charges and remaining two cases were filed as the restaurant had been shut down.

Audit contended that total 14 cases had been pointed out whereas Department had furnished latest position of only 4 cases.

The Committee directed/recommended that remaining cases should be reconciled with Audit and each case should be pursued vigorously.

The para was kept pending.

2.12.7 DP No. 272, Director Marketing, PHA, Lahore

2.12.10 DP No. 271, Director Marketing, PHA, Lahore

26.03.2014 The Department explained that total outstanding amount had been recovered and got verified by Audit.

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

2.12.9 DP No. 286, Director Estate Management, Quaid-e-Azam Town LDA, Lahore

28.06.2012 The Department explained that recovery on account of plot No.507-1-C-1 had been effected and completion certificate had also been issued. Only an amount of Rs.25,500/- was outstanding on account of stamp duty for which notice had already been issued.

The para was kept pending with the directions that relevant record in support of departmental contention should be got verified by Audit within 60 days.

27.03.2014 The Department explained that total outstanding amount had been recovered which could be verified by Audit.

The Committee conditionally settled the para subject to verification of complete recovery by Audit within 24 hours.

27.08.2014 The Department explained that after perusal of record, an amount of Rs.25,000/- was still recoverable for which notices had been issued and efforts were being made for recovery at the earliest.

The **para was kept pending** with the directions that matter should be pursued vigorously.

2.12.11 DP No. 273, Director Marketing, PHA, Lahore

26.03.2014 The Department explained that as per policy of the Government, the agreements of signboards had not been extended after 30.6.2008 and the signboards had been removed and documentary evidence in this regard was also available for verification.

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

2.12.12 DP No. 66, Director (E.M.E), Lahore Development Authority, Lahore

28.06.2012 The Department explained that total outstanding amount involved in above para had been recovered and got verified by Audit.

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

13. Para No.2.13 Pages 125 to 127 of Audit Report for the year 2009-10; Non-imposition of surcharge due to delay in construction of building– Rs.16.1 million

2.13.1 DP No. 289, Director Estate Management, Quaid-e-Azam Town, LDA, Lahore

2.13.2 DP No. 290, Director Estate Management, Quaid-e-Azam Town, LDA, Lahore

28.06.2012 The Department explained that above paras related to non-recovery of Building period surcharge which was considered as a deferred payment because it could only be recovered whenever property owner applied for transfer of property, issuance of completion certificate, placement of decree in the name of Legal heirs and approval of building plan etc, However efforts were being made to recover the outstanding dues and notices for the purpose had been issued to the concerned quarters.

The Committee observed that commercialization charges were quite on the higher side and recommended that such charges should be rationalized.

The paras were kept pending.

27.03.2014 The Department explained that partial recovery had been effected and efforts were being made for recovery of outstanding dues. Meanwhile, in compliance with previous directions of PAC, a case for rationalization of commercialization charges was under consideration of the Government.

The Committee reduced the paras to the extent of recovery verified by Audit and desired that matter should be pursued vigorously.

The paras were kept pending.

27.08.2014 The Department explained that cancellation of properties was not possible in view of Government's policy; however, recovery would be effected before any further processing against the relevant properties.

The **paras were kept pending.**

2.13.3 DP No. 70, Director Land Development-III, LDA, Lahore

2.13.4 DP No. 50, Director Land Development-4, LDA, Lahore

28.06.2012 The Department explained that above paras related to non-recovery of Building period surcharge which was considered as a deferred payment because it could only be recovered whenever property owner applied for transfer of property, issuance of completion certificate, placement of decree in the name of Legal heirs and approval of building plan etc, However efforts were being made to recover the outstanding dues and notices for the purpose had been issued to the concerned quarters.

The Committee observed that commercialization charges were quite on the higher side and recommended that such charges should be rationalized.

The paras were kept pending.

27.03.2014 The Department explained that partial recovery had been effected and efforts were being made for recovery of outstanding dues. Meanwhile, in compliance with previous directions of PAC, a case for rationalization of commercialization charges was under consideration of the Government.

The Committee reduced the paras to the extent of recovery verified by Audit and desired that matter should be pursued vigorously.

The paras were kept pending.

27.08.2014 The Department explained that partial recovery had been effected and efforts were being made for balance recovery.

The Committee reduced the paras to the extent of recovery verified by Audit and directed that recovery mechanisms of the Department should be strengthened.

The paras were kept pending.

2.13.5 DP No. 54, Directorate Land Development-I, LDA, Lahore

28.06.2012 The Department explained that above paras related to non-recovery of Building period surcharge which was considered as a deferred payment because it could only be recovered whenever property owner applied for transfer of property, issuance of completion certificate, placement of decree in the name of Legal heirs and approval of building plan etc, However efforts were being made to recover the outstanding dues and notices for the purpose had been issued to the concerned quarters.

The Committee observed that commercialization charges were quite on the higher side and recommended that such charges should be rationalized.

The paras were kept pending.

27.03.2014 The Department explained that partial recovery had been effected and efforts were being made for recovery of outstanding dues. Meanwhile, in compliance with previous directions of PAC, a case for rationalization of commercialization charges was under consideration of the Government.

The Committee reduced the paras to the extent of recovery verified by Audit and desired that matter should be pursued vigorously.

The paras were kept pending.

27.08.2014 The Department explained that plots involved in subject para had been cancelled and outstanding dues would be recovered after fulfillment of codal formalities.

The **para was kept pending** for balance recovery.

14. Para No.2.14 Pages 127 & 128 of Audit Report for the year 2009-10, Irregular payment beyond revised technical sanctioned estimate – Rs.15.9 million

2.14.1 DP No. 307 Director Engineering, RDA, Rawalpindi

18.02.2011 The Department explained that certain items were changed as per site requirement on the recommendation of Resident Engineer of M/s NESPAK which was then covered in the revised technical sanction.

However Audit contented that excess expenditure over revised administrative approval be got regularized by the competent authority.

The Committee directed/recommended that department should hold an inquiry into the matter, fix responsibility for the lapse and take disciplinary action against the responsible officers/officials within 30 days.

The para was kept pending.

19.09.2011 The Department explained that in compliance with the directions of PAC, an inquiry was conducted into the matter which concluded that payment had been made according to the provisions of the contract agreement.

On assurance of the administrative department that no irregularity was committed, **the para was settled.**

2.14.2 DP No. 131, Executive Engineer, PHE Division, Okara

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

2.14.3 DP No. 314 Director WASA, RDA, Rawalpindi

18.02.2011 The Department explained that payment had been made according to the variation statement duly approved by the competent authority and revised technical sanction would be produced to Audit for verification.

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

19.09.2011 The Department explained that work was executed according to the provisions of the revised technical sanction and no excess payment was made to the Contractor. It was added that record had already been produced to Audit but some additional record was demanded which would be provided for verification.

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

15. Para No.2.15 Pages 128 & 129 of Audit Report for the year 2009-10, Unjustified rehandling and compaction of earth work – Rs.12.7 million

DP No. 206, Deputy Director, Sub Region Punjab Housing and Town Planning Agency (PHATA) Rawalpindi

21.09.2011 The Department explained that dressing of earth was involved in the execution of work due to re-handling of earth. The rate of re-handling had been approved by the competent authority. It was added that Audit had made some additional observations at the time of verification of record but no loss to the government was involved in the matter.

The Committee kept the para pending with the directions that disputed quantities of work and rates be got reconciled with Audit within seven days under intimation to the PAC.

29.06.2012 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

16. Para No.2.16 Page 129 of Audit Report for the year 2009-10, Non-recovery of water & sewerage charges from commercial consumers – Rs.10.3 million

DP No. 87, Director Revenue & Recovery, Water and Sanitation Agency, Faisalabad Development Authority, Faisalabad

17.02.2011 The Department explained that an amount of Rs.3,066,503/- had already been recovered and got verified by Audit and hectic efforts were being made to recover the balance amount.

The Committee reduced the para to the extent of recovery verified by Audit and the para was kept pending for balance recovery.

19.09.2011 The Department explained that in compliance with the directions of PAC given in the last meeting, further recovery of Rs672,514/- had also been made leaving a

balance recoverable amount of Rs.6,548,904/-. It was assured that balance recovery would be effected within the ongoing financial year.

The Committee reduced the para to the extent of recovery and kept it pending for balance recovery as per assurance of the Department.

27.06.2012 The Department explained that an amount of Rs. 4,189,017/- had already been recovered and verified by Audit and further recovery of Rs.575,800/- had also been effected. It was added that efforts were being made under Land Revenue Act for balance recovery at the earliest.

The para was reduced to the extent of recovered amount with the directions that balance recovery should be expedited.

The para was kept pending.

26.03.2014 The Department explained that as per directions of PAC, hectic efforts were being made for recovery of outstanding dues. Resultantly, a sum of Rs.5,362,805/- and Rs.420,344/- had already been recovered and got verified by Audit and balance amount would also be recovered in due course.

The Committee reduced the para to the extent of recovered amount with the directions that balance amount should also be recovered under intimation to the PAC within 90 days.

The para was kept pending.

27.08.2014 The Department explained that out of total 235 cases, recovery had been effected in 179 cases whereas 26 properties had been demolished/relocated and their cases were being submitted before the competent forum for write off sanction. It was added that efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery verified by Audit and directed/ recommended that if necessary, efforts be made for recovery as arrears of land revenue.

The para was kept pending.

17. Para No.2.17 Pages 129 to 131 of Audit Report for the year 2009-10, Less-recovery of electricity charges from the tenants, cost of land, rent and hire charges – Rs.10.2 million

2.17.1 DP No. 298 GDA, Gujranwala

18.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

2.17.2 DP No. 248, Director Estate Management Avenue-I, LDA, Lahore

28.06.2012 The Department explained that total outstanding amount involved in above para had been recovered and got verified by Audit.

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

2.17.3 DP No. 303 GDA, Gujranwala

18.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

2.17.4 DP No. 312 RDA, Rawalpindi

18.02.2011 The Department explained that partial recovery had been effected and balance recovery would be made at the earliest.

The Committee reduced the para to the extent of recovery effected and para was kept pending for balance recovery at the earliest.

19.09.2011 The Department explained that bulk of the outstanding amount had already been recovered leaving the balance recovery to the tune of Rs.93,908/- only which would be effected at the earliest.

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

2.17.5 DP No. 88, Administration Directorate, UD-wing, FDA

17.02.2011 The Department explained that City District Government hired the bulldozers and vigorous efforts were being made to recover the amount.

The Committee conditionally settled the para subject to complete recovery and verification of requisite record by Audit.

19.09.2011 The Department explained that total outstanding amount on account of rental charges of bulldozers, had been recovered and relevant record was also available for verification.

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

2.17.6 DP No. 311 Director Estate Management, RDA, Rawalpindi

18.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

18. Para No.2.18 Pages 131 & 132 of Audit Report for the year 2009-10, Non-recovery of compensation for delay in completion of work – Rs.8.9 million

DP No. 140, Director Construction-II, WASA, FDA, Faisalabad

17.02.2011 The Department explained that in case of works involved in the para, competent authority had extended the time limit of the contract due to non-availability of funds. As such penalty could not be imposed on the contractor.

The Committee kept the para pending with the directions/recommendations that department should take up the matter of non-provision of funds with the Planning & Development as well as Finance Department and relevant record be got verified by Audit.

19.09.2011 The Department explained that competent authority had extended the time limit of the contract due to late release of funds and some other reasons mentioned in the time extension Performa.

The Committee showed its displeasure on non-compliance of the PAC directions and directed/recommended that Administrative Secretary should probe into the matter and fix responsibility for the lapse.

The para was kept pending.

27.06.2012 The Department explained that an inquiry committee was constituted by Secretary HUD & PHE to probe into the matter which concluded that projects had been completed within extended time limits. The Administrative Secretary also assured that no irregularity was involved in the matter.

On assurance of the Administrative Secretary, the Committee **settled the para.**

19. Para No.2.19 Pages 132 & 133 of Audit Report for the year 2009-10, Overpayment due to allowing higher percentage than agreement – Rs.8.4 million

2.19.1 DP No. 313 Director WASA, RDA, Rawalpindi

18.02.2011 The Department explained that payment had been made according to the revised technical sanction and approved variation statement. Moreover, financial statement for contract items as per work done/paid had also been prepared as per prescribed format.

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

19.09.2011 The Department explained that in compliance with the directions of PAC, relevant record in support of departmental contention had been got verified by Audit.

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

2.19.2 DP No. 80, Director Construction-I, WASA, FDA, Faisalabad

17.02.2011 The Department explained that as per contract agreement, additional quantities were to be executed at the same rates as per rates specified in the tender for main work. It was assured that outstanding amount would be recovered from the contractor at the earliest.

The para was kept pending for balance recovery from the final bill and its verification by Audit.

19.09.2011 The Department explained that actual recovery involved in the above para was Rs.1.779 million out of which recovery of Rs.1.275 million had already been effected and got verified by Audit. Hectic efforts were being made to recover the balance amount. It was assured that balance recovery would be effected at the earliest.

The Committee reduced the para to the extent of recovery effected and directed that balance amount be recovered within 30 days.

The para was kept pending.

27.06.2012 The Department explained that in compliance with the directions of PAC, entire outstanding amount had been recovered which could be got verified by Audit.

The Committee **settled the para** subject to verification of relevant record by Audit and directed that disciplinary action also be taken against the responsables.

20. Para No.2.20 Page 133 of Audit Report for the year 2009-10, Loss due to non-auction of vehicles and machinery – Rs.5.9 million

DP No. 65, Director (EME), LDA, Lahore

28.06.2012 The Department explained that vehicles/machinery had been auctioned on 31.05.2012 and the highest bids amounting to Rs. 8.744 millions were accepted and the auction amount had been deposited into government treasury.

The para was conditionally settled subject to verification of relevant record by Audit within 60 days.

27.03.2014 The Department explained that highest bid for Rs.8.744 million had been accepted for auction of vehicles and machinery out of which a sum of Rs.8.50 million had already been recovered and efforts were being made for disposal of balance material.

The Committee reduced the para to the extent of recovery verified by Audit and directed that remaining material should also be auctioned at the earliest.

The para was conditionally settled subject to balance recovery and its verification by Audit.

27.08.2014 The Department explained that auction unserviceable items had been conducted but no bid was received for certain items. However, efforts were being made for disposal of remaining items.

The para was kept pending.

21. Para No.2.21 Page 134 of Audit Report for the year 2009-10, Unjustified allocation/exemption of plots due to incorrect amendment/area of land – Rs.5.6 million

DP No. 35, Director Land Development-4, LDA, Lahore

28.06.2012 The Department explained that the exemption certificate had been obtained through forged and bogus ownership documents carrying bogus signatures of LDA officers/officials. Then it was inserted in the LDA record in connivances with the LDA officials. However, later the plot had been cancelled by the Director Land Development.

The Committee recommended/directed that the plot should be auctioned and the matter be referred to Anti Corruption Establishment for initiating criminal proceedings against the responsables.

The para was kept pending.

27.03.2014 The Department explained that as per previous directions of PAC, necessary measures had been taken for auction of relevant plots and the matter had also been referred to the Anti-corruption Establishment for criminal proceedings against the defaulters.

The para was conditionally settled subject to auction of plots and verification of departmental contention by Audit.

27.08.2014 The Department explained that disciplinary action had already been taken, however the matter of plots was subjudice in the court.

Being subjudice, the para was kept pending.

22. Para No.2.22 Pages 134 to 138 of Audit Report for the year 2009-10, Wastage of Govt. money, loss/theft of machinery – Rs.4.2 million

2.22.1 DP No. 185, Executive Engineer, PHE Division, Muzaffargarh

21.09.2011 The Department explained that the construction work of Overhead Water Reservoir had been completed and test run had also been executed successfully. The concerned land had been transferred to the PHE division Muzaffar Garh. It was assured that Overhead Water Reservoir would be operational at the earliest.

The Committee conditionally settled the para subject to the verification of departmental assurance by Audit.

29.06.2012 The Department explained that the construction work of Overhead water Reservoir had been completed and tested as well. It would soon be fully operational after electrification by WAPDA.

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

2.22.2 DP No. 158, Executive Engineer, PHE Division, Nankana Sahib

2.22.5 DP No. 155, Executive Engineer, PHE Division, Mianwali

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

2.22.3 DP No. 96, Chief Engineer, South Public Health Engineering Department Lahore

21.09.2011 The Department explained that the stolen vehicle had already been traced out by the Police and Judicial Magistrate had directed the concerned SHO to hand over the vehicle as per law.

The Committee directed the department to pursue the matter vigorously and the para was kept pending.

29.06.2012 The Department explained that matter had already been probed whereby the concerned XEN and Driver were held responsible for the loss. It was added that the lost vehicle had been found in the jurisdiction of Haroonabad Police Station District Bahawalnagar and efforts were being made to get the vehicle back.

The Committee kept the para pending with the directions that the Department should hold an inquiry, fix responsibility for the lapse and take disciplinary action against the responsables. Moreover, the matter for recovery of vehicle from police custody should be taken up with the Inspector General of Police, Punjab within 15 days under intimation to the PAC.

27.03.2014 The Department explained that lost vehicle had been found and taken into custody by the Executive Engineer, PHE Division Pakpattan. Meanwhile, an inquiry was also conducted to thrash out the matter whereby the concerned driver had been found responsible for the lapse.

The Committee was not satisfied with the explanation of the Department and directed/recommended that proper inquiry should be conducted by the Administrative Secretary to fix responsibility for the lapse under intimation to the PAC with in 60 days.

The para was kept pending.

28.08.2014 The Department explained that an inquiry had been conducted into the matter and disciplinary action had been taken against the responsible official. It was added that recovered vehicle was in satisfactory condition and no damage was suffered by it.

The Committee directed/recommended that warning should be issued to concerned Executive Engineer and a certificate be furnished regarding departmental contention that no government money had been incurred on restoration of vehicle.

Subject to above directions, **the para was settled.**

2.22.4 DP No. 97, Chief Engineer (South) Public Health Engineering Department Lahore

21.09.2011 The Department explained that an FIR had been lodged with the concerned Police Station on account of theft of vehicle and several reminders were also issued to the concerned SHO. Meanwhile the responsible officer had been directed to deposit the amount into government treasury on account of the loss.

The para was kept pending with the directions that recovery should be expedited.

29.06.2012 The Department explained that a letter had been written to the District Accounts Officer Lodhran for recovery at source, from the pay of delinquent officer. Moreover an inquiry was also being conducted under PEEDA Act.

The Committee kept the para pending with the directions that the inquiry report should be produced to Audit within 15 days and recovery be effected expeditiously.

27.03.2014 The Department explained that as per directions of PAC, a sum of Rs.221,500/- had been recovered and efforts were being made for balance recovery. The Department also assured that disciplinary proceedings under the PEEDA Act would be completed within 60 days.

The para was kept pending for balance recovery and finalization of inquiry proceedings within 60 days.

28.08.2014 The Department explained that recovery was being effected regularly from the salary of concerned officer and disciplinary proceedings were also under process.

The Committee reduced the para to the extent of recovery verified by Audit with the direction that balance recovery be pursued vigorously.

The **para was kept pending.**

2.22.6 DP No. 175, Executive Engineer, PHE Division, D.G Khan

29.06.2012 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

2.22.7 DP No. 74 WASA, Multan

17.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

2.22.8 DP No. 169, Executive Engineer, Sewerage Scheme, Rahim Yar Khan

29.06.2012 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

23. Para No.2.23 Page 138 of Audit Report for the year 2009-10, Non-recovery of commercialization fee – Rs.4 million

DP No. 254, Director, Commercialization, LDA UD Wing, Lahore

28.06.2012 The Department explained that total outstanding amount of Rs.4.037 million had been recovered which could be verified by Audit.

Audit contended that only a sum of Rs.3,484,748/- had been verified till date.

The Committee reduced the para to the extent of recovery effected and verified by Audit with the directions that complete recovery should be got verified at the earliest.

The para was kept pending.

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

24. Para No.2.24 Pages 138 & 139 of Audit Report for the year 2009-10, Unjustified provision of design and supervision - Rs.3.7 million

DP No. 238

27.03.2014 The Department explained that a sum of Rs.3.7 million had been recovered and efforts were being made for balance recovery. The Department assured that balance recovery would also be effected within 5 months.

The Committee reduced the para to the extent of recovered amount with the directions that outstanding dues should also be recovered within stipulated time.

The para was kept pending.

28.08.2014 The Department explained that work was still in progress under supervision of NESPAK while the project had been extended by the competent authority and estimate would be got revised accordingly.

The Director (Monitoring) Finance Department opined that matter of outstanding dues should be taken up with NESPAK.

The Committee directed/recommended that PAO should examine the matter and take it up with NESPAK to resolve the issue at the earliest.

The para was kept pending.

25. Para No.2.25 Page 139 of Audit Report for the year 2009-10, Non-receipt of performance security - Rs.3.5 million

DP No. 163, Executive Engineer, PHE Division, Nankana Sahib

27.03.2014 The Department explained that total amount on account of performance security had been recovered from the running bill of the contractor which could be verified by Audit.

Audit contended that disciplinary action was also required for non-receipt of performance security in violation of the agreement.

The para was conditionally settled subject to verification of complete recovery with the directions/recommendations that disciplinary actions should also be taken against the defaulters under intimation to the PAC within 30 days.

28.08.2014 The Department explained that as per directions of PAC, disciplinary action had also been initiated against the delinquents.

The Committee **settled the above para** subject to finalization of disciplinary proceedings.

26. Para No.2.26 Pages 139 & 140 of Audit Report for the year 2009-10, Excess payment due to non-adjustment of wastage of steel in rate analysis – Rs.3.5 million

18.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

27. Para No.2.27 Page 140 of Audit Report for the year 2009-10; Loss due to abnormal extension of the period of agreement instead of fresh tendering – Rs.3.4 million

DP No. 264, Director General, PHA, Lahore

26.03.2014 The Department explained that the contract of M/s Fun Land Pvt. Limited had been renewed for 10 years w-e-f 8.9.2010 after due deliberations and negotiations for better financial gains and the contractor was making payments of annual installments as per provisions of agreement.

Audit contended that contract had been awarded beyond competency of the concerned authorities without open competition.

The Committee deferred consideration of the para with the directions that complete facts of the case should be furnished on the following day.

On 27.3.2014, the Department maintained that Director General, PHA was competent to grant extension of the contract as it was beneficial for the Department.

The Committee desired that opinion of the Finance Department should be sought regarding competency for renewal of aforesaid contract under the rules.

The para was kept pending.

28.08.2014 The Department explained that as per directions of PAC, the matter had been referred to the Finance Department for seeking advice.

The Director (Monitoring) Finance Department stated that after examination of the case, it had been concluded that according to the relevant act, the Director General, PHA was not competent for granting abnormal extension.

The Committee directed/recommended that PAO should probe into the matter and fix responsibility for the lapse and irregularity be got condoned by the Finance Department. The Committee further directed/recommended that all such contracts should be reviewed to ascertain permissible extension/competency of the awarding authority.

The para was kept pending.

- 28. Para No.2.28 Page 141 of Audit Report for the year 2009-10, Unjustified allocation/exemption of plots due to incorrect insertion of land in award – Rs. 2.6 million**
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DP No. 15, Director Land Development-4, LDA, Lahore

28.06.2012 The Department explained that the number of plot had been incorrectly written and it was an arithmetic error, the actual number of plot was 305-B instead of 503-B.

Subsequently, the necessary corrections had been made and all the relevant record in support of Departmental contention was available for verification.

The Committee kept the para pending with the directions that relevant record should be got verified by Audit within 60 days.

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

- 29. Para No.2.29 Pages 141 & 142 of Audit Report for the year 2009-10, Non-recovery of “bulk water & sewerage charges” from Industrial consumers – Rs.2 million**
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DP No. 86, Director Revenue & Recovery, Water and Sanitation Agency, Faisalabad Development Authority, (FDA), Faisalabad

17.02.2011 The Department explained that a sum of Rs.886,786/- had been recovered whereas hectic efforts were being made to recover the balance amount. It was assured that balance amount would be recovered till the 30th June 2011.

The para was kept pending for balance recovery.

19.09.2011 The Department explained that in compliance with the directions of PAC, further recovery of Rs.608,034/- had been effected and efforts were being made for recovery as arrears of land revenue from the defaulters. It was added that two cases involved in the para were subjudice in the court.

The Committee kept the para pending for balance recovery with the directions that all the cases should be pursued vigorously.

27.06.2012 The Department explained that a sum of Rs.1,426,706/- and Rs.16,100/- had been recovered and got verified by Audit whereas an amount of Rs.386,400/- had been reported to the District Collector, Faisalabad for recovery as arrears of land revenue. It was added that the matter regarding remaining amount of Rs.194,244/- was subjudice in the court of law.

The para was kept pending with the directions that matter in the court of law should be pursued vigorously.

26.03.2014 The Department explained that partial recovery had already been effected and got verified by Audit whereas cases of balance recovery were pending with the Revenue Authorities and the court of law.

The para was kept pending with the directions that cases for balance recovery should be pursued vigorously.

27.08.2014 The Department explained that a sum of Rs.1,426,706/- and Rs.16,100/- had been recovered and efforts were being made for balance recovery whereas two cases were under trial in the court.

The Committee reduced the para to the extent of recovery verified by Audit and directed/recommended that balance recovery should be pursued vigorously.

The para was kept pending.

30. Para No.2.30 Page 142 of Audit Report for the year 2009-10, Overpayment due to allowing higher rate - Rs.2 million

DP No. 173, Executive Engineer, PHE Division, D.G Khan

29.06.2012 The Department explained that the Contractor reduced his original rate from Rs.39/- to Rs.35/- by submitting an undertaking before the Chief Engineer and the reduced rate of the contractor was approved by the competent authority. The Department added that all the relevant record in support of its contention was available for verification.

The Committee was not satisfied with the explanation and directed/recommended that Administrative Secretary should look in to the matter personally and submit his recommendations to the PAC in its next meeting.

The para was kept pending.

27.03.2014 The Department explained that matter contained in above paras was pending for consideration of the Technical Committee which was being reconstituted and its report would be submitted at the earliest.

The para was kept pending with the directions that Technical Committee should resolve all such matters within 30 days.

28.08.2014 The Department explained that an inquiry was being conducted into the matter and further action would be taken accordingly.

The **para was kept pending** with the directions that inquiry report and disciplinary action should be expedited under intimation to the PAC within 30 days.

31. Para No.2.31 Pages 142 & 143 of Audit Report for the year 2009-10, Overpayment due to allowing incorrect premium - Rs.1.9 million

DP No. 188, Executive Engineer, PHE Division, T.T. Singh

29.06.2012 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

32. Para No.2.32 Page 143 of Audit Report for the year 2009-10, Overpayment due to application of wrong factor - Rs.1.6 million

DP No. 159, Executive Engineer, PHE Division, Nankana Sahib

27.03.2014 The Department explained that conversion factor from pounds to kilograms could not applied due to arithmetical mistake of the sub-engineer but the same was later rectified and differential amount had been recovered. It was added that show cause notice had also been issued to the concerned employees.

The Committee settled the para with the directions that disciplinary action should be completed at the earliest under intimation to the PAC.

28.08.2014 The Department explained that as per directions of PAC, disciplinary action had also been initiated against the delinquents.

The Committee **settled the above para** subject to finalization of disciplinary proceedings.

33. Para No.2.33 Pages 143 & 144 of Audit Report for the year 2009-10, Overpayment due to allowing higher percentages than agreement – Rs.1.5 million

2.33.1 DP No. 137, Director Construction-II, WASA, FDA, Faisalabad

17.02.2011 The Department explained that as per terms and conditions of the agreement, adjustment in the contract price was not applicable and the variation of quantities had been approved by the competent authority. It was added that outstanding amount would be recovered at the earliest.

The para was kept pending for complete recovery within 30 days.

19.09.2011 The Department explained that a sum of Rs.1.1 had been recovered and efforts were being made for balance recovery.

The para was kept pending with the directions that recovery should be verified by Audit within 7 days and balance amount be recovered within 30 days.

27.06.2012 The Department explained that total recovery involved in the above para had been effected and relevant record had also been got verified by Audit.

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

2.33.2 DP No. 150, Director Engineering, UD-Wing, FDA, Faisalabad

17.02.2011 The Department explained that work was still in progress as it could not be finalized due to non-approval of design by FESCO. It was assured that complete recovery would be effected from the final bill of the contractor.

The para was kept pending.

19.09.2011 The Department explained that outstanding amount of Rs.331,513/- had been recovered from the bill of the contractor vide MB No.1143 which was still under process.

The para was conditionally settled subject to the verification of relevant record by Audit within 7 days.

28.06.2012 The Department explained that total recovery had been effected and got verified by Audit.

However, Audit contented that verification of the final bill and MB was required in the matter.

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

34. Para No.2.34 Pages 144 & 145 of Audit Report for the year 2009-10, Non-recovery of rent of open spaces along with surcharge – Rs.1.5 million

DP No. 91, Director Estate Management, FDA, Faisalabad

17.02.2011 The Department explained that an amount of Rs.1,083,832/- had been recovered on account of lease of open spaces of Hockey Stadium Faisalabad whereas a sum of Rs.169,740/- was not due because lessee had vacated the shop.

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

The para was kept pending with the directions that outstanding amount be reconciled with Audit and balance recovery be effected within 60 days.

19.09.2011 The Department explained that in case of recovery from Mr. Muhammad Akram, a case was being forwarded to the District Collector, Faisalabad for recovery as arrears of Land Revenue. In case of recovery from lessee of Havelly Restaurant, the matter was subjudice in the Court.

The Committee was not satisfied with the explanation of the department and recommended/directed that an inquiry should be conducted into the matter to fix responsibility for the lapse and recovery be expedited.

The para was kept pending.

28.06.2012 The Department explained that an amount of Rs. 169,740/- had been recovered from the lessee of Lyellpur Food Garden whereas the case regarding recovery from lessee of Hevely Restaurant, was *sub-judice* in the Court of Law.

The Committee reduced the para to the extent of recovery subject to verification of record by Audit and the remaining portion of the para was kept pending with the directions that the case should be pursued vigorously.

26.03.2014 The Department explained that a sum of Rs.1,253,572/- had already been recovered and the balance amount was outstanding against the lessee of Haveily Restaurant Faisalabad who had filed a petition in Lahore High Court, Lahore.

Being subjudice, the para was kept pending.

27.08.2014 The Department assured that outstanding amount would be recovered within 30 days.

The para was kept pending.

35. Para No.2.35 Page 145 of Audit Report for the year 2009-10, Non-recovery of surcharge on commercialization – Rs.1.4 million

18.02.2011 The Department explained that recovery had been wrongly calculated by Audit and actual recovery on account of surcharge on commercialization was being effected regularly and complete recovery would be effected in due course.

On the assurance of the Department to effect complete recovery, **the para was conditionally settled.**

36. Para No.2.36 Pages 145 & 146 of Audit Report for the year 2009-10, Non-forfeiture of earnest money and additional performance security of defaulting contractor– Rs.1.4 million

18.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

37. Para No.2.37 Page 146 of Audit Report for the year 2009-10; Non-recovery of electricity charges – Rs.1.3 million

DP No. 260, Director Circular Gardens, PHA, Lahore

26.03.2014 Audit stated that the Department was required to justify the award of contract of amusement items for 10 years without competition.

The para was kept pending for seeking advice of the Finance Department in same issue as contained in Para No.2.27.

28.08.2014 The Department explained that as per directions of PAC, the matter had been referred to the Finance Department for seeking advice.

The Director (Monitoring) Finance Department stated that after examination of the case, it had been concluded that according to the relevant act, the Director General, PHA was not competent for granting abnormal extension.

The Committee directed/recommended that PAO should probe into the matter and fix responsibility for the lapse and irregularity be got condoned by the Finance Department. The Committee further directed/recommended that all such contracts should be reviewed to ascertain permissible extension/competency of the awarding authority.

The para was kept pending.

38. Para No.2.38 Page 147 of Audit Report for the year 2009-10, Overpayment due to wrong calculation - Rs.1.2 million

DP No. 191, Executive Engineer, PHE Division, Bahawalnagar

29.06.2012 The Department explained that a sum of Rs.368,398/- had been recovered and strenuous efforts were being made for balance recovery. It was added that the disciplinary action against the concerned employees had also been initiated under PEEDA Act.

The Committee kept the para pending with the directions that outstanding amount should be recovered within 15 days.

27.03.2014 The Department explained that a sum of Rs.368,398/- had been recovered from the contractor and balance amount was adjusted in the monthly account of the contractor.

The Committee directed/recommended that responsibility should be fixed for overpayment and charge sheets be issued to the defaulters within 15 days under intimation to the PAC. It was further directed that disciplinary action should also be taken against the concerned internal auditors and all the disciplinary proceedings should be completed within 60 days.

Subject to above directions, the para was conditionally settled.

28.08.2014 The Department explained that disciplinary proceedings under PEEDA Act had been initiated which would be completed in due course.

The Committee **settled the para** subject to finalization of disciplinary proceedings.

39. Para No.2.39 Pages 147 & 148 of Audit Report for the year 2009-10, Overpayment due to fictitious measurement - Rs.1.2 million

DP No. 174, Executive Engineer, PHE Division, D.G Khan

29.06.2012 The Department explained that no overpayment was involved in the matter as the quantities of items, dismantled and restored had been made properly in the Measurement Book which could be verified by Audit.

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

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

40. Para No.2.40 Pages 148 & 149 of Audit Report for the year 2009-10, Overpayment due to allowing inadmissible specification - Rs.1.2 million

2.40.1 DP No. 178, Executive Engineer, PHE Division, D.G Khan

2.40.2 DP No. 196, Executive Engineer, PHE Division, Bahawalnagar

2.40.3 DP No. 186, Executive Engineer, PHE Division, Muzaffargarh

29.06.2012 The Department explained that drilling of bore for tube well was made up to 20'' to 26'' against provisions in the T.S estimate. However in view of Audit observation, Finance Department had been requested repeatedly to resolve the matter but the decision thereon was still awaited.

The Committee kept the paras pending with the directions/recommendations that Finance Department should resolve the matter at the earliest.

27.03.2014 The Department explained that as per directions of PAC, the matter regarding above Audit observation, had been referred to Finance Department for clarification and the decision thereon was still awaited.

The paras were kept pending with the directions that Finance Department should decide the matter within 15 days under intimation to the PAC.

28.08.2014 The Director (Monitoring) Finance Department explained as per directions of PAC, the above cases were examined and it had been advised that outstanding dues were required to be recovered and responsibility ought to be fixed for the lapse.

The **paras were kept pending** with the directions that further action should be taken as per advice of the Finance Department and Departmental contention should also be examined by the Technical Wing, Finance Department.

2.40.4 DP No. 130, Executive Engineer, PHE Division, Okara

27.03.2014 The Department explained that as per directions of SDAC, the matter had been referred to Finance Department for clarification and decision thereon was still awaited.

The Committee directed/recommended that disciplinary action should be taken against the concerned accounts authorities as well as the concerned officer of DAO office.

The para was kept pending with the directions that Finance Department should resolve the issue within 15 days.

28.08.2014 The Director (Monitoring) Finance Department explained as per directions of PAC, the above cases were examined and it had been advised that outstanding dues were required to be recovered and responsibility ought to be fixed for the lapse.

The **para was kept pending** with the directions that further action should be taken as per advice of the Finance Department and Departmental contention should also be examined by the Technical Wing, Finance Department.

41. Para No.2.41 Pages 149 & 150 of Audit Report for the year 2009-10, Allocation/exemption over and above entitlement – Rs. 1.1 million

DP No. 41, Director Land Development-I/Allocation Committee, LDA, Lahore

28.06.2012 The Department explained that exempted plot was wrongly allocated in 1988 which resulted in an excess area of 51 sqm instead of 60 sqm as pointed out by Audit. After scrutiny of relevant record, a sum of Rs.4,410,315/- was declared as payable by the transferee on account of cost of excess area (48.66sqm) for which show cause notice had been issued and efforts were being made for recovery of outstanding dues.

The para was kept pending for recovery of outstanding dues and verifications of relevant record by Audit.

27.03.2014 The Department explained that actual recoverable amount was Rs.441,035/- instead of Rs.4,410,315/- which had been incorrectly pointed out by Audit. Since the owner had failed to deposit excess area charges, the relevant plot had been cancelled vide letters dated 18.3.2014. As such, no recovery was involved in the matter.

The Committee directed/recommended that recoverable amount should be reconciled with Audit and relevant record should also be got verified by Audit.

Subject to above directions, the para was conditionally settled.

27.08.2014 The Department explained that plots had been cancelled and thereafter, application for restoration had been filed by the concerned parties and they were willing to pay the outstanding dues.

The **para was kept pending** for recovery of outstanding dues.

42. Para No.2.42 Page 150 of Audit Report for the year 2009-10, Non-recovery of penalty of building period – Rs.1 million

DP No. 92, Director Estate Management UD-Wing, Faisalabad

17.02.2011 The Department explained that an amount of Rs.336,000/- had already been recovered whereas a sum of Rs.36,500/- was not due as the allottee had obtained the completion certificate within stipulated period.

The para was conditionally settled subject to complete recovery and its verification by Audit.

19.09.2011 The Department explained that a sum of Rs.628,047/- had been recovered till date whereas balance recovery couldn't be made as the Government of Punjab had granted extension to the allottees in general for construction of their buildings till 30.6.2015. However, utmost efforts would be made for recovery of outstanding dues.

The Committee conditionally settled the para subject to complete recovery and verification of requisite record by Audit.

28.06.2012 The Department explained that a sum of Rs.676,047/- had been recovered whereas balance recovery could not be effected as the Government of Punjab had granted general extension in construction period till 30.06.2015.

The amount of para was reduced to the extent of recovery effected and the para was kept pending for balance recovery.

26.03.2014 The Department explained that partial recovery had already been got verified by Audit leaving a balance of Rs.329,055/- out of which an amount of Rs.73,000/- was not recoverable because the relevant plots had been cancelled. Moreover, an amount of Rs.119,000/- was also not recoverable because building was completed within stipulated time. The Department added that further action in the matter could only be taken on expiry of Government's general extension in construction period.

The para was kept pending for balance recovery.

27.08.2014 The Department explained that partial recovery had been effected and remaining amount could not be recovered immediately due to general extension granted by the Government till June 2015.

The Committee **reduced the para** to the extent of recovery verified by Audit and its **remaining portion was kept pending**.

43. Para No.2.43 Pages 150 & 151 of Audit Report for the year 2009-10, Non-recovery of balance price of plots – Rs.926,396/-

21.09.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had also been got verified by Audit.

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

44. Para No.2.44 Page 151 of Audit Report for the year 2009-10, Non-recovery of rent of offices – Rs.851,688/-

17.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

45. Para No.2.45 Pages 151 & 152 of Audit Report for the year 2009-10, Overpayment - Rs.805,000/-

DP No. 179, Executive Engineer, PHE Division, D.G Khan

29.06.2012 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

46. Para No.2.46 Pages 152 & 153 of Audit Report for the year 2009-10, Excess payment - Rs.798,086/-

DP No. 190, Executive Engineer, PHE Division, Bahawalnagar

29.06.2012 The Department explained that the payment was made according to the revised technically sanctioned Estimates and accounts of the work would be finalized till the first week of July 2012.

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

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

47. Para No.2.47 Page 153 of Audit Report for the year 2009-10, Unjustified payment due to allowing excessive lead – Rs.706,492/-

DP No. 204, Deputy Director, Sub Region Punjab Housing and Town Planning Agency (PHATA), Rawalpindi

21.09.2011 The Department explained that 2 miles lead sanctioned in the TS estimate was tentative and there was provision in the agreement to ascertain the actual lead and make payment accordingly. The requisite earth as per recommendations of UET, Taxila, was available at a distance of 7.5 miles which was verified by the concerned Deputy Director and approval for the purpose was granted by the competent authority as well as Planning & Development Department.

The Committee kept the para pending with the directions that relevant record regarding competency of the sanctioning authority for revised items, should be got verified by Audit within seven days.

29.06.2012 The Department explained that necessary action had been taken in respect of above para and relevant record had also been got verified by Audit.

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

48. Para No.2.48 Pages 153 & 154 of Audit Report for the year 2009-10, Non-recovery of cost of land – Rs.668,635/-

DP No. 11, Deputy Director, PHATA Sub Region, Sheikhpura

21.09.2011 The Department explained that a sum of Rs.72,329/- had been recovered and notices had been issued to the defaulters for payment of outstanding dues, however, the Government had granted general extension to the allottees.

The para was kept pending for balance recovery and the Committee recommended that penal interest may be waived off for deserving allottees subject to rules.

29.06.2012 The Department explained that actual recoverable amount was Rs.431,939/- out of which an amount of Rs.72,329/- had already been recovered. In case of remaining amount of Rs.359,510/-, notices had been issued to the defaulters but general extension had been granted to the allottees by the Chief Minister Punjab till 2015.

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

26.03.2014 The Department explained that partial recovery had already been effected in certain cases whereas recovery of outstanding amount could not be expedited due to grant of general extension by the Government till 2015.

The para was kept pending with the directions to pursue the matter vigorously.

27.08.2014 The Department explained that final notices had been issued to the concerned allottees but general extension had been granted by the Government till 2015.

The **para was kept pending** for balance recovery.

49. Para No.2.49 Page 154 of Audit Report for the year 2009-10, Non-recovery of lease money of agriculture land – Rs.615,193/-

18.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

50. Para No.2.50 Page 155 of Audit Report for the year 2009-10, Non-recovery of secured advance alongwith interest from defaulting contractors – Rs.492,962/-

DP No. 139, Director Construction-II, WASA, FDA, Faisalabad

18.02.2011 The Department explained that entire outstanding amount had been recovered and all the relevant record and final bill would be produced to Audit for verification.

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

19.09.2011 The Department explained that secure advances had been adjusted/ recovered and relevant record in support of departmental contention was available for verification.

Audit contented that complete record regarding recovery and final bill of the contractors had not yet been produced by the Department.

The para was kept pending.

27.06.2012 The Department explained that total recovery involved in the above para had been effected and relevant record had also been got verified by Audit.

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

51. Para No.2.51 Pages 155 & 156 of Audit Report for the year 2009-10, Loss due to non-auction/disposal of material – Rs.475,574/-

DP No. 12, Director Operation & Maintenance (O&M)(East & West) WASA, FDA, Faisalabad

18.02.2011 The Department explained that case for disposal of unserviceable material amounting to Rs.475,574/- was under process for fulfillment of codal formalities.

The para was kept pending with the directions that unserviceable material be disposed off within 90 days.

27.06.2012 The Department explained that total recovery involved in the above para had been effected and relevant record had also been got verified by Audit.

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

52. Para No.2.52 Page 156 of Audit Report for the year 2009-10, Unjustified expenditure – Rs.439,030/-

18.02.2011 The Department explained that log books were being maintained as per instructions and relevant record would be produced to Audit for verification.

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

53. Para No.2.53 Pages 156 & 157 of Audit Report for the year 2009-10, Non-recovery of stamp duty on transfer of plots – Rs. 432,000/-

DP No. 288, Director Estate Management, Quaid-e-Azam Town, LDA, Lahore

28.06.2012 The Department explained that a sum of Rs.223,112/- had been recovered and efforts were being made for balance recovery of Rs.91,778/- at the earliest.

The Committee reduced the para to the extent of recovery effected with the directions that balance recovery should be effected and relevant record be got verified by Audit.

The para was kept pending.

27.03.2014 The Department explained that total outstanding amount had been recovered which could be verified by Audit.

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

27.08.2014 The Department explained that out of total 32 properties involved in subject para, necessary action had been taken in cases of 26 properties and efforts were being made for recovery of outstanding dues against remaining 6 properties.

The Committee reduced the para to extent of recovery verified by Audit and directed/recommended that balance recovery should be pursued vigorously.

The para was kept pending.

54. Para No.2.54 Page 157 of Audit Report for the year 2009-10; Unjustified payment on account of removal of malba – Rs.421,844/-

DP No. 256, Director Circular Gardens, PHA, Lahore

26.03.2014 The Department explained that removal of malba was an essential requirement at site which had also been depicted in PC-I. Therefore, payment was made with due approval of competent authority on the basis of actual work done at site.

Audit contended that record in support of departmental contention had not been produced.

The Committee deferred consideration of the para till the next day with the directions that matter should be reconciled with Audit.

On 27.03.2014, the Department stated that complete record had been got verified by Audit.

The Committee accordingly **settled the para.**

55. Para No.2.55 Page 158 of Audit Report for the year 2009-10, Overpayment of escalation - Rs.386,497/-

DP No. 166, Executive Engineer, PHE Division, Nankana Sahib

27.03.2014 The Department explained that outstanding amount had been recovered from the contractor and his accounts had been finalized. Moreover, show cause notice had also been issued to the defaulters.

The Committee **conditionally settled the para** subject to verification of requisite record by Audit and finalization of disciplinary proceedings at the earliest.

28.08.2014 The Department explained that as per directions of PAC, disciplinary action had also been initiated against the delinquents.

The Committee **settled the above para** subject to finalization of disciplinary proceedings.

56. Para No.2.56 Pages 158 & 159 of Audit Report for the year 2009-10, Non-recovery of secured advance and interest there on – Rs.372,040/-

18.02.2011 The Department explained that principal amount on account of secured advance had already been recovered and interest thereon would also be recovered as the accounts of the contractor were still to be finalized.

The **para was conditionally settled** subject to verification of final bill by Audit.

57. Para No.2.57 Page 159 of Audit Report for the year 2009-10, Overpayment due to incorrect application of rates - Rs.352,339/-

DP No. 164, Executive Engineer, PHE Division, Nankana Sahib

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

58. Para No.2.58 Pages 159 & 160 of Audit Report for the year 2009-10, Overpayment due to execution of non provided item of work - Rs.348,198/-

DP No. 100, Executive Engineer, Public Health Engineering Division, Kasur

27.03.2014 The Department explained that removal/transportation of dismantled and excavated material was responsibility of the Department and thus, payable separately to the contractor as per provisions of revised administrative approval and revised technically sanctioned estimate. As such, no recovery was required in the matter.

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

28.08.2014 Audit contended that no record had been produced in compliance with earlier directions of PAC.

The Committee took serious notice of non-compliance of its direction and directed that complete record should be got verified by Audit within 15 days.

The **para was conditionally settled** subject to above direction.

59. Para No.2.59 Page 160 of Audit Report for the year 2009-10, Loss due to acceptance of tender beyond the permissible limit - Rs.348,000/-

DP No. 111, Executive Engineer, PHE Division, Sialkot

27.03.2014 The Department explained that an inquiry had been conducted to thrash out the subject matter whereby it was concluded that Chief Engineer, being the competent authority, had approved the tenders at the given cost.

Audit contended that requisite record in support of departmental contention was still awaited along with orders of the Administrative Secretary on probe report.

The para was kept pending for verification of requisite record by Audit at the earliest.

28.08.2014 The Department explained that work was executed within permissible limit and complete record had been got verified by Audit.

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

60. Para No.2.60 Page 161 of Audit Report for the year 2009-10, Non-recovery for non-execution of the item of work - Rs.312,480/-

DP No. 180, Executive Engineer, PHE Division, D.G Khan

29.06.2012 The Department explained that a fact finding inquiry was being conducted into the matter and outstanding amount would also be recovered at the earliest.

The para was kept pending with the directions that inquiry report duly approved by the Administrative Secretary should be submitted to the PAC within 30 days.

27.03.2014 The Department explained that concerned contractor had been directed to deposit the outstanding amount and the matter would also be taken up with Revenue Authorities.

The Committee expressed its displeasure on non-compliance of PAC directions given in the meeting held on 29.6.2012 and directed/recommended that Administrative Secretary should fix responsibility for aforesaid lapse and take action against the responsible officials/officers within 30 days under intimation to the PAC.

The para was kept pending.

28.08.2014 The Department explained that matter regarding recovery was subjudice in the court and meanwhile, disciplinary proceedings were also under process.

The **para kept pending.**

61. Para No.2.61 Page 161 of Audit Report for the year 2009-10, Overpayment due to double measurement - Rs.305,440/-

DP No. 177, Executive Engineer, PHE Division, D.G Khan

29.06.2012 The Department explained that measurements were recorded for two different streets i.e. Street No. 198 and 206, having different lengths. However both the streets were known as Darbar Ameer Shah though the site was different altogether. As such, no double measurement was involved and all the relevant record was available for verification.

The Committee kept the para pending with the directions that relevant record should be got verified by Audit within 30 days.

27.03.2014 The Department explained that Audit observation was not justified because no duplication was involved. Infact, there were two streets of different length which were situated in different areas.

The Committee **conditionally settled the para** subject to verification of departmental contention within 24 hours.

62. Para No.2.62 Page 162 of Audit Report for the year 2009-10, Overpayment due to execution of additional item of work - Rs.304,305/-

DP No. 235, Executive Engineer, PHE Division, Chakwal

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

63. Para No.2.63 Pages 162 & 163 of Audit Report for the year 2009-10, Non-recovery of sales tax – Rs. 267,000/-

DP No. 64, Director Electrical and Mechanical Engineering, LDA, Lahore

28.06.2012 The Department explained that total outstanding amount involved in above para had been recovered and got verified by Audit.

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

64. Para No.2.64 Page 163 of Audit Report for the year 2009-10, Overpayment due to non-deduction of canal portion from crushed stone item - Rs.246,829/-

DP No. 226, Executive Engineer, Public Health Engineering Division, Sargodha

27.03.2014 The Department explained that deduction of canal portion from the bedding material had already been got verified by Audit. However, the matter regarding recovery of crush stone carriage was being considered in the Department for appropriate decision.

The Director (Monitoring) Finance Department contended that overpayment involved in the subject case ought to be recovered by the Department.

The para was kept pending with the directions that outstanding amount should be recovered till the next meeting of PAC.

28.08.2014 The Department explained partial recovery had been effected and hectic efforts were being made for balance recovery.

The **para was kept pending** with the directions that balance recoverable amount should be reconciled with Audit.

65. Para No.2.65 Pages 163 & 164 of Audit Report for the year 2009-10, Non-recovery of cost of dismantled material – Rs. 245,000/-

DP No. 67, Director Area Development Scheme-1, Lahore Development Authority, Lahore

27.03.2014 The Department explained that total outstanding amount had been recovered from the running bill of the contractor which had been got verified by Audit.

Audit contended that the Department was required to produce final bill of the contractor.

The para was conditionally settled subject to verification of final bill by Audit.

27.08.2014 The Department explained that all the relevant record was available for verification by Audit.

The **para was conditionally settled** subject to verification of requisite record by Audit within 7 days.

66. Para No.2.66 Page 164 of Audit Report for the year 2009-10, Non-recovery of capital value tax – Rs. 225,000/-

DP No. 284, Director Estate Management, Quaid-e-Azam Town, LDA, Lahore

27.03.2014 The Department explained that administrative control of Lahore Township Scheme was handed over to LDA in 1994 whereas recovery pointed out by Audit related to the year 1986 which pertained to Income Tax Department. However, efforts were being made for recovery of CVT and final notice had been issued to the owner.

The Committee kept the para pending with the directions that matter should be reconciled with Audit and recovery should be pursued vigorously.

27.08.2014 The Department explained that actual outstanding amount was Rs.50,000/- which was being recovered regularly.

The Committee directed/recommended that recoverable amount should be reconciled with Audit at the earliest and amount of para be reduced accordingly.

The para was kept pending.

67. Para No.2.67 Pages 164 to 165 of Audit Report for the year 2009-10, Non-recovery of penal house rent – Rs.219,408/-

17.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

68. Para No.2.68 Page 165 of Audit Report for the year 2009-10, Non-recovery of lease money and surcharge – Rs.216,603/-

18.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

69. Para No.2.69 Pages 165 & 166 of Audit Report for the year 2009-10, Overpayment due to incorrect application of specification - Rs.207,792/-

DP No. 227, Executive Engineer, Public Health Engineering Division, Sargodha

70. Para No.2.70 Page 166 of Audit Report for the year 2009-10, Non-recovery of liquidation charges - Rs.206,756/-

DP No. 315, Secretary, PHE & HUD, Lahore

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

71. Para No.2.71 Pages 166 & 167 of Audit Report for the year 2009-10, Irregular/time-barred expenditure – Rs.201,808/-

21.09.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had also been got verified by Audit.

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

72. Para No.2.72 Page 167 of Audit Report for the year 2009-10, Non-recovery of capital value tax (CVT) @2% on immovable property – Rs. 201,214/-

DP No. 287, Director Estate Management, Quaid-e-Azam Town, LDA, Lahore

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

73. Para No.2.73 Pages 167 & 168 of Audit Report for the year 2009-10, Overpayment due to allowing higher rate - Rs.195,686/-

DP No. 234, Executive Engineer, PHE Division, Chakwal

27.03.2014 The Department explained that total outstanding amount had been recovered and got verified by Audit. Meanwhile, final bill had also been prepared.

The Committee settled the para with the directions that disciplinary action should also be taken against concerned employees including Accounts Authorities under intimation to the PAC within 30 days.

28.08.2014 The Department explained that as per directions of PAC, disciplinary action had also been initiated against the delinquents.

The Committee **settled the above para** subject to finalization of disciplinary proceedings.

74. Para No.2.74 Page 168 of Audit Report for the year 2009-10, Overpayment due to allowing higher rates – Rs.187,667/-

DP No. 152, Director Engineering UD-Wing, FDA, Faisalabad

17.02.2011 The Department explained that actual outstanding amount worked out on the basis of factual position had been recovered from the contractor. However, the Department stressed that strength criteria of the sand should also be taken into consideration in such cases.

The Committee settled the para subject to verification of complete recovery and requisite record by Audit. The Committee also directed/recommended that a special study be got conducted through a Technical Committee to propose amendments in the relevant rules, if necessary.

19.09.2011 The Department explained that total outstanding amount had been recovered and the final bill had also been prepared which could be verified by Audit. However the matter regarding strength criteria of concrete would be placed before the Technical Committee.

The Committee recommended/directed that a Special Committee comprising a representative each from the Finance and Communication & Works Department should examine the matter and propose necessary amendments in relevant rules, if necessary, under intimation to the PAC.

Subject to above directions, the para was settled.

28.06.2012 The Department explained that in compliance with the directions of PAC, a Special Committee comprising each representative from Finance and Communication & Works Departments had been constituted to propose amendments in the relevant rules and report thereon was still awaited. It was added that entire outstanding amount had been recovered.

The Committee kept the para pending till finalization of the report of Technical Committee.

26.03.2014 The Department explained that total outstanding amount had been recovered and got verified by Audit. However, the report of Technical Committee was still awaited because it was being re-constituted.

The Committee conditionally settled the para subject to submission of Technical Committee's report within 30 days.

27.08.2014 The Department explained that outstanding amount had already been recovered and in compliance with the directions of PAC, the report of Technical Committee had also been finalized which could be verified by Audit.

The Committee **settled the para** with the directions/recommendations that report of technical committee should be got vetted by the Finance Department.

75. Para No.2.75 Pages 168 & 169 of Audit Report for the year 2009-10, Unjustified payment to contractor– Rs.182,852/-

18.02.2011 The Department explained that necessary action in respect of above para had been taken and relevant record had been got verified by Audit.

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

76. Para No.2.76 Page 169 of Audit Report for the year 2009-10, Overpayment due to non-utilization of available earth - Rs.167,951/-

DP No. 240, Executive Engineer, PHE Division, Gujrat

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

77. Para No.2.77 Page 170 of Audit Report for the year 2009-10, Overpayment due to execution of non-providing item - Rs.163,735/-

DP No. 133, Executive Engineer, PHE Division, Gujranwala

27.03.2014 The Department explained that total outstanding amount had been recovered from running bill of the contractor which had also been verified by Audit. However, final bill could not produced because the work was still under process.

The para was conditionally settled subject to verification of final bill by Audit.

28.08.2014 The Department explained that complete record along with final bill would be produced to Audit for verification.

The **para was conditionally settled** subject to verification of requisite record by Audit within 15 days.

78. Para No.2.78 Page 170 of Audit Report for the year 2009-10, Non-recovery of Government dues and penal interest – Rs.158,268/-

DP No. 9, Deputy Director, PHATA Sub Region, Sheikhpura

21.09.2011 The Department explained that defaulters were being pursued vigorously through notices for the payment of outstanding installments along with penal interest. However the government had allowed general extension in the period of payment, therefore complete recovery would be effected at the time of issuance of completion certificate.

The Committee desired that a list of allottees/defaulters involved in the Audit observation should be furnished for information of the PAC.

The para was kept pending.

29.06.2012 The Department explained that as per directions of PAC dated 21-9-2011, the list of defaulter allottees had been compiled and efforts were being made for recovery of outstanding dues. However, further action in the matter could not be taken due to grant of general extension in completion period by the Chief Minister Punjab till 2015.

The para was kept pending for recovery of outstanding dues.

26.03.2014 The Department explained that partial recovery had already been effected in certain cases whereas recovery of outstanding amount could not be expedited due to grant of general extension by the Government till 2015.

The para was kept pending with the directions to pursue the matter vigorously.

27.08.2014 The Department explained that final notices had been issued to the concerned allottees but general extension had been granted by the Government till 2015.

The para was kept pending for balance recovery.

79. Para No.2.79 Page 171 of Audit Report for the year 2009-10, Overpayment due to incorrect application of rate - Rs.152,854/-

DP No. 126, Executive Engineer, PHE Division, Okara

27.03.2014 The Department explained that the concerned contractor was directed to deposit recovery but he filed an appeal before the Ombudsman Punjab which was dismissed but he again filed a case in the civil court which was still pending.

The Committee expressed its displeasure on the concerned authorities for not pursuing the case efficiently.

The Administrative Secretary assured that explanation letter would be issued to all the concerned officers for not taking appropriate action in case of Audit Paras and not being well-prepared for PAC business.

The para was kept pending.

28.08.2014 The Department explained that outstanding amount had been recovered and disciplinary action had also been initiated.

The Committee **settled the para** subject to verification of complete recovery and completion of disciplinary proceedings.

80. Para No.2.80 Pages 171 & 172 of Audit Report for the year 2009-10, Overpayment due to non-utilization of available earth - Rs.137,660/-

DP No. 225, Executive Engineer, Public Health Engineering Division, Sargodha

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

81. Para No.2.81 Page 172 of Audit Report for the year 2009-10, Non-recovery of regularization charges of a bogus allotment – Rs. 135,000/-

DP No. 291, Director Estate Management, Quaid-e-Azam Town, LDA, Lahore

27.03.2014 The Department explained that civil suit of the owner had been dismissed by the Court and resultantly, an amount of Rs.144,000/- had been deposited by him.

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

82. Para No.2.82 Pages 172 & 173 of Audit Report for the year 2009-10, Non-recovery of lease money – Rs.134,200/-

17.02.2011 The Department explained that agricultural land was leased out after advertisement in the press wherein the lessee was eligible for renewal of agreement for three years. However, the contractor got renewed his lease after lapse of almost two months and total outstanding amount had been recovered from him.

The Committee **settled the para** with the warning that such lapses should be strictly avoided in future.

83. Para No.2.83 Page 173 of Audit Report for the year 2009-10, Overpayment due to payment at higher percentage than agreement percentage – Rs.103,255/-

DP No. 247, Director Building-I Lahore Development Authority, Lahore

27.03.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

84. Para No.2.84 Pages 173 & 174 of Audit Report for the year 2009-10, Non-production of record of various schemes

DP No. 253, Director Town Planning, Lahore Development Authority, Lahore

27.03.2014 The Department explained that due to numerous court cases, certain files were not available at site at the time of Audit inspection and the same would be produced to Audit at the earliest.

The para was kept pending for verification of requisite record by Audit.

27.08.2014 The Department explained that all the relevant record was available for verification by Audit.

The **para was conditionally settled** subject to verification of requisite record by Audit within 15 days.

85. Para No.2.85 Page 174 of Audit Report for the year 2009-10, Loss of three Measurement Books

DP No. 199, Executive Engineer, PHE Division, Khushab

27.03.2014 The Department explained that a case for write off sanction of the lost measurement books had been referred to the Finance Department and the decision thereon was still awaited.

The Committee deferred consideration of the para till the following day with the directions that latest position of the case should be intimated on the following day.

On 28.3.2014, the Director Monitoring, Finance Department advised the Department to conduct proper inquiry to thrash out the matter and then submit the case again for write off sanction.

The para was kept pending till the decision of the Finance Department.

28.08.2014 The Department explained that a case for write off sanction of the loss had been moved to the Finance Department.

The **para was kept pending** with the directions that matter should be pursued vigorously.

86. Para No.2.86 Pages 174 & 175 of Audit Report for the year 2009-10, Missing/misappropriation of 2096 number of files

DP No. 52, Director Land Development-I, Lahore Development Authority, Lahore

27.03.2014 The Department explained that hectic efforts were being made to trace out the missing files and an advertisement had also been published in newspaper for prohibiting the sale/purchase of such property. Meanwhile, digitalization of the departmental record was also under process to avoid such lapses in future.

The Committee kept the above para pending with the directions/recommendations that Special Audit of Johar Town, Lahore should be conducted by the Director General Audit (Works) Lahore under intimation to the PAC.

27.08.2014 The Department explained that new system of record management was being devised for which PC-I had been prepared and bidding was in process. It was added that project would be completed in one year.

The Committee directed/recommended that in view of remedial measures by the Department, the special audit of Johar Town, Lahore be deferred till the completion of new record management system and thereafter, the matter would be reconsidered by the PAC.

The **para was kept pending**.

87. Para No.2.87 Page 175 of Audit Report for the year 2009-10, Non-investigation of 212 cases of land declared as bogus

DP No. 57, Director Land Development-I, Land Acquisition Collector, Lahore Development Authority, Lahore

27.03.2014 The Department explained that Audit observation was based on the pages which were not the part of original Qabza Karwai, Johar Town Housing Scheme and those pages did not bear any signature of concerned officers/officials.

The Committee kept the para pending with the directions that matter should be reconciled with Audit at the earliest.

27.08.2014 The Department explained that an inquiry was being conducted into the matter which was still under process.

The **para was kept pending** with the directions/recommendations that inquiry proceedings should be completed within 30 days under intimation to the PAC.

88. Para No.2.88 Page 176 of Audit Report for the year 2009-10, Irregular creation of Posts

DP No. 147, Administration Directorate, UD Wing, FDA, Faisalabad

19.09.2011 The Department explained that posts were created and regularized by the Governing Body. The Governing Body was competent to create/abolish the posts from BS-01 to BS-19.

The Committee directed/recommended that a clarification should be sought from Finance as well as Planning & Development Department.

Subject to above directions, the para was settled.

28.06.2012 The Department explained that in compliance with the directions of PAC, the matter had been referred to the Finance as well as Planning & Development Department, and comments/opinion thereon was still awaited.

The representative of Finance Department apprised the Committee that matter had been referred to Law & Parliamentary Affairs Department for legal opinion.

The para was kept pending with the directions that necessary action in the matter be taken within 30 days.

26.03.2014 The Department explained that as per advice of the Law & Parliamentary Affairs Department, the FDA was competent to create new posts and make new appointments.

The Committee directed the Department to seek *ex-post facto* sanction of the matter by the governing body.

Subject to approval of the governing body, the para was conditionally settled.

27.08.2014 The Department explained that a summary for constitution of governing body of FDA had been submitted to the Chief Minister Punjab which was still under process and Ex-post facto sanction of posts already created, would be sought in due course.

The **para was kept pending** with the directions that matter should be pursued vigorously.

89. Para No.2.89 Pages 176 & 177 of Audit Report for the year 2009-10, Non-production of record

DP No. 58, Director Land Development-I, Lahore Development Authority, Lahore

27.03.2014 The Department explained that hectic efforts were being made to trace out the missing files and an advertisement had also been published in newspaper for prohibiting the sale/purchase of such property. Meanwhile, digitalization of the departmental record was also under process to avoid such lapses in future.

The Committee kept the above para pending with the directions/recommendations that Special Audit of Juhar Town, Lahore should be conducted by the Director General Audit (Works) Lahore under intimation to the PAC.

27.08.2014 The Department explained that new system of record management was being devised for which PC-I had been prepared and bidding was in process. It was added that project would be completed in one year.

The Committee directed/recommended that in view of remedial measures by the Department, the special audit of Johar Town, Lahore be deferred till the completion of new record management system and thereafter, the matter would be reconsidered by the PAC.

The **para was kept pending**.

GENERAL DIRECTIONS / RECOMMENDATIONS

19.09.2011 The Committee observed that overall performance of the WASA, FDA, Faisalabad, in dealing with PAC business was not quite satisfactory and directed that complete facts of the case should be submitted before the Committee in its next meeting.

20.09.2011 On commencement of meeting, the Additional Secretary, HUD & PHE informed the Committee that he had personally communicated the directions of PAC-II dated 19.09.2011 to the Director General, LDA, Lahore to attend the meeting of PAC personally. Contrarily, the Director General, LDA Lahore neither attended the meeting nor intimated any reason whatsoever in black and white for his absence.

The Committee took serious notice of the casual attitude of the aforesaid officer and observed that such attitude of the Administrative Departments alludes to their contemptuous approach towards the PAC business as well as the Assembly as the concerned officer did not bother to afford few hours to the PAC during the whole year.

The Committee deferred the consideration of business relating to LDA, Lahore with the directions that Chief Secretary Punjab should be requested to ensure the presence of the Director General, LDA Lahore in PAC meeting to be held on 21.09.2011.

21.09.2011 On commencement of meeting, it was noticed that the Director General, LDA, Lahore was not present in the meeting despite directions of the PAC communicated to him through the Chief Secretary Punjab vide letter dated 20.09.2011. However, after quite a while the Director General, LDA, Lahore reached to attend the meeting and contended that he was busy in a meeting regarding Dengue fever.

The Committee further noticed that over all performance of the Lahore Development Authority was not quite satisfactory and several complaints of the irregularities in the department had been brought to the notice of the Committee. The Committee therefore directed the Director General Audit (Works) Lahore to conduct a Special Audit of the Accounts of LDA, Lahore for the year 2010-11 within 90 days under intimation to the PAC.

17.01.2012 The Secretary to the Committee informed that Director General LDA Lahore, vide letter No.DG/LDA/PS/1686 dated 07.1.2012, had requested the Chairman PAC-II to postpone the Special Audit of LDA, Lahore because his department was unable to facilitate the same due to its engagement in undertaking important projects/assignments and the Chairman PAC-II had desired to place the aforesaid request before the PAC.

Prior to this request, three Hon'ble Members of PAC and Minister for Finance, Government of the Punjab, had written letters to the Acting Chairman, stating that no special audit of LDA was required and the minutes of PAC-II meeting dated 21.9.2011 should be amended accordingly.

During the meeting, the Director General LDA Lahore explained detail reasons for his request and added that he fully acknowledged the sanctity of the Public Accounts Committee.

After due consideration of the matter, the Committee acceded to the request of the department and recommended/directed that Director General Audit (Works) Lahore should defer the Special Audit of Lahore Development Authority till further orders by the Public Accounts Committee.

INDUSTRIES

The paras were discussed in the meeting of PAC-II held on 29.04.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Pages 339 to 345 of Appropriation Accounts for the year 2009-10

- (i) 04 Economic Affairs
044 Mining & Manufacturing
0441 Manufacturing
044105 Administration
LQ4087 Industries Department

Final Grant		Rs.36,528,000/-
Actual Expenditure		Rs.34,441,414/-
Saving	(-)	Rs. 2,086,586/-
Percentage		5.71%

29.04.2014 The representative Of AG office stated that accounts had been reconciled and there was a saving of Rs. 2,086,586/- which was 5.71% of the final grant.

The Department explained that savings was mainly under the sub-heads of pay and allowances which had occurred due to some posts remained vacant during the last quarter of financial year.

The Committee **settled the item** with the direction that necessary measures should be taken to strengthen the Human Resources System within the Department and to surrender the amount well in time in future.

- (ii) 04 Economic Affairs
044 Mining & Manufacturing
0441 Manufacturing
044105 Administration
LQ4106 Punjab Prices & Supply Board

Final Grant		Rs.6,262,000/-
Actual Expenditure		Rs.4,385,280/-
Saving	(-)	Rs.1,876,720/-
Percentage		29.97%

29.04.2014 The representative Of AG office stated that accounts had been reconciled and there was a saving of Rs. 1,876,720/- which was 29.97% of the final grant.

The Department explained that saving mainly occurred in the sub-head of Pay and Allowances because funds were less surrendered through Second Statement of Excess and Surrenders in anticipation of posting of staff on vacant seats from S&GAD, but in spite of several requests, 17 posts out of 23 posts remained vacant during the financial year.

The Committee **settled the item** with the direction that Administrative Secretary should probe into the matter as to why the surplus funds were not timely surrendered and in case of any lapse, take actions against the responsible officers/officials.

- (iii) 04 Economic Affairs
044 Mining & Manufacturing
0441 Manufacturing
044105 Administration
LQ4776 District Consumer Protection Council

Final Grant		Rs.29,741,000/-
Actual Expenditure		Rs.20,425,392/-
Saving	(-)	Rs. 9,315,608/-
Percentage		31.32%

29.04.2014 The representative Of AG office stated that accounts had been reconciled and there was a saving of Rs. 9,315,608/- which was 31.32% of the final grant.

The Department explained that saving had occurred mainly under the sub-heads of Pay & Allowances and Operating Allowance because excessive funds were surrendered in the Second Statement of Excess and Surrenders but the same was not accepted by the Finance Department.

The Committee **settled the item** with the direction that Administrative Secretary should probe into the matter as to why the surplus funds were not timely surrendered and in case of any lapse, take actions against the responsible officers/officials.

- (iv) 04 Economic Affairs
044 Mining & Manufacturing
0441 Manufacturing
044105 Administration
LQ5277 Punjab Consumer Protection Council

Final Grant		Rs.17,741,000/-
Actual Expenditure		Rs.17,624,476/-
Saving	(-)	Rs. 116,524/-
Percentage		0.66%

- (v) 04 Economic Affairs
044 Mining & Manufacturing
0441 Manufacturing
044105 Administration
LQ5279 District Consumer Courts

Final Grant		Rs.58,697,000/-
Actual Expenditure		Rs.58,167,289/-
Saving	(-)	Rs. 529,711/-
Percentage		0.90%

2. Grant No. PC21022 (022) Industries Pages 346 to 355 of Appropriation Accounts for the year 2009-10

- (i) 04 Economic Affairs
041 General, Economic, Commercial & Labour Affairs
0413 General Labour Affairs
041305 Industrial Safety (Inspection of Boilers, Explosives etc)
LQ4220 Inspectorate of Boilers

Final Grant		Rs.6,495,000/-
Actual Expenditure		Rs.6,417,141/-
Saving	(-)	Rs. 77,859/-
Percentage		1.20%

29.04.2014 The Department explained that there was minor savings against various sub-heads and requested for settlement of the above items.

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

- (ii) 04 Economic Affairs
044 Mining & Manufacturing
0441 Manufacturing
044105 Administration
LQ4218 Headquarters Establishment

Final Grant		Rs.44,799,000/-
Actual Expenditure		Rs.45,215,159/-
Excess	(+)	Rs. 416,159/-
Percentage		0.93%

29.04.2014 The representative Of AG office stated that accounts had been reconciled and there was overall excess of Rs. 416,159/- which was 0.93% of the final grant.

The Department explained that nominal excess expenditure was under the heads of Pay and Allowances which was inevitable.

The **item was conditionally settled** subject to condonation of the excess expenditure by Finance Department and the Committee directed/recommended that Administrative Secretary should probe into the matter and report be submitted to the Finance Department.

- (iii) 04 Economic Affairs
- 044 Mining & Manufacturing
- 0442 Mining
- 044120 Other

LQ4224 Grant in Aid to Punjab Small Industries Corporation

Final Grant		Rs.235,000,000/-
Actual Expenditure		Rs.297,387,750/-
Excess	(+)	Rs. 62,387,750/-
Percentage		26.55%

- (iv) 04 Economic Affairs
- 044 Mining & Manufacturing
- 0442 Mining
- 044120 Others

LQ4779 Sasti Roti Authority

Final Grant		Rs.5,000,000/-
Actual Expenditure		Rs.3,381,964/-
Saving	(-)	Rs.1,618,036/-
Percentage		32.36%

29.04.2014 The representative of AG office apprised the Committee that above items needs reconciliation from Finance Department, his office and the Department.

The items were therefore, kept pending with the directions that the accounts be reconciled with AG office and Finance Department within 30 days under intimation to the PAC.

3. Grant No. PC21029 (029) Stationary and Printing Pages 356 & 359 of Appropriation Accounts for the year 2009-10

- (i) 01 General Public Service
- 015 General Services
- 0154 Other General Services
- 015403 Centralized Printing & Publishing

BO4005 Govt. Press Bahawalpur

Final Grant		Rs.14,316,000/-
Actual Expenditure		Rs.13,866,062/-
Saving	(-)	Rs. 449,938/-
Percentage		3.14%

- (ii) 01 General Public Service
- 015 General Services
- 0154 Other General Services
- 015403 Centralized Printing & Publishing

LQ4279 Controller Printing & Stationery

Final Grant		Rs.4,465,000/-
Actual Expenditure		Rs.4,378,952/-
Saving	(-)	Rs. 86,048/-
Percentage		1.93%

- (iii) 01 General Public Service
015 General Services
0154 Other General Services
015403 Centralized Printing & Publishing
LO4280 Purchase of Stationery Stores

		<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant		Rs.28,750,000/-		Rs.28,750,000/-
Actual Expenditure		Rs.30,702,632/-		Rs.28,479,905/-
Excess	(+)	Rs. 1,952,632/-	(-)	Rs. 270,095/-
Percentage		6.79%		0.93%

- (iv) 01 General Public Service
015 General Services
0154 Other General Services
015403 Centralized Printing & Publishing
LO4282 Government Press Lahore

Final Grant		Rs.106,952,000/-
Actual Expenditure		Rs.103,406,069/-
Saving	(-)	Rs. 3,545,931/-
Percentage		3.32%

29.04.2014 The Department explained that there was minor savings against various sub-heads and requested for settlement of the above items.

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

4. Grant No. PC22036 (036) Development (All Voted) Pages 360 to 366 of Appropriation Accounts for the year 2009-10

- 04 Economic Affairs
044 Mining & Manufacturing
0441 Manufacturing
044120 Others
LE4324 Others

Final Grant		Rs.247,000,000/-
Actual Expenditure		Rs.244,616,000/-
Saving	(-)	Rs. 2,384,000/-
Percentage		0.97%

29.04.2014 The representative of AG office apprised the Committee that above items needs reconciliation from Finance Department, his office and the Department.

The **item was therefore, kept pending** with the directions that the accounts be reconciled with AG office and Finance Department within 30 days under intimation to the PAC.

Audit Para (Commercial) for the year 2009-2010

1. Para No. 27.1 Page 42 of Audit Report for the year 2009-10; Working results

29.04.2014 Audit contented that audited accounts for the year 2005-06, 2006-07 and 2007-08 were submitted to audit on 24.11.2011, and the audited accounts for the year 2008-09 were furnished to audit in December 2012, after the lapse of almost five years.

The Department explained that there were 73 Auditing entities within the department and mainly delay was occurred on their part, however annual audited accounts for the year 2005-06 to 2008-09 had been furnished/provided to audit and efforts were being made to re-instructing the whole organization.

The Committee **kept the para pending** with the direction that pre auditing mechanism should be streamlined in accordance with corporate management system.

2. Para No. 28 Pages 42 & 43 of Audit Report for the year 2009-10; Non-recovery of subsidy from the Transport Department – Ra. 31.22 million

29.04.2014 The Department explained that out of total recoverable subsidy of Rs.75.34 million on account of 3767 no of Rickshaws an amount of Rs.21.66 million had been credited into PSIC account and the relevant record was also available for verification. Hectic efforts were being made for the release of subsidy amounting to Rs.53.68 million.

The Committee **kept the para pending** with the direction to the Finance Department that remaining subsidy amounting to Rs.53.68 million be got released/demanded from P&D Department.

3. Para No. 29 Page 43 of Audit Report for the year 2009-10; Non-recovery from the loanees – Ra. 4.399 million

29.04.2014 The Department explained that the matter was subjudice in the court of law.

The Committee directed the Department to pursue the matter vigorously, consulting the banking court regarding the issue, if anyone was unable to return the amount.

Being subjudice, the **para was kept pending**.

4. Para No. 30 Pages 43 & 44 of Audit Report for the year 2009-10; Loss due to non-opening of letters of credit on forward exchange basis – Ra. 3.450 million

29.04.2014 The Department explained that Federal/Provincial Government Department or Corporations were not allowed to avail the facility of the forward

exchange rate facility according to the Foreign Exchange Manual 2002 issued by the State Bank of Pakistan.

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

5. Para No. 31 Pages 44 & 45 of Audit Report for the year 2009-10; Loss due to non-deduction of income tax – Ra. 3.600 million

29.04.2014 The Department explained that Income tax @ 6% had already been paid/deducted at the stage of import of goods U/S 148 of the Income Tax Ordinance 2001 and those imported goods were no more taxable.

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

6. Para No. 32 Pages 45 & 46 of Audit Report for the year 2009-10; Extra payment on account of exchange rate due to extension in delivery schedule – Ra. 2.853 million

29.04.2014 The Department explained that supplier was failed to deliver required material within the delivery period of 6 months due to the death of the Ruler of U.A.E. and the custom clearance operations remained suspended at Dubai Seaport and the delivery period was extended up to 2 months till 28.02.2009 on the request of supplier.

The further delay was occurred due to the insistence by the bank to charge the increased dollar rate from Rs.70/- per dollar to Rs.79.90/- and after detailed discussion with the bank, the department allowed the release of excess payment of Rs.2.619 million as demanded by the bank on account of increased rate in exchange rate of US dollar.

The Committee was not satisfied with the explanation of the Department and recommended/directed that a fact finding inquiry should be conducted regarding the matter by Administrative Secretary and responsibility be fixed for the lapse under intimation to the PAC.

The **para was kept pending.**

7. Para No. 33 Page 46 of Audit Report for the year 2009-10; Non-recovery due to non-implementation of penalty on allottees – Ra. 2.296 million

29.04.2014 The Department explained that a sum of Rs.689,357/- had been recovered so far and hectic efforts were being made to effect the balance recovery.

The Department further explained that out of 14 allottees of plots, 07 plots had been cancelled due to unauthorized sale/purchase against which appeals had been made by the allottees. Notices to the remaining 07 allottees had also been served/issued.

The Committee reduced the para to the extent of recovery and directed that balance amount should be recovered within 90 days.

The **para was kept pending.**

8. Para No. 34 Page 47 of Audit Report for the year 2009-10; Loss on sale of industrial plots due to non-observance of government schedule rates – Ra.2.266 million

29.04.2014 The Department explained that report of EDO (Revenue) had been received and as per that report, notified rates of particular area were Rs.70,000/- per marla for residential plots and Rs.200,000/- per marla for commercial plots during the period of 11.11.2005 to 30.06.2008, hence the reserve price/value of Rs.135,000/- per marla determined by Price Ratification Committee was justified.

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

9. Para No. 35 Page 48 of Audit Report for the year 2009-10; Non-recovery from defaulter – Ra.1.726 million

29.04.2014 The Department explained that the matter was subjudice in the court of law.

The Committee directed the department to pursue the matter vigorously. Being *subjudice* the **para was kept pending** till the decision of the court.

10. Para No. 36 Pages 48 & 49 of Audit Report for the year 2009-10; Non-recovery from defaulter loanee – Ra.1.105 million

29.04.2014 The Department explained that total recovery involved in the para had been effected.

Audit contended that latest recovery schedule be provided in order to ascertain the total recoverable amount.

The Committee reduced the para to the extent of recovery and directed that relevant record also be got verified by Audit.

The **para was kept pending.**

11. Para No. 37 Pages 49 & 50 of Audit Report for the year 2009-10; Non-recovery of cost of land from allottees – Ra.0.446 million

29.04.2014 The Department explained that total recovery in respect of case Nos. 01,04,06,07, and 08 had been effected and a sum of Rs.379,331/- had been deposited into the government Treasury. Whereas the notices had been issued to the other defaulters and efforts were being made to effect the balance recovery.

The Committee reduced the para to the extent of recovery and directed that relevant record also be got verified by Audit.

The para was kept pending.

12. Para No. 38 Pages 50 & 51 of Audit Report for the year 2009-10; Payment of additional freight charges – Ra.0.530 million

29.04.2014 The Department explained that imported machinery was packed in different packages which could not be opened at various locations. Therefore the Machinery was brought to Lahore Dry Port and inspected by the technical staff as per previous practice and then forwarded to different centers.

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

13. Para No. 39 Page 51 of Audit Report for the year 2009-10; Non-recovery from the allottees – Ra.0.519 million

29.04.2014 The Department explained that an amount of Rs.188,379/- on account of outstanding dues from M/S PTCL had been recovered and all the relevant record had also been produced to the Audit for verification while the allotment of M/S Kashif Oil Mills had been canceled and the case was subjudice in the Court of Law.

The Committee reduced the para to the extent of recovery and **kept the para pending** till the decision of court.

14. Para No. 40 Pages 51 & 52 of Audit Report for the year 2009-10; Non-recovery of loan – Ra.0.383 million

15. Para No. 41 Pages 52 & 53 of Audit Report for the year 2009-10; Non-recovery of loan – Ra.0.345 million

29.04.2014 The Department explained that total recovery involved in the above paras had been effected.

Audit contended that latest recovery schedule be provided to ascertain the total recoverable amount.

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

16. Para No. 42.1 Page 54 of Audit Report for the year 2009-10; Working results

17. Para No. 42.3 Page 54 of Audit Report for the year 2009-10; Working results

29.04.2014 The Department explained that necessary action in respect of above paras had been taken and relevant record had also been got verified by Audit.

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

18. Para No. 42.2 Page 54 of Audit Report for the year 2009-10; Working results

29.04.2014 The Department explained that expenditure on account of Vehicles was due the various litigation cases and were in progress at various Districts of Punjab and due to rising trends in POL prices over the period under reference.

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

19. Para No. 42.4 Page 55 of Audit Report for the year 2009-10; Working results

29.04.2014 The Department explained that PIDB(D) was not getting any budgetary allocation from the Government and after dissolution of Board; accounts were being prepared on Receipt and Payment basis under section 26 (d) of the PIDB Act 1973.

Finance Department also endorsed the opinion of the Department.

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

**IRRIGATION
&
POWER**

The paras were discussed in the meetings of PAC-II held on 28.04.2011, 29.04.2011, 30.04.2011, 16.05.2012, 17.05.2012, 16.04.2014, 17.04.2014 & 18.04.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21009 (009) Irrigation & Land Reclamation (All Voted) Pages 372 to 395 of Appropriation Accounts for the year 2009-10

- (i) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042201 Administration
LQ4025 Chief Engineers

Final Grant		Rs.152,154,000/-
Actual Expenditure		Rs.149,076,503/-
Saving	(-)	Rs. 3,077,497/-
Percentage		2.02%

- (ii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042201 Administration
LQ4026 Chief Engineer (Water Treaty Implementation Cell)

Final Grant		Rs.14,138,000/-
Actual Expenditure		Rs.13,975,010/-
Saving	(-)	Rs. 162,990/-
Percentage		1.15%

- (iii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042206 Irrigation Research & Design
LQ4041 Research Institute

Final Grant		Rs.74,804,000/-
Actual Expenditure		Rs.74,063,428/-
Saving	(-)	Rs. 740,572/-
Percentage		0.99%

16.04.2014 The Department explained that there was minor saving against various sub-heads and requested for settlement of the above items.

The Committee **settled the items** with the directions that proper explanation for each item should be furnished in working papers.

- (iv) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042201 Administration
LQ4027 Chief Engineer (Planning and Review)

Final Grant		Rs.33,880,000/-
Actual Expenditure		Rs.33,236,540/-
Saving	(-)	Rs. 643,460/-
Percentage		1.90%

16.04.2014 The Department explained that saving was mainly under the sub-heads of Operating Expenses and Repair & Maintenance for which warning had been issued to the concerned officers.

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

- (v) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042203 Canal Irrigation
LQ4030 Chashma Right Bank Canal

Final Grant		Rs.5,719,000/-
Actual Expenditure		Rs.5,936,487/-
Excess	(+)	Rs. 217,487/-
Percentage		3.80%

- (vi) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042206 Irrigation Research & Design
LQ4042 Director Design

Final Grant		Rs.11,388,000/-
Actual Expenditure		Rs.10,619,516/-
Saving	(-)	Rs. 768,484/-
Percentage		6.75%

16.04.2014 The Department explained that the saving had occurred mainly under the sub-heads of Pay & Allowances because several posts were lying vacant and in case of minor saving under the sub-head of Operating Expenses, warning had been issued to the concerned DDOs.

The Committee accepted the explanation of the Department and **settled the above items.**

- (vii) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0422 Irrigation
 042203 Canal Irrigation
**LQ5309 Chashma Right Bank Irrigation Project 67 & 68 Stage III, Canal
 Division Taunsa Sharif (Executive)**

Final Grant		Rs.3,277,000/-
Actual Expenditure		Rs.3,140,381/-
Saving	(-)	Rs. 136,619/-
Percentage		4.17%

- (viii) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0422 Irrigation
 042205 Equipment Machinery Workshops
LQ4033 Bhalwal Irrigation Workshop

Final Grant		Rs.31,791,000/-
Actual Expenditure		Rs.28,183,420/-
Saving	(-)	Rs. 3,607,580/-
Percentage		11.35%

16.04.2014 There was variation of figures between office of the Accountant General and the administrative department in case of certain sub-heads of above items.

The **items were kept pending** with the directions that accounts should be reconciled at the earliest.

- (ix) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0422 Irrigation
 042205 Equipment Machinery Workshops
LQ4031 Excavator and Store Division

Final Grant		Rs.148,984,000/-
Actual Expenditure		Rs.136,070,322/-
Saving	(-)	Rs. 12,913,678/-
Percentage		8.67%

16.04.2014 The Department explained that saving under the sub-heads of Pay & Allowances had occurred because several posts were lying vacant whereas in case of saving under the sub-head of Operating Expenses, warnings had been issued to the concerned DDOs.

The Committee directed/recommended that Administrative Secretary should hold an inquiry to fix responsibility as to why the un-utilized funds were not surrendered in time and disciplinary action should be taken against the defaulters.

Subject to above directions, **the item was settled.**

- (x) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042205 Equipment Machinery Workshops
LQ4032 Mughalpura Irrigation Workshop

Final Grant		Rs.78,098,000/-
Actual Expenditure		Rs.75,218,854/-
Saving	(-)	Rs. 2,879,146/-
Percentage		3.69%

16.04.2014 The Department explained that saving under the sub-heads of Pay & Allowances had occurred due to vacant posts and warnings had been issued to the concerned DDOs on account of saving under the sub-heads of Operating Expenses and Repair & Maintenance.

The Committee noticed that there was excess expenditure under the sub-head of 'Pay of other Staff' whereas considerable amount of money had lapsed under the other sub-heads of the above item. The Committee recommended/directed that Administrative Secretary should inquire into the matter to fix responsibility for financial indiscipline and report be submitted to the PAC at the earliest.

Subject to above directions, **the item was settled.**

- (xi) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042202 Irrigation Dams
LQ4038 Irrigation Dams

Final Grant		Rs.82,266,000/-
Actual Expenditure		Rs.79,584,153/-
Saving	(-)	Rs. 2,681,847/-
Percentage		3.26%

16.04.2014 The Department explained that saving had occurred mainly under the sub-heads of Pay & Allowances because some posts were lying vacant and less medical reimbursement claims were received during the financial year.

The Committee **settled the item** with the directions that proper explanation for each item should be depicted in working papers.

- (xii) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0422 Irrigation
 042204 Tubewells
LQ4040 Tubewells

Final Grant		Rs.911,520,000/-
Actual Expenditure		Rs.866,196,358/-
Saving	(-)	Rs. 45,323,642/-
Percentage		4.97%

16.04.2014 The Department explained that there was an over all saving of Rs.45,323,642/- which came to 4.97% of the final grant. However, an excess expenditure to the tune of Rs.1,707,241/- had been incurred under the sub-head of 'Pay of Officers' because less funds were provided by the Finance Department as compared to the demand. However, there was saving mainly under the sub-heads of Operating Expenses and Repair & Maintenance for which warnings had been issued to the concerned DDOs. Moreover, the bills of financial assistance could not be finalized due to error in SAP system.

The Committee observed that saving and excess in various components of above item denoted weak financial discipline in the Department. The Committee directed/recommended that Mr. Jamil Hassan Khan, MPA (PP-174) should scrutinize all aspects of the case as per deliberations in the meeting and Administrative Secretary should also inquire the matter to fix responsibility for the lapse.

Subject to above directions, **the item was conditionally settled.**

- (xiii) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0422 Irrigation
 042250 Others
LQ5945 Suspense

Final Grant		Rs.118,166,000/-
Actual Expenditure		Rs. 74,580,451/-
Saving	(-)	Rs. 43,585,549/-
Percentage		36.89%

16.04.2014 The Department explained that funds under the head of Suspense Account were utilized for replenishment of stone at flood sites in emergent situation and for procurement of material in irrigation workshops. It was also contended that saving had occurred due to late release of funds by the Finance Department.

The Committee directed the Finance Department to furnish a report regarding release of funds in case of above item. The Committee further directed/recommended that Administrative Secretary should probe into the matter as to why the un-utilized funds were not timely surrendered.

The item was kept pending.

- (xiv) 10 Social Protection
 107 Administration
 1071 Administration
 107105 Flood Control
LQ4043 Chief Engineer (Flood Cell)

Final Grant		Rs.9,939,000/-
Actual Expenditure		Rs.8,740,510/-
Saving	(-)	Rs.1,198,490/-
Percentage		12.08%

16.04.2014 The Department explained that saving had occurred because some posts were lying vacant and in case of saving under the sub-head of Operating Expenses, warning had been issued to the concerned DDOs.

The Committee **settled the item** with the directions that Administrative Secretary should examine the matter and warning be issued to all the responsables in order to avoid such lapses in future.

- (xv) 10 Social Protection
 107 Administration
 1071 Administration
 107105 Flood Control
LQ4044 Director Hydrology

Final Grant		Rs.8,016,000/-
Actual Expenditure		Rs.7,701,828/-
Saving	(-)	Rs. 314,172/-
Percentage		3.92%

16.04.2014 The Department explained that savings had occurred because some posts were lying vacant and certain utility bills were not received till the closing of financial year.

The Committee accepted the departmental explanation and **settled the item**.

- (xvi) 10 Social Protection
 107 Administration
 1071 Administration
 107105 Flood Control
LQ4045 Drainage

Final Grant		Rs.1,029,924,000/-
Actual Expenditure		Rs. 964,999,453/-
Saving	(-)	Rs. 64,924,547/-
Percentage		6.30%

16.04.2014 The Department explained that excess expenditure against the sub-head of 'pay of other staff' and 'regular allowances' had been incurred because requisite funds had not been released by the Finance Department. However, saving under the sub-head 'other allowances' was due to less expenditure on account of medical bills. The Department added that in case of saving under the sub-heads of 'physical assets' and 'Repair & Maintenance' warning had been issued to the concerned DDOs.

The Committee directed/recommended that PAO should probe into the matter to fix responsibility for above lapses under intimation to the PAC.

The item was kept pending.

(xvii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0423 Land Reclamation
042301 Administration
LQ4047 Director Land Reclamation

Final Grant		Rs.51,460,000/-
Actual Expenditure		Rs.52,325,666/-
Excess	(+)	Rs. 865,666/-
Percentage		1.68%

16.04.2014 The Department explained that excess expenditure under the sub-heads of pay and allowances had been incurred because the demanded funds had not been released by the Finance Department. In case of remaining sub-heads, there was minor saving.

The Committee settled the item with the directions that an inquiry should be conducted to fix responsibility for the lapse and warnings be issued to the concerned employees.

Subject to above directions, **the item was conditionally settled.**

(xviii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0423 Land Reclamation
042302 Water logging and Salinity Control
LQ4048 Water logging and Salinity Control

Final Grant		Rs.107,625,000/-
Actual Expenditure		Rs.127,651,640/-
Excess	(+)	Rs. 20,026,640/-
Percentage		18.61%

16.04.2014 The Department explained that excess expenditure had been incurred because funds had not been released by the Finance Department as per actual demand. However, concerned DDOs had been warned to be careful in future.

The Committee **kept the item pending** with the directions/recommendations that an inquiry should be conducted to fix responsibility for the lapse within in 30 days under intimation to the PAC.

- (xix) 01 General Public Service
- 014 Transfers
- 0141 Transfers (Inter-Governmental)
- 014110 Others

LQ4049 Grant in Aid to Engineering Academy Lahore

Final Grant		Rs.14,888,000/-
Actual Expenditure		Rs.13,895,742/-
Saving	(-)	Rs. 992,258/-
Percentage		6.66%

16.04.2014 The Department explained that saving had occurred because numerous posts were lying vacant.

The Committee **settled the item** with the directions that such lapses should be strictly avoided in future and proper explanation for each item should be depicted in working papers.

- (xx) 04 Economic Affairs
- 042 Agri. Food, Irrigation, Forestry & Fishing
- 0422 Irrigation
- 042203 Canal Irrigation

LQ4764 Greater Thal Canal

Final Grant		Rs.7,868,000/-
Actual Expenditure		Rs.7,496,881/-
Saving	(-)	Rs. 371,119/-
Percentage		4.72%

16.04.2014 The Department explained that there was minor saving against various sub-heads because some posts were lying vacant.

The Committee **settled the item** with the directions that proper explanation for each component should be depicted in working papers.

- (xxi) 04 Economic Affairs
- 042 Agri. Food, Irrigation, Forestry & Fishing
- 0422 Irrigation
- 042203 Canal Irrigation

LQ5310 Estb.of Prog. Monitoring & Implementation Unit for Canals Operation & Daily Discharge Data

Final Grant		Rs.38,163,000/-
Actual Expenditure		Rs.35,095,310/-
Saving	(-)	Rs. 3,067,690/-
Percentage		8.04%

16.04.2014 The Department explained that saving had mainly occurred under the sub-heads of Pay & Allowances because some posts of Programme Monitoring and Implementation Unit, were lying vacant and recruitment process was finalized very late in financial year due to which funds could not be utilized.

The Committee **settled the item** with the directions that appointments should be made against key posts in the public interest under intimation to the PAC within 30 days.

- (xxii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042201 Administration

LQ4028 Superintending Engineers

		<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant		Rs.176,187,000/-		Rs.176,187,000/-
Actual Expenditure		Rs.184,953,934/-		Rs.167,516,931/-
Excess	(+)	Rs. 8,766,934/-	(+)	Rs. 8,670,069/-
Percentage		4.98%		4.92%

- (xxiii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042203 Canal Irrigation

LQ4029 Canal Irrigation (Executive)

		<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant		Rs.3,958,920,000/-		Rs.3,958,920,000/-
Actual Expenditure		Rs.3,629,497,688/-		Rs.3,647,545,557/-
Saving	(-)	Rs. 329,422,312/-	(-)	Rs. 311,374,443/-
Percentage		8.32%		7.87%

- (xxiv) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042203 Canal Irrigation

LQ4039 Canal Irrigation (SR)

		<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant		Rs.815,419,000/-		Rs.815,419,000/-
Actual Expenditure		Rs.759,855,597/-		Rs.759,244,731/-
Saving	(-)	Rs. 55,563,403/-	(-)	Rs. 56,174,269/-
Percentage		6.81%		6.89%

16.04.2014 There was variation of figures between the Accountant General office and the administrative department in case of certain sub-heads of above items.

The **items were kept pending** with the directions that accounts should be reconciled with AG Office at the earliest.

2. Grant No. PC21010/PC24010 (010) General Administration Page 397 of Appropriation Accounts for the year 2009-10

04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0422 Irrigation
 042201 Administration

LQ4086 Irrigation & Power Department

Final Grant		Rs.68,762,000/-
Actual Expenditure		Rs.66,082,460/-
Saving	(-)	Rs. 2,679,540/-
Percentage		3.90%

16.04.2014 The Department explained that the saving had occurred mainly under the sub-heads of Pay & Allowance because several posts were lying vacant and posting/transfer of officers was under control of Services & General Administration Department.

The Committee **settled the item** with the directions/recommendations that surplus funds should be surrendered in 2nd statement of Excesses & Surrenders.

3. Grant No. PC22036 (036) Development (All Voted) Pages 398 to 403 of Appropriation Accounts for the year 2009-10

(i) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0422 Irrigation
 042202 Irrigation Dams

LE4289 Canal Irrigation

		<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant		Rs.30,301,000/-		Rs.27,301,000/-
Actual Expenditure		Rs.23,757,479/-		Rs.23,757,479/-
Saving	(-)	Rs. 6,543,521/-	(-)	Rs. 3,543,521/-
Percentage		21.60%		12.98%

16.04.2014 The representative of Accountant General explained that accounts had been reconciled and there was saving of Rs.3,543,521/- which came to 12.98% of the final grant.

The Department explained that saving had mainly occurred under the sub-heads of 'Pay & Allowances' because numerous posts were lying vacant.

The Committee **settled the item** with the directions that an inquiry should be conducted to fix responsibility for lapse of funds and action be taken against the defaulters under intimation to the PAC.

- (ii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042203 Canal Irrigation
LE4286 Canal Irrigation

Final Grant		Rs.122,320,000/-
Actual Expenditure		Rs. 28,349,581/-
Saving	(-)	Rs. 93,970,419/-
Percentage		76.82%

16.04.2014 The representative of AG Punjab stated that the Department was required to reconcile the figures of above item with Treasury Officer Lahore.

The **item was kept pending** with the directions that accounts should be reconciled at the earliest and an inquiry should also be conducted, under intimation to the PAC within 30 days to fix responsibility for lapse of huge amount of public money.

- (iii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042203 Canal Irrigation
LE4290 Canal Irrigation

Final Grant		Rs.102,000,000/-
Actual Expenditure		<i>Nil</i>
Saving	(-)	Rs.102,000,000/-
Percentage		100%

16.04.2014 The Department explained that saving had occurred because share of Government of Punjab amounting to Rs.2 million was not transferred into assignment account due to which funds could not be utilized.

The **item was kept pending** with the directions that accounts should be reconciled with Finance Department under intimation to the PAC.

- (iv) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042203 Canal Irrigation
LE4292 Canal Irrigation

Final Grant		Rs.32,300,000/-
Actual Expenditure		Rs.29,151,448/-
Saving	(-)	Rs. 3,148,552/-
Percentage		9.75%

16.04.2014 The Department explained that budget figures had not been correctly printed by the Finance Department as 100% excess had been depicted against various sub-heads whereas as per actual position there was saving of Rs. 3,148,552/- which was 9.75% of the final grant.

The **item was kept pending** with the directions that accounts should be reconciled with Finance Department under intimation to the PAC.

(v) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0422 Irrigation
042203 Canal Irrigation
LE4310 Canal Irrigation

Final Grant		Rs.18,000,000/-
Actual Expenditure		Rs.12,912,597/-
Saving	(-)	Rs. 5,087,403/-
Percentage		28.26%

16.04.2014 The Department explained that saving had occurred mainly under the sub-heads of Pay & Allowances due to non-availability of professionally skilled staff as per requirement of the Department.

The Committee was not satisfied with the explanation of the Department and directed/recommended that an inquiry should be conducted to fix responsibility for the lapse of funds and actions be taken against defaulters under intimation to the PAC.

The **item was kept pending**.

(vi) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0442 Irrigation
042204 Tubewells
LE4287 Tubewells

Final Grant		Rs.14,047,000/-
Actual Expenditure		Rs. 862,446/-
Saving	(-)	Rs.13,184,554/-
Percentage		93.86%

16.04.2014 The Department explained that staff working for ACIAR project was drawing salaries from Government of the Punjab and most of the foreign component of the project funds had been utilized by the Donor Agency. Moreover, a sum of 2.85 million was available in the Assignment Account on 30.6.2010 which was not lapsable.

The Committee directed/recommended that Finance Department should probe into the matter to thrash out the facts. Meanwhile, the competent authority should also take necessary measures for special audit of the aforesaid project, under intimation to the PAC within 90 days.

The item was kept pending.

- (vii) 04 Economic Affairs
 043 Fuel and Energy
 0435 Electricity Hydal
 043502 Electricity Hydal
LE4288 Electricity Hydal

Final Grant		Rs.8,500,000/-
Actual Expenditure		Rs.5,774,687/-
Saving	(-)	Rs.2,725,313/-
Percentage		32.06%

16.04.2014 The Department explained that budget figures had not been correctly printed by the Finance Department.

The **item was kept pending** with the directions that Finance Department should probe into the matter and report be submitted to the PAC within 90 days.

4. Grant No. PC12037 (037) Irrigation Works: (Development) (All Voted) Pages 404 to 411 of Appropriation Accounts for the year 2009-10

- (i) 10 Social Protection
 107 Administration
 1071 Administration
 107105 Flood Control
LE4227 Flood Control

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.400,000,000/-	Rs.412,341,000/-
Actual Expenditure	Rs.712,547,282/-	Rs.411,822,241/-
Excess	(+) Rs.312,547,282/-	(-) Rs. 518,759/-
Percentage	78.14%	0.13%

- (ii) 04 Economic Affairs
 042 Agriculture, Irrigation, Forestry & Fishing
 0422 Irrigation
 042203 Canal Irrigation
LE4230 Canal Irrigation

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.47,623,000/-	Rs.28,444,000/-
Actual Expenditure	Rs.28,020,820/-	Rs.28,338,484/-
Saving	(-) Rs.19,602,180/-	(-) Rs. 105,516/-
Percentage	41.16%	0.37%

- (iii) 10 Social Protection
 107 Administration
 1071 Administration
 107105 Flood Control
LE4237 Flood Control

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.649,449,000/-	Rs.872,162,000/-
Actual Expenditure	Rs. 10,838,284/-	Rs.858,449,077/-
Saving (-)	Rs.638,610,716/-	(-) Rs. 13,712,923/-
Percentage	98.33%	1.57%

- (iv) 04 Economic Affairs
 042 Agriculture, Irrigation, Forestry & Fishing
 0422 Irrigation
 042203 Canal Irrigation
LE4238 Canal Irrigation

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.184,153,000/-	Rs.184,153,000/-
Actual Expenditure	Rs.378,557,670/-	Rs.183,236,408/-
Excess (+)	Rs.194,404,670/-	(+) Rs. 916,592/-
Percentage	105.57%	0.50%

- (v) 10 Social Protection
 107 Administration
 1071 Administration
 107105 Flood Control
LE4243 Flood Control

Final Grant	Rs.179,000,000/-
Actual Expenditure	Rs.178,990,852/-
Saving (-)	Rs. 9,148/-
Percentage	0.01%

- (vi) 04 Economic Affairs
 042 Agriculture, Irrigation, Forestry & Fishing
 0422 Irrigation
 042203 Canal Irrigation
LE4244 Canal Irrigation

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.70,257,000/-	Rs.70,257,000/-
Actual Expenditure	Rs.47,023,549/-	Rs.70,256,142/-
Saving (-)	Rs.23,233,451/-	(-) Rs. 858/-
Percentage	33.07%	0.00%

(vii) 10 Social Protection
 107 Administration
 1071 Administration
 107105 Flood Control
LE4246 Flood Control

	<u>AG Figures</u>		<u>Departmental Figures</u>	
Final Grant		Rs. 10,254,000/-		Rs.10,254,000/-
Actual Expenditure		Rs.539,215,832/-		Rs.10,235,325/-
Excess	(+)	Rs.528,961,832/-	(-)	Rs. 18,675/-
Percentage		5158.59%		0.18%

(viii) 10 Social Protection
 107 Administration
 1071 Administration
 107105 Flood Control
LE4364 Flood Control

	<u>AG Figures</u>		<u>Departmental Figures</u>	
Final Grant		<i>Nil</i>		Rs.37,436,000/-
Actual Expenditure		Rs.7,435,858/-		Rs.37,495,858/-
Excess	(+)	Rs.7,435,858/-	(+)	Rs. 59,858/-
Percentage		100.00%		0.16%

(ix) 04 Economic Affairs
 042 Agriculture, Irrigation, Forestry & Fishing
 0422 Irrigation
 042202 Irrigation Dams
LE4229 Canal Irrigation

	<u>AG Figures</u>		<u>Departmental Figures</u>	
Final Grant		Rs.906,694,000/-		Rs.906,694,000/-
Actual Expenditure		Rs.906,429,442/-		Rs.482,802,929/-
Saving	(-)	Rs. 264,558/-	(-)	Rs.423,891,071/-
Percentage		0.03%		46.75%

(x) 10 Social Protection
 107 Administration
 1071 Administration
 107105 Flood Control
LE4239 Flood Control

	<u>AG Figures</u>		<u>Departmental Figures</u>	
Final Grant		Rs.497,632,000/-		Rs.225,142,000/-
Actual Expenditure		Rs.116,222,275/-		Rs.149,076,199/-
Saving	(-)	Rs.381,409,725/-	(-)	Rs. 76,065,801/-
Percentage		76.64%		33.79%

- (xi) 04 Economic Affairs
 042 Agriculture, Irrigation, Forestry & Fishing
 0422 Irrigation
 042204 Tubewells
LE4231 Tubewells

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	<i>Nil</i>		Rs.2,539,000/-
Actual Expenditure	Rs.3,149,853/-		Rs.3,168,426/-
Excess	(+)	Rs.3,149,853/-	(+)
Percentage		100.00%	24.79%

- (xii) 04 Economic Affairs
 042 Agriculture, Irrigation, Forestry & Fishing
 0422 Irrigation
 042203 Canal Irrigation
LE4327 Electricity Hydal

Final Grant	<i>Nil</i>
Actual Expenditure	Rs.30,813,582/-
Excess	(+)
Percentage	100.00%

- (xiii) 04 Economic Affairs
 043 Fuel and Energy
 0435 Electricity Hydal
 043502 Electricity Hydal
LE4226 Electricity Hydal

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.82,000,000/-		Rs.82,000,000/-
Actual Expenditure	Rs. 850,466/-		Rs. 1,149,534/-
Saving	(-)	Rs.82,850,466/-	(-)
Percentage		101.04%	98.60%

- (xix) 04 Economic Affairs
 042 Agriculture, Irrigation, Forestry & Fishing
 0422 Irrigation
 042203 Canal Irrigation
LE4223 Canal Irrigation

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.1,619,267,000/-		Rs.978,758,000/-
Actual Expenditure	Rs. 746,715,870/-		Rs.770,097,383/-
Saving	(-)	Rs. 872,551,130/-	(-)
Percentage		53.89%	21.32%

(xx) 04 Economic Affairs
 042 Agriculture, Irrigation, Forestry & Fishing
 0422 Irrigation
 042203 Canal Irrigation
LE4235 Canal Irrigation

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.1,135,010,000/-		Rs.1,479,580,000/-
Actual Expenditure	Rs. 675,933,500/-		Rs. 910,971,710/-
Saving	(-) Rs. 459,076,500/-	(-)	Rs. 568,608,290/-
Percentage	40.45%		38.43%

(xxi) 04 Economic Affairs
 042 Agriculture, Irrigation, Forestry & Fishing
 0422 Irrigation
 042203 Canal Irrigation
LE4240 Canal Irrigation

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.1,964,000,000/-		Rs.2,059,980,000/-
Actual Expenditure	Rs. 273,481,429/-		Rs. 260,599,562/-
Saving	(-) Rs.1,690,518,571/-	(-)	Rs.1,799,380,438/-
Percentage	86.08%		87.35%

(xxii) 04 Economic Affairs
 042 Agriculture, Irrigation, Forestry & Fishing
 0422 Irrigation
 042203 Canal Irrigation
LE4242 Canal Irrigation

	<u>AG Figures</u>		<u>Departmental Figures</u>
Final Grant	Rs.1,170,546,000/-		Rs.1,387,145,000/-
Actual Expenditure	Rs. 335,562,205/-		Rs. 289,259,294/-
Saving	(-) Rs. 834,983,795/-	(-)	Rs.1,097,885,706/-
Percentage	71.33%		79.15%

16.04.2014 The Department explained that accounts of the aforesaid items could not be reconciled because payment for various projects were made by the Donors due to which expenditure could not be booked properly.

The Committee directed/recommended that Administrative Secretary as well as Accountant General Punjab and Finance Department should examine the matter in detail and a joint report thereon should be submitted to resolve the issue.

The above items were kept pending.

Audit Para (Revenue Receipts) for the year 2009-2010

- 1. Para No. 3.1 Pages 57, 58 & 70 of Audit Report for the year 2009-10; Blockade of government revenue due to non-finalization of cases of special charges (*tawan*) - Rs. 27.717 Million**
-

DP No. 13126, Sargodha – Rs. 47,785/-

30.04.2011 The Department explained that all the *tawan* cases had been decided and recovery had been imposed on account of the un-authorized use of canal water which was required to be effected by the Revenue Department.

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

- 2. Para No. 3.2 Pages 58 & 71 of Audit Report for the year 2009-10; Non-realization of water charges on supply of canal water for use of non irrigation purposes - Rs. 52.536 million**
-

(1) DP No. 13125, Sargodha – Rs. 376,230/-

30.04.2011 The department explained that an amount of Rs.323,071/- had been recovered from TMA Sargodha whereas a sum of Rs.16,316/- was recovered from TMA Sillanwali and the balance amount had been incorporated in relevant Khatoni 2010.

The Committee reduced the para to the extent of recovery effected and **kept the para pending** for balance recovery.

(2) DP No. 13159, Small Dam, Islamabad – Rs. 32,975,733/-

30.04.2011 The Department explained that the Chief Minister Punjab had constituted a committee to resolve the issue regarding charges of canal water for non-irrigation purposes which examined the matter and submitted its recommendations to the Chief Minister for approval and the decision thereon was still awaited.

The **para was kept pending**.

(3) DP No. 13319, Rahim Yar Khan – Rs. 112,280/-

30.04.2011 The Department explained that an amount of Rs.83,629/- had already been recovered and an amount of Rs.28,651/- had been incorporated in khatoni kharif 2010 for recovery as arrears of land Revenue.

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

(4) DP No. 13332, CBDC, Lahore – Rs. 6,535,997/-

30.04.2011 The Department explained that a sum of Rs.6,502,270/- had already been recovered whereas the balance amount was outstanding against DFO Changa Manga.

The **para was kept pending** for balance recovery and verification of requisite record by Audit.

(5) DP No. 13529, Khanewal – Rs. 3,532,093/-

30.04.2011 The Department explained that a sum of Rs. 1,409,919/- had been recovered and efforts were being made for balance recovery. Meanwhile M/s Rousch Power Plant (Pvt) Ltd Abdul Khakim had filed a writ petition which was under trial in Lahore High Court, Multan Bench.

The Committee **kept the para pending** with the recommendations that if the validity of stay order had expired, the department should proceed for balance recovery.

(6) DP No. 13549, Pakpattan – Rs. 20,003/-

(7) DP No. 13596, Hakara, Sadiq Div. Bahawalnagar – Rs. 12,946/-

30.04.2011 The Department explained that total amount on account of water charges had been recovered and deposited into government treasury.

The **paras were conditionally settled** subject to verification of record by Audit.

(8) DP No. 13635, Multan – Rs. 8,970,300/-

30.04.2011 The Department explained that Deputy Collector Multan Canal Division had taken up the matter of recovery of water charges with M/s NGPS Piranghaib. However, despite strenuous efforts, payment was not made by the defaulters due to which the department was forced to stop the water supply.

The Committee **kept the para pending** with the directions/recommendations that matter be pursued vigorously.

3. Para No. 3.3 Pages 58 & 59 of Audit Report for the year 2009-10; Non-recovery of Abiana on expiry of validity of court stay orders - Rs.4.084 Million

(1) DP No. 13545, Vehari – Rs. 1,126,506/-

(2) DP No. 13597, Hakara, Sadiq Div. Bahawalnagar – Rs. 2,957,794/-

30.04.2011 The Department explained that the stay orders had been got vacated and recovery had been incorporated in the concerned Khatooni and the revenue authorities were being pursued vigorously for recovery of outstanding dues.

The **paras were conditionally settled** subject to verification of requisite record by Audit.

Audit Paras (Works) for the year 2009-10

4. Para No. 3.1 Pages 181 to 184 of Audit Report for the year 2009-10; Unauthentic stock balance due to non-preparation of Stock Returns - Rs. 458 million

3.1.1 DP No. 26, Executive Engineer, Muzaffargarh Canal Division, Muzaffargarh

18.04.2014 The Department explained that a probe was conducted into the matter and resultantly, charge sheets had been issued to the delinquents. Meanwhile, the concerned SDOs had been directed to submit the requisite stock returns.

The Committee kept the para pending with the directions that stock should be maintained properly in compliance with the instructions of the Government/relevant rules and strict disciplinary action should be taken against the defaulters.

3.1.3 DP No. 101, Executive Engineer, Construction Division, Dera Ghazi Khan

18.04.2014 The Department explained that stock amounting to Rs.2.277 million had already been adjusted and balance stock amounting to Rs.41.771 million was available as per approved reserve stock limit which could be verified by Audit.

The **para was kept pending** for verification of requisite record by Audit.

3.1.4 DP No. 100, Executive Engineer, Jampur Construction Division, D.G. Khan

18.04.2014 The Department explained that verification of stock articles had been conducted by the Auction Committee appointed by the Competent Authority and efforts were being made for auction of the surplus items.

The Committee **kept the para pending** with the directions/recommendations that auction process of surplus stores should be completed within 90 days under intimation to the PAC.

3.1.5 DP No.261, Executive Engineer, Central Bari Doab Canal (CBDC) Division Lahore

17.04.2014 The Department explained that stock returns had been prepared according to prescribed format and an FIR had been lodged with Police on account of stolen material. The Department further stated that an inquiry had also been ordered to thrash out the matter which was still under process.

The Committee directed/recommended that detailed verification of stores should be conducted and surplus material should be auctioned. Meanwhile, inquiry proceedings should be finalized at the earliest under intimation to the PAC within 30 days.

The **para was kept pending**.

3.1.6 DP No.222, Executive Engineer, Development Division, Multan

18.04.2014 The Department explained that codal formalities for auction of surplus stock had been completed and auction notice had also been published in newspaper vide advertisement dated 18.3.2014. As such, auction process would be completed in due course.

The Committee **conditionally settled the para** subject to auction of the stock and its verification by Audit under intimation to the PAC within 90 days.

3.1.7 DP No. 23, Executive Engineer, Rajanpur Canal Division, Rajanpur

18.04.2014 The Department explained that concerned SDOs had been directed to submit the requisite stock returns. Moreover, as per inquiry conducted into the matter, stock record prior to 1966 was not traceable.

The Committee directed/recommended that an inquiry should be conducted into the matter by the PAO regarding all such cases and if necessary, case for condonation of the mater be moved for decision of the competent authority.

The **para was kept pending.**

5. Para No. 3.2 Pages 184 to 186 of Audit Report for the year 2009-10; Loss due to non-auction of old material - Rs.191.4 million

3.2.1 DP No. 247, Executive Engineer, Headworks Division, Punjnad

17.05.2012 The Department explained that all surplus material relating to Railway Track had been auctioned and deposit of auction money alongwith Income Tax and Sales Tax receipts had already been got verified by Audit. However the matter involving recovery of Rs. 2.4 million was *subjudice* in the court of law which had also been depicted in D.P No, 3.15 for the same year 2009-10.

The Committee reduced the para to the extent of recovery and the remaining portion of **the para was kept pending** with the directions that the case should be pursued vigorously in the court of law and responsibility should also be fixed for the lapse and disciplinary action be taken against responsables.

3.2.2 DP No. 133, Executive Engineer, Headworks Division, Sulemanki

3.2.5 DP No. 126, Executive Engineer, Balloki Head Works Division, Balloki

18.04.2014 The Department explained that verification of stock had been conducted by the Committee appointed by the Government and formal approval of the Government on survey report was still awaited. As such, auction process would be initiated after approval of the said report.

The Committee directed/recommended that the Administrative Secretary should examine the matter and ensure auction of surplus stores within 90 days under intimation to the PAC.

The **paras were kept pending.**

3.2.4 DP No.132, Executive Engineer, Eastern Bar Division, Pakpattan

18.04.2014 The Department explained that auction of old girders had been completed and the price of highest bid had been deposited into Government treasury.

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

6. Para No. 3.3 Pages 186 & 187 of Audit Report for the year 2009-10; Non-recovery/adjustment of amount lying outstanding in Misc. PW advances - Rs.27.1 million

3.3.1 DP No. 15, Executive Engineer, Construction Division, Dera Ghazi Khan

18.04.2012 The Department explained that special funds had been demanded from the Finance Department for adjustment of schedule of P.W. Misc. Advance and the matter was still under process.

The Committee **kept the para pending** with the directions that Finance Department should decide the matter within 90 days.

3.3.2 DP No.25, Executive Engineer, Muzaffargarh Canal Division, Muzaffargarh

18.04.2014 The Department explained that in compliance with recommendations of DAC dated 24.11.2009, a probe was conducted into the matter. Thereafter, in the light of recommendations of the probe report, additional funds amounting to Rs.4,684,095/- had been demanded from the Finance Department and a case for write off sanction of an amount of Rs.4,241,797/- involving 47 years old record, had been moved to the competent authority. Meanwhile, efforts were being made for balance recovery of Rs.554,347/- from the concerned contractor.

The Committee directed/recommended that Finance Department should decide the departmental reference within 30 days and outstanding dues should be recovered within 90 days under intimation to the PAC.

The **para was kept pending.**

7. **Para No. 3.4 Page 187 of Audit Report for the year 2009-10; Undue financial-aid to the contractor due to non-obtaining of additional bank guarantee -- Rs.10.2 million**
-

DP No. 177, Executive Engineer, Headworks Division, Punjab

17.05.2012 The Department explained that probe report and final bill had been produced to Audit for verification. The full scope of work had been completed as per Technically Sanctioned Estimates and no *malafied* intentions were involved. It was also added that disciplinary action under PEEDA had already been initiated against the responsables.

The Committee **kept the para pending** with the directions that all the details of the case should be furnished in the next meeting.

8. **Para No. 3.5 Pages 187 & 188 of Audit Report for the year 2009-10; Non-obtaining of performance security in the form of bank guarantee - Rs. 9.1 Million**
-

29.04.2011 The Department explained that performance security issued by M/s Platinum Insurance Company Ltd was provided by the contractor which was valid upto the completion of the project. However, performance security in form of the Bank Guarantee was not obtained. The Administrative Secretary added that there were practical difficulties in the matter due to insufficient provision of funds by the Finance Department. Resultantly, the contractors were not much eager to execute the projects of the department.

The Committee was not satisfied with the explanation of the department and directed/recommended that an inquiry be conducted into the matter and responsibility be fixed for the lapse. However, if necessary, the department may move a summary to the Chief Minister to revisit the relevant rules.

The **para was kept pending.**

9. **Para No. 3.6 Page 188 of Audit Report for the year 2009-10; Non-recovery of drainage charge - Rs. 8.1 million**
-

DP No.75, Executive Engineer, Lahore Drainage Division, Lahore

17.04.2014 The Department explained that a sum of Rs.387,500/- had been recovered and efforts were being made for balance recovery from various industrial units on account of effluent discharge into the drains.

The Committee **kept the para pending** with the directions/recommendations that recovery be expedited otherwise drains of defaulting industrial units should be stopped.

10. Para No. 3.7 Page 189 of Audit Report for the year 2009-10; Non-obtaining of performance security - Rs. 6.9 million

DP No. 14, Executive Engineer, Construction Division, Dera Ghazi Khan

18.04.2014 The Department explained that a statement of allegation against the responsible officer had been submitted to the competent authority for taking disciplinary action and the matter was also under trial in the Anti-corruption Establishment.

The Committee **kept the para pending** with the directions/recommendations that Administrative Secretary should conduct an inquiry into the matter and take disciplinary action against all the defaulters under intimation to the PAC within 30 days.

11. Para No. 3.8 Pages 189 & 190 of Audit Report for the year 2009-10; Overpayment due to application of incorrect rates - Rs. 6.3 million

DP No. 172, Executive Engineer, Canal Division, Rahimyar Khan

17.04.2014 The Department explained that as per directions of DAC dated 17.02.2010, total recovery had been effected from the final bill of the contractor which had also been verified by Audit.

The Committee recommended/directed that an inquiry should be conducted to fix responsibility for the lapse and action be taken against the defaulters.

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

12. Para No. 3.9 Page 190 of Audit Report for the year 2009-10; Overpayment due to excessive rates - Rs. 6.1 million

DP No. 218, Executive Engineer, Dallas Canal Division, Rahimyar Khan

17.04.2014 The Department explained that the matter contained in subject para was under process in Anti-Corruption Establishment.

The **para was kept pending** with the directions that matter should be pursued vigorously.

13. Para No. 3.11 Pages 191 & 192 of Audit Report for the year 2009-10; Non-recovery of penal rent from un-authorized occupants of Government residences - Rs. 4.7 million

29.04.2011 The Department explained that an inquiry was conducted into the matter and concerned XEN and SDO were found responsible for the lapse. It was also noticed that a sum of Rs.2.7 million was not due as penal rent. It was added that all the residences had been got vacated from the illegal occupants except one occupied by a widow and further necessary action would be taken in due course.

The Committee **kept the para pending** with the directions/recommendations that recovery be effected within 90 days.

14. Para No. 3.12 Pages 192 & 193 of Audit Report for the year 2009-10; Irregular payment due to irregular calling of tender - Rs. 4.1 million

3.12.1 DP No. 181, Executive Engineer, Fordwah Canal Division, Bahawal Nagar

17.04.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled**.

3.12.2 DP No. 11, Executive Engineer, Chashma Right Bank Canal (C.R.B.C) Division, Taunsa Sharif

18.04.2014 The Department explained that in compliance with the directions of the SDAC, a case for condonation of the irregularity, had been moved to the Finance Department which was returned with the advice to submit statement of allegations/charge sheets against the delinquent officers and the matter was still under process.

The Committee directed/recommended that an inquiry should be conducted into the matter by the PAO and then the matter be re-submitted to the Finance Department.

The **para was kept pending**.

15. Para No. 3.13 Pages 193 to 195 of Audit Report for the year 2009-10; Non-recovery of price variation of steel - Rs. 3.4 million

3.13.1 DP No. 185, Executive Engineer, Canal Division, Ahmadpur

17.04.2014 The Department explained that actual outstanding amount of Rs.480,168/- had been recovered which could be verified by Audit.

Audit contended that recoverable amount had not yet been reconciled by the Department so far.

The **para was kept pending** with the directions that recoverable amount should be reconciled with Audit at the earliest.

3.13.3 DP No. 151, XEN, Jhang

29.04.2011 The Department explained that total recovery had been effected and got verified by Audit.

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

3.13.5 DP No. 183, Executive Engineer, Canal Division, Ahmad Pur

17.04.2014 The Department explained that total outstanding amount had been recovered and got verified by Audit.

Audit contended that final bill produced by the Department was without No & Date.

The Committee recommended/directed that warnings should be issued to the concerned internal auditors/DAOs and the **para was conditionally settled** subject to verification of complete record by Audit.

16. Para No. 3.15 Page 196 of Audit Report for the year 2009-10; Loss due to theft of material - Rs. 3.2 million

DP No. 248, Headworks Division Punjnad

17.04.2014 The Department explained that the subject para was duplication of DP. No. 3.2.1 of the same report.

The Committee accepted the explanation and decided to **delete the para**.

17. Para No. 3.16 Pages 196 & 197 of Audit Report for the year 2009-10; Overpayment due to non-deduction of shrinkage - Rs. 3.1 million

DP No. 207, Executive Engineer, Development Division, Rahim Yar Khan

17.04.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled**.

18. Para No. 3.18 Page 198 of Audit Report for the year 2009-10; Unjustified payment without provision of TSE/DNIT - Rs. 2.7 million

DP No. 12, Executive Engineer, Construction Division, Dera Ghazi Khan

18.04.2014 The Department explained that revised PC-I had been approved and revised estimate had also been sanctioned by the competent authority whereby the item of work 'bailing out water by pump' had also been provided.

The Committee **kept the para pending** for verification of requisite record by Audit within 30 days.

19. Para No. 3.19 Pages 198 & 199 of Audit Report for the year 2009-10; Non-obtaining of performance security - Rs. 2.6 million

DP No. 51, Executive Engineer, D.G. Khan Canal Division, D.G. Khan

18.04.2014 The Department explained that a departmental inquiry was conducted into the matter and resultantly, charge sheets had been issued to the responsible officers for

not obtaining additional performance security. However, the work had been completed and no financial loss had been sustained by the Government.

The Committee recommended/directed that disciplinary action against the defaulters including the Internal Auditors should be taken at the earliest under intimation to the PAC.

The **para was conditionally settled** subject to finalization of disciplinary proceedings.

20. Para No. 3.20 Pages 199 & 200 of Audit Report for the year 2009-10; Short recovery of effluent charges - Rs. 2.4 million

DP No.50, Executive Engineer, Rachna Drainage Division, Sheikhpura

17.04.2014 The Department explained that an amount of Rs.147,950/- had been recovered and efforts were being made for balance recovery as arrears of land revenue through the District Collector.

The Committee **kept the para pending** with the directions that details of all such cases should be furnished on 28.4.2014 so that the matter could be got expedited through the Senior Member, Board of Revenue.

21. Para No. 3.23 Page 201 of Audit Report for the year 2009-10; Loss to government due to non-recovery of penal rent - Rs. 1.8 million

29.04.2011 The Department explained that residences involved in the para were mostly occupied by Class-IV employees whereas in case of un-authorized occupants, all the residences had been got vacated. It was added that in Past, some residences of I& P department had been occupied by the employees of other departments which were got vacated after strenuous efforts. Resultantly, the surplus buildings were being handed over to the Provincial Government for further necessary action. It was added that house rent was being recovered continuously from the allottees.

The Committee appreciated the efforts of the Secretary I&P in the public interest and **kept the para pending** for balance recovery and verification of relevant record by Audit.

22. Para No. 3.24 Pages 201 & 202 of Audit Report for the year 2009-10; Non-recovery of penal rent from unauthorized occupants of government residences - Rs. 1.7 million

DP No.35, Secretary, Irrigation & Power Department Punjab

17.04.2014 The Department explained that a sum of Rs.47,715/- had been recovered and efforts were being made for balance recovery.

The Committee **reduced the para** to the extent of recovery verified by Audit and remaining portion of **the para was kept pending** with the directions that recovery should be pursued vigorously.

23. Para No. 3.25 Pages 202 to 204 of Audit Report for the year 2009-10; Loss due to execution of work through contractors - Rs. 1.4 million

3.25.2 DP No. 159, Executive Engineer, Canal Division, Bahawalpur

17.05.2012 The Department explained that work of “killing of porcupine and pudding holes” was executed through the private contractor because desired strength of Departmental staff (Baildars) was not available. Moreover a technical probe had also been conducted to thrash out the justifications regarding execution of work. The Administrative Secretary assured that expenditure was actually incurred to meet the emergency demands at site and no loss to the government had taken place.

The Committee **settled the para** with the directions that relevant rules should be strictly followed in future.

3.25.1 DP No. 16, Executive Engineer, LBDC Division, Okara

3.25.3 DP No.116, Executive Engineer, Eastern Bar Division, Pakpattan

3.25.4 DP No. 56, Executive Engineer, LBDC Division, Sahiwal

18.04.2014 The Department explained that execution of work through departmental labour was not possible due to complex nature of the job and therefore, work was got executed through the contractor.

Audit contented that the Department was required to produce authorization for getting the work done through contractor in violation of its instructions dated 20.10.1975.

The Committee **conditionally settled the above paras** subject to verification of requisite record regarding authorization of the expenditure.

24. Para No. 3.26 Page 205 of Audit Report for the year 2009-10; Overpayment due to application of incorrect rates - Rs. 1.4 million

DP No. 214, Executive Engineer, Dallas Canal Division, Rahimyar Khan

17.04.2014 The Department explained that total outstanding amount had been recovered and relevant record had also been got verified by Audit.

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

25. Para No. 3.27 Pages 205 & 206 of Audit Report for the year 2009-10; Non-recovery of income tax - Rs. 1.2 million

DP No. 168, Executive Engineer, Canal Division, Bahawalpur

17.05.2012 The Department explained that recovery pointed out by Audit had been effected from the 39th running bill of the contractor and payment of income tax had been made to the Income Tax Department. Moreover, the disciplinary action against the concerned employee could not taken due to his death.

The Committee **settled the para** as a special case with the directions that such lapses should not be repeated in future.

26. Para No. 3.28 Page 206 of Audit Report for the year 2009-10; Overpayment due to incorrect calculation of price variation - Rs. 1.2 million

DP No. 221, Executive Engineer, Dallas Canal Division, Rahimyar Khan

17.04.2014 The Department explained that a sum of Rs.727,924/- had been recovered from the contractor on account of price variation which could be verified by Audit.

Audit contended that departmental contention was not justified because undue financial benefit had been granted to the contractor and further recovery was still outstanding from him.

The Committee **kept the para pending** with the directions that the matter should be reconciled with Audit and report be submitted to the PAC during its meeting on 28.4.2014.

27. Para No. 3.29 Page 207 of Audit Report for the year 2009-10; Overpayment due to non-utilization of available earth - Rs. 1.2 million

DP No. 41, Executive Engineer, Development Division No.1, Lahore

17.04.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled**.

28. Para No. 3.30 Pages 207 & 208 of Audit Report for the year 2009-10; Loss to Government due to non-leasing out of Government land - Rs.1.2 million

29.04.2011 The Department explained that the land could not be auctioned due to ban on lease imposed by the Government which did not turn out beneficial because in certain cases, the land was encroached by the unauthorized occupants. The concerned District Co-ordination Officer had been approached for retrieval of the government land. Meanwhile, the Department had requested the Chief Minister to lift the ban on lease of government land.

The Committee also endorsed the recommendations of Administrative Secretary and desired that the Director (Monitoring) Finance Department should convey its recommendations to the Government of Punjab that surplus government land may be leased out through a transparent mechanism to increase the revenue of the Province.

The **para was kept pending**.

29. Para No. 3.31 Page 208 of Audit Report for the year 2009-10; Non-recovery/adjustment - Rs. 1 million

DP No. 215, Executive Engineer, Dallas Canal Division, Rahimyar Khan

17.04.2014 The Department explained that a sum of Rs.1,000,000/- had been allocated for model study of 'Mazari Bund' but scheme was dropped due to some practical difficulties. Later, these funds were utilized for study of 'Indus River starting from Taunsa Barrage to Guddu Barrage.

Audit contended that expenditure had been incurred without availability of funds and Administrative Approval.

The Committee directed/recommended that irregularity should be got condoned by the Finance Department.

The **para was conditionally settled** subject to decision of the Finance Department.

30. Para No. 3.32 Pages 208 & 209 of Audit Report for the year 2009-10; Overpayment due to non-deduction of shrinkage - Rs. 999,919/-

DP No. 246, Executive Engineer, Headworks Division, Punjnad

17.04.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled**.

31. Para No. 3.33 Pages 209 & 210 of Audit Report for the year 2009-10; Undue benefit to the contractor due to execution of higher quoted rates items - Rs.932,663/-

DP No. 108, Executive Engineer, Headwork's Division, Sulemanki

18.04.2014 The Department admitted that some irregularity had been committed initially but the incumbents had already retired from service. Moreover, the imbalance rate recovery had been fully adjusted and no loss was sustained to the Government as the work had been executed completely.

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

32. Para No. 3.34 Page 210 of Audit Report for the year 2009-10; Overpayment due to execution of excessive quantity - Rs. 900,494/-

DP No. 170, Executive Engineer, Canal Division, Rahimyar Khan

17.04.2014 The Department explained that a case for obtaining condonation of the expenditure had been submitted to the Finance Department which was still under process.

Audit contended that excess quantities had been covered in the revised technical sanction but technical probe, as per directions of SDAC, had not yet been conducted.

The Committee directed/recommended that technical probe should be conducted into the matter and further necessary action should be taken accordingly at the earliest under intimation to the PAC.

Subject to above directions, the **para was conditionally settled.**

- 33. Para No. 3.35 Pages 210 & 211 of Audit Report for the year 2009-10; Extra expenditure due to allowing rich specification - Rs. 898,197/-**

DP No. 123, Executive Engineer, LBDC Division, Khanewal

18.04.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

- 34. Para No. 3.36 Pages 211 & 212 of Audit Report for the year 2009-10; Overpayment due to application of incorrect rates - Rs. 821,652/-**

DP No. 31, Executive Engineer, Muzaffargarh Canal Division, Muzaffargarh

18.04.2014 The Department explained that total recovery had been effected from the running bill of the contractor which had also been verified by Audit.

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

- 35. Para No. 3.37 Page 212 of Audit Report for the year 2009-10; Overpayment due to non-deduction of shrinkage - Rs. 696,119/-**

DP No. 112, Executive Engineer, Development Division No.2, Lahore

17.04.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled.**

- 36. Para No. 3.38 Pages 212 & 213 of Audit Report for the year 2009-10; Unjustified provision of contingencies - Rs. 692,347/-**

DP No.230, Executive Engineer, Pasrur Link Division, Sialkot

17.04.2014 The Department explained that a case for seeking advice had been moved to the Finance Department which was still awaited.

The representative of Finance Department endorsed the contention of Audit in the meeting that irregular payment ought to be recovered.

The Committee **kept the para pending** with the directions that recovery should be effected as per rules under intimation to the PAC within 30 days.

37. Para No. 3.39 Page 213 of Audit Report for the year 2009-10; Non-completion of job/fulfillment of contract agreement - Rs. 678,432/-

DP No. 256, Executive Engineer, Sadiqia Canal Division, Bahawal Nagar

17.04.2014 The Department explained that work was allotted to M/s Syed Brothers on emergency basis with a time limit of one month. However, due to time constraints, the work could not be completed within the financial year. Meanwhile, a technical probe was conducted into the matter which concluded that no irregularity had been committed.

On various queries by the Committee and Audit, the Department could not render proper justification for non-forfeiture of security deposit of contractor and delay in completion of work.

The Committee recommended/directed that an inquiry should be conducted by the PAO and strict disciplinary action should be taken against the responsible officers/officials, under intimation to the PAC within 30 days.

The para was kept pending.

38. Para No. 3.40 Page 214 of Audit Report for the year 2009-10; Non-recovery due to left over work - Rs. 608,058/-

DP No.32, Executive Engineer, Muzaffargarh Canal Division, Muzaffargarh

18.04.2014 The Department explained that a probe was conducted to thrash out the matter whereby it was concluded that Engineer Incharge was competent to finalize the work at any stage of execution and no one could be held responsible for this purpose.

Audit and Finance Department maintained that departmental contention was not justified and the Department was required to recover the cost of left-over work.

The Committee **kept the para pending** with the directions that outstanding dues should be recovered as per advice of the Technical Wing, Finance Department.

39. Para No. 3.41 Pages 214 & 215 of Audit Report for the year 2009-10; Overpayment due to application of incorrect unit of measurement - Rs.578,090/-

DP No. 5, Executive Engineer, Chashma Right Bank Canal (C.R.B.C) Division, Taunsa Sharif

18.04.2014 The Department explained that total recovery of Rs.578,090/- along with further recovery of Rs.60,929/- had been effected from the contractor which could be verified by Audit.

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

- 40. Para No. 3.42 Page 215 of Audit Report for the year 2009-10; Overpayment due to non-deduction of shrinkage - Rs. 561,606/-**
-

DP No. 22, Executive Engineer, Rajan Pur Canal Division, Rajan Pur

18.04.2014 The Department explained that a sum of Rs.112,122/- had been recovered from the contractor and efforts were being made for balance recovery.

The Committee reduced the para to extent of recovery subject to verification of record and directed that balance amount should also be recovered within 90 days.

The **para was kept pending**.

- 41. Para No. 3.43 Page 216 of Audit Report for the year 2009-10; Overpayment due to non deduction of shrinkage - Rs.542,969/-**
-

DP No. 155, Executive Engineer, Canal Division, Bahawalpur

17.05.2012 The Department explained that necessary actions had been taken in respect of above paras and relevant record had also been got verified by Audit.

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

- 42. Para No. 3.47 Pages 218 & 219 of Audit Report for the year 2009-10; Overpayment due to sanction of incorrect rates in technical sanctioned estimate - Rs. 433,410/-**
-

DP No. 179, Executive Engineer, Headworks Division, Punjnad

17.04.2014 The Department explained that estimate for the work at Punjnad Headworks was approved by the Chief Engineer vide sanction dated 18.4.2009 according to the MRS of the 1st quarter 2009. However the rates were later changed by the sanctioning authority as per MRS of 2nd quarter 2009 and work was executed accordingly.

Audit contended that delay in the matter had caused loss to the Government which ought to be recovered.

The Committee **kept the para pending** with the directions that a case for regularization of the matter should be moved to the Finance Department within 30 days.

- 43. Para No. 3.48 Pages 219 & 220 of Audit Report for the year 2009-10; Non-recovery/adjustment of amount placed in Misc. P.W Advance head - Rs.422,490/-**
-

DP No. 9, Executive Engineer, Jampur Construction Division, D.G. Khan

18.04.2014 The Department explained that a case for regularization of the matter had been moved to the Finance Department and the decision thereon was still awaited.

The **para was kept pending** with the directions that matter should be resolved by the Finance Department within 90 days.

44. **Para No. 3.51 Pages 221 & 222 of Audit Report for the year 2009-10; Overpayment due to double measurements - Rs.343,518/-**

DP No. 157, Executive Engineer, Canal Division, Bahawalpur

17.05.2012 The Department explained that necessary actions had been taken in respect of above paras and relevant record had also been got verified by Audit.

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

44. **Para No. 3.52 Page 222 of Audit Report for the year 2009-10; Overpayment due to non-reduction of rebate - Rs. 332,330/-**

DP No. 29, Executive Engineer, Muzaffargarh Canal Division, Muzaffargarh

18.04.2014 The Department explained that total recovery of Rs.332,330/- had been effected and got verified by Audit.

Audit contended that disciplinary action was also required on account of extending undue favour to the contractor.

The Committee **settled the para** with the recommendations/directions that an inquiry should be conducted to fix responsibility for the lapse and disciplinary action should be taken against the defaulters.

45. **Para No. 3.53 Pages 222 & 223 of Audit Report for the year 2009-10; Overpayment due to incorrect measurements - Rs. 313,388/-**

DP No. 141, Executive Engineer, Development Division, Bahawalpur

17.04.2014 The Department explained that total outstanding amount had been recovered from the contractor on account of incorrect measurement of thickness of tile and relevant record had also been got verified by Audit.

The Committee **settled the para** with the directions that such lapses should be strictly avoided in future.

46. **Para No. 3.54 Page 223 of Audit Report for the year 2009-10; Expenditure excess over allocation under different heads - Rs.302,591/-**

29.04.2011 The Department explained that no excess expenditure was incurred over and above the available funds and no demand was made in 2nd statement of excesses & surrenders.

Audit contended that expenditure after surrendering the funds by department was un-authorized.

The Committee decided that if there was no excess expenditure over the allocated budget, **the para be settled** subject to verification of record by Audit.

47. **Para No. 3.55 Page 224 of Audit Report for the year 2009-10; Overpayment due to recording excessive measurement of thickness of bricks - Rs. 295,947/-**

DP No. 139, Executive Engineer, Development Division, Bhawalpur

17.04.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled**.

48. **Para No. 3.56 Pages 224 & 225 of Audit Report for the year 2009-10; Irregular expenditure due to irregular provision of contingency in the repair works estimates - Rs. 287,171/-**

DP No.94, Executive Engineer, Lahore Drainage Division, Lahore

17.04.2014 The Department explained that a case for seeking advice had been moved to the Finance Department which was still awaited.

The representative of Finance Department endorsed the contention of Audit in the meeting that irregular payment ought to be recovered.

The Committee **kept the para pending** with the directions that recovery should be effected as per rules under intimation to the PAC within 30 days.

49. **Para No. 3.58 Pages 225 & 226 of Audit Report for the year 2009-10; Less recovery of compensation - Rs. 255,688/-**

DP No. 206, Executive Engineer, Development Division, Rahimyar Khan

17.04.2014 The Department explained that delay in completion of work had occurred due to poor law & order and sanction had been granted by the competent authority according to provision of the agreement.

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

50. **Para No. 3.59 Pages 226 & 227 of Audit Report for the year 2009-10; Overpayment due to non-execution of complete item - Rs. 253,091/-**

DP No.164, Executive Engineer, Headwork's Division, Sulemanki

18.04.2014 The Department explained that no re-handling or dressing of the disposed off earth was involved in the matter and no recovery was due from the contractor. As per factual position, the work had been executed as per approved TS estimate and site conditions. As such, no overpayment had been made to the contractor.

The **para was kept pending** for verification of requisite record by Audit within 30 days.

51. Para No. 3.61 Pages 227 & 228 of Audit Report for the year 2009-10; Overpayment due to application of incorrect rates - Rs.250,659/-

DP No. 154, Executive Engineer, Canal Division, Bahawalpur

17.05.2012 The Department explained that a sum of Rs. 250,659/- had been recovered from the 14th running bill of the contractor which was also got verified by Audit and efforts were being made to effect balance recovery of Rs. 52,356/- at the earliest.

The para was reduced to the extent of recovery effected with the directions that balance recovery be made at the earliest.

The **para was kept pending**.

52. Para No. 3.62 Page 228 of Audit Report for the year 2009-10; Overpayment due to application of wrong factor - Rs. 227,330/-

DP No. 184, Executive Engineer, Canal Division, Ahamdpur

17.04.2014 The Department explained that total outstanding amount had been recovered and got verified by Audit.

The Committee directed/recommended that action should also be taken against the officer/official responsible for overpayment and report be submitted to the PAC.

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

53. Para No. 3.63 Pages 228 & 229 of Audit Report for the year 2009-10; Non-recovery of general sales tax due to non-observing Govt. rules - Rs. 225,020/-

DP No.163, Executive Engineer, Trimmu Barrage Division, Trimmu

18.04.2014 The Department explained that total outstanding amount had been recovered and relevant record would be produced to the Audit at the earliest.

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

54. Para No. 3.65 Page 230 of Audit Report for the year 2009-10; Irregular expenditure due to execution` of work through contractors instead of beldars - Rs. 183,662/-

DP No.162, Executive Engineer, Trimmu Barrage Division, Trimmu

18.04.2014 The Department explained that work was got executed through the contractor because departmental staff was insufficient to complete the heavy load of work

and it was essential for smooth running of water supply and to safeguard the channels from breeches.

Audit contented that the Department was required to produce authorization for getting the work done through contractor.

The Committee **conditionally settled the para** subject to verification of requisite record regarding authorization of the expenditure.

55. Para No. 3.66 Pages 230 & 231 of Audit Report for the year 2009-10; Non-recovery of general sales tax - Rs. 177,681/-

DP No. 276, Executive Engineer, Taunsa Barrage Division, Kot Adu

18.04.2014 The Department explained that a sum of Rs.177,681/- had been recovered from the security deposit of the contractor which had also been got verified by Audit.

The Committee **settled the para** with the directions that warning be issued to the concerned officer/official to strictly avoid such lapses in future.

56. Para No. 3.67 Page 231 of Audit Report for the year 2009-10; Irregular provision of contingencies in maintenance and repair (M&R) works estimates - Rs. 171,172/-

DP No. 60, Executive Engineer, D.G. Khan Canal Division, D.G. Khan

18.04.2014 The Department explained that an amount of Rs.6,918/- had been recovered and duly accounted for in the monthly account. Moreover, the estimate for relevant work, amounting to Rs.960,164/- had been revalidated by the competent authority.

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

57. Para No. 3.68 Page 232 of Audit Report for the year 2009-10; Overpayment due to measurement of wrong thickness of bricks - Rs. 170,266/-

DP No. 173, Canal Division, Rahimyar Khan

17.04.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled.**

58. Para No. 3.69 Pages 232 & 233 of Audit Report for the year 2009-10; Loss due to payment of excessive rates - Rs. 169,910/-

DP No. 216, Executive Engineer, Dallas Canal Division, Rahimyar Khan

17.04.2014 The Department explained that a sum of Rs.169,910/- had been recovered which could be verified by Audit.

Audit contended that departmental contention was not justified because undue financial benefit was granted to the contractor and final bill had gone in minus.

On various queries by the Committee, the Departmental representative could not render proper explanation.

The Committee expressed its displeasure on concerned officer for not being prepared for PAC business and directed that requisite record should be got verified by Audit at the earliest under intimation to the PAC.

The para was kept pending.

59. Para No. 3.70 Page 233 of Audit Report for the year 2009-10; Non-recovery due to non-execution of certain items of work because of lower rates quoted by the contractor - Rs. 151,888/-

DP No. 20, Executive Engineer, Rajan Pur Canal Division, Rajan Pur

18.04.2014 The Department explained that no payment had been made for the items of work which had not been executed. Meanwhile, a sum of Rs.17,961/- and Rs.12,597/- had been recovered.

Audit contended that as per decision of DAC dated 24.11.2009, the Department was required to recover the outstanding dues but the same was still awaited.

The Committee reduced the para to the extent of recovery and directed/recommended that balance recovery should be effected within 90 days.

The para was kept pending.

60. Para No. 3.71 Pages 233 & 234 of Audit Report for the year 2009-10; Irregular provision of contingency in the estimate for repair/maintenance works - Rs.145,887/-

29.04.2011 The Department explained that as per decision of the SDAC dated 23.12.2009, the matter had been referred to the Finance Department for seeking an advice.

The para was kept pending with the directions that matter be pursued vigorously.

61. Para No. 3.73 Page 235 of Audit Report for the year 2009-10; Overpayment due to execution of excessive quantity of earth work than the provision of cross section - Rs. 137,708/-

DP No. 44, Executive Engineer, Sheikhpura Division UCC Sheikhpura

17.04.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled.**

62. Para No. 3.74 Pages 235 & 236 of Audit Report for the year 2009-10; Extra expenditure due to allowing rich specification - Rs. 132,514/-

DP No. 64, Executive Engineer, Khanwah Division DCC Depalpur

17.04.2014 The Department explained that the project had been funded by the World Bank and the Department was bound to follow the specified design criteria. Moreover, rich specifications were adopted and paid with due approval of the competent authority according to provisions of technically sanctioned estimate.

The Committee directed/recommended that technical opinion in the matter should be sought from the Finance Department.

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

63. Para No. 3.75 Pages 236 & 237 of Audit Report for the year 2009-10; Unauthentic sanction of T.S estimate at higher rates than provided in MRS - Rs. 127,267/-

DP No. 88, Executive Engineer, D.C.C. Division, Kasur

17.04.2014 The Department explained that Audit observation was not justified because payment was not to be made on the rates quoted in technically sanctioned estimate, rather it was made on the basis of rates quoted by the contractor and approved by the competent authority.

The Committee directed/recommended that matter should be submitted for consideration/advice of the Finance Department and further action should be taken accordingly.

The **para was kept pending.**

64. Para No. 3.76 Page 237 of Audit Report for the year 2009-10; Non-recovery of general sales tax - Rs.118,789/-

29.04.2011 The Department explained that partial recovery had been effected on account of GST and necessary measures were being taken to avoid such lapses in future.

The Committee **kept the para pending** with the directions that a mechanism be devised to streamline the financial mechanism of the department and report be submitted to the PAC.

- 65. Para No. 3.77 Pages 237 & 238 of Audit Report for the year 2009-10; Overpayment due to incorrect rates - Rs. 117,193/-**
-

DP No. 187, Canal Division, Ahamdpur

17.04.2014 The Department explained that a sum of Rs.40,437/- had already been recovered and a probe was also conducted to thrash out that matter whereby it was concluded that there was only an omission whereas the rates had been applied correctly.

The Committee was not satisfied with the explanation of the Department and directed/recommended that an inquiry should be conducted into the matter keeping in view the fact that incumbents of the subject para were involved in several other Audit observations and strict action be taken against the responsables.

The **para was kept pending.**

- 66. Para No. 3.78 Pages 238 & 239 of Audit Report for the year 2009-10; Overpayment due to excessive lead - Rs. 106,882/-**
-

DP No.195, Executive Engineer, Flood Bund Division, Narowal

17.04.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

On the recommendations of Audit, the above **para was settled.**

- 67. Para No. 3.80 Pages 239 & 240 of Audit Report for the year 2009-10; Overpayment due to application of incorrect rate - Rs. 100,727/-**
-

DP No. 24, Executive Engineer, Rajan Pur Canal Division, Rajan Pur

- 68. Para No. 3.81 Page 240 of Audit Report for the year 2009-10; Loss due to theft of store item - Rs. 100,000/-**
-

DP No.109, Headworks Division, Sulemanki

18.04.2014 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

Audit Paras (Commercial) for the year 2009-10
Irrigation Workshop Division, Mughalpura, Lahore

69. Para No.43 Page 56 of Audit Report for the year 2009-10; Working Results
70. Para No.43.1 Page 56 of Audit Report for the year 2009-10; Working Results
71. Para No.43.2 Page 56 of Audit Report for the year 2009-10; Working Results

16.04.2014 The Department explained that deficit of Mughalpura Workshop had increased mainly due to the reason that quantum of available workload was much lesser as compared to the workmen strength. The Department further stated that aforesaid workshop was not a commercial unit and its existence was essential to cater for emergent repair & maintenance works of mechanical equipments. It was added that a case for excluding the workshop from purview of commercial accounting system had already been moved to the Finance Department.

The Committee deferred consideration of the paras with the directions that Finance Department should furnish its comments on departmental contention by 18.04.2014.

On 18.4.2014, the Director Monitoring, Finance Department opined that accounts of the Mughalpura Workshop ought to be maintained on commercial pattern.

After detailed deliberations, the Committee directed/recommended that a comprehensive summary regarding adoption of appropriate accounting system should be submitted for consideration of the Government under intimation to the PAC.

The **paras were kept pending.**

GENERAL DIRECTIONS / RECOMMENDATIONS

28.04.2011 On commencement of the meeting, Additional Secretary (Admn) Irrigation & Power Department informed the Committee that she would represent the Department because Principal Accounting Officer/Secretary Irrigation & Power was unable to attend the meeting.

The Committee observed that overall performance of the Department in dealing with the Audit Report and presentation of working papers to PAC-II was far from satisfactory as the working papers for the meeting of PAC, had not been compiled in accordance with the prescribed format and the concerned Administrative Secretary did not attend the meeting without intimating any reasons for his absence.

The Committee, therefore, adjourned the meeting with the observation that no progress could take place *vis-a-vis* the consideration of any business in the absence of the Principal Accounting Officer/Head of the Department concerned, who was required to personally attend the meeting of PAC as per provisions of para 16.23 (b) of the Punjab Budget Manual and the instructions issued from time to time on the subject and directed that the Secretary to Government of the Punjab, Irrigation & Power Department, should

ensure his presence in the meeting of Public Accounts Committee-II to be held on 29-30 April 2011 at the appointed time.

16.05.2012 The Committee observed that Accountant General Punjab had not been attending its meetings for the last several months without any proper justification. The Committee also observed that Director General Accounts (Works) was also absent from the meeting. Moreover, the Secretary to Government of the Punjab, Irrigation & Power Department did not attend the meeting due to some other official engagements. Meanwhile, the working papers regarding Appropriation Accounts for the year 2009-10 had not been submitted till the commencement of meeting despite the fact that meeting notice had been issued on 21.04.2012 i.e. well before the schedule.

The Committee took serious notice of the casual attitude of the aforesaid officers towards PAC business and directed that Auditor General of Pakistan should be requested to ensure the presence of Accountant General Punjab and Director General Accounts (Works) Punjab. Simultaneously, the Chief Secretary, Government of the Punjab should be requested to ensure the presence of Secretary to Government of the Punjab, Irrigation & Power Department in the meeting of PAC-II going to be held on 17.05.2012. The Committee further directed that Irrigation & Power Department should hold an inquiry to fix responsibility for inordinate delay regarding submission of working papers for the PAC meeting.

**LABOUR
&
HUMAN
RESOURCES**

The paras were discussed in the meetings of PAC-II held on 21.09.2011 and 30.04.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Page 417 of Appropriation Accounts for the year 2009-10

04	Economic Affairs
041	General Economic, Commercial & Labour Affairs
0413	General Labour Affairs
041310	Administration
<u>LQ4075 Labour & Human Resource Department</u>	

Final Grant		Rs.28,363,000/-
Actual Expenditure		Rs.25,691,248/-
Saving	(-)	Rs. 2,671,752/-
Percentage		9.42%

30.04.2014 The Department explained that saving had occurred because some posts of gazetted and non-gazetted staff were remained vacant during the last quarter of the financial year and certain utility bills for the month of June couldn't be finalized till the closing of financial year.

The Committee **settled the item** with the directions that in future un-utilized funds should be surrendered well in time.

2. Grant No. PC21023 (023) Miscellaneous Departments Pages 418 to 432 of Appropriation Accounts for the year 2009-10

(i)	04	Economic Affairs
	041	General Economic, Commercial & Labour Affairs
	0413	General Labour Affairs
	041310	Administration
<u>LQ4228 Directorate of Labour Welfare</u>		

Final Grant		Rs.38,435,000/-
Actual Expenditure		Rs.37,334,140/-
Saving	(-)	Rs. 1,100,860/-
Percentage		2.86%

30.04.2014 The Department explained that saving had occurred because some posts of Stenographer were lying vacant and the expenditure in the sub-head of operating expenses the expenditure regarding Communication, Travelling and Transportation couldn't be anticipated as these funds were retained for emergent assignment.

The Committee accepted the explanation and **settled the item.**

- (ii) 04 Economic Affairs
041 General Economic, Commercial & Labour Affairs
0412 Commercial Affairs
041212 Trade Marks, Patent & Copyrights
LQ4225 Weights and Measures Trade Marks and Patent Rights

Final Grant		Rs.4,849,000/-
Actual Expenditure		Rs.4,702,005/-
Saving	(-)	Rs. 146,995/-
Percentage		3.03%

30.04.2014 The Department explained that saving had occurred mainly because seat of Junior Clerk lying vacant during last quarter of the financial year and in the sub-head of Repair & Maintenance because the estimated expenditure was over and above the available budget, hence the allocated budget neither be utilized nor be surrender at the later stage.

The Committee accepted the explanation and **settled the item.**

- (iii) 04 Economic Affairs
041 General Economic, Commercial & Labour Affairs
0413 General Labour Affairs
041308 Wage Regulation
LQ4229 Minimum Wages Board

Final Grant		Rs.5,618,000/-
Actual Expenditure		Rs.5,357,392/-
Saving	(-)	Rs. 260,608/-
Percentage		4.64%

30.04.2014 The Department explained that saving occurred because the Pay of new Chairman was less than former Chairman and due the less claims for medical reimbursement were received during the financial year.

The Committee accepted the departmental explanation and **settled the item.**

- (iv) 03 Public Order And Safety Affairs
031 Law Courts
0311 Law Courts
031101 Courts/Justice
LQ4226 Labour Courts

Final Grant		Rs.44,236,000/-
Actual Expenditure		Rs.44,276,376/-
Excess	(+)	Rs. 40,376/-
Percentage		0.09%

30.04.2014 The Department explained that saving had occurred because some posts of Presiding Officer remained vacant and some bills of Rent, telephone, utility as well as POL were received after the end of financial year. However, an excess expenditure of Rs. 1,634,098/- had been incurred under the sub-head of Pay of Other Staff because less funds were allocated by the Finance Department as compared to the demand.

The Committee directed/recommended that Administrative Secretary should probe into the matter to fix responsibility as to why un-utilized funds were not surrendered in time and for a significant excess expenditure under the sub-heads of Pay of Other Staff and report be submitted to the PAC within 30 days.

Subject to above directions, **the item was settled.**

3. Grant No. PC22036 (036) Development (All Voted) Pages 433 to 436 of Appropriation Accounts for the year 2009-10

04 Economic Affairs
041 Gen. Economic, Commercial & Labour Affairs
0413 General Labour Affairs
041310 Administration
LE4222 Administration

Final Grant		Rs.51,921,000/-
Actual Expenditure		Rs.49,425,146/-
Saving	(-)	Rs. 2,495,854/-
Percentage		4.81%

30.04.2014 The Department explained that saving mainly occurred in the sub-head of Physical Assets because procured items couldn't be supplied by the Vendor till the end of financial year.

The Committee accepted the explanation and **settled the item.**

Audit Paras (Commercial) for the year 2009-2010

1. Para No.44 Page 57 of Audit Report for the year 2009-10, Punjab Employees Social Security Institution

21.09.2011 The Department explained that a chartered accountant had been appointed for compilation of the accounts who had not yet finalized the accounts. As soon as, the audited accounts were received, the same would be submitted to Commercial Audit for verification. The Administrative Secretary assured that complete accounts of the previous years would be finalized at the earliest.

The Committee **kept the para pending** with the directions that action should also be taken against the officials/officers responsible for delay in the matter and requisite accounts be finalized at the earliest.

2. Para No. 44 Page 57 of Audit Report for the year 2009-10; Working results
3. Para No. 44.1 Page 57 of Audit Report for the year 2009-10; Working results

30.04.2014 The Department explained that as per PAC directive, the matter was thoroughly examined and it was found that appointed Chartered Accountant firms were responsible for delay and there was no Officer/Official of PESSI found responsible.

It was further added that displeasure notice had also been served to the firm, moreover, now the management of the institution had decided to get audited its accounts from “A” plus category firms in future in order to avoid such situations.

The Committee recommended/directed that in future Chartered Accountant firms of “A” plus category be hired on performance basis through financial as well as technical bidding.

The Committee also desired that manual accounting system of PESSI should be switched towards SAP (System Applications Product) within 90 days under intimation to PAC.

The Committee **conditionally settled the para** subject to above directions.

4. Para No. 45 Pages 57 & 58 of Audit Report for the year 2009-10; Irregular purchase of vehicles during ban period – Rs. 12.028 million

30.04.2014 Audit contended 22 vehicles (02 Toyota Corolla, 12 Suzuki Cultus, and 10 Suzuki Bolan) were purchased in violation of Instructions of the Government of Punjab regarding ban on purchase of vehicles and these were not reflected in the balance sheet of the PESSI about 04 years.

The Department explained that vehicles were purchased after obtaining the necessary approval from governing body in its 82nd and 83rd meetings held on 29.03.2003

and 16.06.2003 respectively. It was further explained that PESSI was financially self reliant Autonomous Body and never been funded by the Government of Punjab therefore, it could purchase new vehicles with the approval of Governing Body.

Finance Department apprised the Committee that ban imposed on the purchase of new vehicles was across the board for Government Departments as well as for Autonomous Bodies also and new vehicles couldn't be purchased without the approval of Competent Authority.

After detailed deliberations, the Committee **kept the para pending** with the directions/recommendations that Administrative Secretary should conduct an inquiry into the matter along with Finance Department and responsibility be fixed under intimation to the PAC within 45 days.

5. Para No. 46 Page 58 of Audit Report for the year 2009-10; Irregular purchase of medicines without drug testing – Rs. 11.546 million

30.04.2014 The Department explained that medicines were purchased from approved firms as per need and emergent basis and Certificate of Analysis was provided by manufacture which was equivalent to Drug Testing Laboratory (DTL).

The Committee **kept the para pending** with the directions/recommendations that Commissioner should look into the matter personally and all the relevant record should also be got verified from the Audit within 30 days under intimation to PAC.

6. Para No. 47 Page 59 of Audit Report for the year 2009-10; Non-utilization of Steam Sterilizers – Rs. 0.770 million

30.04.2014 The Department explained that repair cost of Rs. 100,000/- was incurred on steam sterilizer and same had been adjusted against forfeiting of security deposit of the supplier and two steam sterilizer were still out of order due to unavailability of Boiler Engineer.

The Committee recommended/directed that Administrative Secretary should probe into the matter afresh and responsibility be fixed for procuring the items against the specification required by the Department.

The **para was kept pending.**

7. Para No. 48 Pages 59 & 60 of Audit Report for the year 2009-10; Expected loss due to non repair/installation of bio medical equipment – Rs. 0.730 million

30.04.2014 The Department explained that as per supply order, the steam sterilizer should be operated on electric as well as on gas connection but due to non-availability of Boiler Engineer, the item could only be operated electrically.

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

8. Para No. 49 Page 60 of Audit Report for the year 2009-10; Irregular appointment after superannuation – Rs. 0.360 million

30.04.2014 The Department explained that re-employment of the Director (I&C) after Superannuation was made after obtaining approval from governing body of PESSI which was rule-making authority and empowered under Social Security Ordinance to exercise all powers.

The Committee was not satisfied with the explanation and **kept the para pending** and directed the Finance Department to probe into the matter in detail under the rules regarding the re-employment and report be submitted to PAC within 30 days.

**LIVESTOCK
&
DAIRY
DEVELOPMENT**

The paras were discussed in the meeting of PAC-II held on 28.05.2012 and 28.02.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010(010) General Administration Pages 459 & 460 of Appropriation Accounts for the year 2009-10

04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042101 Administration/Land Commission

LQ4083 Livestock & Dairy Development Department

Final Grant	Rs.22,211,000/-
Actual Expenditure	Rs.20,209,493/-
Saving (-)	Rs. 2,001,507/-
Percentage	9.01%

28.05.2012 The representative of Accountant General informed that accounts had been reconciled and there was saving of Rs.2,001,507/- which was 9.1% of the final grant.

The Department explained that the saving was due to reason that some posts of officers/officials remained vacant.

The Committee expressed its concern on the fact that surplus funds were not surrendered despite earlier directions of PAC. The Committee therefore recommended/directed that an inquiry should be conducted to fix responsibility for the lapse and disciplinary action be taken accordingly within 30 days under intimation to the PAC.

The item was kept pending.

28.02.2014 The Department explained that as per directions of PAC-II dated 28.5.2012, an inquiry had been conducted to fix responsibility for not surrendering the funds and resultantly, warning was issued to the concerned staff.

The Committee endorsed the action of the Department and **settled the item**

2. Grant No. PC21020 (020) Veterinary Pages 463 to 480 of Appropriation Accounts for the year 2009-10

(i) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry

JG4121 Directorate of RCCSC Jhang

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.12,939,000/-	Rs.12,939,000/-
Actual Expenditure	<i>Nil</i>	Rs.12,811,146/-
Saving	(-) Rs. 12,939,000/-	Rs. 127,854/-
Percentage	100%	0.99%

28.05.2012 The representative of Accountant General Punjab informed the Committee that there was variation of figures between the office of AG and the Department.

The Committee expressed its concern on non-reconciliation of accounts and kept the item pending with the directions that all the accounts should be reconciled within 15 days under intimation to the PAC.

28.02.2014 The representative of AG Punjab stated that accounts had been reconciled and there was saving of Rs.127,854/- which was 0.99% of the final grant.

The Department explained that there was minor saving against various sub-heads and requested for settlement of the grant.

The Committee **settled the item.**

- (ii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry
LQ4204 Direction-Extension

Final Grant	Rs.76,371,000/-
Actual Expenditure	Rs.73,538,616/-
Saving	(-) Rs. 2,832,384/-
Percentage	3.71%

28.02.2014 The Department explained that saving had occurred because some posts of gazetted staff were lying vacant and certain advertisement & publicity bills could not be finalized till the closing of financial year.

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

- (iii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry
LQ4205 Direction-Research

Final Grant	Rs.7,900,000/-
Actual Expenditure	Rs.7,743,533/-
Saving	(-) Rs. 156,467/-
Percentage	1.98%

- (iv) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry
LQ4207 Superintendence

Final Grant		Rs.62,918,000/-
Actual Expenditure		Rs.62,465,617/-
Saving	(-)	Rs. 452,383/-
Percentage		0.72%

- (v) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry
LQ4208 Veterinary Education and Research

Final Grant		Rs.58,585,000/-
Actual Expenditure		Rs.57,486,776/-
Saving	(-)	Rs. 1,098,224/-
Percentage		1.87%

- (vi) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry
LQ4209 Provincial Schemes (Research)

Final Grant		Rs.58,676,000/-
Actual Expenditure		Rs.57,020,952/-
Saving	(-)	Rs. 1,655,048/-
Percentage		2.82%

- (vii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry
LQ4210 Mufassil Veterinary Hospitals & Dispensaries

Final Grant		Rs.95,000/-
Actual Expenditure		Rs.94,382/-
Saving	(-)	Rs. 618/-
Percentage		0.65%

- (viii) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0421 Agriculture
 042106 Animal Husbandry
LQ4213 Breeding Operations-Government Farms LPRI (Research)

Final Grant		Rs.119,893,000/-
Actual Expenditure		Rs.118,535,268/-
Saving	(-)	Rs. 1,357,732/-
Percentage		1.13%

- (ix) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0421 Agriculture
 042106 Animal Husbandry
LQ4215 Provincial Schemes (Farms)

Final Grant		Rs.4,138,000/-
Actual Expenditure		Rs.4,098,642/-
Saving	(-)	Rs. 39,358/-
Percentage		0.95%

- (x) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0421 Agriculture
 042106 Animal Husbandry
LQ4392 Breeding Operation-Government Farms (DLF)

Final Grant		Rs.218,762,000/-
Actual Expenditure		Rs.218,431,578/-
Saving	(-)	Rs. 330,422/-
Percentage		0.15%

- (xi) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0421 Agriculture
 042106 Animal Husbandry
RA4134 Directorate of Poultry Research Institute

Final Grant		Rs.118,806,000/-
Actual Expenditure		Rs.116,298,550/-
Saving	(-)	Rs. 2,507,450/-
Percentage		2.11%

28.02.2014 The Department explained that there were minor savings against various sub-heads and requested for settlement of the above items.

The Committee **settled the above items** with the directions that in future un-utilized funds should be surrendered well in time.

- (xii) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0421 Agriculture
 042106 Animal Husbandry
LQ4206 Direction-Planning & Evaluation Cell

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.5,936,000/-	Rs.5,936,000/-
Actual Expenditure	Rs.5,824,890/-	Rs.5,830,610/-
Saving (-)	Rs. 111,110/-	Rs. 105,390/-
Percentage	1.87%	2.34%

28.02.2014 The representative of AG Punjab stated that accounts had been reconciled and there was saving of Rs.105,390/- which was 2.34% of the final grant.

The Department explained that there was minor saving against various sub-heads and requested for settlement of the grant.

The Committee accordingly **settled the item.**

- (xiii) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0421 Agriculture
 042106 Animal Husbandry
LQ4211 Field Control and Diseases-Extension

Final Grant	Rs.10,328,000/-
Actual Expenditure	Rs. 9,781,735/-
Saving (-)	Rs. 546,265/-
Percentage	5.29%

28.02.2014 The Department explained that saving had occurred because numerous posts were lying vacant and contingent paid staff also could not be recruited due to the ban imposed by the Finance Department.

The Committee **settled the item** with the directions that Administrative Secretary should probe into the matter as to why the surplus funds were not timely surrendered and in case of any lapse, take actions against the responsables.

- (xiv) 04 Economic Affairs
 042 Agri. Food, Irrigation, Forestry & Fishing
 0421 Agriculture
 042106 Animal Husbandry
LQ4212 Field Control and Diseases-Research

Final Grant		Rs.8,088,000/-
Actual Expenditure		Rs.7,766,805/-
Saving	(-)	Rs. 321,195/-
Percentage		3.97%

28.02.2014 The Department explained that there was minor saving against various sub-heads and requested for settlement of the grant.

The Committee observed that there was excess expenditure of Rs.168,195/- against the sub-head of 'pay of other staff' which came to 23.96% of the final grant. The Committee directed/recommended that a probe should be conducted to fix responsibility for not demanding the requisite funds timely and warning be issued to the concerned officials/officers.

With the above directions, **the item was settled.**

- (xv) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry
LQ4214 Breeding Operations-Government Farms

Final Grant		Rs.261,224,000/-
Actual Expenditure		Rs.261,224,000/-
Saving	(-)	<i>Nil</i>
Percentage		0.00%

- (xvi) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry
LQ4393 Provincial Schemes (Extension)

Final Grant		Rs.12,434,000/-
Actual Expenditure		Rs.12,433,998/-
Saving	(-)	Rs. 2/-
Percentage		0.00%

28.02.2014 The Department explained that all the allocated funds had been fully utilized in case of above items.

The above **items were accordingly settled.**

- (xvii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry
LQ4516 Provincial Schemes-Director B.I

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.86,480,000/-	Rs.86,480,000/-
Actual Expenditure	<i>Nil</i>	Rs.81,611,236/-
Saving	(-) Rs.86,480,000/-	Rs. 4,868,764/-
Percentage	100%	5.63%

28.02.2014 The Department explained that as per directions of PAC-II, accounts had been reconciled with AG Punjab and there was saving of Rs.4,868,764/- which came to 5.63% of the final grant. It was added that saving had occurred mainly under the sub-head of Pay & Allowances because numerous posts were lying vacant.

The Committee accepted the explanation and **settled the item.**

- (xviii) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry

MP4091 Directorate of Punjab Small Ruminants Multan

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.108,646,000/-	Rs.108,646,000/-
Actual Expenditure	Rs.105,454,547/-	Rs.105,453,656/-
Saving	(-) Rs. 3,191,453/-	Rs. 3,192,344/-
Percentage	2.94%	2.94%

28.02.2014 The representative of AG Punjab stated that accounts had been reconciled and there was saving of Rs.3,192,344/- which was 2.94% of the final grant.

The Department explained that there was minor saving mainly under the sub-heads of Pay & Allowances which had occurred due to vacant posts.

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

- (xix) 04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry

LQ4521 University of Veterinary & Animal Sciences Lahore

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.124,321,000/-	Rs.124,321,000/-
Actual Expenditure	Rs.204,519,523/-	Rs.122,407,934/-
Excess	(+) Rs. 80,198,523/-	Rs. 1,913,066/-
Percentage	64.51%	1.54%

28.02.2014 The representative of AG Punjab stated that accounts had been reconciled and there was saving of Rs. 1,913,066/- which was 1.54% of the final grant.

The Department explained that there was minor saving against various sub-heads and requested for settlement of the item.

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

3. Grant No. PC22036 (036) Development (All Voted) Page 484 of Appropriation Accounts for the year 2009-10

04 Economic Affairs
042 Agri. Food, Irrigation, Forestry & Fishing
0421 Agriculture
042106 Animal Husbandry
LE4208 Animal Husbandry

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.883,793,000/-	Rs.883,793,000/-
Actual Expenditure	Rs.823,267,843/-	Rs.821,858,606/-
Saving (-)	Rs. 60,525,157/-	Rs. 61,934,394/-
Percentage	6.85%	7.01%

28.02.2014 The Committee was informed that there was variation of figures between AG office and the Department in case of above item.

The **item was kept pending** for reconciliation of accounts at the earliest.

Audit Paras (Civil) for the year 2009-2010

- 1. Para No.8.1 Page 374 of Audit Report for the year 2009-10, Recovery on account of supply of liquid Nitrogen - Rs.13.628 million**

Director Breed Improvement, Lahore

28.05.2012 The Department explained that necessary action had been taken in respect of Audit observation and relevant record in support of departmental contention had also been got verified by Audit.

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

- 2. Para No.8.2 Page 375 of Audit Report for the year 2009-10, Recovery due to irregular lease of government land amounting to - Rs.11.965 million**

Livestock Experiment Station, Qadarabad

28.05.2012 The Department explained that initially Department approved the rent @Rs.7,000/- per acre but it could not be implemented due to political pressure and protest by the *pattadars*. In view of circumstances, the Chief Minister Punjab appointed a Special Committee comprising Commissioner Sahiwal Division, MPA of concerned constituency, D.C.O concerned and Directors LPRI. The Committee examined the matter in detail and decreased the rent from Rs. 7,000/- to Rs.5,000/- per acre for the year 2007, 2008 and 2009, which was later approved by the Department as well. It was added that rent @ Rs. 5,000/- per acre had been recovered from the *pattadars* and deposited into Government Treasury.

Audit contended that approval of the Cabinet Wing, S&GAD was requisite in the matter.

The Committee kept the para pending with the directions/recommendations that all the details of the case in support of departmental contention should be furnished in the next meeting.

28.02.2014 The Department explained that rent of land had been reduced as per Department's notification dated 20.8.2010 and there was no condition in the agreement for increase of rent and surcharge.

Audit contended that approval of cabinet wing, S&GAD was required in the matter.

The Committee directed/recommended that matter be examined by the Finance Department and further action should be taken as per rules.

The **para was conditionally settled** subject to rectification of the Finance Department.

3. Para No.8.3 Pages 375 to 376 of Audit Report for the year 2009-10, Non production of auditable record - Rs.6.100 million

AIR No. 01, Director Veterinary Research Institute, Lahore

28.05.2012 The Department explained that entire record in support of departmental contention was available for verification.

Audit contended that voluminous record was involved in the para which required spot verification.

The Committee kept the para pending for verification of record within 15 days.

28.02.2014 The Department explained that equipments had been purchased for development projects according to PC-I and consultation with Finance Department was not required in the case. The purchases had been made through open tender inquiry as per provisions of Purchase Manual. Meanwhile, strenuous efforts were being made for recovery of L.D. charges. It was also added that a fact-finding inquiry had been ordered on 25.2.2014 to thrash out the matter.

The Committee directed/recommended that in case of any irregularity established in fact-finding report, disciplinary action should be taken against the responsible authorities including the internal auditors and relevant record should also be got verified by Audit.

The **para was kept pending.**

4. Para No.8.4 Pages 376 & 377 of Audit Report for the year 2009-10, Unauthorized purchases of higher rates - Rs.5.065 million

Director Veterinary Research Institute, Lahore

28.02.2014 The Department explained that purchases were made at most economical rates after observing the codal formalities. However, the lowest bidder was rejected because he failed to provide the requisite specification of stores.

Audit contended that no concrete reasons had been recorded for neglecting the lowest bidder.

The Committee directed/recommended that administrative secretary should probe into the matter to fix responsibility for the lapse and report be submitted to the PAC at the earliest.

The **para was kept pending.**

5. Para No.8.5 Pages 377 & 378 of Audit Report for the year 2009-10, Expenditure exceeding budget allocation - Rs.3.54 million

- (i) **8.5.1 Deputy Director Semen production unit Qadarabad, Sahiwal – Rs. 209,152/-**
- (ii) **8.5.2 Director Polutary Research Institute, Rawalpindi – Rs. 1,100,846/-**
- (iii) **8.5.3 Director Live Stock Production Research Institute Bahadar Nagar Okara – Rs. 1,062,486/-**
- (iv) **8.5.4 LES Khazirabad Sargodha – Rs. 442,069/-**
- (v) **8.5.5 Director Animal Health L&DD, Lahore – Rs. 378,924/-**
- (vi) **8.5.6 L.E.S Jahangar Abad Khenewal – Rs. 125,453/-**
- (vii) **8.5.7 L.E.S Qadrabad, Sahiwal – Rs. 221,037/-**

28.02.2014 The Department explained that excess expenditure in the above cases was incurred due to inevitable circumstances.

The **paras were conditionally settled** subject to decision of PAC regarding relevant appropriation accounts.

6. Para No.8.6 Pages 378 & 379 of Audit Report for the year 2009-10, Non recovery of outstanding dues - Rs.2.652 million

Live Stock Experiment Station Chak Katora

28.02.2014 The Department explained that a sum of Rs.1,988,502/- had been recovered and got verified by Audit whereas recovery on account of auction of cotton crop was not possible till the decision of the court and outstanding amount of Rs.46,835/- on account of wheat crop had also been recovered.

The Committee reduced the para to the extent of recovered amount and directed/recommended that administrative secretary should examine the matter whether any lapse was involved in the matter and take action against the defaulters accordingly.

The **para was kept pending** till decision of the court.

7. Para No.8.7 Pages 379 & 380 of Audit Report for the year 2009-10, Non disposal of crops - Rs.782,080/-

Government LES, Haroonabad

28.02.2014 The Department explained that an inquiry was conducted to probe into the matter whereby it was concluded that all the crops had been disposed off properly and no mis-appropriation was involved in the matter. The said inquiry report had been approved by the Administrative Secretary and relevant record had also been got verified by Audit.

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

8. Para No.8.8 Page 380 of Audit Report for the year 2009-10, Unauthorized payment of conveyance allowance - Rs.478,333/-

28.02.2014 The Department explained that as a special case, conveyance allowance was admissible to the employees of the university residing in campus, as per Education Department's letter dated 07.07.1979. It was added that 4 residences were situated within the campus of UVAS, Lahore whereas remaining residences were situated outside the campus.

The Committee directed/recommended that un-authorized payment should be recovered and if necessary, the case for non-recoverable amount be referred to competent authority for appropriate decision as per rules.

The para was kept pending.

9. Para No.8.9 Page 381 of Audit Report for the year 2009-10, Loss due to mortality of animals - Rs.400,000/- approximately

Semen Production Unit Kherimurat, District Attock

28.02.2014 The Department explained that the matter regarding mortality of animals had been got condoned by the competent authority and record had also been got verified by Audit.

The Committee directed/recommended that Administrative Secretary should investigate the matter as to why the requisite record such as postmortem reports was not produced to Audit Inspection team.

Subject to decision of the Administrative Secretary, **the para was settled.**

10. Para No.8.10 Pages 381 & 382 of Audit Report for the year 2009-10, Irregular purchase and issuance of medicine - Rs.397,000/-

Live Stock Experiment Station Jugait peer-Bahawalpur

28.02.2014 The Department explained that as per decision of SDAC dated 29.9.2009, a case for regularization of the expenditure had been moved to the Finance Department. According to advice of the Finance Department, a departmental inquiry was being conducted to thrash out the matter which was still under process.

The **para was conditionally settled** subject to finalization of departmental inquiry and decision of the Finance Department.

11. Para No.8.11 Page 382 of Audit Report for the year 2009-10, Non recovery of liquidated charges - Rs.342,323/-

Director Veterinary Research Institute, Lahore

28.02.2014 The Department explained that a sum of Rs.292,047/- had been recovered whereas a sum of Rs.52,395/- fell under the provision of Purchase Manual regarding grace period.

Audit contended that verification of record transpired that outstanding amount was still recoverable from the contractors.

The Committee reduced that para to the extent of recovered amount and **kept pending** for balance recovery/verification of record by Audit.

**LOCAL
GOVERNMENT
&
COMMUNITY
DEVELOPMENT**

The paras were discussed in the meetings of PAC-II held on 28.11.2011 and 29.11.2011.

Audit Paras (Works) for the year 2009-2010

- 1. Para No.4.1 Page 243 of Audit Report for the year 2009-10, Lapse of funds due to non-issuance of cheques – Rs.7.6 million**

DP No. 68, Assistant Director, Local Government & Community Development, Jhang

28.11.2011 The Department explained that a report was sought in the matter from the concerned DCO who vide letter dated 15.10.2011 stated that no payment was made to the contractor for carrying out inspection of the schemes whereas payments for execution of the work was made after re-authorization of funds by the Finance Department except in 7 cases. These cases were thrashed out by the Anti-Corruption Establishment but no irregularity was established. However departmental inquiry of these cases was still to be finalized. It was added that all the schemes were declared satisfactory by the Third Party Validation consultant.

The Committee observed that concerned ADLG was also responsible in the matter for not performing his duties vigilantly and directed that a comprehensive report covering all aspects of the matter should be submitted to the PAC by the Administrative Secretary at the earliest.

The para was kept pending.

- 2. Para No.4.2 Pages 243 to 245 of Audit Report for the year 2009-10, Non-production of record – Rs.6.8 million**

4.2.1 DP No. 69, The Assistant Director, Local Government & Community Development, Jhang

28.11.2011 The Department explained that punishment of compulsory retirement from service had been imposed on the official responsible for the lapse and all the relevant record was available for verification.

The para was kept pending for verification of record within 07 days under intimation to the PAC.

4.2.2 DP.No.77, The Assistant Director, Local Government & Community Development, Faisalabad

28.11.2011 The Department explained that total outstanding amount had been recovered and record in respect of one scheme involving Rs.1.568 million had already

been got verified by Audit whereas relevant record in respect of remaining amount of Rs.1.378 million would also be produced to Audit for verification.

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

4.2.3 DP.No.39, The Assistant Director, Local Government & Community Development, Rawalpindi

28.11.2011 The Department explained that necessary action in respect of Audit observations had already been taken and relevant record had also been got verified by Audit.

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

3. Para No.4.3 Page 245 of Audit Report for the year 2009-10, Non-completion of work inspite of available resources – Rs.5.9 million

DP.No.48, The Assistant Director, Local Government & Community Development, Rahimyar Khan

28.11.2011 The Department explained that necessary action in respect of Audit observations had already been taken and relevant record had also been got verified by Audit.

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

4. Para No.4.4 Page 246 of Audit Report for the year 2009-10, Non-obtaining of performance security – Rs.2.7 million

DP.No.45, The Assistant Director, LG & CD Department, Rahimyar Khan

28.11.2011 The Department explained that in case of AP No. 15, performance security amounting to Rs.282,000/- had been obtained from the contractor which had also been got verified by Audit whereas in case of AP No. 17, relevant record was lying with DO Road, Rahim Yar Khan and the same would be produced to Audit at the earliest for verification.

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

5. Para No.4.5 Pages 246 & 247 of Audit Report for the year 2009-10, Non-accounting of revenue and crediting to the treasury – Rs.1.7 million

DP.No.71, The Assistant Director, LG & CD Department, Toba Tek Singh

28.11.2011 The Department explained that necessary action in respect of Audit observations had already been taken and relevant record had also been got verified by Audit.

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

6. Para No.4.6 Pages 247 & 248 of Audit Report for the year 2009-10, Non-obtaining of additional performance security– Rs.1.4 million

DP.No.22, The Assistant Director, LG & CD Department, Gujrat

28.11.2011 The Department explained that call deposit on account of additional performance security had been received from the contractor which had also been got verified by Audit. It was also added that accounts of the work had already been finalized and there was no loss to the public exchequer.

Audit contented that additional performance security was obtained after lapse of a considerable period.

The Committee **settled the para** with the recommendations/directions that such lapses should be strictly avoided in future and the Department should issue necessary instructions to all the TMAs to obtain the performance security well in time.

7. Para No.4.7 Page 248 of Audit Report for the year 2009-10, Non-recovery/ accountal of dismantled material – Rs.1.3 million

DP.No.53, The Assistant Director, LG & CD Department, Bahawalpur

28.11.2011 The Department explained that necessary action in respect of Audit observations had already been taken and relevant record had also been got verified by Audit.

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

8. Para No.4.8 Pages 248 & 249 of Audit Report for the year 2009-10, Overpayment due to payment at higher rates – Rs.1.3 million

DP.No.14, The Assistant Director, LG & CD Department, Multan

28.11.2011 The Department explained that in case of AP. No. 21-A and 23-A, complete recovery had been effected and got verified by Audit whereas in case of AP. No.18, actual excess payment was Rs.759,000/- which had been recovered.

Audit contented that department should recover the balance amount of Rs.253,000/- or produce documentary proof to the effect that no recovery was due in the case.

The Committee was not satisfied with the explanation of the Department and directed/recommended that disciplinary proceedings should be initiated against the delinquent officers/officials within 90 days under intimation to the PAC.

The para was kept pending.

9. Para No.4.9 Pages 249 & 250 of Audit Report for the year 2009-10, Overpayment due to incorrect calculation of earth – Rs.1.2 million

DP.No.37, The Assistant Director, LG & CD Department, Khanewal

28.11.2011 The Department explained that in three cases, the recovery pointed out by Audit had been adjusted in the revised estimates duly administratively approved & technically sanctioned by the competent authority and works had also been completed. In one case, recovery amounting to Rs.149,310/- had been effected. However the administrative secretary admitted that irregularity was committed in the matter.

The Committee recommended/directed that an inquiry should be conducted into the matter and disciplinary action be taken against the responsible officials/officers within 90 days under intimation to the PAC.

The para was kept pending.

10. Para No.4.10 Page 250 of Audit Report for the year 2009-10, Overpayment due to allowing excess rates – Rs.1.2 million

DP.No.61, The Assistant Director, LG & CD Department, DG Khan

28.11.2011 The Department explained that the item of tuff tile flooring was a non-standardized item as per Finance Department clarification vide letter dated 12.9.2011 and the rate analysis of the 'laying of tuff tile paver' was prepared on the basis of cost of tuff tile, its carriage and labour charges. Subsequently, the payment was made in accordance with the estimates duly approved by the competent Authority.

The Committee settled the para with the recommendations/directions that Finance Department should standardize the items such as tuff tiles flooring, in the public interest.

11. Para No.4.11 Pages 250 & 251 of Audit Report for the year 2009-10, Overpayment due to non-recovery of price variation on account of decrease in cost of bitumen – Rs.947,000/-

DP.No.52, The Assistant Director, LG & CD Department, Bahawalpur

28.11.2011 The Department explained that a sum of Rs.472,000/- approximately, had already been recovered and efforts were being made for balance recovery.

The Committee reduced the para to the extent of recovery effected with the recommendations/directions that balance recovery be effected within 90 days.

The para was kept pending.

12. Para No.4.12 Pages 251 of Audit Report for the year 2009-10, Overpayment due to non observance of tender rates – Rs.915,000/-

DP.No.33, The Assistant Director, LG & CD Department, Khanewal

28.11.2011 The Department explained that rates were quoted by the contractor 60% below the estimated cost for only item of TST and separate rates were quoted for other items. A fact finding inquiry had already been conducted into the matter whereby it was concluded that no irregularity had been committed.

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

13. Para No.4.13 Page 252 of Audit Report for the year 2009-10, Overpayment due to non-recovery of price variation on account of decrease in cost of bitumen – Rs.773,035/-

29.11.2011 The Department explained that a sum of Rs.669,686/- had been recovered and efforts were being made for balance recovery of Rs.103,349/-.

The para was reduced to the extent of recovery effected with the direction that balance recovery be effected within 90 days and the policy regarding escalation and de-escalation should be implemented strictly as per rules.

The **para was kept pending.**

14. Para No.4.14 Pages 252 & 253 of Audit Report for the year 2009-10, Overpayment due to non-recovery of price variation on account of decrease in cost of bitumen - Rs.643,000/-

29.11.2011 The Department explained that necessary action in respect of above para had already been taken and relevant record had also been got verified by Audit.

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

15. Para No.4.15 Page 253 of Audit Report for the year 2009-10, Overpayment due to excessive rate - Rs.477,766/-

29.11.2011 The Department explained that actual recoverable amount was Rs.139,000/- instead of Rs.477,776/- which had been recovered and also got verified by Audit.

The Committee **settled the para** with the directions that Administrative Secretary should take appropriate action against the officials/officers responsible for overpayment under intimation to the PAC.

16. Para No.4.16 Page 254 of Audit Report for the year 2009-10, Unjustified Payment of earth measured and paid after the execution of sub-base, base and TST - Rs.410,595/-

29.11.2011 The Department explained that measurement included the earth work excavation for embankment/ shoulders of road as per provisions in the technically sanctioned estimate and payment was also made accordingly after due approval of the competent authority. It was added that as per recommendations of the Pre-PAC meeting, a fact-finding inquiry had been conducted into the matter by the Executive Engineer (South) to thrash out the reasons for incorrect measurement.

However, Audit contented that findings of the inquiry report had not yet been approved by the Competent Authority.

The **para was kept pending** with the directions that Administrative Secretary should thrash out the matter under intimation to the PAC.

17. Para No.4.17 Pages 254 & 255 of Audit Report for the year 2009-10, Overpayment due to excessive measurement of earth work - Rs.248,375/-

29.11.2011 The Department explained that total recovery as pointed out by Audit, had been effected on account of payment for certain items and relevant record had also been got verified by Audit.

The Committee **settled the para** with the recommendations/directions that Administrative Secretary should take disciplinary action against the delinquent officers/officials under intimation to the PAC.

18. Para No.4.18 Page 255 of Audit Report for the year 2009-10, Non-obtaining of additional performance security - Rs.237,435/-

29.11.2011 The Department explained that all the works involved in the para had been completed within time limit at the approved cost. However it was admitted that in case of two projects, additional performance security was not obtained while in the third project, CDR for Rs.220,000/- had been obtained. The Department assured that no loss had been sustained by the Government as the works had been completed at site satisfactorily.

The Committee **settled the para** with the warning that such lapses should be strictly avoided in future.

19. Para No.4.19 Pages 255 & 256 of Audit Report for the year 2009-10, Overpayment due to allowing excess lead - Rs.154,616/-

29.11.2011 The Department explained that total recovery as pointed out by Audit, had been effected on account of payment for certain items and relevant record had also been got verified by Audit.

The Committee **settled the para** with the recommendations/directions that Administrative Secretary should take disciplinary action against the delinquent officers/officials under intimation to the PAC.

20. Para No.4.20 Pages 256 & 257 of Audit Report for the year 2009-10, Unjustified payment - Rs.152,445/-

21. Para No.4.21 Page 257 of Audit Report for the year 2009-10, Overpayment due to excessive rates - Rs.130,645/-

29.11.2011 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

22. Para No.4.22 Pages 257 & 258 of Audit Report for the year 2009-10, Overpayment due to imbalance rates - Rs.103,502/-

29.11.2011 The Department explained that total recovery as pointed out by Audit, had been effected on account of payment for certain items and relevant record had also been got verified by Audit.

The Committee **settled the para** with the recommendations/directions that Administrative Secretary should take disciplinary action against the delinquent officers/officials under intimation to the PAC.

23. Para No.4.23 Pages 258 & 259 of Audit Report for the year 2009-10, Overpayment due to excess lead - Rs.95,796/-

24. Para No.4.24 Pages 259 & 260 of Audit Report for the year 2009-10, Non-conducting of third party validation of development scheme

(i) **4.24.1 DP No. 76, Assistant Director, Local Government & Community Development, Faisalabad**

(ii) **4.24.2 DP No. 73, Assistant Director, Local Government & Community Development, Toba Tek Singh**

(iii) **4.24.3 DP No. 44, Assistant Director, Local Government & Community Development, Sargodha**

29.11.2011 The Department explained that necessary action in respect of above paras had already been taken and relevant record had also been got verified by Audit.

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

4.24.4 DP No. 64, Assistant Director, Local Government & Community Development, Jhang

29.11.2011 The Department explained that all the schemes of District Jhang, involved in the Audit Observation, had been completed and authentication/verification had also been conducted by the third party M/s JERS Consultants.

Audit contented that validation reports in respect of 21 schemes had been produced for verification in which the consultant had reported that 15 schemes had been finalized and recommended that completion certificate of these schemes could be issued. In case of six schemes, certain objections had been raised by the consultant and validation report of one scheme was yet to be produced by the Department.

The Committee recommended/directed that a fact-finding inquiry should be conducted into the matter within 90 days under intimation to the PAC.

The para was kept pending.

MINES & MINERALS

The paras were discussed in the meeting of PAC-II held on 24.07.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Pages 339 & 345 of Appropriation Accounts for the year 2009-10

04	Economic Affairs
044	Mining & Manufacturing
0441	Manufacturing
044105	Administration
LQ4382	Mines & Minerals Department

Final Grant		Rs.65,700,000/-
Actual Expenditure		Rs.30,534,059/-
Saving	(-)	Rs.35,165,941/-
Percentage		53.53%

24.07.2014 The Department explained that saving had occurred because several posts were lying vacant whereas bulk of the funds under the sub-head A05 lapsed due to late release by the Finance Department.

The Committee **settled the item** with the directions/recommendations that excess expenditure under the sub-head A012-1 should be got regularized by the competent authority.

2. Grant No. PC21022 (022) Industries Pages 346 to 355 of Appropriation Accounts for the year 2009-10

(i)	04	Economic Affairs
	044	Mining & Manufacturing
	0442	Mining
	044201	Mining of Mineral Resources Other Than
	LQ4221	Headquarters Establishment

Final Grant		Rs.39,074,000/-
Actual Expenditure		Rs.38,618,503/-
Saving	(-)	Rs. 455,497/-
Percentage		1.17%

24.07.2014 The Department explained that saving had occurred due to some vacant posts and less expenditure on account of utilities.

The Committee observed that despite huge savings against various sub-heads, there was excess expenditure against the sub-heads A011-2 and A012-1 for which proper explanation had not been tendered in the working papers.

The Committee therefore, directed the department to fix responsibility for excess expenditure and get it condoned by the competent authority.

The **item was conditionally settled** subject to above directions.

- (ii) 04 Economic Affairs
044 Mining & Manufacturing
0442 Mining
044201 Mining of Mineral Resources Other Than
LQ4223 Inspectorate of Mines

Final Grant		Rs.81,491,000/-
Actual Expenditure		Rs.77,846,563/-
Saving	(-)	Rs. 3,644,437/-
Percentage		4.47%

- (iii) 04 Economic Affairs
044 Mining & Manufacturing
0442 Mining
044201 Mining of Mineral Resources Other Than
LQ4331 Regional Establishment

Final Grant		Rs.85,090,000/-
Actual Expenditure		Rs.82,426,096/-
Saving	(-)	Rs. 2,663,904/-
Percentage		3.13%

24.07.2014 The Department explained that saving had occurred mainly under the sub-heads of Pay & Allowances because several posts were lying vacant which could not be filled due to ban on recruitment.

The Committee **settled the above items** with the directions that surplus funds should be timely surrendered in future.

- (iv) 04 Economic Affairs
044 Mining & Manufacturing
0442 Mining
044201 Mining of Mineral Resources Other Than
LW4008 Regional Establishment

Final Grant		Rs.42,634,000/-
Actual Expenditure		Rs.42,629,117/-
Saving	(-)	Rs. 4,883/-
Percentage		0.01%

24.07.2014 The Department stated that there were nominal savings against various sub-heads and requested for settlement of the item.

The Committee **settled the item** with the directions/recommendations that excess expenditure against the sub-head A012-1, should be got regularized by the Finance Department.

3. Grant No. PC22036 (036) Development (All Voted) Pages 360 to 366 of Appropriation Accounts for the year 2009-10

- (i) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0442 Mining
044201 Mining of Mineral Resor. O/T Mineral
LE4311 Establishment of Mines Rescue

Final Grant		Rs.30,846,000/-
Actual Expenditure		Rs.11,696,329/-
Saving	(-)	Rs.19,149,671/-
Percentage		62.08%

- (ii) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0442 Mining
044201 Mining of Mineral Resor. O/T Mineral
LE4312 Provision of Wholesale Drinking Water

Final Grant		Rs.67,803,000/-
Actual Expenditure		Rs.43,325,526/-
Saving	(-)	Rs.24,477,474/-
Percentage		36.10%

24.07.2014 There was variation in figures of above items between the administrative department and the office of the AG Punjab.

The **items were kept pending** for reconciliation of accounts at the earliest.

- (iii) 04 Economic Affairs
042 Agri, Food, Irrigation, Forestry and Fishing
0442 Mining
044201 Mining of Mineral Resor. O/T Mineral
LE4313 Assessment & Rehabilitation of areas

Final Grant		Rs.17,730,000/-
Actual Expenditure		<i>Nil</i>
Saving	(-)	Rs.17,730,000/-
Percentage		100.00%

24.07.2014 The Department explained that initially no funds had been allocated for relevant scheme but funds amounting to Rs.17.50 million were re-appropriated later from another scheme. Thereafter, contingency bills were submitted to the DAO Khushab which were returned with the objection that budget had not been released in the system. However, in case of sub-head A09-physical assets, the expenditure could not be incurred due to non-fulfillment of some codal formalities.

The Committee **settled the item** with the directions/recommendations that Finance Department should improve the mechanism for timely release of funds to the concerned quarters.

Audit Paras (Commercial) for the year 2009-2010

1. **Para No.50 Page 61 of Audit Report for the year 2009-10, Working results**

2. **Para No. 50.1 Page 61 of Audit Report for the year 2009-10, Working results**

24.07.2014 The Department explained that delay in submission of accounts had occurred because accounts of the previous year were re-opened by the Chartered Accountants for some adjustments. Subsequently, accounts had been got verified by Audit.

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

3. **Para No. 51 Page 61 of Audit Report for the year 2009-10, Loss due to short production of coal – Rs. 70.630 million**

24.07.2014 The Department explained that 44 parties reflected in audit observation were not involved in production of coal, rather they were responsible for lifting of the produced coal and the production was dependent upon many technical complexities such as seam thickness, water problems and mechanical failures etc. As such, fluctuation in anticipated production was frequently encountered.

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

4. **Para No. 52 Pages 62 & 63 of Audit Report for the year 2009-10, Loss due to excavation of salt at higher rates through private contractor – Rs. 3.689 million**

24.07.2014 The Department explained that necessary action in respect of audit observation had been taken and relevant record had also been got verified by Audit.

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

5. **Para No. 53 Pages 63 & 64 of Audit Report for the year 2009-10, Irregular payments on provision of vehicles & other benefits – Rs. 2.966 million**

24.07.2014 The Department explained that as per directions of SDAC, an inquiry was conducted into the matter whereby it was concluded that only one vehicle in use of Ex-Managing Director and other three vehicles were in the transport pool for official duty. Similarly, only one vehicle was used by the Secretary and all the relevant record had been produced to Audit.

The Committee was not satisfied with the explanation of the Department as well as findings of the inquiry report and directed/recommended that PAO should inquire the matter and fix responsibility for the lapse under intimation to the PAC.

The **para was kept pending.**

6. Para No. 54 Page 64 of Audit Report for the year 2009-10, Loss due to non-imposition of penalty – Rs. 1.098 million

24.07.2014 The Department explained that necessary action in respect of audit observation had been taken and relevant record had also been got verified by Audit.

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

7. Para No. 55 Pages 64 & 65 of Audit Report for the year 2009-10, Irregular provision of two vehicles to the Minister Mines and Minerals and payment of repair & maintenance – Rs. 1.551 million

24.07.2014 The Department explained that an inquiry had been conducted into the matter and it was concluded that only one vehicle was used by the Chairman, Punjmin board while other vehicle pointed out by Audit, was in transport pool for official duty. It was also added that expenditure on POL and repair of vehicles was also in order.

The Committee was not satisfied with the explanation of the Department as well as findings of the inquiry report and directed/recommended that PAO should inquire the matter and fix responsibility for the lapse under intimation to the PAC.

The **para was kept pending.**

8. Para No. 56 Pages 65 & 66 of Audit Report for the year 2009-10, Non-recovery of outstanding amount – Rs. 1.283 million

24.07.2014 The Department explained that all possible efforts were made for recovery of outstanding dues from M/s Balochistan Glass Limited but in vain. Therefore, a recovery suit had been filed in the civil court which was still pending.

Being subjudice, the **para was kept pending.**

9. Para No. 57 Page 66 of Audit Report for the year 2009-10, Loss due to use of services of daily wagers without entitlement – Rs. 0.537 million

24.07.2014 The Department explained that as per directions of SDAC, an inquiry had been conducted into the matter whereby no allegations could be proved against the Ex-Managing Director. It was added that entry was made in the register with malafide intentions regarding duties of 10 employees at the residence of Ex-MD.

The Committee was not satisfied with the explanation of the Department as well as findings of the inquiry report and directed/recommended that PAO should inquire the matter and fix responsibility for the lapse under intimation to the PAC.

The **para was kept pending.**

10. Para No. 58 Pages 66 & 67 of Audit Report for the year 2009-10, Inadmissible payment of additional charge – Rs. 0.243 million

24.07.2014 The Department explained that all the outstanding dues had been recovered from the concerned officer which had also been got verified by Audit.

On the recommendations of Audit, the Committee **settled the para** with the directions/recommendations that warning be issued to the officer responsible for inadmissible payment.

**PLANNING
&
DEVELOPMENT**

The paras were discussed in the meeting of PAC-II held on 28.03.2014.

GENERAL OBSERVATION/RECOMMENDATIONS

28.03.2014 The Committee was informed that Planning & Development Department had submitted the working papers only few minutes before the commencement of meeting. Moreover, the working papers had not been compiled in accordance with the prescribed format.

The Committee expressed its displeasure on casual attitude of the Department towards PAC business and desired that Principal Accounting Officer should ensure timely submission of working papers in future.

POPULATION WELFARE

The paras were discussed in the meeting of PAC-II held on 30.11.2011.

Audit Paras (Civil) for the year 2009-2010

1. Para No.9.1 Pages 387 & 388 of Audit Report for the year 2009-10, Unjustified payment to male mobilizers -- Rs.9.461 million

9.1.1 DPWO, Sheikhpura – Rs. 6,778,396/-

30.11.2011 The Department explained that payment to the male mobilizers was made on account of retainer-ship fee/motorcycle allowance and individual performance/ monitoring reports of each male mobilizer duly approved by TPWO was available for verification. It was further stated that male mobilizers were not regular employees of the department and they performed their duties in the field at the level of Tehsil Population Welfare Office.

The Committee observed that male mobilizers were hardly visible in the field and their contribution towards family welfare was quite negligible. The Committee recommended that each District Incharge of the department should be directed to co-ordinate with the respective public representatives to ensure fruitful utilization of the services of male mobilizers.

Subject to above directions, the **para was settled.**

9.1.2 DPWO, Faisalabad – Rs. 2,683,200/-

30.11.2011 The Department explained that male mobilizers were performing duties according to the job descriptions prescribed in the PC-1 and submitted their monthly performance reports and tour programmes to the concerned Tehsil Population Welfare Officer who closely supervised their performance.

Audit contented that no record had been produced by the department in support of its contention.

The Committee **conditionally settled the para** subject to verification of relevant record within 30 days and recommended that a briefing regarding on-going projects of the department, should be arranged for the Public Representatives at the earliest.

2. Para No.9.2 Pages 388 & 389 of Audit Report for the year 2009-10, Excess drawal of pay and allowances - Rs.965,867/-

9.2.1 DPWO, Faisalabad – Rs. 803,700/-

30.11.2011 The Department explained that salaries of the WMOs had been enhanced according to the provisions of PC-I. However, in view of Audit observation, notices had been issued to the concerned employees to deposit the outstanding dues in the government treasury at the earliest.

The Committee recommended/directed that complete recovery should be effected within 30 days under intimation to the PAC.

The **para was kept pending.**

9.2.2 DPWO, Attock – Rs. 162,167/-

30.11.2011 The Department explained that the complete recovery as per Audit observation had been effected and deposited into the Govt. treasury which could be verified by Audit.

Audit contented that recovery challans ought to be got verified by the concerned DAO.

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

3. Para No.9.3 Page 389 of Audit Report for the year 2009-10, Irregular expenditure on purchases - Rs.433,480/-

30.11.2011 The Department explained that purchases were made at economical rates with due approval of the competent authority after observing all the codal formalities and relevant record in support of its contention had also been got verified by Audit.

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

4. Para No.9.4 Pages 390 & 391 of Audit Report for the year 2009-10, Irregular payment of rent of building - Rs.2.194 million

30.11.2011 The Department explained that necessary action in respect of Audit observation had already been taken and relevant record had also been got verified by Audit.

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

**PROVINCIAL
ASSEMBLY OF THE
PUNJAB**

The grants were discussed in the meeting of PAC-II held on 16.07.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Pages 513 to 517 of Appropriation Accounts for the year 2009-10

- (i) 01 General Public Service
011 Executive & Legislative Organs, Financial
0111 Executive & Legislative Organs
011101 Parliamentary/Legislative Affairs

LQ4053 Provincial Assembly

Final Grant		Rs.334,501,000/-
Actual Expenditure		Rs.302,906,692/-
Saving	(-)	Rs. 31,594,308/-
Percentage		9.45%

16.07.2014 The representative of AG Punjab informed that accounts had been reconciled.

The Department explained that saving had mainly occurred due to the reason that lesser number of Assembly Sessions and Committees meetings were held, whereas a reasonable amount had to be retained for upcoming sessions, committees meetings and for delegations abroad. As such, retention of funds was necessary to avoid any inconvenience to the Honourable MPAs.

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

- (ii) 01 General Public Service
011 Executive & Legislative Organs, Financial
0111 Executive & Legislative Organs
011101 Parliamentary/Legislative Affairs

LQ4054 Provincial Assembly (Charged)

Final Grant		Rs.3,451,000/-
Actual Expenditure		Rs.3,286,019/-
Saving	(-)	Rs. 164,981/-
Percentage		4.78%

16.07.2014 The representative of AG Punjab informed that accounts had been reconciled.

The Department explained that saving under the sub-head of 'other allowances' had occurred because a sum of Rs.50,000/- was retained for re-imburement of medical charges of Honourable Mr. Speaker and Deputy Speaker but no re-imburement bill was claimed. Moreover, bulk of the saving under the sub-head of 'Operating Expenses' was

due to less expenditure on account of TA/DA and delegations abroad. As such saving had occurred due to unpredictable circumstances.

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

- (iii) 01 General Public Service
011 Executive & Legislative Organs, Financial
0111 Executive & Legislative Organs
011101 Parliamentary/Legislative Affairs
LQ4055 Provincial Assembly Department (Charged)

Final Grant		Rs.309,851,000/-
Actual Expenditure		Rs.297,766,375/-
Saving	(-)	Rs. 12,084,625/-
Percentage		3.90%

16.07.2014 The representative of AG Punjab informed that accounts had been reconciled.

The Department explained that saving under the sub-heads of Pay & Allowances had occurred because some posts were lying vacant for which surplus funds had been surrendered after retaining salaries for three months. Moreover, saving under the sub-heads of 'transfers' was due to lesser expenditure on accounts of entertainment/gifts for incoming delegations which could not be estimated precisely.

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

**SERVICES
&
GENERAL
ADMINISTRATION**

The paras were discussed in the meetings of PAC-II held on 18.04.2011, 19.04.2011, 17.01.2012 and 29.08.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Pages 535 to 560 of Appropriation Accounts for the year 2009-10

- (i) 01 General Public Service
011 Executive & Legislative Organs, Financial
0111 Executive & Legislative organs
011103 Provincial Executive

LQ4059 Ministers

Final Grant		Rs.172,207,000/-
Actual Expenditure		Rs.167,883,790/-
Saving	(-)	Rs. 4,323,210/-
Percentage		2.51%

29.08.2014 The Department explained that maximum efforts were made to utilize the funds but exact amount could not be anticipated for allowances paid to the Provincial Ministers, Advisors and Special Assistants to Chief Minister. It was added that excess expenditure against the sub-heads A011-1 and A012-1 had been incurred due to payment of arrears to certain Ministers and a Special Assistant to Chief Minister.

The Committee **settled the item** subject to condonation of excess expenditure by the Finance Department.

- (ii) 01 General Public Service
015 General Services
0151 Personal Services
015101 Establishment Services & General Administration
LQ4445 Inter Provincial Coordination Wing of S & GAD

Final Grant		Rs.13,820,000/-
Actual Expenditure		Rs.10,491,777/-
Saving	(-)	Rs. 3,328,223/-
Percentage		24.08%

29.08.2014 The Department explained that saving had occurred because several posts were lying vacant and defunct IPC Wing, S&GAD failed to surrender the surplus funds.

The Committee **settled the item** with the directions that the Department should ensure timely surrender of surplus funds, in future.

- (iii) 01 General Public Service
 011 Executive & Legislative Organs, Finance
 0111 Executive & Legislative Organs
 011110 General Commission & Enquiries
LQ4092 Public Service Commission

Final Grant		Rs.146,549,000/-
Actual Expenditure		Rs.139,630,989/-
Saving	(-)	Rs. 6,918,011/-
Percentage		4.72%

29.08.2014 The Department explained that saving had occurred because several posts were lying vacant and a cheque amounting to Rs.1,000,000/- was not cleared by the treasury office which ultimately resulted in lapse of funds.

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

- (iv) 01 General Public Service
 011 Executive & Legislative Organs, Financial
 0111 Executive & Legislative Organs
 011104 Administrative Inspection
LQ4061 Provincial Ombudsman

Final Grant		Rs.77,676,000/-
Actual Expenditure		Rs.72,987,783/-
Saving	(-)	Rs. 4,688,217/-
Percentage		6.04%

29.08.2014 The Department explained that saving had occurred because lesser medical re-imburement bills were received and some bills could not be cleared from AG office due to time constraints.

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

- (v) 01 General Public Services
 015 General Services
 0151 Personal Services
 015101 Establishment Services & General Administration
LQ4090 Director General Protocol

Final Grant		Rs.35,466,000/-
Actual Expenditure		Rs.34,434,204/-
Saving	(-)	Rs. 1,031,796/-
Percentage		2.91%

29.08.2014 The Department explained that saving had occurred due to transfer/repatriation of officers/officials during last quarter of the financial year.

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

- (vi) 03 Public Order & Safety Affairs
- 031 Law Courts
- 0311 Law Courts
- 031101 Courts/Justice

LQ4091 Punjab Services Tribunal

Final Grant		Rs.34,604,000/-
Actual Expenditure		Rs.30,234,609/-
Saving	(-)	Rs. 4,369,391/-
Percentage		12.63%

29.08.2014 The Department explained that saving had occurred due to vacant posts which were expected to be filled through posting/transfers whereas excess expenditure against the sub-heads A011-2 and A012-2 was due to increase in salary.

The Committee directed/recommended that vacancies should be filled at the earliest and excess expenditure should be got condoned by the Finance Department.

The **item was conditionally settled** subject to above directions.

- (vii) 01 General Public Service
- 011 Executive & Legislative Organs, Financial
- 0111 Executive & Legislative Organs
- 011103 Provincial Executive

LQ4058 Chief Ministers Secretariat

Final Grant		Rs.292,526,000/-
Actual Expenditure		Rs.293,613,489/-
Excess	(+)	Rs. 1,087,489/-
Percentage		0.37%

29.08.2014 The Department explained that minor excess had occurred under the sub-heads of Pay & Allowances due to payment of dues to the terminated employees whereas expenditure against the sub-head A09-Physical Assets had been incurred after allocation of supplementary grant.

The Committee directed/recommended that budget figures should be reconciled with the Finance Department and excess expenditure should be got condoned by the competent authority.

The **item was conditionally settled** subject to above directions.

- (viii) 01 General Public Service
011 Executive & Legislative Organs, Financial
0111 Executive & Legislative Organs
011104 Administrative Inspection
LQ4060 Chief Minister Inspection Team

Final Grant		Rs.31,143,000/-
Actual Expenditure		Rs.31,394,270/-
Excess	(+)	Rs. 251,270/-
Percentage		0.81%

29.08.2014 The Department explained that excess expenditure had been incurred mainly under the sub-heads of Pay & Allowances which was inevitable.

The **item was conditionally settled** subject to condonation of the excess expenditure by the Finance Department.

- (ix) 03 Public Order & Safety Affairs
032 Police
0321 Police
032108 Economic Crime Investigation
LQ4093 Anti Corruption Establishment

Final Grant		Rs.303,951,000/-
Actual Expenditure		Rs.291,964,324/-
Saving	(-)	Rs. 11,986,676/-
Percentage		3.94%

29.08.2014 The Department explained that saving had occurred because certain posts were lying vacant and some bills could not be entertained due to shortage of time.

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

- (x) 01 General Public Services
015 General Services
0151 Personal Services
015101 Establishment Services & General Administration
LQ4507 Aviation Flight (RW)

Final Grant		Rs.52,412,000/-
Actual Expenditure		Rs.45,310,744/-
Saving	(-)	Rs. 7,101,256/-
Percentage		13.55%

29.08.2014 The Department explained that excess expenditure against the sub-head A011-2 had been depicted in the book due to wrong booking by the AG office.

Moreover, the funds against the sub-head A-03 could not be utilized because the helicopter was grounded due to installation of engine.

The Committee **settled the item** with the directions that timely submission of proper excess & surrender statement should be ensured in future.

- (xi) 01 General Public Services
- 015 General Services
- 0151 Personal Services
- 015101 Establishment Services & General Administration
- LQ4504 VIP Flight Maintenance Operation Cell**

Final Grant		Rs.59,812,000/-
Actual Expenditure		Rs.54,304,777/-
Saving	(-)	Rs. 5,507,223/-
Percentage		9.21%

29.08.2014 The Department explained that saving had occurred mainly due to less consumption of POL for VIP flights whereas excess expenditure against the sub-head A011-1 had occurred because extra funds were surrendered due to clerical mistake.

The Committee accepted the explanation of Department and **settled the item** with the directions that excess expenditure should be got condoned by the competent authority.

- (xii) 03 Public Order & Safety Affairs
- 032 Police
- 0321 Police
- 032108 Economic Crime Investigation
- LQ4094 Special Judges Anti Corruption Courts**

Final Grant		Rs.46,221,000/-
Actual Expenditure		Rs.50,654,352/-
Excess	(+)	Rs. 4,433,352/-
Percentage		9.59%

29.08.2014 The Department explained that excess expenditure had been incurred mainly under the sub-heads of Pay & Allowance due to provision of judicial allowance and the expenditure was inevitable.

The **item was conditionally settled** subject to condonation of the excess expenditure by the Finance Department.

- (xiii) 01 General Public Services
- 015 General Services
- 0151 Personal Services
- 015101 Establishment Services & General Administration
- LQ5994 Public Policy & Change Management Wing S & GAD**

Final Grant		Rs.10,268,000/-
Actual Expenditure		Rs. 9,238,570/-
Saving	(-)	Rs. 1,029,430/-
Percentage		10.03%

29.08.2014 The Department explained that saving had occurred because several posts were lying vacant while the recruitment process had been initiated which could not be completed within financial year due to some procedural formalities.

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

- (xiv) 01 General Public Service
015 General Service
0151 Personal Service
015101 Establishment Services General Administration
LQ4063 Services and General Administration Department

Final Grant		Rs.730,800,000/-
Actual Expenditure		Rs.721,362,380/-
Saving	(-)	Rs. 9,437,620/-
Percentage		1.29%

29.08.2014 The Department explained that minor saving against various sub-heads had occurred due to vacant posts whereas excess expenditure against the sub-head A011-1 was due to creation of OSDs/surplus officers posts by the Finance Department.

The **item was conditionally settled** subject to condonation of excess expenditure by the Finance Department.

2. Grant No. PC21031 (031) Miscellaneous (All Voted) Pages 563 & 564 of Appropriation Accounts for the year 2009-10

- (i) 01 General Public Service
011 Executive and Legislative Organs, Financial
0112 Financial and Fiscal Affairs
011250 Others
LQ4285 Government Contribution to Group Insurance of Employees

Final Grant		Rs.40,592,000/-
Actual Expenditure		Rs.40,592,000/-
Excess/Saving		<i>Nil</i>
Percentage		0.00%

29.08.2014 The Department explained that all the allocated funds had been fully utilized.

The **item was accordingly settled.**

- (ii) 01 General Public Service
 011 Executive and Legislative Organs, Financial
 0111 Executive and Legislative Organs
 011110 General Commission & Enquiries
LQ4284 Official Language Committee

Final Grant		Rs.5,365,000/-
Actual Expenditure		Rs.5,206,965/-
Saving	(-)	Rs. 158,035/-
Percentage		2.95%

29.08.2014 The Department explained that saving had occurred because surrender statement could not be materialized due to shortage of time.

The Committee directed that such lapses should be avoided in future and excess expenditure against the sub-head A011-1 should be got condoned by the competent authority.

Subject to above directions, **the item was conditionally settled.**

- (iii) 01 General Public Service
 019 Public Services Not Elsewhere Define
 0191 Public Services Not Elsewhere Define
 019120 Others
DQ4007 Miscellaneous Expenditure on Tribes in D.G. Khan

Final Grant		Rs.176,000/-
Actual Expenditure		Rs.175,875/-
Saving	(-)	Rs. 125/-
Percentage		0.07%

29.08.2014 The Department explained that funds had been almost fully utilized.

The **item was accordingly settled.**

3. Grant No. PC24045 (045) Privy Purses Page 567 of Appropriation Accounts for the year 2009-10

- 01 General Public Services
 019 General Public Services not Elsewhere Definable
 0191 General Public Services not Elsewhere Definable
 019120 Others
LQ4319 Maintenance Allowance to Ex-Rulers (LO4319) (Charged)

Final Grant	Rs.1,600,000/-
Actual Expenditure	Rs.1,600,000/-
Excess/Saving	<i>Nil</i>
Percentage	0.00%

29.08.2014 The Department explained that all the allocated funds had been fully utilized.

The **item was accordingly settled.**

Audit Paras (Civil) for the year 2009-2010

1. Para No.10.1 Page 405 & 406 of Audit Report for the year 2009-10; Change in the mode of insurance policy-Approximate loss – Rs.300.000 million

19.04.2011 The Department explained that at the time of damage of aircraft, the insurance cover was limited only to the third partly liability under Civil Aviation Rules and the change in the insurance cover was implemented after approval of the competent authority.

The Committee was not satisfied with the explanation of the department and directed/recommended that a fact-finding inquiry be conducted into the matter to fix responsibility for not adopting the comprehensive mode of insurance and report be submitted to the Committee within 120 days along with the present policy of the Government of Punjab for such purposes.

The para was kept pending.

29.08.2014 The Department explained that as per directions of PAC, an inquiry was conducted into the matter whereby it was concluded that no malafide intention was involved in the matter and the decision had been taken in view of financial position of the government.

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

2. Para No.10.2 Pages 406 to 408 of Audit Report for the year 2009-10; Irregular auction of vehicles Rs. 166.834 million

19.04.2011 The Department explained that the vehicles were declared surplus or replaceable after observing all the codal formalities and were auctioned at a price much higher than the reserve price with the approval of competent authority.

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

29.08.2014 The Department explained that some record was not available but auction had been conducted in transparent manner which had been appreciated by the Chief Minister.

The Committee directed/recommended that an inquiry should be conducted on account of missing record and if necessary, responsibility should be fixed for the lapse.

The **para was conditionally settled** subject to above directions.

3. Para No.10.3 Pages 408 to 410 of Audit Report for the year 2009-10; Irregular purchase of transport - Rs. 41.970 million

19.04.2011 The Department explained that 30 new Toyota Corolla GLI 1300 cars were purchased with approval of the Chief Minister Punjab for official use of the Provincial Cabinet and the delivery challans and inspections reports of all these vehicles were available for verification.

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

4. Para No.10.4 Pages 410 & 411 of Audit Report for the year 2009-10; Loss on sale of spare parts - Rs. 8.031/- million

19.04.2011 The Department explained that the Sale of the aircraft and its spare parts was carried out with approval of the Chief Minister after detailed deliberations by a high level committee appointed for the purpose. As such no violation of rules had taken place.

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

29.08.2014 The Department explained that tender for sale of aircraft had been widely published in the national as well international newspapers and US\$ 200,000/-being the book value of the spare parts inventory as indicated by the Audit was the landed cost which includes import duties, taxes, airfreight and certain other allied expense while actual value of the inventory was not more than US\$ 1,00,000/-and at this price the inventory was sold.

The Committee **settled the para** with the direction/recommendations that third party evaluation should be got conducted in such cases in future.

5. Para No. 10.5 Pages 411 to 412 of Audit Report for the year 2009-10; Irregular purchase of other stores and stationary – Rs. 7.185 million

10.5.1 AIR No. 21 Addl. Chief Secretary S&GAD

10.5.2 AIR No. 39 Addl. Chief Secretary S&GAD

29.08.2014 The Department explained that Additional Chief Secretary had officially notified and delegated powers to secretary (I&C) and purchases were made after advertisements through DGPR as per rules.

The **paras were conditionally settled** subject to verification of relevant record by Audit.

6. Para No.10.6 Pages 412 to 414 of Audit Report for the year 2009-10; Uneconomical and irregular expenditure on repair of vehicles - Rs. 6.600 million

19.04.2011 The Department explained that repair work of the vehicles was carried out as per requirement on different dates with approval of the competent authority within the

provision of delegations of financial powers and all the relevant record in support of departmental contention had been got verified by Audit.

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

7. Para No.10.7 Pages 414 & 415 of Audit Report for the year 2009-10; Irregular expenditure on entertainment charges – Rs.3.967 million

10.7.1 Comptroller-Banquet Hall – Rs. 2,000,715/-

10.7.2 Section Officer (Welfare-I) – Rs. 1,175,200/-

18.04.2011 The Department explained that the expenditure was incurred within the provisions of delegation of financial power rules and departmental contention was endorsed by the Finance Department vide the clarification issued through a letter dated 04.01.2010.

The Committee accepted the explanation of the Department and the **paras were settled.**

10.7.3 Section Officer (Cabinet-II) I&C Wing – Rs. 540,900/-

10.7.4 Section Officer (Cabinet-II) – Rs. 200,397/-

10.7.5 Section Officer (O&M) – Wing - Rs. 490,947/-

29.08.2014 The Department explained that an advice had been sought in the matter from the Finance Department whereby it was held that expenditure was in order.

Finance Department contended that departmental contention was justified but advice ought to have been obtained from the Monitoring Wing, Finance Department.

The **para was conditionally settled** subject to clarification letter by the Monitoring Wing, Finance Department.

8. Para No.10.8 Page 416 of Audit Report for the year 2009-10; Unauthorized occupation of residential accommodations and non-recovery of penal rent – Rs.2.863 million

18.04.2011 The Department explained that out of the total recovery, a sum of Rs.1,013,069/- had been recovered and efforts were being made to recover the balance outstanding amount. It was added that in certain cases, the matter was *subjudice* in the court of law which was being pursued vigorously.

The Committee reduced the para to the extent of recovery effected and directed/recommended that balance recovery be effected within six months.

29.08.2014 The Department explained that a sum of Rs 2,128,043/- had been recovered/adjusted and efforts were being made for balance recovery.

The Committee expressed its concern on illegal/un-authorized occupation of government accommodations and directed/recommended that earlier directions of PAC in respect of similar cases contained in Audit Report 2003-04, should be complied with in letter & spirit and strict action should be taken against illegal occupants, as per law. It was added that a progress report regarding compliance of aforesaid directions of PAC, should be submitted quarterly.

The para was reduced to the extent of recovery verified by Audit and its **remaining portion was kept pending** for recovery of outstanding dues at the earliest.

9. Para No.10.9 Pages 416 to 418 of Audit Report for the year 2009-10; Irregular expenditure on purchase and repairs – Rs.2.793 million

10.9.1 Section Officer (Cabinet-II) – Rs. 1,425,607/-

29.08.2014 The Department explained that purchases of stores/miscellaneous items were made as per requirement which could not be purchased in bulk as per Finance Department's clarification vide letter dated 24.4.2007.

The Director (Monitoring) Finance Department also endorsed the Departmental contention in the meeting.

The **para was accordingly settled.**

10.9.2 Section Officer (Welfare-I) – Rs. 1,044,662/-

10.9.3 Section Officer (Welfare-I) – Rs. 194,646/-

18.04.2011 The Department explained that expenditure was incurred on repair and purchase of furniture and the matter for regularization of this expenditure had already been referred to the Finance Department.

The paras were conditionally settled subject to regularization of the expenditure by the Finance Department.

29.08.2014 The Department explained that expenditure had been regularized by the Finance Department which had also been got verified by Audit.

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

10.9.4 Comptroller-- Rs. 128,050/-

18.04.2011 The Department explained that the sanction to incur the expenditure was accorded by the competent authority within his competency and the relevant record in support of departmental contention had been got verified by Audit.

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

10. Para No. 10.10 Pages 418 to 420 of Audit Report for the year 2009-10; Recovery on consumption of POL over & above entitlement – Rs. 541,623/-

AIR No. 33 Addl. Chief Secretary S&GAD

29.08.2014 The Department explained that vehicles were used for official tours by the officers for performing official responsibilities and all the relevant record in support of Departmental contention was available for verification.

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

AIR No. 61 Addl. Chief Secretary S&GAD

29.08.2014 The Department explained that vehicles were being used by the officers to attend the official meetings outside District as well and all the relevant record was available for verification.

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

11. Para No.10.11 Pages 420 & 421 of Audit Report for the year 2009-10; Irregular payment of orderly allowance Rs – 503,118/-

19.04.2011 The Department explained that the pilot and co-pilots were performing their duties in grade 20 and 21 respectively and orderly allowance was admissible to them as per approved terms & conditions of their service duly vetted by the Finance Department.

The representative of Finance Department also endorsed the contention of the Department.

The Committee accordingly **settled the para.**

12. Para No.10.12 Pages 421 & 422 of Audit Report for the year 2009-10; Non/Less deduction of income tax -- Rs. 243,801/-

18.04.2011 The Department explained that petty eatables and entertainment items were purchased on daily basis for meetings in different offices of S & GAD, as the same could not be stored. As such the income tax could not be deducted on such petty purchases.

However, Audit contented that departmental contention was not justified in view of the relevant vouchers and record.

The Committee kept the para pending with the directions that the matter be reconciled with Audit within 90 days.

29.08.2014 The Department explained that an amount of Rs.15,275/- had been recovered and Rs.50,127 had been spent on the purchase of furniture for C.M House and exemption certificate was also available whereas an amount of Rs,40,854/- related to petty eatables.

The **para was kept pending** with the directions that balance recoverable amount should be reconciled with Audit.

13. Para No.10.13 Pages 422 & 423 of Audit Report for the year 2009-10; Unauthorized payment of additional flying allowance - Rs. 212,473/-

19.04.2011 The Department explained that Col (R) Muhammad Saleem, Chief pilot was going to retire from service and during the period of his LPR, he was paid Flying Allowance as the same was granted in Army Aviation on production of a certificate at the end of each year that a pilot had completed the minimum number of specified hours in an aircraft during the preceding year. As the concerned chief pilot had completed more than 250 hours during the year 2007, he was, therefore, entitled for payment of flying allowance/additional flying allowance during 2008.

The Committee kept the para pending with the directions that the department should produce the relevant rules to Audit in support of its contention and if necessary, seek an advice from the Finance Department to resolve the matter.

29.08.2014 The Department explained that outstanding amount had been deposited by the concerned officer and requisite challans would be produced to Audit for verification.

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

14. Para No.10.14 Pages 423 & 424 of Audit Report for the year 2009-10; Non production of record -- Rs. 210,000/-

10.14.1 Chief Pilot VIP Flights, Lahore – Rs. 210,000/-

19.04.2011 The Department explained that safety management system was implemented in the office of Chief Pilot, VIP Flights with approval of the Government of Punjab and services of M/s Tech Sol (Pvt.) were hired on emergency basis with approval of the next higher authority i.e. Additional Chief Secretary.

The Committee accepted the explanation of the department and **settled the para** with the directions that timely production of record be ensured in future.

10.14.2 Estate Officer – Record of residential allotments

29.08.2014 The Department explained that matter relating to deduction of rent was being dealt in the Rent Branch, S&GAD where the record was available for verification.

The Committee **settled the para** with the directions that provision of record by the Rent Section should be ensured.

10.14.3 Section Officer (Welfare-I)

18.04.2011 The Department explained that the demolition of certain buildings of the Civil Secretariat was approved by the Chief Minister Punjab and these offices were shifted to other buildings along with their belongings and record.

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

15. Para No. 10.15 Pages 425 & 426 of Audit Report for the year 2009-10; Irregular allocation of 71 vehicles to other departments

29.08.2014 The Department explained that the vehicles were lent to other government Departments as per rules.

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

16. Para No. 10.16 Pages 426 to 428 of Audit Report for the year 2009-10; Unauthorized deployment of vehicles to other departments/non-entitled persons

29.08.2014 The Department explained that all the vehicles were provided to the entitled officers as per rules/policy.

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

17. Para No. 10.17 Pages 428 & 429 of Audit Report for the year 2009-10; Irregular provision of official vehicles to unauthorized personnel

29.08.2014 The Department explained that as per policy three section officers were entitled for use of one vehicle and the vehicles were allotted by name to one of the three officers for performing official responsibilities. However, the vehicles had been withdrawn latterly.

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

18. Para No. 10.18 Pages 429 & 430 of Audit Report for the year 2009-10; Loss to government due to vehicles stolen

29.08.2014 The Department explained that the matter regarding stolen vehicles was under investigation by the Police and an amount of Rs.500,000 had been recovered from the concerned driver.

The **para was kept pending** with the directions that matter should be pursued vigorously.

19. Para No. 10.19 Pages 431 & 432 of Audit Report for the year 2009-10; Unauthorized possession of vehicles by transferred officers

29.08.2014 The Department explained that all vehicles had been retrieved and relevant record was also available for verification.

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

20. Para No. 10.20 Page 432 of Audit Report for the year 2009-10; Irregular drawl of the pay of 323 posts over and above the sanctioned strength

29.08.2014 The Department explained that all the posts were duly sanctioned which had been got verified by Audit.

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

21. Para No. 10.21 Pages 432 to 434 of Audit Report for the year 2009-10; Unnecessary purchase of vehicles

29.08.2014 The Department explained that vehicles had been purchased as per requirement which were deployed with the cabinet members and no excess vehicle was purchased.

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

22. Para No. 10.22 Page 434 of Audit Report for the year 2009-10; Expenditure exceeding budget allocation - Rs. 71.717 million

29.08.2014 The Department explained that a case for regularization of the expenditure had been moved for approval of the Finance Department.

The **para was conditionally settled** subject to decision of the Finance Department.

GENERAL DIRECTIONS / RECOMMENDATIONS

17.01.2012 On commencement of meeting, the Committee desired that the Department should explain the reasons for non-compliance of its directions as neither the requisite inquiry report was submitted nor did the department bother to provide the list of unauthorized occupants despite directions of Public Accounts Committee-II given in its meetings held on 19.8.2009 and 18.4.2011.

The representative of the Department contented that the matter was related to the Audit Report for the year 2003-04 which was not included in the agenda of the meeting, therefore, they were not prepared to explain the matter adequately. However, it was added that allotment policy of S & GAD had been referred to the Finance Department after proposing necessary amendments.

The Committee observed that attitude of the administrative department was quite casual towards the PAC and the aforesaid actions ought to have been taken long ago whereas the department had still put the matter on ice. The Committee therefore, deferred the consideration of the business with the directions that necessary action in compliance with its earlier directions should be taken at the earliest and progress be reported to the PAC within fortnight failing which the Committee would take up the matter with higher authorities of the Punjab Government.

29.08.2014 The Committee unanimously directed/recommended that efficient working of Quarterly Review Committee under the chairmanship of Additional Chief Secretary (S&GAD) Punjab should be ensured for early disposal of pending audit paras as well as compliance of PAC directives.

**TECHNICAL
EDUCATION
&
VOCATIONAL
TRAINING
AUTHORITY**

The paras were discussed in the meeting of PAC-II held on 18.07.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21022 (022) Industries Pages 246 to 255 of Appropriation Accounts for the year 2009-10

04 Economic Affairs
044 Mining And Manufacturing
0441 Manufacturing
044101 Support For Industrial Development
LQ4219 Grant-in-Aid to TEVTA

	<u>AG Figures</u>	<u>Departmental Figures</u>
Final Grant	Rs.3,737,703,000/-	Rs.3,737,703,000/-
Actual Expenditure	Rs.3,692,662,680/-	Rs.3,692,945,184/-
Saving (-)	Rs. 45,040,320/-	(-) Rs. 45,040,320/-
Percentage	1.21%	1.21%

18.07.2014 The representative of AG Punjab stated that reconciliation of Accounts was required in case of above item.

The Department explained that accounts had been reconciled and relevant record for the purpose was also available. It was further stated that there was minor saving against various sub-heads whereas excess expenditure against the sub-heads A012 and A04 was due to promotion of employees and wrong booking by the office of AG Punjab.

The Committee **conditionally settled the item** with the directions that excess expenditure should be got regularized by the Finance Department.

AUDIT PARAS (COMMERCIAL) FOR THE YEAR 2009-10

1. Para No.60 Page 72 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained that provisional accounts had already been produced to Audit but the audited accounts were submitted later on receipt of accounts from Chartered Accountants. Hence, double audit of accounts was being conducted.

The Committee **kept the para pending** with the directions that responsibility should be fixed for late submission of accounts under intimation to the PAC within 30 days.

2. Para No.61 Pages 72 & 73 of Audit Report for the year 2009-10, Irregular expenditure on account of repair and maintenance of building - Rs.1.892 million

18.07.2014 The Department explained that a probe had been conducted into the matter whereby it was concluded that splitting had been made to avoid tenders/sealed quotations.

The Director (Monitoring) Finance Department stated that violation of financial rules had been committed in the mater.

The Committee directed/recommended that expenditure should be got regularized by the Finance Department.

The **para was conditionally settled** subject to above directions.

3. Para No.62 Pages 73 & 74 of Audit Report for the year 2009-10, Non-transparent hiring of security services from M/s. Qurban Security Services (Pvt) Ltd.- Rs. 0.302 million

18.07.2014 The Department explained that as per decision of SDAC dated 17.12.2009, expenditure had been regularized by the Chairman TEVTA, being competent for the purpose, which had also been got verified by Audit.

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

**TOURISM
&
RESORT
DEVELOPMENT**

The paras were discussed in the meeting of PAC-II held on 18.07.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Pages 597 to 687 of Appropriation Accounts for the year 2009-10

04 Economic Affairs
047 Other Industries
0472 Subsidies
047202 Tourism

LQ4384 Tourism and Resort Development Department

Final Grant		Rs.14,394,000/-
Actual Expenditure		Rs.13,884,447/-
Saving	(-)	Rs. 509,553/-
Percentage		3.54%

18.07.2014 The Department explained that saving had occurred mainly under the sub-heads of pay & allowances due to posting & transfer of employees and non-posting of staff by the Services & General Administration Department.

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

2. Grant No. PC22036 (036) Development Pages 743 to 798 of Appropriation Accounts for the year 2009-10

04 Economic Affairs
047 Other Industries
0472 Subsidies
047202 Tourism

LE4218 Tourism

Final Grant		Rs.73,000,000/-
Actual Expenditure		Rs.27,547,799/-
Saving	(-)	Rs.45,452,201/-
Percentage		62.26%

18.07.2014 The Department explained that saving had occurred because funds for 'Beautification of Murree' had been released on 18.6.2010 which could not be utilized due to time constraints. Meanwhile, funds allocated for projects at Uch Sharif could not be utilized because project was not executed by the Government.

The Committee **kept the item pending** with the directions that matter regarding late release of funds should be thrashed out by the Finance Department under intimation to the PAC.

AUDIT PARAS (COMMERCIAL) FOR THE YEAR 2009-10

1. Para No.59 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

2. Para No.59.1 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained that main reason for the loss was payment of the claim amounting to Rs.21.177 million to M/s Redco Paksitan (Pvt.) Limited. It was added that TDCP had been converted into a profitable organization and it had earned a pretax profit of Rs.10.999 million during the financial year 2012-13.

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

3. Para No.59.2 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained that Chattar Bagh Resort was obtained on lease from Zila Council, Rawalpindi. However, on expiry of lease period in 2003, the lease agreement was not extended by Zila Council. Resultantly, TDCP filed a case in the court of Civil Judge, Rawalpindi who appointed an arbitrator to resolve the matter. The hearing of the case been completed but final decision was still awaited.

The **para was kept pending** with the directions that matter should be pursued vigorously.

4. Para No.59.3 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained that a sum of Rs.94.800 million had been allocated by the Government into the SDA of MD, TDCP, out of which bulk of funds had been utilized for intended purposes, resulting in saving of Rs.0.728 million only which was negligible and all these facts had been got verified by Audit.

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

5. Para No.59.4 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained that a sum of Rs.8.00 million had been utilized for publicity & promotion and Cholistan Jeep Rally. However, an amount of Rs.5.136 million, transferred from PLA into SDA, could not be utilized because no objective was

determined for utilization of this amount. Similarly, an amount of Rs.4.310 million also lapsed due to shortage of time.

The **para was kept pending** with the directions that matter should be reconciled with the Finance Department within 30 days.

6. Para No.59.5 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained that Adventure Express was meant to promote tourism and attract foreign tourists. However, during period under Audit observation, the tourism activities decreased considerably due to poor law and order situation specially in northern areas. It was added that revenue from Adventure Express had increased to Rs.10.616 million during the year 2012-13.

The Committee **settled the para** with the directions that private sector should also be encouraged to facilitate the visitors and tourism-friendly policies should be devised by the Corporation.

7. Para No.59.6 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained that tourism activities had suffered badly due to poor law & order situation in the northern areas due to which revenue from such activities had also decreased. Simultaneously, the expenses were increasing due to increase in salaries and utility charges. The Department added that tourism activities were not meant to earn profit, their main objective was to attract tourists and generate economic activity for local population.

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

8. Para No.59.7 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained that expenses had increased mainly due to enhancement of rent of buildings by the landlords.

The Committee **settled the para** with the directions/recommendations that efforts should be made to shift the offices in self-owned buildings of the Department.

9. Para No.59.8 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained that running expenses had increased due to hike in POL prices and insurance of vehicles. Moreover, payment of Rs.854,800/- had to

be made as compensation to the effectee of a road accident in view of the court orders and all the relevant record had been got verified by Audit.

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

10. Para No.59.9 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained the PC-I of Chairlift and Cable Car System at Fort Monroe had been approved and funds had also been allocated for acquisition of land. Meanwhile, study report and cost estimates were being reviewed by the consultants for execution of scheme.

The Committee **conditionally settled the para** with the directions/recommendations that scheme should be completed at the earliest under report to the PAC.

11. Para No.59.10 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained that main reason for the loss was payment of the claim amounting to Rs.21.177 million to M/s Redco Paksitan (Pvt.) Limited. It was added that TDCP had been converted into a profitable organization and it had earned a pretax profit of Rs.10.999 million during the financial year 2012-13.

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

12. Para No.59.11 Pages 68 to 71 of Audit Report for the year 2009-10, Working Results

18.07.2014 The Department explained that annual audited accounts had been prepared and got verified by Audit after slight delay.

The Committee **settled the para** with the directions that accounts should be timely submitted in future.

TRANSPORT

The paras were discussed in the meeting of PAC-II held on 18.07.2014.

Appropriation Accounts for the year 2009-2010

1. Grant No. PC21010/PC24010 (010) General Administration Page 573 of Appropriation Accounts for the year 2009-10

04 Economic Affairs
045 Construction & Transport
0452 Road Transport
045201 Administration

LQ4088 Transport Department

Final Grant	Rs.527,525,000/-
Actual Expenditure	Rs.169,589,558/-
Saving	Rs.357,935,442/-
Percentage	67.85%

18.07.2014 The Department explained that saving had occurred mainly due to several posts lying vacant whereas excess expenditure against the sub-head A012 was due to grant of ad-hoc relief allowance by the government.

The Committee **settled the item** with the directions/recommendations that excess expenditure should be got regularized by the Finance Department.

2. Grant No. PC22036 (036) Development Page 574 of Appropriation Accounts for the year 2009-10

04 Economic Affairs
045 Construction & Transport
0457 Construction and Works
045720 Others

LE4331 Others

Final Grant	Rs.60,240,000/-
Actual Expenditure	Rs.60,240,000/-
Excess/Saving	<i>Nil</i>
Percentage	0.00%

18.07.2014 The Department explained that all the allocated funds had been fully utilized.

The **item was accordingly settled.**

AUDIT PARAS (REVENUE RECEIPTS) FOR THE YEAR 2009-10

1. **Para No.4.1 Pages 72 & 75 of Audit Report for the year 2009-10, Non-realization of route permits renewal fee – Rs. 774,300/-**
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- 4.1.1 DRTA, Bahawalpur – Rs. 201,950/-**
4.1.2 DRTA, Attock – Rs. 39,950/-
4.1.3 DRTA, Rahim Yar Khan – Rs. 174,000/-
4.1.4 DRTA, Jhang – Rs. 98,800/-
4.1.5 DRTA, Jhelum – Rs. 68,600/-
4.1.6 DRTA, Vehari – Rs. 105,750/-
4.1.7 DRTA, Toba take singh – Rs. 85,250/-

18.07.2014 The Department explained that total outstanding amount had been recovered which had also been got verified by Audit.

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

2. **Para No.4.2 Pages 73 & 75 of Audit Report for the year 2009-10, Non-realization of renewal fee from bus stands – Rs. 634,500/-**
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- 4.2.1 DRTA, Bahawalpur – Rs. 50,000/-**
4.2.2 DRTA, Rahim Yar Khan – Rs. 78,000/-
4.2.3 DRTA, Jhang – Rs. 355,000/-
4.2.4 DRTA, Jhelum – Rs. 87,000/-

18.07.2014 The Department explained that total outstanding amount had been recovered which had also been got verified by Audit.

On the recommendations of Audit, the paras were settled.

- 4.2.5 DRTA, Vehari – Rs. 64,500/-**

18.07.2014 The Department explained that an amount of Rs.33,000/- had been recovered whereas balance amount was not due because renewal fee was not applicable in relevant cases.

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

3. Para No.4.3 Pages 73 & 74 of Audit Report for the year 2009-10, Non-realization of renewal fee from goods forwarding agencies – Rs. 28.250 million

18.07.2014 The Department explained that Audit had not pointed out specific particulars of public carriers and therefore, recovery was not justified.

The Committee was not satisfied with the explanation of the Department and directed/recommended that strenuous efforts should be made for recovery of outstanding dues under intimation to the PAC within 30 days.

The para was kept pending.